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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 HII Talking Points. I'm your host, Phoebe Richards. And with me for a special topic is HII president and CEO, Mike Petters. Mr. Petters, thank you for joining.

Mike Petters: It's great to be with you again, Phoebe.

Phoebe Richards: So in just a few days, HII will celebrate its 10 year anniversary. And while 10 years may not sound like a long time, the company has certainly transformed and overcome challenges in the last decade. Since you've been here since day one, I'd love to get your insight on where we've been and where you hope to see the business in 10, 20 and even 50 years into the future.

To start, you have served as HII's president and CEO since the company spun from Northrop Grumman in 2011. In this time, what major transformations have you seen throughout the company?

Mike Petters: Yeah, that's a great question. There are a lot of ways to answer that. And there's probably not any particular dimension that stands out above any of the others because it's been a full court press of development.

I would first point out that well over half of the people that are in the company today were not here 10 years ago. And I know that Bill (Ermatinger) and the HR team can give you an exact number, but I'm confident that it's only a minority of us that remembers what it was like to actually come out of a large company and really be slimmed down to the only thing we had going on in the business, of note at that time, was our two shipbuilding divisions.

And I think if you can think all the way back to where that was the only focus of the business in 2011, and you think about where we are today, pick any one of the stakeholders in the business.

Our employees, I always think of the employees first. I think we've completely transformed the relationships that we have in the company with each other and the relationship that the institution has with our most important investment that we make in our employees.

Whether it's health centers or focus on engagement and diversity and inclusion, the hiring that we've done, the training that we've done, pretty significant work that we've done relative to improving the value that we offer to our employees. And then helping our employees actually do more of their best work to support our company.

And I think that's been tested here in the last year in the pandemic. I think we've come through that as well as anybody could ever have guessed we might. We've done very well in terms of preserving our workforce and being prepared to move ahead.

Customers, our backlog now is higher than it's ever been in the history of our institution. That means our customers trust us with their most important work to go and take care of the stuff that we have to do so that we take care of their future.

Our suppliers, their trust in us, again, was tested in the pandemic. And we have absolutely shown our willingness to stand by our suppliers, and they've stood by us through this time. And so again, I think that 10 years of work in that area has shown up here in the last year of being pretty resilient for us.

The communities where we are. Clearly, we're the largest employer in two states with tremendous support from the states that we're in, in all the states that we're in. The investment that the states make and in our people and in our company have been tremendous. And we're providing value back to the states for doing that.

And then our shareholders. Our shareholders have done very well over the last 10 years. And we're very proud of that record. And we've done that the right way. And I think that's positioned us for if you like the last 10 years, just hang on. The next 10 years are going to be even better.

Phoebe Richards: Right. So you mentioned a lot of good improvements over the last 10 years. What do you attribute to HII's success thus far?

Mike Petters: Well, I guess I'm going to choose to believe that it is the investment in our people, and thus in our leadership. Our recognition that leadership is a craft. It's a skill. Our willingness to invest in that, to then align that leadership so that everyone in the organization is doing this on behalf of the organization.

None of us can do this by ourself. When I talk with our other stakeholders, sometimes I get a question about what is it that has HII stand apart from everyone else. And my answer is that in order to be successful in our organization, you have to put the institution first. You have to put the team first. And if you put the team first, then great things happen. If you're trying to do it for yourself, you might have some short-term benefit, but eventually that's going to not work out for you. And I think that is something that is in our DNA, and I think that's been why we've been so successful.

Phoebe Richards: So ups and downs. What major challenges do you see in the company's future?

Mike Petters: I think certainly the pandemic has been a catalytic event. Some people have said that technology and companies have taken the next, pick your timeframe, 10 years of technology and accelerated that so that we're going to see it all on the next 10 months. I think that spirit of innovation and creativity is going to be the driving issue for value in most companies going forward. I think we've done very well through the pandemic, but I think that's going to continue to be the challenge.

The idea that you have to get up, and you have to be running every day now because everybody else is running. I think that's a little bit more of where we are. And I think that the companies that understand that and work that way and approach it that way are going to do very well.

I do think that the number one way to create value in the company is to continue to improve engagement in the organization. So our focus on diversity and inclusion that started several years ago is going to serve us well in the future. We're seeing value today where we have more diverse work teams throughout the organization, and they are coming up with more and more creative and innovative solutions throughout the organization. My sense of that is that it's the small boulders off the top of the hill that will turn into an avalanche. I just believe that's going to continue to not only increase, but accelerate going forward. That's going to be a central key to our success when, 10 years from now, we're looking back on the 20 years we're going to be able to say that's one of the most important things that we did.

Phoebe Richards: Right. And back to the pandemic, just real quickly, we're seeing more in the news about accessibility to vaccines. How do you see that impacting HII in the near term and farther down the road?

Mike Petters: Well, right now, today, we're at a place where, in our communities, we are ready to give people shots, and we don't have enough doses. And there's a lot of concern over that and in the news about that, and a lot of people talking about it.

I believe that at some point, I don't know if it's four weeks, six weeks, eight weeks in the future, we're going to be at a place where we have more doses than people who want shots. And I think that's unfortunate because we're not going to run out of people to give shots to at that point. We're going to have people who are choosing not to get shots. At that point, we've really got to take another turn and try to help our neighbors understand the value of getting a shot and getting the vaccine because for some of us to have it is not going to be enough. I think we've got to get to a place where we squash this thing. And clearly the data so far is showing that these vaccines are incredibly effective. They're absolutely working. And as they say, it doesn't matter which one you get, just whenever somebody offers you one, get one. They're keeping people out of hospitals. They're saving lives. We need to help do our part and roll our sleeves up and go get the shot.

And so I think in the near term, it's about getting more doses. In the medium term is going to be about getting more shots and getting as many people in the organization with the vaccine as we possibly can. And then it's going to be, what does that mean for the protocols in the company? Does it change the way that we have been doing work? We don't know that yet.

Whether we have to relax, or whether we can relax some of the things that are there remain to be seen, whether it's mask-wearing or plexiglass, or what have you, social distancing. I think that that's kind of a function of the first two parts. But I think that taking advantage of our spirit of innovation and creativity and productivity enhancement and engagement that has shown itself to be really strong during this pandemic period, I think persisting on that and driving that...that's kind of the wave we're going to ride out the other side of the vaccine. I'm really happy about that.

Phoebe Richards: Great. So to celebrate the anniversary and highlight and thank employees, we've asked employees to submit selfie videos about their proudest moments over the last 10 years. So putting that on you, what has been your proudest moment at HII so far?

Mike Petters: Oh Phoebe, that's not a fair question. I get to participate in so many things that other people have done that, and I take immense pride and in all of those successes. I, even to the point of when I'm in the grocery store, and somebody comes up and starts talking to me about something like the health centers or what they're doing in the pipe shop or the training class that they went to, I can't tell you how proud I am of our company when that happens. And to see the personal excitement in our folks over things that they have accomplished, or their sense of purpose and mission around the things that we do and how important it is for everybody that we're doing it for.

I get that sort of reinforcement all the time. So to try to go and pick something out that would say, this is the one thing, I think it's probably like asking someone, which of your kids is your favorite one? I just don't think we can answer that question.

There's a tone about this organization, this institution, I'm very proud of every day. I'm just humbled and honored to have a chance to be part of it.

Phoebe Richards: Fair enough. Finally, we talked a little bit about this at the beginning, but what do you think HII will look like at its 20th anniversary?

Mike Petters: Wow, that's a great question. I think that we're going to be a very strong and highly engaged company. Our people are going to be even more connected to our purpose and our mission. And our stakeholders that are all out there, whether it's customers or communities or shareholders, we're going to be the folks they call when they have a problem that they don't know who else can solve. When they've got that really hard problem, they'll know that we're the ones, we have a track record, but 10 years from now, when we have that track record now, 10 years now, it's only going to be enhanced that we're the company that does all the hard stuff.

And not only do we do it, but you can count on us to do it the right way. And I think that that's what we're going to look like 10 years. That's what we look like now. That's what we're going to look like 10 years from now.

We may be doing a lot of things a little bit differently. We may be building things that are different than they are today. We may have a different set of customers, new suppliers, lots of new relationships. That's the dynamics of the business. But as a foundation, all of those folks will know that we're the ones they can rely on. And I think that's a great thing to be part of.

Phoebe Richards: Yeah, definitely. Well, Mr. Petters, thank you as always for sharing your thoughts. And congratulations to everyone on the first 10 years.

Mike Petters: Well, congratulations to everyone out there. And I look forward to having this conversation 10 years from now.

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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.

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