

Mike Petters, president and CEO, Huntington Ingalls Industries
Coronavirus message
March 22, 2020

Good afternoon. I'm Mike Petters. I'm the CEO and president of Huntington Ingalls industries. I am here on this Sunday afternoon to give you an update.

It's March 22nd. We've been working through the challenges of this national emergency for the last couple of weeks and I thought I would come and just give you an update on the things that we are working on and the things that we have done and where we plan to go.

The first thing I want to do is, I want you to go with me to a place where we can all get our heads around this thing the same way. I think when we when we first started looking at this problem, when I first started thinking about this problem and honestly two weeks ago -- I didn't know any more about this than you did -- I think we've all become experts at, or becoming experts, on viral infections.

But two weeks ago, we kind of had this view that this was going to be a two-week thing and we're going have to kind of deal with. It felt kind of like getting ready for a hurricane or snow storm, but as we've come to understand this better, it's become pretty apparent that this is not like a hurricane, and it's not like a snowstorm.

In those circumstances, which we deal with all the time and we actually are very effective in dealing with those, we know that once the storm passes we'll come back out the sky will be blue, we'll be able to get back to work. We may have to rebuild some things, but we can pretty much get back to work the way it was before we started preparing for the storm. I think the thing that sets this one apart is that this is not going to pass like that.

This is not going to be a day where, okay, it's over. This is going to be a long, sustained effort from all of us, to do our best to mitigate the impact of this crisis. If you were one of those folks who was thinking that this is just a two-week deal and then we'll be back to normal, I want you to just disabuse yourself with that idea because that's not what this is.

I think you can see that from all different kinds of communications that are out there. I don't think anybody thinks -- and the experts think -- that that's the way this is going to go.

They're talking about this being a months-long effort, not a weeks-long effort. I think that's a pretty important thing for us to all come to better understand and move ahead on. It really

informs the way that we think about how are we going to, not just respond to this crisis but recover from this crisis.

We started thinking about this nearly two weeks ago. We laid out three very important objectives. The first one was, we realized that we needed to give each individual employee as much flexibility as we could give relative to our policies and our procedures so that each employee could deal with the situation that was presented to them, whether it was themselves, their families, their neighbors.

Wherever it was, we needed to give them as much flexibility as we could. To that end, we stepped in and we started making policy changes. We started making policy changes around how we do short-term disability. We started making policy changes about who's a probationary employee.

Your business unit presidents have been communicating all of those policy changes to you, and we continue to take on those new things that come up as ways that we can give you even more flexibility. The reason for that flexibility is, we want you to know that when we get to the part where we're into a recovery of this, your job is secure.

Whatever decisions you have to make to get through this time, and through this crisis, we stand with you to help you make those decisions. We want you to know that you can always count on your job being secure on the other side. Unfortunately in our society, that's not true for everybody. That's an opportunity for us, and I'll talk about that a little bit more as we go through this.

The second thing that we recognized was if we're going to create flexibility for our employees, the next thing we need to do is we need to protect the national asset that is Huntington Ingalls industries.

We've been identified, as your leadership has pointed out, as critical and mission-essential by the nation, by the Department of Homeland Security, by the Department of Defense and by the US Navy. We've been identified as a critical and mission-essential organization that needs to continue to support the partners that we have in the national security infrastructure -- in the in the national security business -- and help them do their missions.

We're very comfortable with that, and we've been doing that. Frankly, that's who we are.

We have partners out there that are working in the national security field and we partner with them every day. What has happened, in the wake of this crisis, they have turned back and said we need you to make sure that you continue to partner with us and get those things that we need done.

Whether it's a ship repair activity, ship construction, something in one of our intelligence communities, or whatever it is, whatever you do, it has been deemed mission essential by the administration.

We're committed to making that happen. That's been our primary focus for a long time, but now we have a secondary piece. This virus has taken our economy hostage. We are going to be a part of our economy that's going to plow through and support our families, our neighbors, our neighborhoods, our cities, our states and our nation from an economic standpoint.

Beyond supporting our employees and supporting our neighborhoods and our regions and states, we're also going to be supporting the thousands of suppliers that we have and the people that they have who are supporting their neighborhoods and their regions and their states and our nation as we go through this.

This is a secondary mission of where we are, and is something though that I think is very, very important because we need to continue to make that happen for us.

The third thing that we set out to do at the beginning of this was, we're going to hyper communicate. You have been inundated with communications from your business unit leaders. Andy [Green] and Jennifer [Boykin] and Brian [Cuccias] have been talking to you just about every day about things that we're doing, things that we have changed.

We didn't have it all changed to begin with, and would come up with new things to work on and communicate, we're getting those things out there.

In light of that mission that we have, from supporting our critical partners, supporting our communities, you have asked us, "What else can we do?" We've had a couple of cases already, where we have leaned in and provided the PPE that's necessary that we have, that we can give to the hospitals in our localities, whether it's here in Newport News or in Mississippi.

We have been in contact with the hospitals and we've actually transferred some of our equipment to them to help them work their way through this. We're open to more of that, and the more ideas that we have, the more opportunity we have to engage and support our communities, the more we will be fulfilling our role as a critical and mission essential partner, with the nation to get through this.

The other part of the communication story, is that we want to make sure from the very beginning that, with all the noise that's out there that you would be able to count on us to tell you the truth, and be able to tell you what's happening, when it's happening and how it's happening.

We want to be your trusted source of information. To that end, I can tell you this afternoon, Sunday afternoon, March 22nd, as of this point we do not have an employee who has tested positive for the virus. I don't expect that to last.

I expect that we will have employees who test positive for the virus, and given that we will continue to operate. We will take care of that employee. We will take care of that area. We will do all of the things that the CDC has suggested and recommended and directed to make sure that any of those affected areas, any of those affected people, are going to be treated appropriately.

Beyond that, we're as we generally do, we're being very preventive at this point. We are out there cleaning ahead of things. We're doing the social distancing that we all have become very familiar with. I honestly think three weeks ago, if you'd asked me what social distancing was I wouldn't have been able to tell you. I think we all know what it is now. I know that our leadership has been very engaged in creating work spaces that are, to the best of our ability, as safe as they can possibly be.

Now is the time for you to be empowered. We have talked often about how we need to have a culture where the least empowered person feels comfortable in confidently contributing to our success. That's how we want our culture to be. Today is a place and a time and where we are now, I need you to be empowered. I need you to point out those things, where if you have concerns over your workspace, or you have concerns over things that are going on or things that you see, raise your hand and tell us.

Our leadership team is ready to engage on that and make sure that we take care of those issues appropriately in accordance with the guidelines that we have.

Finally on the area of communications, I know that you have a lot of questions. We're going to set up a structure in Facebook that's going to allow you to ask me questions. The next time I come and talk to you, I'm going to answer the most important questions, based on the way you do this in Facebook.

I think the way we're going to do it is, we'll set up a space, you can ask a question or if you see that somebody else has already asked that question, you can like their question. The questions that get the most likes are going to be the ones that I will answer the next time I come and talk to you.

Finally, want to say thank you. I know that you are feeling all kinds of stress and you're looking for all kinds of information. You're looking for an answer and silver bullet that says, "This is the way this is going to go and it's going to go past this all over." None of us has those answers. But I also know, with my experience with working with you all over for the past more than thirty years, I know that you can survive and sustain and excel in this environment.

As I said the last time I talked to you, this is really hard stuff. I know it's hard. I also know that we'll get it right, because that's what makes me proud to be part of this corporation.

So please, take care of yourself. Take care of your families. Take care of your neighbors. Take care of your teammates here in the organization, and take care of our nation.

For that I thank you and I look forward to seeing you.