

MISSION SUCCESS[®]

BULLETIN

October 1, 1999

Michoud passes ISO 9001 test

The long road to achieve ISO 9001 success finally paid off as a team of five British Standards Institution auditors recommended Michoud Space Systems for registration in late September.

The BSI auditors turned Michoud's policies, procedures and practices upside down for four days combing through mountains of records and computer documents and interviewing dozens of employees about how they did their jobs, if they had proper certification and could they find the proper documentation for their work.

"The auditors gave our systems and processes a real good scrubbing," **Dennis Deel**, Michoud Space Systems President, said. "And we came out just fine. This shows our employees' commitment to Mission Success in everything we do."

Overall, the auditors said they found a mature, knowledgeable workforce that is attentive to quality workmanship.

One auditor related a story about finding a document that detailed a non-conformance on a panel. He looked it up in the computer and tracked the panel to a certain warehouse. Then he went to the warehouse to see if the panel was really there. It was and appropriately tagged. That's the way things should be, the auditor said.

All this year the ISO Implementation Team had hammered away at three main themes: document the work that we do, perform the work according to

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Pictured immediately following the British Standards Institution audit team's announcement are, from left, External Tank Project Vice President Terry Hibbard, senior management representative for the ISO Implementation Team Feltus Kennedy and BSI lead auditor John Rogers.

Corporate restructuring announced

Lockheed Martin announced a restructuring plan effective October 1 with the objective of making the Corporation the world's best integrator of complex systems for its aerospace, defense and technology services businesses.

The plan centers around organizing core aerospace, defense and technology services to ensure a primary focus on customer satisfaction and Mission Success for U.S. and international government customers that account for 90 percent of annual sales.

"When we make total customer satisfaction our top priority, superior performance – including positive financial results – follows

as a result. It's time to refocus on that top priority," said **Vance Coffman**, Lockheed Martin Chairman and Chief Executive Officer.

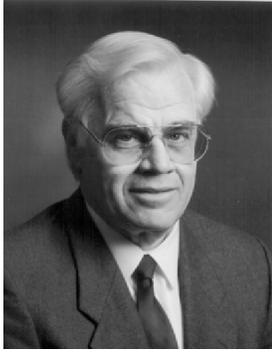
Michoud Space Systems is generally unaffected by the restructuring, but will join Astronautics, Missiles & Space and International Launch Services in a business area called Space Systems headed by **Al Smith**, executive vice president.

For complete information on the restructuring plan, go to www.gumbo.maf.nasa.gov/lmmss.htm

The restructuring plan calls for flattening the company, repositioning several high-growth

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Safety: Make it a basic personal philosophy



*This issue's article on safety is by **Hugh Farabaugh**, Director of Human Resources*

All employees should take pride in the excellent record of the Michoud Space Systems Safety Program. Our Safety Program is healthy and scores extremely well when measured against standard industrial matrices.

However, like Mission Success, the only acceptable goal for safety is perfection. To achieve perfection, each and every employee must develop a strong safety philosophy. The philosophy should be defined in our basic personal values in order that it become second nature to us.

The basic fundamentals of our approach to a perfect safety program should be:

1) **All accidents are preventable**,

and 2) **Every employee is responsible for preventing accidents.**

Experience tells us that 96% of all accidents are caused by unsafe acts while the remaining 4% result from unsafe conditions.

Consequently, to strive for perfection, each of us should examine our daily work activity to assure that we, and those around us, are functioning in an absolutely safe manner, that the tools and equipment we use are in good working order and that the environment in which we work does not present a safety hazard.

Experience further tells us that for every serious accident, either injury or damage, there are many more unsafe acts or conditions. How many times have we said, "I was lucky that time." These situations are referred to as "near misses." This phenomenon is known as the iceberg concept. Serious reportable incidents are the tip of the iceberg, which is seen above the water line, while the "near misses" make up the large mass of ice unseen under the water

that supports the tip.

To eliminate the tip of the iceberg or the serious safety incidents, the base of the iceberg or the "near misses" must be eliminated.

The elimination of the "near misses" is the responsibility of every Michoud employee. This is done through:

- developing a safety awareness
- following rules and procedures
- advising responsible individuals where rules and procedures are insufficient
- using equipment properly
- advising supervision when equipment is inadequate or damaged
- using appropriate personal protective equipment and
- maintaining work areas in a neat and orderly manner.

Our goal for a perfect safety program at work should also carry over to all other aspects of our lives. Accidents hurt regardless of where and how they happen. The same precautions we use and attention given to safety at work should also be used going to or from work and at home.

Restructuring reorganizes sectors

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businesses and evaluating the divestiture of some non-core businesses.

By flattening the organization, Lockheed Martin is consolidating 27 lines of business into 17. This will help the company speak with one voice to customers and Congress. A streamlined organization is also able to focus one culture more clearly on teamwork.

The company is also looking to maximize the value of three business units involved in commercial information technologies and state and local government services by exploring potential joint ventures, strategic partnerships or access to public equity markets. These businesses have high-growth potential, but

are distinct from the Corporation's core businesses.

Several businesses such as Aerospace Electronics and Environmental Management, among others, will be candidates for divestiture because they do not fit with the company's strategic focus on systems integration to support core customers. The divestiture evaluation process will take six to nine months, and the proceeds from any divestiture will be used to pay down debt.

"Lockheed Martin has outstanding capabilities and outstanding people," Coffman said. Both now and in the future "we want to be the company our nation and its allies trust most to integrate their largest, most complex, most important, advanced-technology systems."

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that documentation and prove that we did the work by maintaining records.



"I'd really like to thank all the employees," said **Feltus Kennedy**, senior management representative for the ISO Implementation Team. "Everybody worked hard the past nine months. However, this is not a one-time deal. It's a continuing process because now that we are recommended for registration, we have to maintain our registration through periodic recertification audits."

Team's report calls for renewed focus on Mission Success

Michoud Space Systems is currently in the process of implementing the recommendations of the Independent Assessment Team on Mission Success, a panel of experts formed to review program management, engineering and manufacturing processes, and quality control procedures within its Space Systems business area.

The Corporation announced the establishment of the team in May, and in July team members made a fact-finding visit to Michoud. Other companies on the team's itinerary were Lockheed Martin Astronautics (Denver, CO) and Lockheed Martin Missiles & Space (Sunnyvale, CA).

"Nothing is more important to us than to continue to deliver the 100 percent Mission Success that our customers expect and our astronauts deserve..."

— David Schwartz
Director, Mission Success

Following these visits, the team presented its findings and recommendations to the Corporation's senior management on August 30. Company response is planned for early October.

"To sum up months of work, we found problems in accountability, quality, subcontract/supplier management and cost emphasis," said **A. Thomas Young**, the former President and Chief Operating Officer of Martin Marietta Corp. who chaired the panel. "We also found enormous fundamental technical strengths throughout ... in that the people are highly capable and dedicated and the new leadership team is off to a positive start."

Michoud Space Systems President **Dennis Deel** stated in a letter distributed to all employees on September 8: "I am pleased to report that the team, led by Tom Young, favorably observed that

'Michoud Space Systems is effectively meeting (our) mission success responsibilities.'"

The recommendations in the report focused on the Titan IV program at Astronautics and on a set of "systemic" recommendations for strengthening Mission Success that apply equally to all Lockheed Martin companies.

The systemic recommendations are:

- strengthen functional management accountability for critical processes
- improve senior management oversight
- revitalize the accountability of engineers for hardware and software in their areas of responsibility
- rigorous implementation of "test as you fly, fly as you test"
- ensure independent verification of processes
- enhance workforce quality — training, mentoring, succession planning, utilization of skills of qualified retirees to support critical events
- improve management of subcontractors and suppliers and
- formulate and communicate a policy on proper implementation of "better-faster-cheaper."

"We are now formulating a detailed plan for implementing these recommendations here at Michoud," said **David Schwartz**, Mission Success Director for Michoud Space Systems. "Measures we are taking include communication to underscore Mission Success as a *Value* and a *Function*, guidelines to properly balance Mission Success and cost requirements and a revision to the Mission Success policy GEN-00-M4 to highlight necessary procedures that ensure no human failure by a single individual can cause mission failure."

"As was stated by Gen. **Thomas Moorman, Jr.**, the review team's vice-chairman, this is a 'one strike and you're out business,'" said Schwartz. "Nothing is more important to us than to continue to deliver

the 100 percent Mission Success that our customers expect and our astronauts deserve, and acting positively on these recommendations will help us maintain that success."

Michoud Space Systems' Mission Success policy spells out the company's approach to Mission Success as both a value and as a function, and is located at:

<http://policy.global.lmco.com/p3/manned/cp/gen00m4.html>

The Independent Assessment Team's executive summary is available on the Internet at Lockheed Martin's home page, <http://www.lmco.com/news/index.htm>

Director named for Management Information Systems



Karen M. Weldon

Lockheed Martin Michoud Space Systems has named **Karen M. Weldon** director, Management Information Systems.

Weldon will oversee the management and administration of all computer applications and networks for Lockheed Martin at the NASA Michoud Assembly Facility in New Orleans.

She started her career as a programmer with the General Electric Company in 1968 and subsequently served in several managerial positions. Weldon joined Lockheed Martin in 1993 as a result of corporate mergers. Most recently she was director of Technical Operations for Lockheed Martin Information Support Services in New Orleans.

A native of Ballston Spa, New York, Weldon holds both a bachelor's and a master's degree in mathematics from State University of New York at Albany.

Employee surveys due by October 15

By now, all employees should have received their Employee Survey packets. To foster a setting in which all employees can contribute their best, the Corporation has to continuously evaluate its current state.

"This is the chance for every employee to grade our company and Corporation on the kind of working environment they maintain," said **Stuart Stine**, Michoud Space Systems' ethics officer. "This feedback from us will guide the Corporation's future approach to a variety of employee-related issues."

This is the third such survey to be conducted, and it includes a broad range of questions relating to all six Lockheed Martin values: Ethics, Excellence, Can-Do, Integrity, People and Teamwork.



The Ethics Resource Center (ERC) of Washington, D.C. is

independently conducting the survey for Lockheed Martin. It is important to note that all individual survey responses will be confidential

— the ERC will collect and summarize the responses in a manner that guarantees complete anonymity. Employees are not asked to identify themselves.

Completed surveys must be received by the ERC by October 15 to be included in the total tabulation. The survey results will be shared with all employees in the January 2000 issue of Lockheed Martin *TODAY*.

Changes made to Scholarship Program

The Lockheed Martin Corporation Foundation has made changes to its scholarship program for the children of company employees. The changes will not affect seniors graduating in spring 2000, for whom the selection process is already underway under previous guidelines.

Seniors who took the PSAT in the fall of their junior year and submitted an entry form before February of this year—and whose PSAT/NMSQT scores are high enough to qualify them as scholarship candidates—will be contacted by their school principals and the National Merit Scholarship Corporation (NMSC) between September 15 and December 15.

They will be asked to complete a more comprehensive Merit Semifinalist Application that will move them to the next phase in the selection process.

High school juniors who expect to graduate in the spring of 2001 must take the PSAT/NMSQT on the date their school has selected—either Tuesday, October 12 or Saturday, October 16, 1999. They do not have to submit a Lockheed Martin entry form as juniors.

Students whose junior-year PSAT scores qualify them to move into the next phase of the selection process will be asked by their school principals and the NMSC *in September of their senior year* to submit a Merit Semifinalist Application—on which they will include the names of their parents' (and/or step parents') employers.

This step identifies student finalists for the Lockheed Martin-sponsored awards.

Any student who is not asked to submit a senior-year Merit Semifinalist Application is not in contention for the scholarship.

For complete information about the Lockheed Martin Corporation Foundation Scholarship Program, visit <http://www.lmco.com/about/philanthropy.htm>

New tuition reimbursement process to start

Starting November 1, tuition reimbursements for Michoud Space Systems employees taking college courses will be administered by the Education and Family Services Center in Clearwater, Florida. The E&FS Center can be reached at 1-800-381-8848.

The current, local reimbursement process will continue to apply for all applications for study under company auspices that are approved before November 1. Participants will submit all subsequent applications directly to the E&FS Center, using the new form that will be available on the Lockheed Martin Corporate home page.

Forms and instructions will also be available through Human Resources' Development & Training (Mail Stop 3088) or through department secretaries.

A memo with additional information and process instructions will be mailed directly to current program participants.

Fall Fest set for October 16

Fall Fest 1999 is gearing up to provide Lockheed Martin employees and their families with the best event yet. The annual festival will be held on October 16 in Fontainebleau State Park near Lacombe.

All the familiar fun of Fall Fest will be back this year, and recent improvements to the park add new opportunities for enjoyment. Swimming in Lake Pontchartrain is now an attraction, weather permitting. "The park has built a new white sand beach extending 100 feet out into the lake and stretching the width of the grassy area," said **Russell Arthur**, Performance Enhancement.

Astronaut **Charles Camarda** plans to be on hand for the occasion, and live music will be provided by the ever-popular **Nobles**.

Hot dogs, barbeque beef-on-a-bun, soft drinks and bottled water will be free, with beer available for 50 cents a cup.

Kids can ride on 20 amusement park-style rides. Departments will be sponsoring 21 game booths and activities, including the kite-flying contest, pie eating contest, antique car show, and the "Flush-'em" booth (a new variation on the dunking booth).

A kaleidoscopic selection of creations will be on view at the crafts fair, and the "Reading is Fun" display will offer a wide selection of children's books.

Michoud Assembly Facility status information

To find out the status of work at MAF, call 257-1MAF or 1-800-611-3116; check the EWS; listen to WWL-870 radio or WWL-TV; or access the MAF Site Status web site at www.mafstatus.com



Time for flu shots

Health Services nurse Ruth Smith and Hugh Webb, Graphic Services, demonstrate the smart thing to do with flu season right around the corner.

Michoud employees sharpen skills through leadership development

Eleven Michoud Space Systems employees traveled to Bethesda, MD, for a Leadership Development Conference during August as part of the Engineering Leadership Development Program (ELDP).

ELDP is a 2-year developmental initiative being implemented throughout Lockheed Martin to prepare participants for future leadership roles. Recognized as an LM21 Best Practice, the ELDP is based on legacy programs such as GE's Edison Scholar Program.

Program components include technical training classes, annual conferences in Bethesda, course work toward an engineering master's degree and local job rotations.

Michoud employees participating in ELDP include **Esma Aldahir, Norma Bute, Hale Davidson, Alfred Donaldson, Sandra Jackson, Tom James, David McCrary, John Mischkot, J.B. Shelley, Jennifer Takeshita** and **Riki Takeshita**.

The main focus of the August conference was on working with others, whether on teams or as individuals. In keeping with this theme, the conference featured workshops on teamwork, leadership skills, workplace diversity, and effective communication. Other courses included a personalized workplace behavioral

assessment, an introduction to corporate finance, and a course and panel discussion on career development within the corporation.

One added benefit of the Bethesda conference was the opportunity to network with employees from other Lockheed Martin locations. ELDP and its companion programs in Finance, Human Resources, Operations, and Information Systems are currently offered at 24 corporation sites around the country, with participation to be extended to all business units over the next few years.

Peter Teets, President and COO of Lockheed Martin, discussed his vision for the future of the corporation, and took questions from the floor following his speech.

"The courses were interesting and educational," said Michoud ELDP participant Tom James. "Much of the material I had seen in bits and pieces elsewhere, but the conference tied the various parts together into a big picture. The individual topics of the conference complemented each other well — for instance, the behavior assessment offered a useful framework for knowing how to communicate effectively with team members."

MILESTONES

Employees celebrating milestone anniversaries with Lockheed Martin in August include:

35 years
Harold Dulaney

25 years
Janet Forest
Michael Herrmann
Robert Newton
David Willick

20 years
George Bruder
Joseph Garcia

15 years
Gilbert Atilano
Ray Bryant
Michael Fisher
Sudhir Gopinath
Rhonda Guarino
Kevin Ingoldsby
Todd Jennings
John Koptyra
Gregory Lain
Scott Lancaster
Kevin Lowe
Leon Morgan
Anthony Napolitano
Stephen Stefancik

10 years
Lea Cahill
Kevin Hale
Sybil Jolly

Company-sponsored Explorer Post needs students, adults

Wanted! Michoud employees and their children from 14-18 years of age to participate in the Michoud Space Systems-sponsored engineering Explorer Post 314.

Student members of the post will learn about engineering concepts while participating in design, assembly and competition for a moonbuggy contest sponsored by the Marshall Space Flight Center scheduled for April 2000.

Adults are needed to serve as post advisors.

Post meetings will be held on the first and third Thursday of each month.



Students and adults interested in more information may attend the Post 314 Firstnighter scheduled for 7 p.m. Thursday, October 7, in Room 101 of the UNO Engineering Building. Or please call **Gordon Dyer** at 7-2102 or **Wayne Gobert** at 7-1421.

Bonnie Roper
Cynthia Ward

5 years
Sheri Alvarez
Charles Anderson
Gordon Casanova
Roy Cusimano
Larry Davis
Kurt Drilling
Linda Eddy
Michael Fullagar
Daniel Guarino
Michael Hitt
Harry Kerlec
Joe Woods

Questions on Ethics?

To obtain clarification on ethical matters or to report possible wrongdoing, contact the Michoud Space Systems ethics officer, Stuart Stine, at 7-3842, or call the Corporate Office of Ethics and Business Conduct, 1-800-563-8442.

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Volume 18, Number 9
October 1, 1999

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Mission Success Bulletin is published
by the Public Affairs Department.