

Case Studies

Reorganizing Processes and People Lockheed Martin Corporate Shared Services

Consistent Messages and an Effective Infrastructure Help Drive Change

In 2000, Lockheed Martin, the world's largest defense contractor, created a new division: Corporate Shared Services (CSS). Championed with the daunting task of centralizing, consolidating and integrating thousands of legacy processes, people and systems from 17 original heritage companies, CSS quickly had to help employees - and internal customers - align their businesses to drive new services, greater efficiency and cost reductions.

Compounding this challenge was the painful, but simple fact that both within the new organization and in the Lines of Business (LOBs), many jobs were being eliminated - duplicative departments and redundant functions existed within the Human Resources, Finance, Procurement and Environment, and Safety & Health organizations. Efficiency for Lockheed Martin meant reorganizing jobs and changing the lines of business - issues that caused resistance and even hostility towards Corporate Shared Services' goals and objectives.

By working with CSS leaders from the beginning, L.M. Dulye & Co. helped create, deliver and reinforce clear consistent messages to build a strong brand identity for this new organization. We built an in-depth centralized communications process around these key messages and coached leaders and managers how to communicate CSS goals with their direct reports. The message: CSS will ultimately bring Lockheed Martin better services, better efficiency, lower costs and a stronger Corporation.

Creating an Identity: The Power of e

Because technology was driving much of the new capability and efficiency, we started by creating a theme for the organization: **Shared Services. The Power of e**. The "e" took on triple meaning: Electronic technology, Employees and Excellence. This "branding" helped reinforce that as all parts of the Corporation came onto common, state-of-the-art platforms, the processes would offer increased speed and capability at lower overhead costs. Another key part of this brand promise was to leverage the power of the people. We helped position CSS employees as dedicated experts working to improve processes and better serve their customers - simply put, they were working everyday to "drive Excellence."

To deliver the key messages and give life to the theme, we designed a lean but highly-effective communications infrastructure:

- **Newsletter.** We developed a monthly electronic newsletter to provide employees with a common location to get news, updates and information about the new organization and the issues impacting their sites.
- **Web Process.** We developed an intranet portal strategy that united and integrated the large number of pages and sites from the legacy systems and organizations. This approach quickly provided the capability to push news and consistent information without re-creating functionality or dismantling effective tools.
- **Key Manager Meeting.** We organized a meeting of the top 150 managers within the new organization to communicate new direction, strategy, goals, objectives and policies. The agenda included opportunities for participants to develop a sense of community, and all participants left with a communications packet to help them carry the key messages to their own teams. On a five-point scale (5 = best), participants rated the meeting content 4.53 for credibility, 4.42 for relevance and 4.57 for presentation - key success factors.
- **Face-to-Face Forums.** Delivering tough messages of consolidation, job elimination and change is never easy, but they are best delivered in person. We organized a series of forums at various sites to facilitate dialogue and enable leaders to explain direction and answer employee questions and concerns. On a five-point scale (5 = best), participants at the largest facility (and one facing layoffs) rated the meeting content 3.96 for credibility and 3.74 for helping be more informed about CSS - key success factors.

- **Video.** We produced a five-minute video, titled "Shared Services: The Power of e," to help position the organization and its value to mass audiences (both inside and outside CSS). The video was introduced at the key manager meeting and copies were given to all participants to share with their teams.

Countering the Skeptics: Customer Communication

Selling the concept of this new organization was equally difficult to the Lines of Businesses - CSS's internal customers. But we quickly established a regular communication from the CSS Executive Vice President to leaders and senior managers within each LOB to give quick news and updates, reinforce key messages, as well as solicit feedback. We also positioned the video as a tool to help CSS leaders directly discuss challenges and opportunities with LOB leaders.

As a result of this strategic effort, CSS employees and managers quickly understood the rationale for the new organization, its strategy and how they and their function played a role in its success. Feedback from the forums was extremely positive, with many employees expressing gratitude for the opportunity to interact directly with leaders and receive timely and honest answers in a face-to-face environment. Participants said the new leadership communications channels provided the insight and consistent messages required to align their teams and achieve business objectives. An internal customer survey of CSS communication achieved ratings of strong ratings for quality in products and services, resulting in increases in business knowledge.

By creating the infrastructure and capability to deliver focused, clear and consistent messages across Lockheed Martin, and by creating a hands-on plan for getting employees and leaders on-board with the changes CSS would bring, today CSS is already saving the Corporation millions of dollars in overhead. Employees also understand and recognize how CSS fits into their daily work.