

Contents

- 2-4** **Hot off the Presses!**
Introducing:
Rapheal Holder and NG
Enterprise IT Services
New CTO Dean Irwin
IIS and CSLS Transition
Vought Extends IT Contract
IDENTI Wins 2005 AFCEA
Award
- 5** **Finance & Administration**
Financial Performance
- 5-6** **Knowledge Management**
LiveLink Permissions
LiveLink supports
Virginia Efforts
- 7** **Tech Talk**
Seibel CRM
- 8-12** **News from the OU's**
UK Operations Achieve
BS15000 Certification
Texas DPS Interoperability
Pilot Project
Delighting our Customers
State of Alabama
Office of State Auditor,
Massachusetts
Rhode Island
- 13-14** **Marketing & Communications**
Measuring Results
for Sponsorship and
Tradeshows
New IT Sector Video
Available!
National Fingerprint
Conference
- 15** **And, in our spare time...**
Chris Welker
"Celebrates Fairfax"
- 16-18** **HR Update**
New Service Awards Program
Takes Effect
Annual Ethics
Training Underway
New Benefits Package to
Adoptive Parents
New Hires/
Service Anniversaries

A Letter from the President Hugh Taylor



The CSLS leadership team recently met for our annual Executive Offsite. While we celebrated our successes of 2004, our attention was very clearly focused on "Shaping our Future." We discussed plans and priorities, addressed clear areas of focus, and brainstormed on how we might improve our internal processes and our market direction. I am delighted at how positive and constructive our discussions were, and how many new and innovative ideas surfaced over the three days!

Several themes emerged during our meeting that each and every one of us needs to be aware of as we build and strengthen our organization. These themes will help us all adopt a common framework for how we address the rich opportunities ahead.

We are a key contributor to the corporation's strategy: CSLS is playing an increasingly key role in Northrop Grumman's strategy moving forward. This is great news for our business unit. The rest of the company is looking to us to help in its diversification efforts, so our success is vital to the interests and success of both IT Sector and the corporation. Our reputation and visibility within the company is on the rise; as a matter of fact, at a recent corporate offsite, Dr. Ron Sugar mentioned our target markets as key areas of focus. Likewise, the transition of the company's internal enterprise infrastructure services to CSLS is a clear endorsement by the corporation of our direction and strategy.

We need to continue investing in our people, solutions and addressable markets: These three areas, leveraged optimally, are our key differentiators. In the last issues of *The Source*, we addressed the initiatives we are undertaking to proactively develop and cultivate our people. We are also investing in the information we need to identify new vertical markets and solutions that speak to our core strengths.

Big dogs need big bones: What came through loud and clear is that CSLS is changing fast and competing for opportunities we never could have considered prior to coming together as a business unit. We are big, currently a \$700M+ business unit, with aggressive yet realistic growth objectives to break the \$1.0 billion barrier by 2008! We **can** achieve this, however not if we focus exclusively on smaller, more short-term opportunities. We have approximately 10 very large deals where CSLS is proposing as the prime. In several of these opportunities, we have already successfully passed many hurdles and critical down-selections to be kept in the running. Over the next 6 months, many of these pursuits will be coming up for decision. We can and are **competing** with other large Tier-1 integrators for these major, industry-transforming programs. To be considered and to win, we need to capitalize on our strengths, optimize our processes and leverage our people, expertise and technologies in effect *Up Our Game*. CSLS is a big dog; each of us can contribute to finding the big bones this business unit needs keep growing and thriving.

I am very excited at our prospects for the future and the value we can bring to our customers, both internal and external, and to our shareholders.

Hugh Taylor

AskHugh@ngc.com



Hot Off the Presses!

IIS VP, Rapheal Holder, Joins CSLS to Head Up New OU



Rapheal Holder recently assumed responsibility as vice president, program office, Northrop Grumman Enterprise IT Services, reporting directly to Hugh Taylor. This new organization will be the insourced service provider of distributed systems administration and end user support to Internal Information Services (IIS), and to the rest of the corporation.

Rapheal's responsibilities include leading the transition and transformation of these services as they transfer from IIS to CSLS, and the deployment a new, commercial-based service delivery organization. (See page 3 for more information on the IIS and CSLS Transition initiative.)

Rapheal is a 20-year Northrop Grumman veteran, with significant experience in planning and managing our internal IT operations as well as acquisition transition activities. During his career with Northrop Grumman, Rapheal has held a series of positions with increased responsibility. Most recently, he served as Vice President, Shared Services Operations, within IIS, where he was accountable for Northrop Grumman's IT infrastructure, data center operations, telecommunications and applications development and support. In addition, he was instrumental in successfully integrating the IT elements of recent Northrop Grumman acquisitions. Rapheal holds a bachelor's degree in computer science from Texas A&M.

New CTO Dean Irwin



Dean Irwin has joined Northrop Grumman as the new CSLS Chief Technology Officer. Dean joins us with more than 20 years of professional experience in technical management, technical strategy and systems development. His focus has been applying technology and people in the design, development and deployment of innovative solutions in the DoD/intelligence and commercial industry.

Prior to joining Northrop Grumman, he was Director of Engineering and Technical staff for General Dynamics Advanced Information Systems (GDAIS) where he was responsible for over 1800 technical staff supporting research and development programs. Before GDAIS acquired Veridian in 2003, Dean was Vice President and CTO at Veridian Systems, where he directed the technology strategy and investment program for the division and managed the Intellectual Property for the corporation. He has previously held leadership positions at IBM, Power Television News, TASC and COMSAT.

Dean earned his master's degree at Johns Hopkins University in electrical engineering and a bachelor's degree at University of Cincinnati in aerospace engineering.

Success is blocked by concentrating on it and planning for it....success is shy -- it won't come out while you're watching. -Tennessee Williams

Hot Off the Presses! (continued)



The IIS and CSLS Transition Initiative - A Chronology and Update

Earlier this year, Dr. Ron Sugar announced a corporate-wide initiative launched by the Northrop Grumman Corporate Policy Council (CPC) that will have far reaching repercussions for the CSLS business unit. The initiative, called Achieving Competitive Advantage, or ACE, builds on the company's continuous process improvement philosophy. Through 10 initiatives involving cross-sector teams and sponsorship at the highest levels of management, ACE is focusing on three basic goals: leveraging the strength of Northrop Grumman's portfolio, driving a more competitive cost structure and creating flexibility to enable quick response to market shifts.

IT Sector President, Jim O'Neill, is the corporate sponsor of one of these 10 initiatives, the IT Cost and Complexity initiative. After careful consideration and analysis, the IT Cost and Complexity team recommended to the CPC that the company transition our IT infrastructure support (data center services and end user computing) to a more centralized delivery model, and that consistent with industry best practices, these services would best be provided internally. Based on the team's recommendations, the CPC endorsed the decision to transfer and consolidate the entire internal "statement of work" for distributed systems administration, data centers and end user computing to CSLS.

CSLS President Hugh Taylor announced in late February that IIS vice president Rapheal Holder would transfer to CSLS. Rapheal shortly thereafter assumed responsibility for the transition of these services and resources to CSLS, and for the development and management of a new CSLS operating unit, the Northrop Grumman Enterprise IT Services organization.

This initiative, and the transition of these services to CSLS, is the right approach and consistent with how other Tier One companies in the IT services business, like NGC, manage their internal IT infrastructure and services. These services represent CSLS core capabilities, and CSLS is recognized as a market leader in the delivery of outsourcing and managed IT services. The corporation's overall goal is to achieve better external market positioning, as well as improved competitiveness, flexibility and cost management by optimizing services to both internal and external customers. By transferring these services to CSLS, we can leverage industry best practices, capabilities and resources of our external services business, allowing us to transform and optimize service delivery for both internal and external customers, and leverage existing synergies and scale. Further, by consolidating both internal and external service delivery into one organization, we can offer employees greater, more diverse employment opportunities.

Over the past several weeks, Rapheal has been working to develop his organizational structure, define the statements of work for these differing functions and add key staff to his team to carry out the transition. A critical objective has been a transparent transition for our "internal customers", represented by the sector CIOs, and Rapheal has met with and briefed them on a regular basis to ensure their endorsement of our direction and service delivery framework.

Another, equally important objective, is a smooth transition for staff. Several communications channels have been established, including a dedicated intranet site (<http://csls.it.northgrum.com/transition/index.html>) to post announcements, current news, frequently asked questions, regular updates, and information for employees, and an inquiry email box, IISandCSLSTransition@ngc.com, where employees can submit specific questions and expect direct, honest and timely responses.

Next steps for the transition communications include a series of onsite employee forums, which are intended to provide an overview of the transition, as well as provide to provide employees an opportunity to ask questions during the sessions.

This is an exciting initiative for the corporation, CSLS and our employees. The corporation views CSLS, and the markets we service, as a way to diversify our overall solution portfolio. CSLS' business development and delivery efforts help the company to leverage its strengths and aggressively expand into new growth markets matching CSLS' core competencies. Further, consolidating similar roles and responsibilities into one organization, we can offer expanded career opportunities and paths for employees while enhancing our overall market competitiveness.

Put your heart, mind, intellect and soul even to your smallest acts. This is the secret of success. --Swami Sivananda

Hot Off the Presses! (continued)



Vought Aircraft Extends IT Contract With Northrop Grumman



"Vought's Dallas location, where more than 125 NG employees currently support this customer."

Vought Aircraft Industries, Inc., has awarded CSLS a follow-on contract for a variety of commercial IT outsourcing services. The contract extension, valued at \$95 million through 2007, allows CSLS to continue managing Vought's IT infrastructure, and implementing a common operating environment.

CSLS will continue providing a comprehensive IT solution to Vought, including enterprise architecture planning, network engineering, network operations center, help desk, managed desktop services, onsite and remote support for technical applications servers and workstations, software systems support and engineering, information assurance services and procurement support.

In addition, the follow-on contract includes modified resources and services to accommodate changes to the Vought IT environment and upgrading a new mainframe processor. Work on the contract will be done at Vought locations in Dallas; Everett, WA.; Hawthorne, CA.; Milledgeville, GA.; Nashville, TN.; and Stuart, FL.



IDENT1 Selected as 2005 AFCEA International Golden Link Award Winner

IDENT1 was selected as a 2005 Armed Forces CCommunications and Electronics Association International Golden Link Award winner in the category of International Defense or Civilian Government. According to Becky Nolan, executive vice president of AFCEA International The (selection) committee, consisting of senior representatives from both government and industry, rated the project high in terms of providing a highly innovative solution to a specific Government requirement." IDENT1 is one of two Northrop Grumman programs award winners; the other is FES program, Bank Secrecy Act e-File.

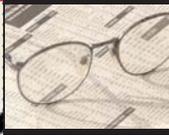
The Awards will be presented during AFCEA's TechNet International's opening ceremonies, on Tuesday, May 17. CSLS and FES were invited to exhibit their technology in the Solution Showcase.

Email us at cslsnews@ngc.com

Always aim for achievement, forget about success. -- Helen Hayes

Finance & Administration

FINANCIAL STANDINGS 2005 ACTUALS



Knowledge Management

Livelink Permissions Requirement We need your help!

Recently your CSLS KM council has been receiving requests to grant permissions in areas that are not controlled or owned by them. This raised some interesting questions regarding permissions in Livelink. Within CSLS we have many areas that are managed by individuals other than those initially creating the folder, or the designated owner.

As a result the CSLS KMC met to review this problem and is now recommending the following for existing and future folders in LL:

Creating New Folders:

Please include the name of the individual (and their backup) who is responsible to grant user permissions for that specific folder in the "Description" field as follows:

P1 = Name of primary person granting permissions

P2 = Name of backup to P1

Be sure to provide name details that will allow users to locate you easily in the email global directory. Please do not just provide a 5+2, as this is not easy to use for lookup. The 5+2 is a good idea, but should be in addition to the person first and last name.

Update Existing Folders:

To update existing folders, click on the folders "Function" button, then chose "Info", then "General". This will display the tab where you can update the required information - as outlined above - in the "Description" field.

Thank you for helping us make this a standard for all folders in our CSLS workspace. With your help we can make it easier for users to know where to go for access and we can ensure that permissions are kept tightly controlled.

The CSLS KMC is working with IIS and OpenText, the development of Livelink, to implement a more streamlined and searchable option for permissions granting - we hope to see an improvement in this in future versions.

If you have any questions on this please contact Margaux Gutierrez at 703-713-4120.

Thank you, we appreciate your help in making our CSLS Workspace as user friendly as possible.

CSLS KM Council

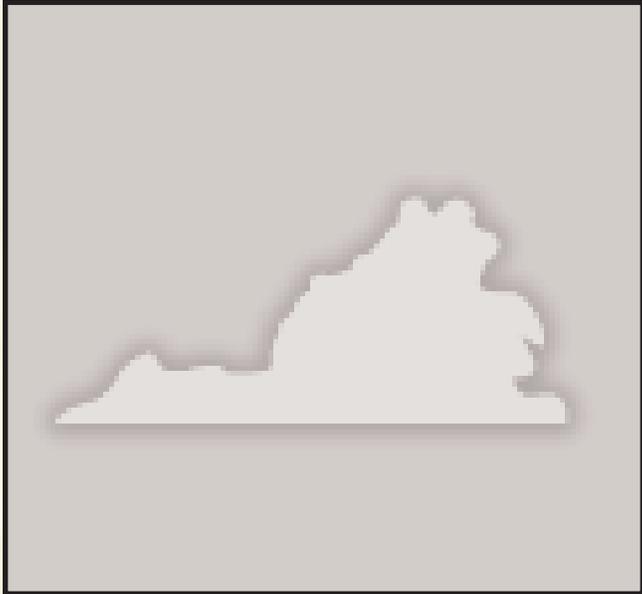


-  10 % Behind Plan
-  0-10 % Behind Plan
-  0-10 % Above Plan
-  10 % Above Plan

Four steps to achievement: plan purposefully, prepare prayerfully, proceed positively, pursue persistently. --William A. Ward

Knowledge Management Continued

Livelink Knowledge Management for the Commonwealth of Virginia



Northrop Grumman uses Livelink to not only support internal knowledge management requirements, but also to support external program requirements for our customers. In a recent engagement, CSLS utilized Livelink to provide a robust and highly functional knowledge management environment for a due diligence activity in the Commonwealth of Virginia with great success.

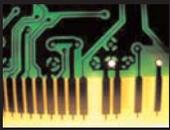
CSLS has established a very impressive team of IT professionals from many business areas within Northrop Grumman, as well as numerous external partners, including HP and Gateway. From January through March 2005, Northrop Grumman, IBM, and VITA have been engaged in a detailed due diligence to discover the assets, processes, tools, and staffing across VITA's newly formed enterprise of over 90 agencies and state organizations. The goal of this due diligence has been to understand the IT environment across the in-scope VITA agencies and organizations, and increase the ability of the follow-on detailed proposal process to address the type and scope of services that are needed by VITA.

The due diligence activity has been an intensive exercise in knowledge management. Teams of Northrop Grumman, IBM, and VITA staff were formed in January to develop complex templates for information capture across all the functional towers for IT support, including desktop, network, servers, data center, help desk, security, email, disaster recovery, eGov applications, and change management. VITA initially populated the templates with as much information as they could find, however the task quickly was relegated to the interviewing of IT staff across 20 of the most representative agencies. Literally hundreds of interviews were conducted, with the information captured, normalized, and placed into the templates.

In the early phases of due diligence, it became obvious that we needed a highly capable and flexible system to store and manage access to the large volumes of information that would be created by the due diligence teams. CSLS quickly offered Livelink to provide this support, and after a demonstration of its capabilities and access/security features, VITA agreed to allow CSLS to set up a Livelink workspace for due diligence. The CSLS and IIS support staff "pulled out the stops", and got the workspace up and operational in less than a week. After several training sessions, and the ironing out of a few processes for sustaining support, the due diligence team was inputting and accessing information in Livelink as if they had been working with it for years. This included the IBM and VITA staff that had no prior experience with Livelink.

Bob Haugh, VITA's overall Due Diligence Project Manager, had strong and frequent words of praise for Livelink and the CSLS efforts, saying "this system is wonderful - not only intuitive and easy to use, but powerful". The Livelink implementation for the due diligence has provided CSLS with the opportunity to show VITA how we can attack a problem, define a solution and implement that solution quickly and professionally. And all through the due diligence effort, our Livelink system has served as a continual reminder to VITA of Northrop Grumman's infrastructure, support, process support and knowledge management capabilities.

Optimism is essential to achievement and it is also the foundation of courage and of true progress. --Nicholas Murray Butler



Tech Talk

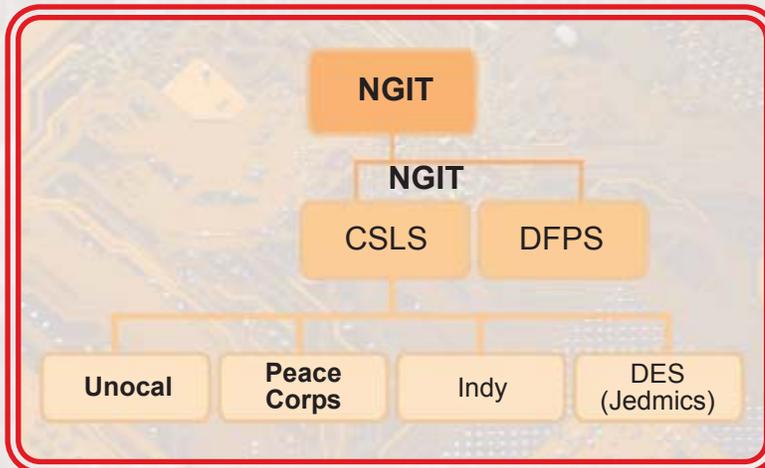
Siebel CRM

In March, the Siebel Team successfully implemented new functionality called Access Control with Multi-Organization Hierarchy.

Basically, Access Control is a means of controlling visibility of data records for each individual user. This is an important and necessary milestone for CSLS, especially as we roll web access out to various customers - we need to provide a smooth customer experience and we also need to ensure that their data remains private.

Prior to rolling out this functionality, any visibility restrictions were developed in-house and were difficult to maintain. Access Control w/Multi-Org improves the maintenance of data access rules and reduces the work required during future upgrades. It also positions us to take advantage of future functionality such as account-specific LOVs, account specific "required" fields and more flexible template creation.

As part of the Access Control rollout, the data in Siebel was separated into the following "organizations":



Access Control provides the following benefits to our customers:

- Users see only necessary views and data
- Increased data integrity with reporting
- Segregation and partitioning of data meets many customer's security requirements
- Visibility provides different types of ownership (for example, organizational, team-based, access group or personal).
- Only organization-specific data is queried resulting in better performance

In addition, Access Control provides the following benefits to CSLS:

- User will view only their associated Data - accounts, assets, servicerequests, contacts and profit centers. This means less non-essential data to have to look through.
- There are smaller mobile client databases resulting in shortened extraction and synchronization time.
- Easier to migrate to new versions, less time because of fewer configurations involved.

Editorial Board Members

- Janet Frost
CIO/MIS
- Margaux Gutierrez
Knowledge Management
- Carolyn Jackson
Internal/Horizontal IT Services
- Laura Martinez
Business Management
- Krissy Oliver
Managing Editor
- Sally Parker
State & Local
Public Safety Solutions
- B.J. Ritchie
Human Resources
- Jim Rosen
Business
Development & Strategy
- Liz Schwatka
Editor-in-Chief
- Kris Thompson
State & Local
Enterprise Solutions
- Beverley Winthrop
European Programs

A thank you to our contributors!

- Livelink Supports Virginia Efforts
- Ken Malecki
Texas DPS Interoperability
- Kyle Brack
State of Alabama
- Sharon Zitterman
Office of the Auditor
- April M. Cox, PMP
Rhode Island
- Henry Ruppenthal and
Karen Hames
Celebrate Fairfax
- Chris Welker

Email us at
cslsnews@ngc.com

Success is dependent on effort. -Sophocles



News from the OUS

CSLS UK Operations Achieve BS15000 Certification

Odds are, you've never heard of BS15000 certification. But if you're involved in delivering IT services, it's the cream of the crop. In fact, BS15000 is the first worldwide standard specifically aimed at IT service management, describing an integrated set of management processes that ensure effective service delivery to a business and its customers. Less than 20 companies in the world have achieved BS15000 certification, and even fewer organizations hold both BS15000 and BS7799 (an extremely rigorous standard for information security) concurrently.

That's why it is so noteworthy that Northrop Grumman Information Technology Limited, our CSLS brethren in the United Kingdom, have been certified to the BS15000 standard in addition to their existing BS7799, ISO 9001 and ISO 14001 certifications. The BS15000 certification process required them to demonstrate competence in eight key areas:

- Management systems
- Planning and implementation of service management
- Planning and implementation of new or changed services
- Service delivery processes
- Relationship processes
- Resolution processes
- Control processes
- Release processes

According to Chris Dean, who managed the certification process for Northrop Grumman, the decision was made to pursue BS15000 to improve our competitive edge by reducing the risks and costs of service delivery, and to demonstrate our commitment to delivering consistent and reliable services to customers and prospects. Because audits, surveillance visits and internal audits are continual, the certification process requires all employees to become knowledgeable in its processes and methodologies.

Our BS15000 certification process began in April 2004 with the establishment of a steering group. The first task was to determine if our work on NAFIS (the National Automated Fingerprint Identification System, our largest UK client) met BS15000 standards. The steering group determined that some work was necessary, and it was decided to target December 2004 for certification.

In December, Northrop Grumman was audited by Lloyds Registered Quality Assurance, which reviewed our processes and recommended us for certification. The recommendation was accepted and ratified by the BS15000 Technical Review Body, and we were formally certified in January.

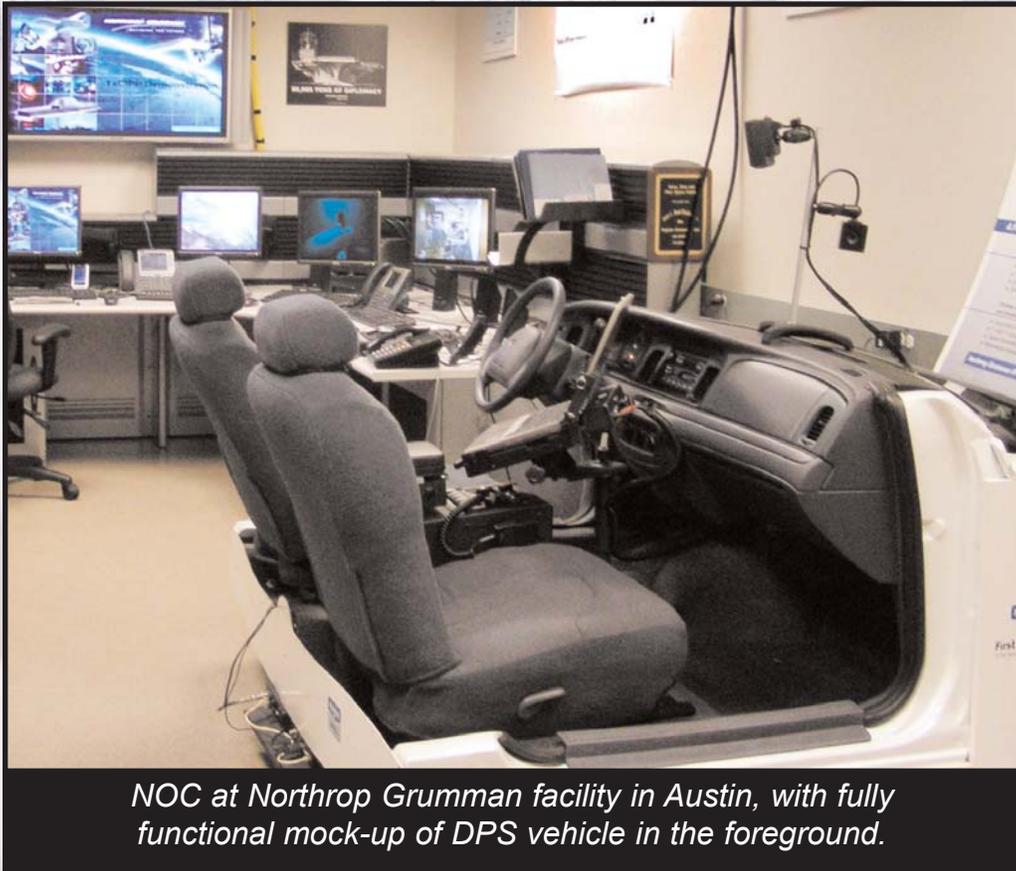
Chris Dean recognizes the following employees for their dedication to this complex project: Ivor Price, Mark Woodhouse, Bal Channa, Mark McLoughlin, Spencer Harvey, Tracy Scillitoe and Sue Patel. He notes that, while these folks were contributing to the BS15000 certification process, they were all also involved with our successful re-compete for the NAFIS contract (now called IDENT1).

Chris points out that our BS15000 certification will show its value with a large and complex deal like IDENT1: "By achieving BS15000, we are now able to better control much higher volumes of work in relation to change management and change control processes. Our work loads will inevitably increase at IDENT1, but we now have the processes and the discipline to readily cope with such demands."

Some men succeed by what they know; some by what they do; and a few by what they are. --Elbert Hubbard

News from the OUS (continued)

Texas DPS Interoperability Pilot Project



NOC at Northrop Grumman facility in Austin, with fully functional mock-up of DPS vehicle in the foreground.

CSLS has been working with the Texas Department of Public Safety (DPS) to identify potential solutions for public safety interoperability challenges that exist at the local, state and federal levels. DPS requested that CSLS provide a demonstration as a part of their Texas Communications Interoperability Pilot Project (TxCIIP). The scope of the pilot consists of demonstrating voice interoperability, dispatch console backup, and mobile data integration involving multiple disparate communications systems from selected DPS and outside agency sites.

CSLS is integrating available technologies to provide scalable, IP-Based and Network-Centric interoperability. The solution also illustrates a smooth migration path for achieving voice, data, and video interoperability on a potential statewide scale.

As a top tier systems integrator, CSLS has focused on exceeding DPS expectations by demonstrating functionality geared towards real-world interoperability needs. A solid team of industry leading technology partners was formed, including Dell, Cisco, and others. The Northrop Grumman team stood up a fully functional network operations center, showing value added functionality of tools such as VOIP phones, PSTN land-line and cellular, and Nextel Push-To-Talk (PTT). The solution also demonstrates voice and talk group management using a browser based operator interface that can be accessed securely from virtually anywhere, thereby reducing the need for proprietary hardware and providing scalability previously unachievable by DPS. CSLS is also demonstrating multiple mobile data applications over 3 separate wireless networks, with seamless roaming between these networks, utilizing 2 DPS vehicles and a fully functional mock-up of a partial vehicle in the NOC!

A demonstration was recently conducted to approximately 30 attendees from DPS and the Texas Homeland Security office. Feedback from both agencies was extremely positive and indications are that the NG team has exceeded expectations in both the functionality and timeliness of standing up this important pilot for the state.

I know the price of success: Dedication, hard work and an unremitting devotion to the things you want to see happen. --Frank Lloyd Wright



Delighting Our Customer

Encantar al Cliente (Delighting the Customer): Supporting the State of Alabama

The Albuquerque Data Center team has performed hundreds of successful software migrations for its clients during the 15 year history of the data center and prides itself on going the extra mile to "delight our customers." A recent software migration project illustrates just how our team meets and exceeds customer expectations.

The Northrop Grumman Albuquerque Data Center hosts the Alabama Location Enforcement Collection System (ALECS) for the State of Alabama and is entering its 11th year of supporting this client.

The ALECS system is a federally certified system used by the Alabama Department of Human Resources (DHR) to locate absent parents, establish paternity/support, collect and disburse child support payments, enforce child support agreements and review case situations. It operates in support of the DHR Child Support Enforcement Program to meet the automation requirements mandated by the U. S. Department of Health and Human Services, Administration for Children and Families Office of Child Support Enforcement.

The ALECS system interfaces with over fifty internal and external entities such as the Internal Revenue Service, Medicaid, Credit Bureaus, Federal (Child Support) Case Registry and State of Alabama Office of the Comptroller, as well as 1,200 end field workers throughout the state.

In the spring of 2004, we launched a project to upgrade software used by the ALECS system. The planning, execution and overall success of this initiative required participation from all of the Data Center teams - Systems, Production Control, Operations, Quality Assurance, and Database, as well as the members of the client's Application Development and Test teams.

The upgrade effort was complex and labor intensive. The Data Center team members worked off-hours and weekends to insulate the client from any potential system impact, and to ensure their continued achievement of federally mandated service delivery goals. The project covered a period of eight months and included over 800 tasks performed by all participating Data Center teams.

The objectives for the migration and upgrade were met, the project was delivered on schedule and accommodated multiple competing client priorities. Moreover, the project was recognized by the client as smooth, successful, and transparent. The project team emphasizes several success factors:

- Plan in great detail, document and test the plan
- Stay in close contact with team members - communication is key!
- Coordinate closely with the customer to understand priorities and objectives - demonstrate a commitment to "delivering" success
- Request, "listen" and "understand" the customer's needs
- Conduct frequent team meetings during the process, providing timely updates to the client and listening to any input they may have
- Respect customers by seeking to exceed their expectations in quality and on-time delivery
- Encourage open and honest communication with internal and external customers, treating them with care and consideration
- Follow an established, well-defined change management process - it helps maintain the quality of the delivery
- Look for process improvement opportunities through the span of the project - it helps differentiate our service to the client
- Utilize Project Management tools and techniques - establish a repeatable solution you can leverage in continued delivery of outstanding customer service
- Don't just inform the client of the successful delivery the project - "celebrate" with them!

Taking our lead from one of Hugh Taylor's key themes focusing on customer service, the editors of The Source put a call out to the operating units for articles on how we are delighting our customers. The following submissions from our folks in the field highlight the extraordinary efforts CSLS'ers make every day to show our customers that they really do come first.

Success seems to be largely a matter of hanging on after others have let go. --William Feather

News from the OU'S (continued)

Delighting the Customers at the Office of the State Auditor (OSA) in Boston



Our integrated project team from left to right:
Elizabeth Capstick, OSA Deputy Auditor, Diane Szulc, OSA MIS Manager, Paul McLaughlin, OSA Director of MIS, April Cox, Northrop Grumman Project Manager, Elisa Munoz, OSA Analyst, Walton Chan, Network Analyst, Michelle Chan, OSA Analyst, Yoko McCarthy, OSA Analyst, Steven Tingdahl, Northrop, Grumman Sr. Programmer, Connie Tong, OSA QC Analyst, Penny, Learn OSA Analyst

The theme of 'Delighting the Customer' brings me back to my Six Sigma training a few years back and discussions of Kano's Model. For those unfamiliar, Kano's model was developed in the 80's by Professor Noriaki Kano. The model is based on the concepts of customer quality and provides a simple ranking scheme that distinguishes between essential and differentiating attributes. He identified categories of customer wants and needs as follows:

- Must haves - Those things that the customer absolutely needs to have in order to have any level of satisfaction with the project.
- One dimensional - Those negotiable items that are typically give and take.
- Delighters - Those things that the customer doesn't expect or that take our customer service and satisfaction to another level.

From my perspective, delighting the customer is all about finding ways to go above and beyond and to deliver at a higher level than what is required and expected. For every customer the "delighters" are different. The goal is to listen to your customer and find out what those things are - and strive for them.

It's what creates service excellence, makes a customer an advocate and builds a trusting relationship.

In the summer of 2000, I began working with the Office of the State Auditor (OSA) in Boston, Massachusetts. Our goal was to re-engineer their existing OSA WorkStation application to a more modular integrated web-based design. One of the challenges was working with a number of functional groups within the OSA, each with its own unique set of needs and expectations, which often conflicted with needs from other functional groups.

Northrop Grumman worked closely with OSA to gather all requirements from the user groups. The important factor was to listen carefully and truly hear the issues. In some cases, very little effort would result in a great deal of benefit in process improvement and greater efficiency; in others a small request would constitute weeks of development effort. It was important to identify those issues and communicate them to the different constituent groups to help them to prioritize their requirements in a way that helped with the design of a phased approach. After hearing input from each group, Northrop Grumman recommended a phased approach for the project that allowed each functional group to have some important phase one benefits. For example, the Audit Operations Group put a high value on adding scheduling functionality to the application to replace their paper-driven processes, while Payroll desperately needed to automate timesheets to remove the burden of processing paper timesheets. We were able to identify and prioritize the 'big-hits' and assure that each group was involved in identifying and prioritizing requirements. The buy-in from the functional groups was complete and we were on our way!

To further encourage user group involvement, they were included at various stages of the development process with demos for the user interface and workflow design. This allowed the groups to visualize the process and provide important feedback along the way. The modifications requested were minor and provided user groups with a feeling of ownership and satisfaction because their contributions were considered important. This was a big delighter for the user groups and OSA management!

In some cases feedback resulted in change requests that added additional functionality to the project. By following a change management process that was communicated early, the team was able to accommodate those changes with minor impact to the overall effort. Honest communication about the impact of changes was an important factor in helping OSA to deal with the issues in an informed manner. Working on this project, with the Northrop Grumman team and with OSA has been an excellent learning experience on "delighting our customer." The great reference provided by our customer has been a tangible indicator of the high level of customer satisfaction that exists here. Watching the transformation has been a very rewarding experience and has taught our team here lessons on what truly "delights the customer"!

Perseverance is a great element of success If you knock long enough and loud enough at the gate, you are sure to wake up somebody. –Henry Wadsworth Longfellow



Marketing Communications Corner

MAY-JULY EVENT SCHEDULE 2005

May

05/04-06/05
Washington DC
**National Association
of State CIOs Midyear
Conference**

05/10-12/05
Atlanta, GA
**Public Health
Information Network**

05/23-27/2005
Greensboro, NC
**Law Enforcement
Information
Management**

05/24-27/04
Washington DC
**Criminal Intelligence
Training Seminar of
2005**

June

06/25-29/2005
Louisville, KY
**National Sheriff's
Association**

July

07/15-19/05
Honolulu, HI
**NACo Annual
Conference**

07/31-8/04/05
Cincinnati, Ohio
**National Child Support
Enforcement
Association
Conference**

Measuring "Return on Investment" at our Tradeshows and Exhibits

A key objective across the IT Sector is to better track and measure the results and return on investment (ROI) of our marketing and communications activities, particularly, events and sponsorships. CSLS, in support of this sector priority, has implemented a process that we are using for all of our exhibits. We have created a new form, the "Event/Sponsorship Information Sheet" to help us gather information on specific objectives, manage promotional activities before, during and after the event, and then assess the results against our objectives.

Each assigned event/exhibit point of contact is required to complete this form for all approved CSLS events. We gather information on the event itself, including audience and theme. CSLS business developers or program managers requesting that we sponsor or exhibit at an event are asked to quantify, the specific objectives to be achieved, measurable, quantifiable success metrics, and how the event supports our overall strategy.

Understanding and quantifying our success metrics and objectives early in the planning process is critical to defining and implementing our promotional activities prior to, during and after the event to maximize achieving those objectives. For example, if our objectives are to drive traffic to our exhibit, we may send out a pre-mailer, or promote a booth raffle. If our objective is to demo a product or solution to one key prospect, our pre-event activities may focus on more one-on-one communications and business development activities.

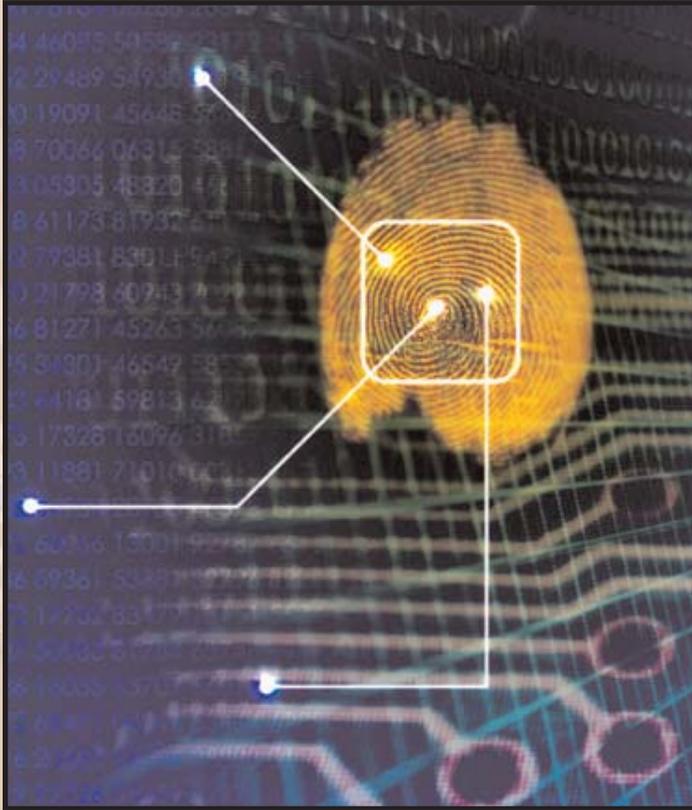
At the close of every event, we conduct a "debrief" on how we did. Recognizing that each event measures success differently, we assess actual results achieved against the stated objectives to determine ROI. At times, achieved ROI are concrete measurements, for example, qualified leads generated, or number of demos shown, or meetings with key targets. At other times, the ROI is harder to measure, like enhance visibility, or competitive positioning or partnering opportunities. Post-event promotional activities can be considered as a means to help achieve our objectives.

- This new event ROI process helps our marketing and communications efforts in a number of ways, including:
- Maximize our promotional activities at each event to achieve strategic objectives
- Implement a more comprehensive approach to how we position and promote ourselves to the market
- Assess the value of events and exhibits that we participate in for future investment
- Measure the "ROI" of marketing investments overall

If you want to succeed, you must make your own opportunities as you go. —John B. Gough
A man is literally what he thinks --James Lane Allen

Marketing Communications Corner (continued)

National Fingerprint Society Conference Brighton, UK: 18-20 March 2005



The Fingerprint Society was founded in 1974 and since then the membership has flourished with members from across the globe. Their annual conference enables experts from all over the world to come together and discuss new inventions and innovations.

This was the first national conference of the fingerprint community since Northrop Grumman was awarded the IDENT1 contract to provide identification services to British forensic bureau for the next eight years. Northrop Grumman chose to be the main sponsor of the event. Attendees found participants in support of Northrop Grumman and seemed to have a great deal of goodwill for us.

Northrop Grumman employees Mark Woodhouse and Kevin Perry of NAFIS/IDENT1 were in Brighton for the conference with Beverley Winthrop assisting with the marketing function. There was a lot of very visible branding for Northrop Grumman with large stands in two meeting rooms being used by delegates.

Two hundred fingerprint professionals attended the conference and the weekend was full of information and future vision. Sessions were held which looked at crime scenes, technology and best practice. One of the key discussions of the weekend was the current debate on whether fingerprinting is a science or not.

New Sector Video Complete and Ready for Distribution



The much anticipated IT sector video is complete and now available for use and distribution! The new video reflects a cross-section of IT sector solutions and services, and is centered on our three core competencies: networking, security and enterprise systems and services. It is a tremendous tool for use with both prospective employees and our customers. The first batch was sent to our IT sector appointed VPs and the second to business unit marketing and communications leads.

There are two versions of the DVD: a 5:00 minute and shorter 2:30 minute productions. They both begin and end in the same manner, however the longer version delves deeper into several IT examples of our systems and services.

Both versions have been posted on the IT sector's intranet and on the IT News Web site. These productions have been cleared for external and international release.

CSLS MarCom will secure a supply of both versions to use at tradeshow and in our exhibits. Please contact either Liz Schwatka (703-713-4352) or Michelle Manocchio (703-713-4855) for further information

If you want to succeed, you must make your own opportunities as you go. —John B. Gough

There are no secrets to success. It is the result of preparation, hard work, learning from failure. —General Colin Powell



And in our spare time...

“Celebrate Fairfax” with Chris Welker



Chris Welker, director, strategy and solutions for the Commercial IT Solutions OU in CSLS, spends a great deal of time giving back to the local community in which he lives and works, in particular, through his role on the Board of Directors for Celebrate Fairfax, Inc. (CFI).

CFI is a nonprofit corporation, created by the Fairfax County Board of Supervisors in 1984, as the result of a citizen blue ribbon study. CFI's flagship event, Celebrate Fairfax!, began as the Fairfax Fair. The fair dates back to colonial times when the House of Burgesses mandated that an annual fair be held to promote commerce, economic development and a sense of community. The fair existed as a for-profit corporation from the late 1700's to the mid-1940's, when it went bankrupt after three consecutive years of rain. In 1982, the Fairfax County Board of Supervisors decided to create and host a countywide event: "The Fairfax Festival." The success of that event led to the creation of the nonprofit Celebrate Fairfax, Inc., which produces the festival today. The Board of Supervisors remains involved through its appointment of 5 members to the 17-member CFI Board of Directors. CFI's mission is "The Celebration of Fairfax County and Its Communities."

Chris first became involved with CFI when he was a member of TRW's Community Relations Foundation Board. TRW was a long-time sponsor of CFI and Chris' first experience with CFI was as a volunteer for TRW's "Be A Rocket Scientist" exhibit at the fair. After several years supporting TRW's sponsorship and presence at the Festival, Chris was asked to serve on the CFI Board of Directors. Northrop Grumman continues to support the Fairfax Fair with the "Be a Rocket Scientist" exhibit and demonstration, to the delight of many youngsters who love to learn how to build their own rockets and then launch them using dangerous rocket fuel (just kidding, we use Alka Seltzer and water for the rocket propellant).

Many companies who participate with an exhibit or sponsorship design a hands-on application or demonstration that leverages their product line or services that visitors can try out, i.e. typing without a keyboard, making helicopters, launching hand-made rockets (Northrop Grumman's well known exhibit), and taking trivia challenges. Other successful booths have made slime, talked about fossils, built a city of Legos, given astronaut tests and hosted virtual reality NASCAR races. Northrop Grumman's exhibit is a hit every year.

Chris says, "I enjoy being part of the community." As a non-profit organization, CFI contributes to the community of Fairfax County in a variety of ways. Proceeds from Celebrate Fairfax! are used to help produce Fall for Fairfax, a free festival for the community. In addition, CFI hosts hundreds of low-income families at the festival each year. These "Special Guests" enjoy free admission, carnival passes, and a snack. Plus, it's a lot of fun!

"I have two kids of my own," add Chris. "They really enjoy the fair and at this point are expert rocket scientists!"

For those interested in learning more about Celebrate Fairfax, Inc. or the Fair, feel free to visit the website at CelebrateFairfax.org. Those interested in volunteering should contact Laura Juhl (Northrop Grumman's Volunteer Coordinator) at 703.345.8533 or laura.juhl@ngc.com.



If you want to succeed, you must make your own opportunities as you go. –John B. Gough



Human Resources Update

New Service Awards Program Takes Effect

Employees who celebrate milestone anniversaries (in multiples of five years) will now participate in a catalog choice program. This new program, which affects those employees marking major service anniversaries beginning Jan. 1, 2005, is based on employee preferences and underscores the concept of one Northrop Grumman.

Northrop Grumman has engaged the O.C. Tanner Co., one of the world's premier providers of employee recognition merchandise, to administer the program. The program provides an online and printed catalog with a wide variety of gifts that bear the Northrop Grumman logo. The catalogs will be mailed directly to eligible employees' homes monthly starting in mid-April. Retroactive to Jan. 1, 2005, employees who mark their service milestones will select their gift once they receive their catalog in the mail.

The IT sector will continue to hold a formal gala reception and dinner for employees celebrating 25 years with Northrop Grumman. This special evening will be held in the fall in New York or California; honorees for 2005 will receive invitations later this year. These employees will no longer receive the traditional watch at the celebration; instead, the Northrop Grumman-engraved watch will be included in the 25-year gift catalog for those employees who wish to select it as their gift choice.

To view a list of questions and answers regarding this program, visit <http://inside.it.northgrum.com/serviceawards.html>. IT sector employees who would like more information should contact the HR Customer Care Center at (800) 604-4890 or (703) 713-4890.

Annual Ethics Training Begins!

2005 annual ethics training began on March 28, 2005 and must be completed by June 30, 2005. This year, due to the increased awareness regarding procurement integrity, a question has been added to the C-196 form and employees will be required to complete the form as a part of the ethics training. In addition to ethics training, all employees need to complete the harassment and diversity training, which has been enhanced and will include more information about diversity.

The "compliance suite" includes the following training:

2005 Mandatory Training Requirement	Group Administering
Conflict of Interest (C-196) Form	Ethics Department
Standards of Business Conduct	Ethics Department
Procurement Integrity	Ethics Department
Time and Labor Charging	Ethics Department
Anti-harassment Training	Workplace Relations and Diversity
Diversity Awareness	Workplace Relations and Diversity
Environmental Health and Safety	Environmental Health and Safety

Employees with access to the intranet/Internet should complete their training online via eSources. If employees have trouble accessing the training through eSources, or need assistance with their PIN number or password, please have them contact the Customer Care Center at (800) 604-4890 or (703) 713-4890.

Intranet: <https://esources.it.northgrum.com/>
Internet: <https://esources.it.northopgrumman.com/>

For those employees who are at remote sites and do not have access, we can provide soft or hard copies of the training materials. Please see your HR representative or Business Conduct Officer (BCO), Kristen Thompson, 703.345.7755 or LeeAnn Carmichael, 703.620.8645

"Ethics and values are central to our Northrop Grumman identity and are a ground rule in all our decisions. They are at the heart of who we are and what we do"

Ronald D. Sugar,
Northrop Grumman
Chairman, CEO and
President

Three outstanding qualities make for success: judgment, industry, health. And the greatest of these is judgment. —William Maxwell Aitken, Lord Beaver Brook

Human Resources Update (continued)

New Benefits Package to Adoptive Parents

In an effort to meet the diverse needs of employees, the IT sector has initiated an employee benefits package for adoptive parents.

The adoption assistance program is a benefit that provides financial assistance to employees who adopt a child under the age of 18 or of any age if the individual is physically or mentally incapable of caring for himself/herself. (Details are provided within the Adoption Assistance Program procedure ITV H24, as well as in IRS Publication 968.) Expenses up to \$3,500 per adoption - with a limit of two adoptions, or \$7,000, per calendar year - may be reimbursed under this new plan. Reimbursements will be paid to the employee after the adoption has been finalized.

"The expenses that qualify for reimbursement in the adoption assistance program include court costs, travel expenses, attorneys' fees and other expenses directly related to the legal adoption of an eligible child," says Donna Rumph, sector director for the HR Systems and Operations organization, who introduced this new benefits package. (A complete list of qualifying and non-qualifying expenses is located in IRS Publication 968, as well as in IT sector policy ITP H24 and procedure ITV H24.)

Qualifications

Regular full-time and part-time CSLS employees adopting children now are eligible for reimbursement of some qualified adoption expenses. Employees on a casual or on-call basis are not eligible for this program.

To Qualify for Reimbursement

For additional information, please see IT sector Command Media policy ITP H24 (Adoption Assistance Program), procedure ITV H24 (Adoption Assistance Program), procedure ITV H34 (Family Care Leaves of Absence), form ITF H24A (Adoption Reimbursement Form) and IRS Publication 968 (Tax Benefits for Adoption). If you have any questions, please contact the Shared Services Leave Desk at (800) 604-4890, option 2.

The new adoption assistance program is not related to the Family and Medical Leave Act. Employees who are also eligible for family and medical leave must follow Northrop Grumman IT policy ITP H34 and procedure ITV H34, Family Care Leaves of Absence.



Articles Needed: Please submit articles, idea for articles, questions and feedback by going to the CSLS intranet homepage (<http://csls.it.northgrum.com/>) or contact cslsnews@ngc.com or Krissy Oliver at kristina.oliver@ngc.com. Remember we want to hear from you!

Success, which is something so simple in the end, is made up of thousands of things, we never really know what. -Rainer Maria Rilke

Human Resources Update (continued)

February / March New Employees

Shahriar Ahmed
Sherina Alexander
William Allen
Brian Aubrecht
Timothy Aulbaugh
Alan Babbín
Anthony Badalamenti
Gerald Belleau
Maryann Bens
Robert Birdsong
Donald Bizelli
Thomas Black
Roger Bodenheimer
Michael Bosworth
Aaron Brazell
Adam Brookman
Faith Brown
Ryan Brown
Wesley Bullard
Renee Campanella
Eric Campbell
John Carnevale
Ernie Carrero
Stephenie Carrier
Daniel Chang
Michael Chavez
Dennis Cheng
Chih-Chen Chiang
Shelley Comer
Raymond Corbin
Andrew Davis
Jennifer DeGeorge
Laurie Delaney
Ryan Dewbre
Michael Dillon
Larry Dixon Jr
Michael Doremus
Craig Dukus
Sue Etzweiler
Robert Fagan
Michael Feagans
Jaime Fermin
Aaron Fischer
Kenneth Foster
Shane Foster
Maria Froning
Joseph Gali
Vadim Ganevich
Jesse Garcia
Mark Germaine
Douglas Grady
Annette Guerrero-Walters
Alex Gutierrez
Tina Halverson
Nicole Hanes
Roy Heffner
William Hoelzer

William Horan*
Sharnikya Howard
Robert Humfleet
Dean Irwin
Mohammed Islam
James Jao
Nena Johnson
Sanford Kahn
Kristi Kamerer-Ninegar
Mark Kastilahn*
David King
Craig Kunkel
Catherine Lear
Andrea Lennon
Charles Lillie
Lester Lockman
Richard Low
Johnathan Lowery
Wendy Lunsford
Valerie Mackesy
Elsie Mackey
John Mahan
Patsy Majava
Henry McAllen
Elizabeth McEwen
James McGehean
Cynthia McMullen
Vincent Menuez
John Moore
John Morgan
Christopher Mort
Ronald Murray
Shilpa Nagendran
Richard Neal*
John Neitzel
March Nesler
Tri Nguyen
Parisa Nooshin
Brian Northern
Kimberly Parker
Lynda Parker
Ron Parker
Ruben Pasion
Michael Peters
Patrick Peterson
Jacques Piou
Mario Porter
Joseph Pyle
Brian Quinn
Mikhail Rabinovitch
William Reedy
David Roth
William Rudd
Luster Russell
Wendy Sanchez
Travis Sanders
Eric Schoenig

Randy Segundo
Kamran Shah
Charles Skewis
Jason Spohn
Rodger Stephens
Mary Stephenson
Henry Stockhausen
John Stull
Alfred Tahan
Phanh Thach
Richard Tracy
Eric Trouerbach
Charles Tuck
Brian Tulga
Diana Turner*
Kevin Urciolo
Ashley Vega
Ray Vigil
Thomas Von Dedenroth
James Walls
Terry Wanamaker
Wei Wang
Jeffrey Weber
Deberal Williams
Douglas Wulf
William Wyant
John Jessi Yeager
Howard Yigdal
Suzanne Yoke
Kathie Zischke

*Employee was hired/transferred in December/January and did not appear on the previous list

March / April Service Awards

30 Years
Michael Lisa

20 Years
Joe Charney
Debra Ortega
Ron Ringler
Raymond Schwarz

10 Years
Alison Comer
Earl Engan
Michael Flaherty
Matthew Freiburg
Thomas Markovitz
Kenneth Nesbit
Jessica Reynolds-Brevoor
Dan Taylor
Amber Tolzin

5 Years
Edmundo Alvarez Jr
Ian Apps
Andrea Babbín
Timothy Carlson
Mark Chovanec
Dominic Ciliberto
April Cox
Gilbert DiMattia
Christopher Esser
Scot Forry
Timothy Gaines
Liz Hathaway
Heather Howard
Heather Iacobacci-Miller
Thomas Jakaitis
Judith Kibler
Gregory Marmen
James McGehean
Igor Nakhamkin
Brian Nappier

25 Years
Henry Haczynski
Edward Powell
Daryl Salmons

15 Years
Angelica Ayakatubby
Paul Byers
Timothy Hough
Jonathan Lisa
William Richards
Jeff Riston
Kim Stansfield
Richard Tardiff
Francisco Vera

5 Years
Edmundo Alvarez Jr
Ian Apps
Andrea Babbín
Timothy Carlson
Mark Chovanec
Dominic Ciliberto
April Cox
Gilbert DiMattia
Christopher Esser
Scot Forry
Timothy Gaines
Liz Hathaway
Heather Howard
Heather Iacobacci-Miller
Thomas Jakaitis
Judith Kibler
Gregory Marmen
James McGehean
Igor Nakhamkin
Brian Nappier
Manuel Noronha
Cilena Oblinger
Richard Palmer
Jason Poort
Steven Reynoso
Christopher Reynoso
Roy Rogers II
Robert Sasseen
Steven Shannon
William Shimering
Nina Smith
Vicci Stroop
Debra Timmens
Kevin Townsend
Thomas Von Dedenroth
Douglas Wigley
Henry Zimmelmann

Email us at
cslsnews@ngc.com