NORTHROP GRUMMAN SYNCS WORLDWIDE OPERATIONS WITH ADEACA

ADEACA™ | NORTHROP GRUMMAN

Transforming Project Enterprises with Lean Business Solutions

NORTHROP GRUMMAN
PROFILE

INDUSTRY   Aerospace & Defense
HEADQUARTERS   Falls Church, VA United States

Northrop Grumman Corp. (NG) is a $25 billion company that specializes in defense and technology products and services for the global market. As a leading defense contractor, the company delivers innovative solutions with applications that range from undersea to outer space and into cyberspace.

Northrop Grumman has offices and subsidiaries all over the world with about 65,000 employees in four major divisions, including Aerospace, Electronics Systems, Information Systems, and Technical Services.

EXECUTIVE SUMMARY

Northrop Gruman needed to become more lean. It sought to streamline its project processes in its international subsidiaries while ensuring accurate and timely data flow to US management.

Key findings in this case study:

- ➡ Deployed a two-tier ERP strategy

- ➡ ADEACA is easier to use and support than its primary SAP system

- ➡ ADEACA's built-in project management processes are more robust than any system on the market

- ➡ Optimized workflows so well that it is rolling out the solution to all international operations

CASE STUDY: NORTHROP GRUMMAN

CHALLENGES

FOR SEVERAL YEARS,

NG has been using SAP as its ERP system for its U.S. operations. However, the company's international subsidiaries in the United Kingdom, Australia, United Arab Emirates, Saudi Arabia, Japan, and Korea, always used a variety solutions for planning and managing their businesses – products that had little or no integration to NG corporate and its SAP ERP system.

Furthermore, these international operations were poised to grow significantly. In the face of the need to expand smartly, Northrop Grumman chose to adopt lean thinking to advance operational efficiency, and further improve product quality for its international focus countries.

The lack of standardization on a common platform made it difficult for NG to efficiently manage its operations. Without real-time visibility into the status of customer contract deliveries, NG operated with an increased overall risk to the company's profitability.

There were two reasons Northrop Grumman did not use SAP in all these locations: security and cost. NG was concerned about letting foreign nationals – even though they were NG employees – touch the corporate SAP ERP system because of cybersecurity and data privacy issues, especially around US ITAR regulations.

"In every country, you've got different rules," says Bissell Smith, Dir., Enterprise Solutions Grp.-Corp at Northrop Grumman. "And, SAP would be very expensive for a lot of these businesses."

TWO-TIER
ERP STRATEGY

Due to these concerns, Northrop Grumman decided to deploy a two-tier ERP strategy, using their existing enterprise SAP backbone for U.S. operations combined with an easier-to-use and easier-to-support implementation of a secondary ERP system to manage the subsidiary operations.

A two-tier ERP strategy works well for companies with different lines of business that require different processes or accounting methods, have large and small independent divisions, or divisions that operate independently in different locations around the world.

Taking a two-tier ERP approach will help NG standardize and coordinate its international operations into a lean business structure, ensure more expansive and timely visibility, and increase confidence in contractual customer deliveries as its international business expands.

CASE STUDY: NORTHROP GRUMMAN

THE LEAN SOLUTION

After an extensive search, NG decided Microsoft Dynamics AX combined with ADEACA was the best choice to deploy this two-tier strategy. The business unit that had made the original selection of Microsoft Dynamics AX was looking for more capabilities from a program management standpoint because everything NG does is program management.

Enter ADEACA. ADEACA satisfies the business needs of the international operating entities of Northrop Grumman and can roll up financial and operational data into the SAP system – not to mention it is also much less expensive to purchase and maintain.
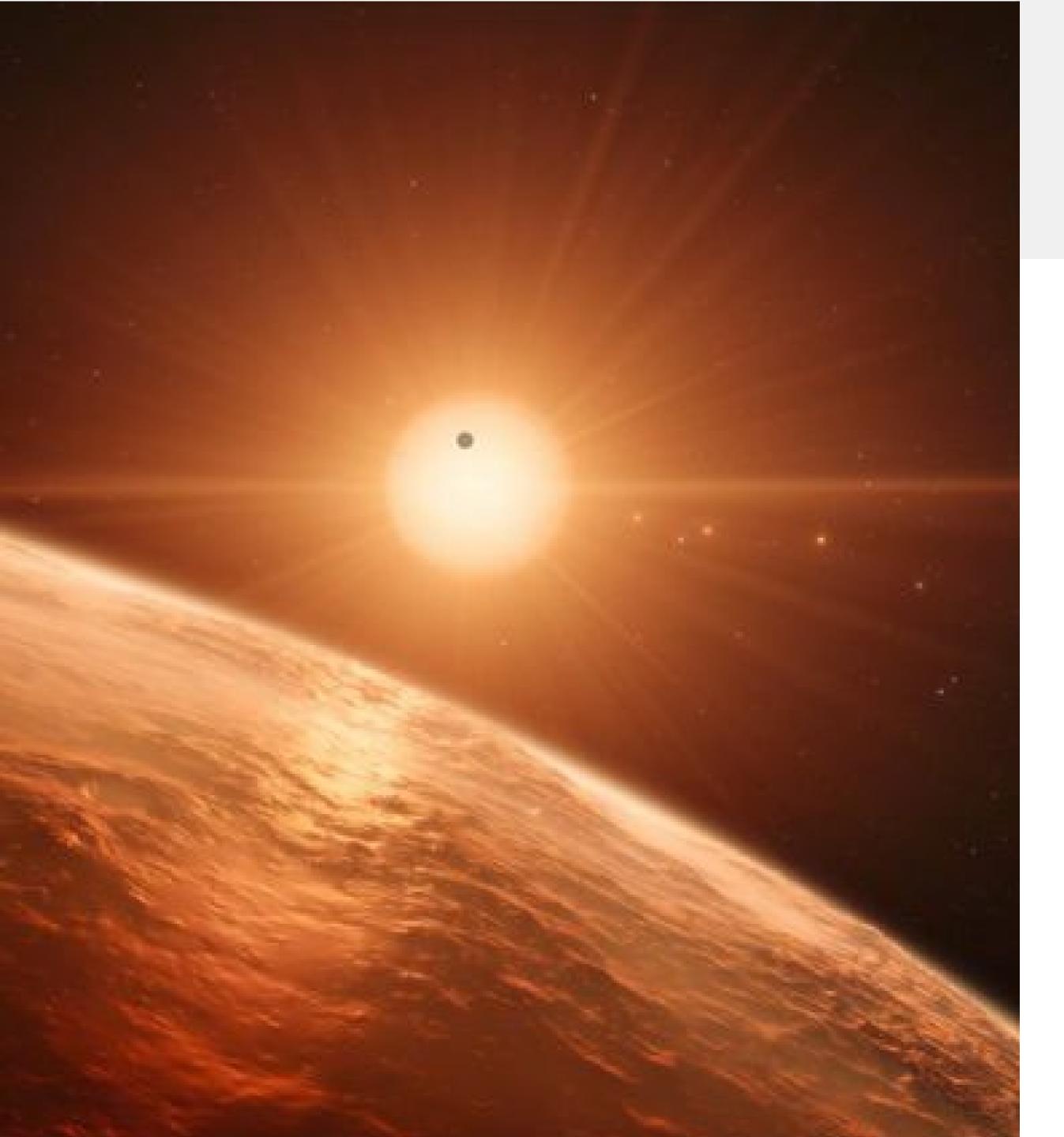
"In SAP, we use the heck out of something called Project Systems, but still Project Systems doesn't get us the full earned value management capability," Smith says. "So we bolt on another solution to SAP. Well, ADEACA offered more functionality from a project management standpoint than what the SAP solution does. And there aren't too many competitors [that do that]."

Microsoft Dynamics AX combined with ADEACA provides the lean solution required because it delivers a tightly integrated Unified Project Solution that gives NG subsidiaries a common enterprise operations management framework with a much smaller IT support footprint than SAP.

> *"I have one hundred thirty-eight people managing the SAP world… I have four people managing the Dynamics world."*

"It was just easier to take our international operations and put them on Microsoft Dynamics AX and ADEACA," Smith said. "I have one hundred thirty-eight people managing the SAP world, and I have four people managing the Dynamics world."

ΔDEΛCΛ | Microsoft Dynamics 365

THE RESULTS

The first subsidiary to deploy Microsoft Dynamics AX and ADEACA was Northrop Grumman Information Systems UK. The division went live on the solution in six months, supporting more than 200 users. The UK organization selected ADEACA to support its key project portfolio management functions.

"Everyone in the UK office is pretty happy with what they have," Smith says. "The ADEACA solution is extremely powerful. The UK office has definitely realized tangible benefits from system."

As a result of this lean initiative, **ADEACA** has reduced the workload for the UK and US staff and provided real-time operational insight for management that is helping them deliver their projects on time and on budget. Additionally, the integration with NG corporate enables efficient information flows between the two operations, creating tighter strategic and tactical alignment.

The UK division started Northrop Grumman on the road to a two-tier architecture, paving the way for the rest of NG's international operations. Around the same time, Northrop Grumman was expanding a lot of its offices, and it had made a couple of international acquisitions.

THE RESULTS

Thus, the company was having a lot of strategy conversations about what to do from an ERP standpoint. Due to the success of the UK operations NG decided it would expand that two-tiered architecture to those international subsidiaries.

"Before we had all kinds of different offices and they were doing everything on spreadsheets. Then they would feed that to the people in the United States, and the people in the United States uploaded it in SAP for them," Smith says. "Now they have a shared service organization with ADEACA that transacts, procures, and does accounting for them. "

"We do ADP payroll internationally, and so we interface the pay-roll costs back into the Microsoft-ADEACA system, and they do their timecard collections, attendance, travel and expense in the system, and they plan all of their project activity in the same system."

Northrop Grumman is in the process of rolling out ADEACA's Unified Project Solution to the rest of its international operations, including Australia, Saudi Arabia, Japan, South Korea and Abu Dhabi in the UAE.

START THE CONVERSATION

CONTACT
INFORMATION

Contact ADEACA to schedule a consultation or demonstration of ADEACA ONE.

Find us here: www.adeaca.com

Email us here: sales@adeaca.com

US TOLL-FREE	+1 844 589 2053
US DIRECT - FOR AMERICAS	+1 470 705 2676
DUBLIN, IRELAND - FOR EUROPE	+44 800 029 1284
MELBOURNE, AUSTRALIA - FOR APAC	+61 1800 831 062

ADEACA Corp
3348 Peachtree Rd NE
Tower Place 200, Suite 700
Atlanta, GA 30326
United States

ADEACA™