Lockheed Martin Drives Improved Business Outcomes Through Workforce Planning

Presenters:

Jacque Flusche; Senior Manager Human Capital, Lockheed Martin

Peter Louch; CEO, Vemo

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Introductions

Jacque Flusche
Lockheed Martin

Peter Louch
Vemo Inc.

Agenda
Workforce Planning: Forecast Future Skills and Gaps

February 22, 2023

- The Limitations of Job Discipline

- Skill Collection Methods

- Lockheed Martin Current State and Goals

- Predictive Modeling Applications

- Close & Questions

Limitations of Job Discipline
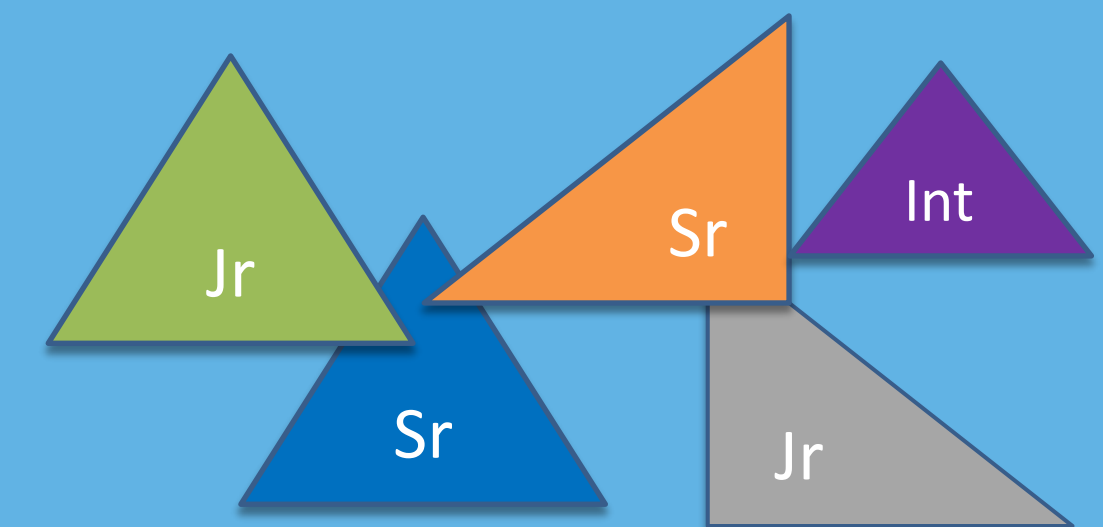A good start but success is in the specifics

- What Job Discipline provides: market equity and compensation, talent movement, and development pathways

- Additional Options to Consider:
    - A layer below job discipline
    - Skills with scalable value

Be a talent leader in the acquisition and/or build of key personnel by planning far enough ahead
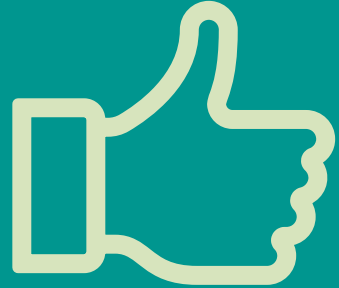
Job Discipline
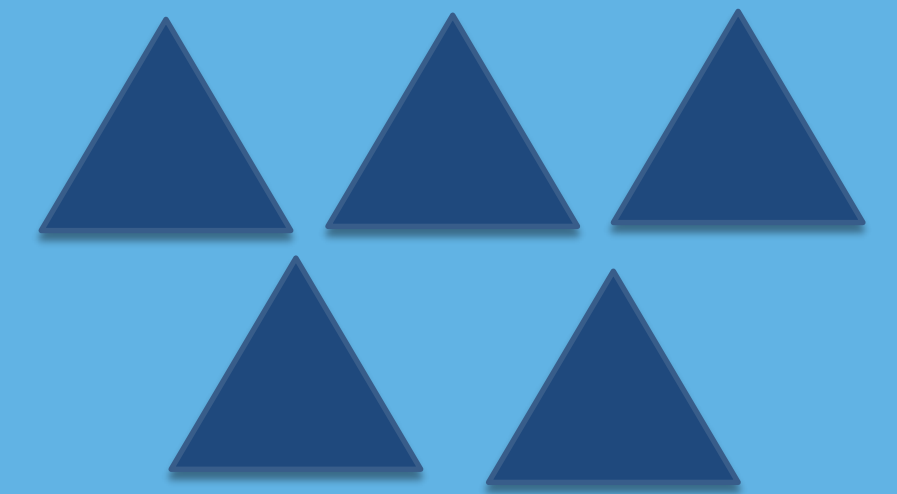
Real Life Requirements

Jr

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Skill Collection Methods

| Approach	👍 PROS	👎 CONS
Scraping Employee Information Sources	• Low effort • Shift work to end user to group like skills	• Shift work to end user to group like skills – challenging to use at high level • Not validated
Manager Curated	• Validates scraped skills and filters to useful set	• Doing performance management 24x7
Job Or Team-based Application / Assignment	• Expert driven	• Easy to get carried way with taxonomy work, might not ever finish
Resource Management	• Person building work assignment best understands specialized skill requirements & needs to capture skills	• Can dwell on common resource shortcomings and purple squirrels
External Taxonomy	• Outsource data wrangling to experts with existing tools	• Taxonomy is moving target, perfect can be the enemy of good

Current State

LOCKHEED MARTIN

- Starting consistent workforce planning processes
  - Business segment / function level
  - Reporting / Informing
  - Pulling in Supply data, building Demand data
  - Developing consistent application of predictive

- Evaluating gaps in combinations of job and skill

- Refining the volume and focus of the data

- Measuring, evaluating, and adjusting to improve

Accuracy & Execution Improving

Assignment FTE by Month

Add Detail to Deliver Insight
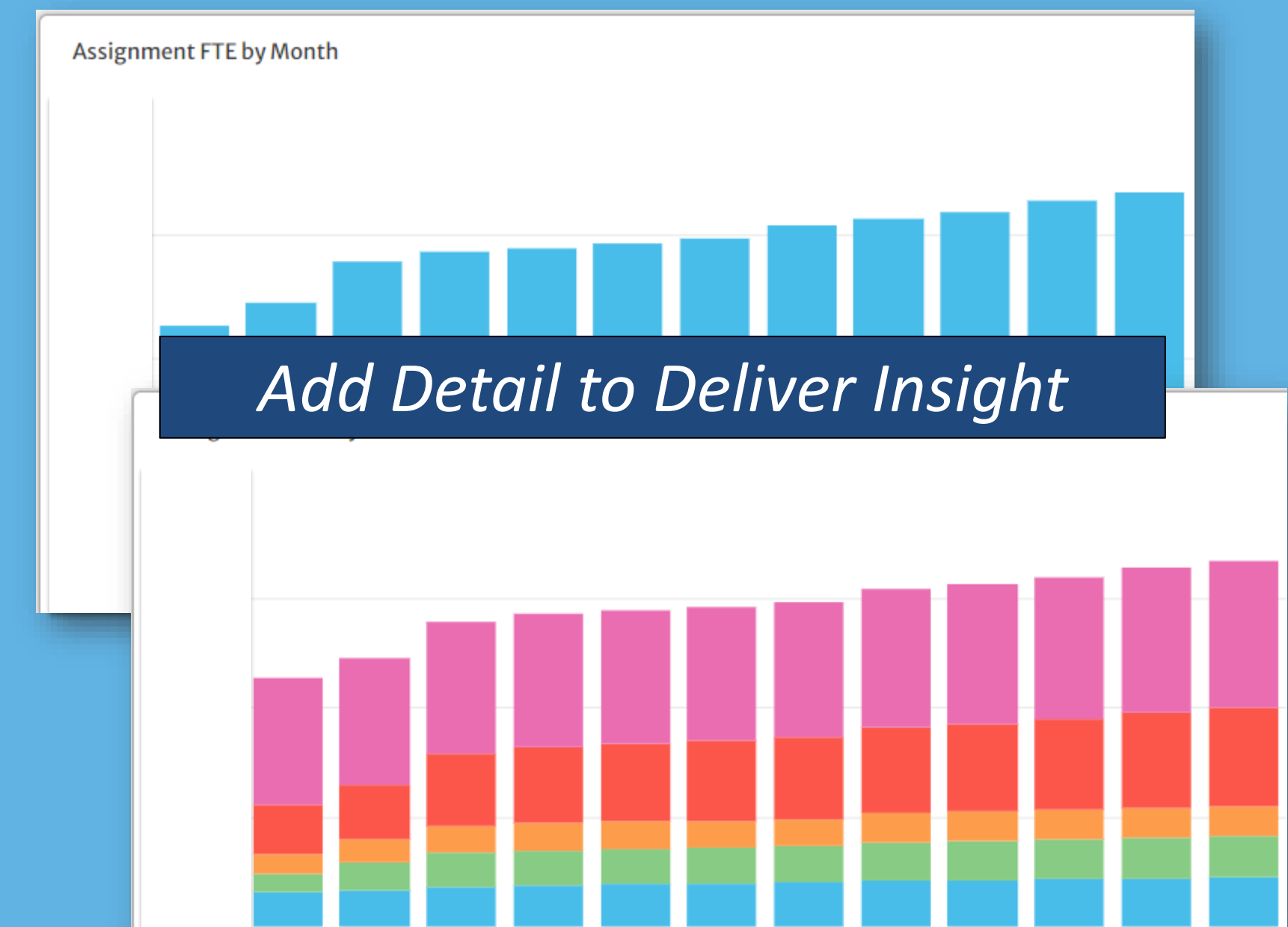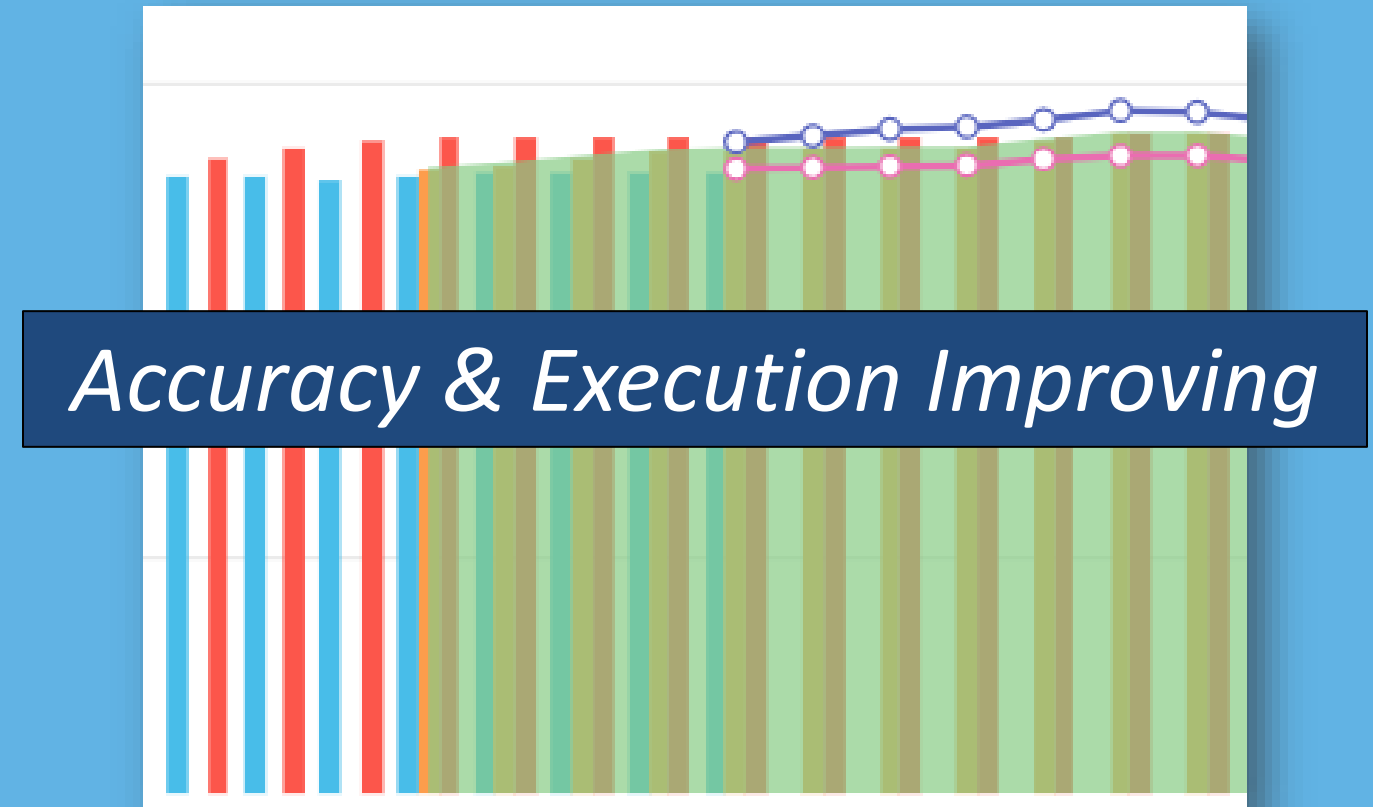
Future State

- **Drive strong value creation from enterprise alignment**

  o Enterprise-wide talent pool

  o Resource Management Demand vs. Supply to inform Headcount Plan

  o Better automation and centralization of Demand

  o Use predictive models to speed up, mechanize

- Full alignment on job and skill taxonomy

- Proactive, strategic action on critical gaps with earlier recognition

- Identification of trends and patterns that help us better perform and compete

Predictive to Improve Results

- Predictive analytics can shoulder much of the weight
  - \> 80% of business and talent is highly predictable but still important to plan and understand gaps
  - < 20% of business and talent is more dynamic, with more nuanced impact on competitive advantage

- Predictive analytics covers the >80% and informs entire process, particular for attrition
  - How many of your growth plans have been stymied by not adequately addressing attrition and strategy-aligned backfill?

- Leaders can gain back that time to focus on the critical 20% of decisions that make high impact / supply-constrained skills / skills of future

Predictive to Improve Results

- Predict future demand signal
  - By role and skills within role
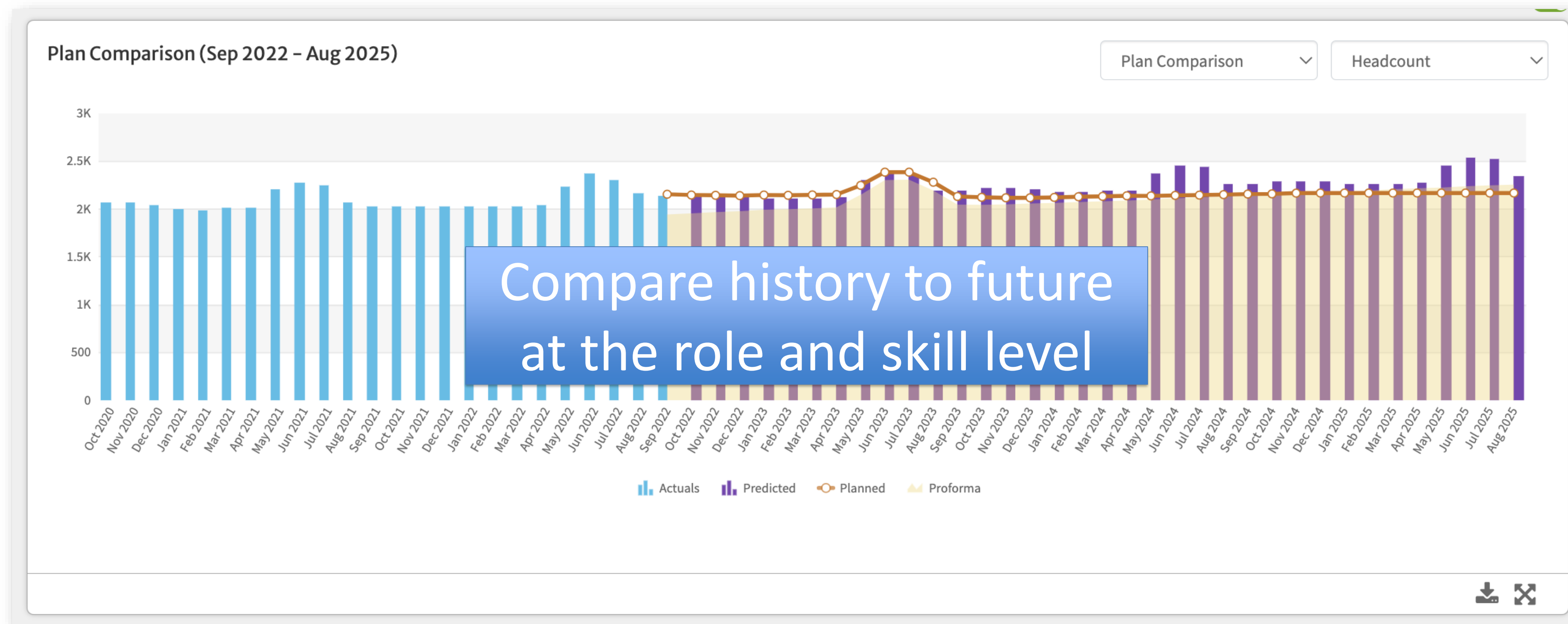
Predictive to Improve Results

- Combine predictions/plans for future demand with attrition and mobility and skill flow forecasts

- Derive time-phased understanding of skill gaps and surpluses

Skill Gap Details (Jan 2023 – Dec 2024)

Skill Gap Details ▾   Headcount ▾

Skill	Future Gap ↓	Current Demand	Current Supply	Change In Demand	Attrition	Future Demand	Future Supply
System Architecture	76.96	32	28	48	24.96	80	3.04
Software Development	75.48	34	33	47	27.48	81	5.52
Earned Value	74.85	30	25	47	22.85	77	2.15
Work Independently	73.90	31	26	46	22.90	77	3.1
System Security Engineering	73.47	29	23	46	21.47	75	1.53
Risk Management	73.43	30	27	46	24.43	76	2.57
JavaScript	73.4	29					
Lab Simulation Modeling	73.34	29					
Structural Analysis	73.07	29					
Vemo	15.27	19					
Technical Writing	11.43	11					
Software Integration	11.25	11					
Test Equipment	10.79	12					
Linux	10.62	13					
Planning	9.97	11					
Technical Leadership	7	5					
HTML	5.07	7	7	3	2.07	10	4.93
Training Development	4.87	7	8	3	2.87	10	5.13
JIRA	4.08	4	3	2	1.08	6	1.92
Advanced Development Programs	3.57	5	5	2	1.57	7	3.43
Software Configuration Management	1.94	2	2	1	0.94	3	1.06
Standards	1.5	2	2	1	0.5	3	1.50
User Interface	1.5	2	2	1	0.5	3	1.50
OpenStack	1.5	2	2	1	0.5	3	1.50

Understand attrition and changes to demand in order to meet future plans

Key Takeaways

- Workforce Planning isn't a buzzword, **we're changing how we do business** – teaching a new skill.

- All approaches have merit, select the right one for your business model and organizational culture. **Align and consolidate**.

- **Predictive analytics** reduce the workload to support – it won't predict market or on the ground challenges, but it provides a solid common-logic starting point to make decisions from.

- This isn't just an HR initiative or finance project – it **requires everyone to engage**. You can't do it for them.

The ability to do this effectively while having low impact on operations will deliver significant business value.

Thank You.
Any Questions?