Lockheed Martin Announces Plan To Reduce Leadership Ranks In Continuing Focus On Affordability

Company offers executives early-exit incentives

Lockheed Martin Corporation today announced a new program intended to reduce overhead and improve affordability by reducing the number of leaders at the director and vice president levels.

The program is the latest in a series of moves aimed at refining strategic alignment, enhancing performance and lowering costs to keep pace with evolving customer realities and global security challenges. Other recent actions include a major business reorganization, the planned divestiture of two units and a significant reduction in international trade show participation.

"We're taking bold and responsible action to address the new reality of our business environment consistent with our customers' need to improve efficiency and deliver additional savings," said Lockheed Martin Chairman and CEO Bob Stevens. "Our customers are facing increasing demands with constrained resources, and they're relying on us to give them the very best value within these constraints. This was clearly expressed by our top U.S. Department of Defense leadership in the recent announcement of major cost savings and productivity initiatives."

Under the Voluntary Executive Separation Program, Lockheed Martin is offering financial incentives for these employees to leave the company by February 1, 2011.

In addition to reducing overhead costs, the program is intended to reduce layers of management and afford opportunities for talented individuals to take on broader assignments to continue to grow their careers. This streamlining is expected to provide more immediate, direct communications within the Corporation and with its customers.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 136,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation reported 2009 sales of $45.2 billion.

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