



C. Michael Petters

EDITORS' NOTE Mike Petters assumed his current role in March of 2011, when Northrop Grumman Shipbuilding began operating as the newly formed and publicly owned Huntington Ingalls Industries in a spin-off from Northrop Grumman Corp. He is also a member of the HII board of directors. Prior to this appointment, Petters served as President of Northrop Grumman Shipbuilding after having served as President of Northrop Grumman's Newport News sector. Petters joined Newport News Shipbuilding in 1987 in the Los Angeles-class submarine construction division and then held a number of increasingly responsible positions throughout the organization. Petters earned a bachelor's degree in physics from the U.S. Naval Academy in 1982, served aboard the nuclear-powered submarine USS George Bancroft, and spent five years in the U.S. Naval Reserve. In 1993, he earned a master's degree in business administration from the College of William and Mary.

COMPANY BRIEF Huntington Ingalls Industries (huntingtoningalls.com; HII) designs, builds, and manages the life-cycle of the most complex nuclear- and conventionally-powered ships for the U.S. Navy and Coast Guard. For more than a century, HII's Newport News and Ingalls shipbuilding divisions in Virginia and Mississippi have built more ships in more ship classes than any other U.S. naval shipbuilder. HII also provides engineering and project management services expertise to the commercial energy industry, the Department of Energy, and other government customers. Headquartered in Newport News, Virginia, HII employs more than 39,000 people operating both domestically and internationally.

What has helped this company perform so well over such a long period of time?

You don't make it 128 years without being innovative and creative. The ships we're building today in our shipyards are really for the administration after next, so we have a horizon that is pretty far out.

A Part of the History of the U.S.

An Interview with C. Michael Petters, President and Chief Executive Officer, Huntington Ingalls Industries

One of the CEOs in this organization said many years ago that short-term decisions are political and long-term decisions are economical. So we think about today's politics and tomorrow's economics.

What kind of innovation is taking place within the company?

It occurs in all dimensions of the business. We're building an aircraft carrier today that has substantially more power density and the ability to launch and recover more aircraft than anything that has been built before. We're also doing this with less manpower on the ship than ever before.

You don't achieve that just by working hard – you have to insert technology into the platform and take advantage of new developments.

We think about innovation in terms of process, product, and technology but, in this business, young sailors are going into harm's way in our ships. If we're going to put an innovation in our ships, it has to be right. It's a tall order and a standard we have to live up to.

How do you attract the talent you need?

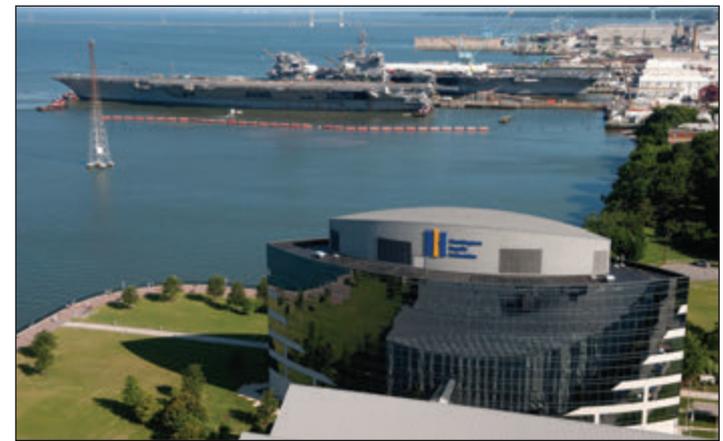
We invest heavily in the workforce development pipeline, and in programs in our local community colleges and schools. We're the largest employer in Mississippi and Virginia. We're tied directly to the governors' offices in both states as it relates to the development of that pipeline and are engaged at every level of that development.

A real investment needs to be made in education in our country. If a more business-like approach to education were taken, we would try to solve the process at the front-end through investments in pre-school, Kindergarten, and grade school. If we are able to create engagement at these levels with the quest for knowledge and understanding, we have a chance to build a highly skilled workforce 20 years from now.

Are you optimistic that the necessary dialogue will take place to impact education reform?

There is something to be said for defining the customer of the education we're providing as a nation. I believe it's the student, but some will argue it is the parents, the business community, the teachers, or the school systems. In any case, we do know there is a high correlation between skills and early childhood education.

One of the real challenges we have as a nation is creating an understanding that our sons and daughters will not only be competing with their neighbors for a job, but they will be competing



Huntington Ingalls Industries headquarters (foreground); USS Enterprise and USS Theodore Roosevelt aircraft carriers at Newport News Shipbuilding's piers (background)

with talent from throughout the world. As the country comes to understand this, we'll become more proactive.

I'm optimistic about the path we're on.

Is enough being done to encourage entrepreneurship to ensure that the U.S. maintains its status as a global leader?

The reason the U.S. has been successful for so long is that we have a democratic system and a capitalist system that both demand unfiltered feedback. Whenever we try to filter the feedback, it distorts our decision-making, which slows down our ability to respond properly. The extent to which we can increase unfiltered feedback from the different marketplaces will determine how competitive we become.

Some companies that moved their manufacturing offshore are starting to move it back. They initially moved it to places that were not well-developed with low-cost structures. However, as those places have developed, the cost structures have changed and the expense of transporting finished goods to market has become a more important factor.

I now believe we have an advantage on the energy side that is going to develop over the next couple of decades, which is going to further drive manufacturing back to the U.S.

It's an easy issue for our business at HII, however, because we never left.

What is a company's responsibility to the community in which it operates?

Our shipbuilders are the first to leave their neighborhoods in the morning to come to work and they're the last ones to go home at night. They coach little league teams and youth groups. Our employees are the community, so our opportunity to help them be more successful in that part of their lives is good for all of us.

Did you know that this was the industry with which you wanted to be involved early in your career?

No, but if one wants to really be engaged in an industry where you can grow professionally every day and be involved in something bigger than oneself, this is a great place to be.

Anytime we send a ship down the river or out to sea, we know it will be part of the history of the U.S. for the next 30 to 50 years – so our effort today is part of something a whole lot bigger than what is sitting on my desk.

This is a business of high integrity and standards, because we all know what we're doing is critically important, and that is very exciting. ●