



SHAN COOPER

Title: Vice president and general manager

Organization: Lockheed Martin Aeronautics Company

Website: lockheedmartin.com/us.html

Other: Cooper assumed her position in January 2011 after being vice president of human resources for Lockheed Martin Information Systems & Global Solutions. Before moving to that post, she was vice president and deputy of human resources for Lockheed Martin Aeronautics Company. She joined Lockheed Martin in 2002 as senior manager, diversity workforce management. Cooper earned an MBA from the Goizueta Business School at Emory University.

“We Have Been Focused on Looking at Efficiencies”

An Interview with Shan Cooper of Lockheed Martin

Shan Cooper is vice president of Lockheed Martin Aeronautics Company and general manager of its Marietta, Georgia, plant. She also oversees the company’s sub-assembly sites in Meridian, Mississippi, and Clarksburg, West Virginia. The Marietta operation, which employs roughly 7,000, designs, produces, modifies, and maintains military aircraft, including the C-130J Super Hercules, F35 Lightning II, F-22 Raptor, P-3 Orion, and C-5M Super Galaxy. Cooper spoke with *EconSouth* about the state of the aerospace industry.

EconSouth: *With all the talk of sequestration and federal budget cutting, in Marietta in particular and for Lockheed Martin in general, how do you prepare for something when you don't really know what's going to happen?*

“Our focus has been on positioning the company to remain competitive in the world of the unknown.”

Shan Cooper: Initially, I was pretty encouraged by Congress and the administration when they delayed the implementation of sequestration from January 2 to March 1. Of course, I would’ve been thrilled had they actually moved toward a more permanent elimination of sequestration. I’m not certain that we’re going to get there. Given that, our focus has been on positioning the company to remain competitive in the world of the unknown. We know at

some level there will be impacts on the defense budget. We’ve already had some last year. It’s not that we don’t support looking at the defense budget. But I get real concerned that there may not be enough attention paid to the adverse impact sequestration will have on the industry overall, as well as on our national security. I would say for the last 12 to 18 months, here in Marietta and across Lockheed Martin, we have been focused on looking at efficiencies and cost savings in every nook and cranny of the business.

ES: *What are some examples?*

Cooper: Looking at consolidating our footprint. Looking at ways we can better leverage technology. We’ve looked at programs, our processes. Along with the changes in the budgets, we also had some rate reductions in our C-130 program.

ES: *When you say rate reductions, what does that mean?*

Cooper: Last year, we actually delivered 36 [C-130] aircraft. We will take our [annual] rate down this year and beyond to 24 aircraft.

ES: *In Marietta, how much of the business comes from the U.S. military?*

Cooper: I’m going to say probably upwards of 90 percent. It’s pretty significant.

ES: *You do quite a bit of export business as well, right? How is that business going?*

Cooper: That's where our growth is going to be, I think. If you look at the C-130 program, today we've got over 70 countries that fly some variation of that aircraft. Last year we had two new countries come on board. If you look at the P-3 Orion program, we're upgrading the wings and increasing its operational life. We've got 17 countries today that fly that aircraft. Our international business is doing pretty well.

ES: *To what extent could exports help to offset whatever reductions might come from U.S. defense spending?*

Cooper: I think the offset could be significant. Probably the concern that I would have is the fact that many of our international customers watch our U.S.

government customers' decision making. As they begin to see less support or less confidence here in the U.S., in some cases it slows their decision making. We have not seen that as of yet.

ES: *Changing gears, we hear a lot about the "skills gap," where companies have difficulty finding enough of the technically skilled workers they need. Is that something you've had to deal with?*

Cooper: It is absolutely an issue we've had to deal with. Our workforce is kind of two-pronged. On the one hand, I absolutely need those highly skilled engineers and scientists. On the other hand, we also need those folks who have more of a vocational background. I need electricians. I need plumbers. We hire that skill

set. But it's been harder for us to find welders, plumbers, and these folks [than engineers].

ES: *I understand that the supply chain in aerospace stretches all over the world. What is the supply chain like for, say, the C-130?*

Cooper: Our supply base is very, very extensive. For the C-130J, we have over 532 suppliers across 13 countries. That's just one example. Last year we had 352 suppliers here in this state alone. ■

This interview was conducted by Charles Davidson, a staff writer for EconSouth.

Grassroots continued from page 5

smaller layoffs at the space center. That jobless rate was worse than for Florida overall and for the country. But the aftermath of the shuttle shutdown has not been as traumatic for the area economy as local leaders expected, said Weatherman and Frank DiBello, president of the economic development agency Space Florida.

"We'll never replace that watermelon-sized hit in jobs and activity with another

The influence of the space program has slowly faded over the years. Even culturally, the space business is not quite the force it once was.

watermelon-sized project," DiBello said of the shuttle shutdown. "But we can [replace it] with apples and oranges and pears."

One apple came from Brazil. The airplane maker Embraer opened an assembly plant in Melbourne in 2011, employing 200 people. The company is at work on an



engineering center that will employ 200 more. Two other companies that repair and modify aircraft have also recently opened facilities in Melbourne, employing about 700 people between them.

Some fruit is also still growing at the space center. Probably the most active private-sector space company so far, SpaceX, has 36 launches scheduled through 2015. Twenty-seven of them will be at Kennedy, according to the SpaceX website.

DiBello's agency is leading efforts to attract private-sector companies to use the KSC facilities. There is great prom-

ise, DiBello said, in pharmaceutical and agricultural research in space, as well as in launching satellites to enable robust digital communications among all manner of mobile devices. With that promise comes competition from other geographic areas that also want to lure launches and commercial space services and manufacturing.

"We've set a strategy of diversification of Florida's space industry," DiBello said. ■

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