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Welcome to HII Talking Points, a Huntington Ingalls Industries Podcast. In this special four-part series, we're talking to senior executive leaders about enterprise transformation.

Phoebe Richards: I'm Phoebe Richards and this is our last episode in our special mini-series about transformation at HII. HII President and CEO Mike Petters has said, "We will not remain successful by being complacent. And that's where transformation comes in. It's about changing the way HII does business, as an enterprise and as individual employees."

In this series, I'm talking with HII's division presidents about transformation and what they think we can do to transform the business.

In our previous episodes, we featured interviews with Scott Stabler, HII executive vice president and chief transformation officer, Newport News Shipbuilding President Jennifer Boykin, and Technical Solutions division President Andy Green.

Today, we'll complete this series by talking with Ingalls Shipbuilding President Brian Cuccias. Mr. Cuccias, thank you for joining me today.

Brian Cuccias: Glad to be here today.

Phoebe Richards: So, we've heard about transformation throughout the company and so I'm excited to hear about what Ingalls has going on. So, with that, let's get started.

So, first off, what are some transformation initiatives at Ingalls that you're personally excited about?

Brian Cuccias: Well, about four and a half, five years ago, we started a project called, "Shipyard of the Future." And we started that project by asking, "Where do we need to be as a shipyard?" With tightening government budgets, with a ship loading plan that wasn't always so certain. Where do we need to be and how do we need to perform?" And it wasn't the question how much better we could be. It's where do we need to be? And I think you look at things differently when you look at an objective on where the bar is raised, not can you get five percent better?

And so, we started this journey on Shipyard of the Future that looked at that. And we looked at everything from our indirect budgets and processes, our engineering, how material flows through the yard. And also, we also looked heavily at the people. We call them our industrial athletes. How do we take care of our industrial athletes?

And so, we looked at the whole value stream. And we came up with a project called the “Shipyard of the Future.” And it involves anywhere from how do you do a design different? This is the first time in the history of Ingalls, we're all putting all our designs in a single, 3D product model.

We've had various product models and we've had paper. We've been building things off a variety as a medium. Now, we're all in Ship Constructor. That's actually pretty exciting because it enables so many things to happen after the design phrase. But we also looked at the shipyard flow. Are we building the ships the right way? Can we build them more effectively? Can we build them smarter? What is the flow rate through all the yard?

We also looked a lot of our ships are actually being built out into the sun. A big piece of the yard was out in the open. And in Mississippi in September, it's really hot and the weather is terrible, and the rain. And so, we're looking about how can we make our industrial athletes all they can be? How do we give them a chance to be as effective and productive as they can be?

So, a couple of the projects that we have – we have a lot of projects. And I could take an hour spent on them. I'm really excited about it. But one of the projects is basically putting our shipyards under cover. And we put our ship builders together with industrial engineers and some of the businesses that do those types of studies. And we said okay, here's what we want to accomplish. What do you think we should do?

And they came up with a unique design that allows a building with retractable roofs where we can do work inside, under cover, with open sides so we still have great material access. And the roofs can kind of move in and out depending on the weather and depending on the lifts.

We have one of those lines in full production now. This changed the temperature in the summer by 20 degrees. So, in the summer, when it still heats up, it never cools down when the next day comes. So, it's truly hard on our builders. So, that's just a huge enabler. Our productivity has gone up. Our process volume has gone up.

And another area I'm really excited about is our new panel line. We just commissioned that this year. So, we have a new panel line that takes plate steel from the beginning of the process. It mills it. It welds it. It processes it down automatically. Marks it. Puts the stiffeners on it. And we just have a few people that do it.

It also uses lasers to weld the material. So, it's great for light material. It produces at a much faster rate and a much flatter material. I believe it's the most modern in the country. I believe that is transformational.

Another, I think, a real important item, is on the shipyard, on the industrial athlete. We've changed how we onboard people and how we hire people. And so, we've looked at how hard is it to apply for a job at Ingalls? It was really quite difficult.

You had to answer 88 questions. Some of the questions were almost impossible to actually answer. We had to have help. We've brought that down now to 22 questions. And we're asking, can it be less or is that the right number? When you went to apply for job, sometimes it took many days. It took many visits through different parts of the yard.

Now, we're creating a building where it's one-stop-shopping, essentially, where you come in. You have a better experience. You can take everything down there. And you can get your paycheck in two weeks after you apply rather than three or four months after you apply for a job.

And I think changing how we onboard people, changing when they come into the facility they will have a mentor. Someone will greet them. All their materials will be there. A different introduction on how you come into shipbuilding, which is really dramatically different than we've done in the past.

So, from the facilities to the design to the people, I think we're really headed to a different place. I'm quite excited about that.

Phoebe Richards: That's really significant. So, what else is your division doing to support HII's transformation?

Brian Cuccias: Well, we have, in terms of how we reach out and reach out to get ideas from just the employees. We have an Ideas Program. We have Focus Workshops. Our Focus Workshops have increased over 200 percent from even last year. We have over 400 of those. And that's where teams get together and said, okay, here is an area of the yard. How do we make this better? And really involve the employees who actually are responsible for doing the work and get their ideas. I think that's quite transformational.

Another big piece is our engineering. Our engineering culturally, looks, I think, at the work differently. I tell my folks at Ingalls, the cheapest pipe detail and the cheapest ventilation detail to build is one that doesn't exist. So, if you can actually reduce and simplify this statement working in the designs, you can really radically transform the business far more than the production folks can weld a part.

And so, if they can get into that. And our engineers have now looked at this culturally different. Rather than this is just a technically acceptable product, this is a product that actually is really efficient to build. Far more simple before. And it's actually a simplified statement worked. I think that's really kind of changing the game. And I'm quite excited about what engineering is doing for us.

Phoebe Richards: It's almost like they have to re-look at the product that they make, that then moves down the pipeline.

Brian Cuccias: They re-look at it, and they – the first one is, can I actually build this system without having a pipe detail in it? Then the next part is, can I look at the system and simplify the pipe detail I do have to put in it? And if you look at every system that way, in that approach, every aspect of the business is actually more efficient and more effective.

And so, it's all about the delivered cost. It's all about getting the sail-away cost of the ship or the boat out more affordably at real high quality, on a great schedule. And if the engineers think that way, and planning thinks that way and material thinks that way, it really helps our production, which is the recipient of all those products.

Phoebe Richards: So, what does a transformed HII look like?

Brian Cuccias: I think a transformed HII is one that has really – creates a

step-function improvement in the products that we provide to our customers. And I also think a transformed HII is not a point in time. It's a journey that continues. So, it's not – we have arrived and now we have a transformed organization. I think it's one that has to continually be worked.

And I think over the history of shipbuilding, there were many times where they weren't really transforming technologies that had step-function improvements. From rivet, joining steel to welding. That was a transforming move. From building ships off paper into a 2D model, into a 3D model, that was quite transformational.

And the other transformation was just building ships on unit – outfitting them on unit and then erect the outfitted unit. I mean ships, historically, were built – you build the steel hull and then you put all the outfitting inside of it. Those were really transforming moves.

I want to make sure that HII and Ingalls and Newport News and TS, are on the forefront of those next transformational technologies, because somebody's going to do it. And if it's not us, it's going to be somebody else.

Phoebe Richards: So, to make sure that it's us doing it, what advice do you have for employees who want to get engaged in HII's transformation?

Brian Cuccias: I want to say, have the courage to speak up if you see something that you think can be better. We're trying to do that with our Ideas Program. We're trying to do that with the engagement groups that we have. Our job, as leaders, is really to make the least empowered person have the courage and feel comfortable enough to speak up and have an idea.

And if we get to that point, I think a lot of ideas will happen. But I think also, we have a great mind trust across the whole corporation. And the degree we can reach across, Ingalls can talk to Newport News and talk to TS and talk corporately and share those pool of ideas, we can leverage the strengths that we have rather than just kind of stay kind of in our own area and leverage just locally.

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Phoebe Richards: Well, that's great advice. Thank you for sharing today. And I hope you and our listeners have a happy holiday.

Brian Cuccias: Thank you for being here.

Thanks for listening to HII Talking Points. This Podcast was produced by Huntington Ingalls Industries Corporate Communication's Team. We welcome your feedback and ideas for future Podcasts at www.huntingtoningalls.com/podcast.

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