Lockheed Martin
Improves Risk Management Quality and Efficiency on the F-35 Multi-role Fighter Program with ARM

The Challenge

Lockheed Martin is a global security, aerospace and information technology company. It is the largest provider of IT services, systems integration and training to the US Government. The Lockheed Martin aeronautics operating unit alone had sales of $14.3 billion in 2011, this included tactical aircraft, airlift and aeronautical research and development lines of business.

The tri-variant F-35 Lightning II (formerly known as the Joint Strike Fighter) represents the pinnacle of more than 50 years of fighter development technology. The F-35 combines radar evading stealth, supersonic speed and extreme agility with the most powerful and comprehensive integrated sensor package of any fighter aircraft in history. When first awarded, the F-35 was the largest defence contract in history.

For such a high profile program, Lockheed Martin needed a proven and integrated risk management solution to deliver both risk visibility and in-depth capabilities. This had to meet both the day-to-day needs of those involved in the highly complex, multi-tiered projects and the requirement for senior management to have visibility across the whole program.

Challenge:
Proactively manage risk on the highly complex F35 multi-role fighter

Solution:
Implement ERM software in-house and across the supply chain

Results:
More risks handled for less, enabling time for enhanced management of the risks and proactive risk mitigation across the program
The Solution

The size and complex nature of the F-35 program led Lockheed Martin to select Active Risk Manager (ARM) to provide a common system to comprehensively manage risks. ARM is a web-based solution which enables the integration of all risk-related data into a common system. This meant Lockheed Martin’s partners and suppliers could be involved in the risk process to help provide a more complete picture. ARM’s security features meant each player could access only the data and parts of the process relevant to them. This was essential on a national security program of this size and scope.

A tiered risk management process was implemented with ARM for program, intermediate and supplier level risks. This approach was necessary because of the sheer size of the endeavor. The approach means there is a team responsible for risk on every aspect of the program. Risk is tracked and managed within each team and tier. ARM provided the capability to handle the high volume of potential risks which could be identified at critical times in the projects. Active Risk Manager proved its capability to handle the identification, and management of risks on a large scale with hundreds of users involved.

ARM is being used to plan, execute and manage mitigation actions. The Lockheed Martin risk management process integrates the mitigation plans developed with ARM into program schedules. To facilitate this Sword Active Risk and Lockheed Martin worked together to ensure that ARM has tight integration with F-35 program toolsets such as Project View and Microsoft Project.

The Results

ARM has enabled Lockheed Martin to cope with the potential high risk volumes efficiently and effectively. The ability to handle more risks for less expense gives the time to really manage the risks, rather than just to administer the data and process. This leads to more cost-effective and better quality risk management to help keep each tier of the program on track.

The single view provided by ARM ensures that best practices can be shared across the F-35 program, its partners and suppliers. This means lessons learned and proven mitigation actions can bring benefits to other areas of the program. This keeps costs down and increases the ability to meet project milestones and deliver within budget.

Active Risk Manager

Active Risk Manager (ARM) is the world’s leading Enterprise Risk Management solution covering corporate, strategic, process, product, project, supply chain, business continuity, reputation, health and safety, incident management risks and opportunities, corporate governance and compliance.

ARM is widely used for risk management on major complex projects and by some of the world’s largest and most respected organizations across a range of industries.

Sword Active Risk, formerly Strategic Thought Group was founded in 1987 and has offices in the UK, USA, Australia and the Middle East, servicing customers worldwide directly and through a growing network of partners.