

How Lockheed Martin Connected IT Services to the Bottom Line



BUSINESS SITUATION

Lockheed Martin Corporation is one of the world's leading technology companies, engaged in the research, design, development, manufacture and integration of advanced systems, products and services. Nearly 80 percent of its work is with the U.S. Department of Defense and other federal agencies—a rapidly changing business environment. And because of that, Lockheed Martin officials knew they would have to make sure their information technology specialists—the Enterprise Information Services (EIS) division—understood the terms and concepts of business and business finance as future projects arise.

Specifically, Lockheed Martin wanted its EIS employees to understand how management decisions affect the bottom line, identify the components used to determine the cost and rates charged to EIS customers and recognize the overall relationship between the financial results of individual EIS units.

ACTION

Since its creation, EIS had surpassed initial efficiency goals—achieving in two years what was projected to take five. It had built an infrastructure of connectivity, reliability, security and consistency. The next step was financial acuity—a challenge under any circumstance.

Lockheed Martin developed a comprehensive training program called “Financial Connections,” a two-day crash course on the basics of corporate finance. The centerpiece of the course is a customized program called *Zodiak®: The Game of Business Finance and Strategy*. EIS employees participate in this financial simulation for a day, during which they are immersed in the kinds of situations their

bosses face every day. The game allows them to come face to face with business and finance challenges and experience the rules of business rather than just hear about them. On the second day of the program, participants are able to use their newfound knowledge to better understand and discuss how EIS handles finances within Lockheed Martin.

RESULTS

The program has proved to be extremely popular. Originally designed for EIS managers, it has expanded to include all types of EIS professionals—programmers, analysts and administrative personnel. In fact, EIS finance professionals have gone through the program to create a common “jargon” used among the departments. Said one participant: “It’s a lot easier to understand what your company wants when you speak the same language.”

Lockheed Martin spokesman Edwin Mourino said the program was an easy way to help financial novices obtain a baseline knowledge and to help managers make better decisions on behalf of the corporation. “Stereotypically, finance can be rather boring to teach and difficult to place in your daily responsibilities,” he said. “But we found *Zodiak* to be an interactive, informative and delightfully nontraditional way to achieve our goals. We spend a lot of time training our staff on the IT aspects of their jobs, but what we have experienced on some of our projects is that by broadening their perspectives, they become more value-added contributors.”



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