



An Invitation to Strengthen our Affordability Thinking Skills...

Who:

Leaders and their employees



What:

Engage employees on the Affordability Initiatives and strengthen our affordability thinking skills.

When:

Staff Meetings and Leadership Meetings

Why is this so important?

To strengthen our affordability thinking skills by infusing the behaviors which drive affordability. This will provide a venue for sharing ideas.

How will we accomplish this?

Through a blended learning approach of videos, discussions, case studies and examples as they arise in current events. Communicate and cultivate a world of affordability thinking skills at Lockheed Martin.



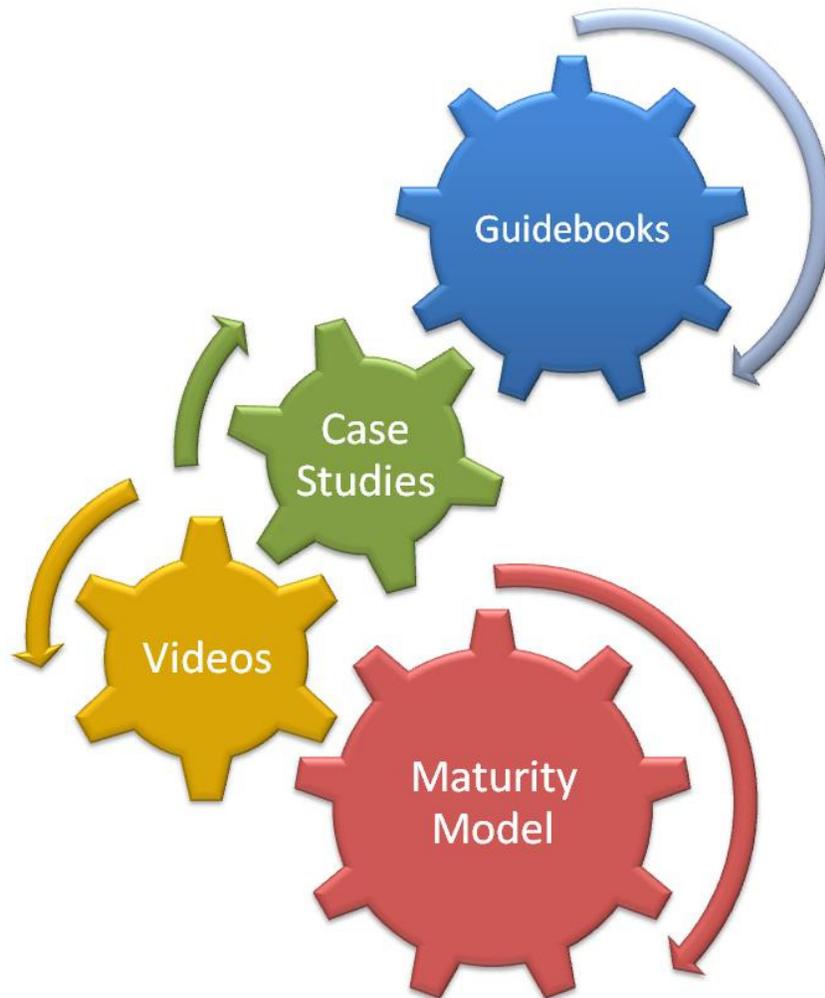
Affordability Thinking Focus Areas

- » Leadership
- » Value Engineering
- » Lifecycle
- » Innovation
- » Customer Focus
- » Lean Thinking
- » Cost

What is included...

The Affordability Thinking Maturity Model (ATMM) consists of the components below. Together these components are used to address the dimensions of Affordability and create discussion.

Affordability Thinking Maturity Model Components



**Affordability Thinking Maturity Model
(ATMM)**

Getting Started...

4 Steps to strengthen our Affordability Thinking Skills

1. **Set the Stage**...View the Affordability Thinking Overview video with your team. The video reviews Affordability and the components of the Affordability Thinking Maturity Model (ATMM).
2. **Review** ...Demonstrate how the Affordability Thinking Maturity Model works with your team. Click through the dimensions and levels of behaviors for each.
3. **Create Discussion**...View each video corresponding to an area of the Maturity Model. (1 per staff meeting is suggested) Use the workbook as a guide. Each ATMM video is 3 minutes or less, and includes a brief explanation of the area, an example of how it is applied, and concludes with three summary points for teams to discuss.

After viewing each video and completing a team discussion, be sure you the members of your team take credit in MyLearning for each component. The course code is provided on each workbook page.

4. **Keep the Conversation Going**...Flow up and down affordability thinking initiatives that align with the maturity model focus areas and create a forum for affordability thinking discussions. Set aside 10 minutes in your staff meetings to engage the team.

Sample Worksheet

Using this Guidebook

This is a sample worksheet. Key points from each Affordability Thinking video are provided for each behavior. Use these to create discussion with the team. Remember to:

- Review each video, beginning with the Overview
- Review the Maturity Model
- Discuss opportunities for Affordability in your organization

Discussion Starters: We have provided some questions to get the conversation going. Example:

- What does affordability mean to you?
- How do we continue to focus on our customer's needs while thinking affordably?
- How do we reach across LMC to tap into our affordability expertise?

How does this tie back to what they are doing in our daily job? Example:

- How can we improve on our program?
- Opportunities to pursue?
- Weaknesses we can improve?

Additional Topics for Discussion in a future meeting: Example:

- Engaging our customer's on Affordability
- Case Study on affordability Tom sent to team
- Opportunities we have to engage our subcontractors on affordability

Follow-up: Example:

Flow Up ↑

Flow Down ↓

√ John's question on developing a program innovation database

Overview

(Course Code 067045SSM00)

Opportunities to discuss Affordable Thinking

Affordability will allow us to provide our customers with a good value solution that meets their needs and stays within their budget. Key points to remember:

- *Provide innovative quality solutions. It is more than just cutting costs*
- *Think proactively about alternatives*
- *Understand what's valuable to the customer and put their needs first*

Discussion Starters:

- How do we get involved early in the lifecycle?*
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-

How does this tie back to what we are doing in our daily job?

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Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Cost

(Course Code 067052SSM00)

Opportunities to discuss Affordable Thinking

Should we look at cost as an opportunity to be innovative and affordable? Understanding cost drivers and the domino effect on the bottom line is critical to being more affordable. Key points to remember:

- *Strategically understands the customer perspectives and needs*
- *Treat cost as a requirement and understand the customer's tolerance*
- *Take a proactive stance in demanding improvement; hold team accountable*

Discussion Starters:

- How do you look at a cost challenge as an opportunity?*
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How does this tie back to what we are doing in our daily job?

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Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Lean Thinking

(Course Code 067051SSM00)

Opportunities to discuss Affordable Thinking

Lean Thinking is an approach that tries to eliminate any step, process, or formality that doesn't add value to the end product. In the end, it's about a better way to do business. Key points to remember:

- *Define the affordability objective*
- *Pull together the toolkit; Define the tools you have and what you need*
- *Tap into the network for feedback and share your results*

Discussion Starters:

- How do we leverage LM21 when we have an affordability challenge?*
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-

How does this tie back to what we are doing in our daily job?

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Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

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Leadership

(Course Code 067046SSM00)

Opportunities to discuss Affordable Thinking

Leaders take into account not just individual interests, but the purpose and abilities of the team as a whole. Ask the right questions and know the mission. Key points to remember:

- *Start with what works and execute*
- *Understand the mission at hand*
- *Consistent communication with your team and across the enterprise*

Discussion Starters:

- How do we engage other disciplines across LMC?*
-
-

How does this tie back to what we are doing in our daily job?

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Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Customer Focus (Course Code 067048SSM00)

Opportunities to discuss Affordable Thinking

In the end, the customer's problem is our problem. Open lines of communication and developing an environment of trust is critical.

Key points to remember:

- *Understand the trade space and the customer mission*
- *Be flexible; don't rush to a solution, keep the options open*
- *Communicate and develop an environment of trust with the customer*

Discussion Starters:

- How do we engage the customer early on?*
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How does this tie back to what we are doing in our daily job?

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Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Innovation

(Course Code 067047SSM00)

Opportunities to discuss Affordable Thinking

How do you think outside the box? Expand the solution space and look for more than one solution. Consider thinking about the problem from a different perspective...upside down or backwards. Key points to remember:

- *Look for and expand the trade space*
- *Stay connected and approach their needs with effective solutions*
- *Understand cost as it applies to the alternatives, not just a single solution*

Discussion Starters:

- How do we reach across the enterprise to other disciplines in order to develop an innovative solution for our customer?*
- b.
- c.

How does this tie back to what we are doing in our daily job?

- a.
- b.
- c.

Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Lifecycle

(Course Code 067050SSM00)

Opportunities to discuss Affordable Thinking

How do we strike the appropriate balance between design and cost for the lifecycle of a product? Key points to remember:

- *Address the problem upfront or the cost will exponentially grow*
- *Design for flexibility*
- *Focus on entire lifecycle costs not just acquisition costs*

Discussion Starters:

a. *What are the top cost drivers on our program?*

b.

c.

How does this tie back to what we are doing in our daily job?

a.

b.

c.

Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Value Engineering

(Course Code 067049SSM00)

Opportunities to discuss Affordable Thinking

What is the customer really asking for? We do we assess the quality as well as the cost of a product or service? How do we use value engineering to create a more affordable solution? Key points to remember:

- *Put yourself in the customer's shoes and define what they really want*
- *Understand the domain and the mission*
- *Reach across Lockheed Martin and customer base to find the experts*

Discussion Starters:

- How do we leverage new technology to create an affordable solution?*
- b.
- c.

How does this tie back to what we are doing in our daily job?

- a.
- b.
- c.

Additional Topics for Discussion in a future meeting:

Follow-up:

Flow Up ↑

Flow Down ↓

Using the Model...

5 Steps for using the Interactive Maturity Model

✓ when complete

- ___ 1. Leaders should familiarize themselves with the ATMM, it's functionality, the levels of maturity, and the measures for each level.
- ___ 2. Review the ATMM (with videos) with employees during a staff meeting and encourage an employee self-assessment.
- ___ 3. Employees who complete their assessment are urged to discuss their results with their Leaders. This is a good opportunity to create a discussion on their growth and learning opportunities. This can be done at performance assessment/career discussion time or periodically to address development needs.
- ___ 4. Leaders should schedule time with each employee (optional if employee declines) and review the self-assessment and provide constructive feedback. Discuss with employees how they can develop their affordability skills highlighted in the maturity model.
- ___ 5. Based on 1.) the joint assessment, 2.) growth opportunities established during discussions, and 3.) possible funding, employees should use learning opportunities to develop skills in areas identified.

...Keep the Conversation Going

Suggestions:

Set aside 10 minutes for continued discussions in your staff meetings relating to affordability initiatives in your business areas. There are activities that occur in our world, in our country, and in our company that are good examples to discuss. Use the *Next Steps* chart provided (page 14) as a guide for future discussions. Flow key discussion topics up in your leadership meetings and flow down Leadership feedback to the team.

To engage the team we suggest the following:

- Ask that employees come in with examples of affordability challenges (e.g., articles, world events, etc.) that can be discussed with the team.
- Capture events occurring locally and discuss them and how they align with the business area vision.
- Refer to historical events. Discuss lessons learned. Discuss risks and opportunities. Encourage discussion on how these items map to a successful affordability plan.

Next Steps...

Focus Area	Additional Affordability Initiatives to discuss	Feedback/Ideas to flow up/down
Cost		
Lean Thinking		
Leadership		
Customer Focus		
Innovation		
Lifecycle		
Value Engineering		