



## Feb. 27, 2020 Podcast Transcript

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**Announcer:** Welcome to HII Talking Points, a Huntington Ingalls Industries podcast. Twice a quarter, we'll sit down with HII leaders to discuss topics of interest in our company and industry.

**Phoebe Richards:** Hi, everyone, and welcome to another episode of HII Talking Points. I'm Phoebe Richards and today I'm talking with Cullen Glass, HII's director of enterprise transformation. Cullen, thank you for joining.

**Cullen Glass:** Hi, Phoebe. Thanks for having me today.

**Phoebe Richards:** So, as HII continues to transform, part of this transformation has to come from how we work together as an organization. In previous episodes, our listeners heard about transformation initiatives from the division presidents and Scott Stabler, HII's chief transformation officer. But, today I'd like to dive into the collaboration aspect of HII's transformation. So, let's get started. So, Cullen, you work in HII's enterprise transformation office with Scott Stabler. Can you tell me about what the office does and what your goals are?

**Cullen Glass:** Yeah. Absolutely. So, our office looks across the enterprise for transformation opportunities where we can take advantage of being HII. Where that one plus one plus one doesn't equal 3, it equals 10, 20, or 30. And so, we have three focus areas. One is the material value stream, IT digital, and advanced technologies. And in the enterprise material value stream, the teams are looking to identify opportunities for spend consolidation and process improvements in the supply chain.

In IT digital, we're looking at new digital tools that can be leveraged across the enterprise, such as robotic process automation, analytics. And then in advanced technologies, the teams are collaborating on additive manufacturing and process improvements as well. And our role in the enterprise transformation office was to initially stand up the structure for these teams across the enterprise to work together as well as lend expertise in areas we may not have looked at in the past.

It's also to ensure that the efforts are adding value and determining if we need additional focus areas or modify the scopes of those teams. And the great news is collaboration, it's happening much more organically coming out of the divisions as well. So, our goals for 2020, working with the teams and those focus areas, is to develop five-year maturity models and introducing new strategy deployment tools. Because when we start to look at where we want to be in five years, it's going to take disruptive technologies, for example, to really enable the maturity. And that's going to drive a lot of the collaboration because we can't there, in many cases, on our own. We need to collaborate within the divisions, to external benchmarking, et cetera.

**Phoebe Richards:** Nice. So, when you say take advantage of who we are as HII, what does that mean to you?

**Cullen Glass:** Yeah. So, this means leveraging our over 42,000 employees. I know we're 5,000 engineers - significant intellectual horsepower. We have two shipyards, and we want to take advantage of best practices that are occurring in one versus the other. Some great examples coming out of this, the enterprise material value stream focus area, is not only on the supplier spend negotiations, but also on the processes. So, we found a shipyard that was leveraging vending machines to disperse the personal protection equipment at Ingalls, and now we're deploying that in Newport News.

We're looking at ways to deploy non-skid material and best practices that are being leveraged there, as well as welding processes. So, there's quite a bit that's coming out just by having those teams look at opportunities and identify those best practices and enable it.

**Phoebe Richards:** So, there can be many levels of collaboration. I think about collaboration within a team to collaboration across a business, which it sounds like you're looking at. From your point of view, where do you hope to see collaboration taking place?

**Cullen Glass:** If I think we just back up and ask, "Why are we collaborating? Why do we want to do this?" -- it's all about solving problems. And it's all about how do we work safer, faster, more efficiently? How do we improve the employee experience? How do we deliver on our customer commitments? How do we ensure the shareholders are getting value on their investment?

And so, answer those questions and that's really what drives that collaboration. Again, it's looking at those common areas that we have that we can leverage, again, being that one HII.

**Phoebe Richards:** So, it sounds like you're looking bigger picture.

**Cullen Glass:** Absolutely. And I don't want to pigeonhole to say we should only collaborate in XY area, certainly. I think it's wherever there is that problem where we want to become safer, faster, better, that team should be focused on. Because there was some effort involved in the collaboration. So, certainly you want to make sure we're getting the value out of it and the teams are.

**Phoebe Richards:** Right. Exactly. So, you touched on this a little bit, but at HII, a governance model is set up to where we have three divisions that govern fairly independently. So, how does collaboration come into play with this model?

**Cullen Glass:** That's a great question. Our goal is to really move collaboration from tactical to strategic to cultural. And so, whether you have a very command-and-control driven governance or more an independent governance like we do, that's really the ultimate goal. The key is having teams that are willing to collaborate, and I think that the structure we have today is perfect for that type of environment where we're not forcing collaboration on folks, where it's really employees are seeing the value of it and bringing new ideas on how to collaborate. I think that's a much more healthy environment to really foster the collaboration and teamwork.

**Phoebe Richards:** What are some examples of collaborative work currently underway at HII?

**Cullen Glass:** We have a number of activities happening. And one of the areas that I'm really pleased about is the organic items that are coming up. For example, out of the IT digital stream, there's a number of community of practitioner-collaborative teams that have been stood up on their own around cloud analytics, RPAs for example. And those are just a group that said, "Hey, cloud is an area that we want to focus on across the divisions rather than trying to learn it on our own in one division, we can leverage the knowledge that we currently have within HII to really move significantly faster."

**Phoebe Richards:** So, you mentioned RPA, what does that stand for?

**Cullen Glass:** So, RPAs are robotic process automation, and it's a relatively new technology that's being deployed within an office environment where you want to automate manual, repeatable processes. And so, for example, if there's a transaction that's occurring and let's say HR, payroll, anywhere else that's really a black and white type of a situation, you can create a program that does that process. So, for example, training records. So, we had a process where we have an employee that looks at employee records that are past due on a training perspective and then manually will send an e-mail out.

Well, that's something that an RPA could be deployed where it's very black and white, employee's name, the due date on the training, today's date. And the bot can actually send off an e-mail. So, you can create bots within e-mail across the enterprise resource planning applications as well. And it's a tool that can free up employees from doing the kind of mundane tasks to more value-added tasks.

**Phoebe Richards:** And another example you gave was about analytics. What kind of analytics are you looking to collaborate on?

**Cullen Glass:** Lots of opportunity in the space. One of the ones that we're really excited about, and we've seen some good value in Newport News is around the welding. And looking at analytics around weld utilization. Everything is getting sensorized these days. You can put a sensor on pretty much anything to capture utilization, to capture different variables like heat, vibration, et cetera. And all of those, once you start to collect that data, you can start to make some conclusions on where you need to do, for example, more preventative maintenance or where you can look at best utilization of capital investments. That's a space that we've had some success within Newport News and want to really leverage going forward.

**Phoebe Richards:** So, you joined HII last summer. You bring a new perspective and experience from working at other companies. In your experience, how have other companies pursued collaboration as a way to transform their organizations? And are you seeing this across different industries? Or is it happening more so in certain pockets?

**Cullen Glass:** Yeah. It's happening everywhere. The opportunity and really what's exciting about it now is the pace of technology advances that are happening. If you just look at the number of new technologies, I mean, RPAs is one example that's really just been leveraged the last couple years. But, additive manufacturing, where their capabilities are becoming so much greater now with the size of the 3D printed products that are coming out and the fast turnaround times, et cetera. Those are really enabling technologies.

And as these are new technologies and new processes and new skillsets that are coming out of universities, if you don't collaborate with others whether within your own company or even benchmarking, you lose that opportunity. I'm seeing a lot of collaboration taking place in association. So, we're part of the association of manufacturing excellence, and collaborating and learning from those companies as far as how they're driving their businesses.

I mean, look, if you look at the S&P 500 and the turnover that's happening there, a lot of it is driven by disruptive new technologies. And if you're not collaborating and staying abreast of what's happening there, you lose opportunities.

**Phoebe Richards:** So, it sounds like collaboration can be within your own organization but across organizations as well.

**Cullen Glass:** Absolutely. There's a great story where a children's hospital in Akron, Ohio visited a foodbank and essentially they had a Lean background, and they had remodeled their hospital. Well, they took that mindset to the foodbank when they were volunteering, and they re-laid out their entire flow of food. As you know, a lot of food gets delivered towards the end of the expiration dates, and they were throwing out significant food. Well, after the nurses came in, they had their Lean background, and they collaborated with the organization there. They were able to take out over 90 days in the cycle time of that process.

**Phoebe Richards:** It sounds like you have to have an open mind. I mean, if I'm working for the foodbank and nurses come in from a hospital and try to tell me ways to improve my organization, there has to be some trust there.

**Cullen Glass:** Once the ball starts rolling on the collaboration, really, it's like a little snowball going down the hill. It just gets bigger and bigger. And I think we're starting to see that certainly pick up with the organic collaboration that's going on, and it's very exciting to see what's coming up next.

**Phoebe Richards:** Nice. And it sounds like some of it is adopting practices and models from others – taking something from an outside group and making it your own?

**Cullen Glass:** Absolutely. I think in some cases there can be this “not invented here” kind of syndrome that I've seen at other places, and once folks have that open mind to say, “Hey, there is potentially a better way to do things that's been proven out,” then that really can open up the door to get in that snowball effect and create the collaboration.

**Phoebe Richards:** Well, Cullen, thank you for sharing your thoughts and insights today, and thank you to our listeners for tuning in. We'll talk more about transformation in future episodes.

**Cullen Glass:** Thank you.

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**Announcer:** Thanks for listening to HII Talking Points. This podcast was produced by Huntington Ingalls Industries corporate communications team. We welcome your feedback and ideas for future podcasts at [www.huntingtoningalls.com/podcast](http://www.huntingtoningalls.com/podcast).

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