

Our goal here at Apogee Consulting, Inc. is to post one article per working day, roughly five a week, of a length between 500 and 1,000 words, discussing one aspect of the Federal contracting business. Sometimes we get asked where we find the time, other times we get asked where we find the news items. With so much happening all the time in this crazy business, and so much to keep on top of, it's not hard to find stuff to write about—trust us on that. Our news sources are as diverse as the industry itself, and include specialized sites devoted to Government contracting or to general auditing/accounting, as well as “mainstream media” sites. We are working right now on a “Links” page that will give our readers opportunities to search out updates on their own.

But it's not all stories lend themselves to one post. This article catches up on several items we've mentioned before.

We're discussing, once again, the recurring theme of aerospace/defense companies restructuring and reorganizing in response to the current—and near-term—forecast, of flattening defense budgets.

More Reorgs in Process

Written by Administrator
Wednesday, 13 January 2010 00:00

We're not the only ones looking at all the changes in aerospace/defense company executive ranks and organization structures. Aviation Week & Space Technology had a piece on it a few weeks ago. But we're looking at the changes, and reporting them

[here](#)

and

[here](#)

(for example). In

[this article](#)

, we asked which companies were pursuing the better strategy, those that thinned executive ranks to cut costs or those that augmented executive ranks to drive quality and customer satisfaction. More recently, we

[discussed](#)

changes that a number of companies were making. After we sent that article to the presses, Boeing

[announced](#)

"organization and leadership changes" to its Integrated Defense Systems (IDS) segment.

First, Boeing announced a name change. Effective immediately, IDS will now be known as "Boeing Defense, Space & Security (DSS). DSS will also eliminate two

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operating units. The new DSS structure will include four units, including :

- Boeing Military Aircraft (BMA)
- Global Services & Support (GSS)
- Network & Space Systems (N&SS)
- Within the N&SS unit, Boeing DSS will create the Network & Tactical Systems (N&TS) division, which will include the former Combat Systems unit and the Command, Control & Communications Networks unit

In addition, the company announced multiple reassignments within its executive ranks.

Why is Boeing making the organizational changes? According to the Boeing press release—

In announcing the changes, Boeing Defense, Space & Security President and CEO Dennis Muilenburg said the realignment is part of a continuing effort to successfully compete in a rapidly evolving global defense and security marketplace. Muilenburg said that reshaping the unit positions Boeing for further growth in new and adjacent markets while continuing to serve existing defense and space customers.

‘Boeing anticipated flattening defense budgets and shifting customer priorities for the past few years and has been taking aggressive steps to position the company for profitable growth in a challenging economy,’ Muilenburg said. ‘In the past 18 months alone, we have acquired seven companies to enhance existing capabilities, expanded Boeing's services business, and created new divisions -- like Unmanned Airborne Systems -- to directly and rapidly respond to our customers' emerging priorities.

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‘With these latest strategic moves, we can extend our core programs even as we enhance Boeing-wide capabilities designed to capture business in promising markets in the United States and around the world, including cyber-security, energy, intelligence, C4ISR and logistics,’ Muilenburg said.

Almost at the same time, Lockheed Martin issued a [press release](#) announcing that it was reorganizing its Electronic Systems business area, by consolidating the Maritime Systems & Sensors and the Systems Integration-Oswego business units into the new Mission Systems & Sensors unit. According to the press release, “As a result of the anticipated synergies and efficiencies the combination will bring, the company expects to eliminate approximately 1,200 U.S. positions from the MS2 business.

Affected employees will be notified by early April.”

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The press release continued, “The new MS2 reflects our goal to drive performance excellence with a keen focus on affordability in everything we do,’ said Orlando P. Carvalho, president of MS2. ‘We recognize the challenges our customers face and are making every effort to improve efficiencies that enable unparalleled service at the right price.’"

More news from other aerospace/defense companies to follow in the near future, we’re sure.