

## Northrop Grumman's Subcontractor Management Puts \$10 Billion Program at Risk

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Wednesday, 06 July 2016 00:00

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From time to time we blivate about the importance of subcontractor management to effective program execution. Here's [a link](#) to a recent story about Northrop Grumman's management of a Triton program subcontractor. Corrective Action Requests (CARs) that date back to 2013 are jeopardizing the program's ability to obtain Milestone C approval. Milestone C would move the program from development to Low-Rate Initial Production (LRIP). The LRIP phase of the program has been estimated to be worth \$4 Billion to NOC. Moving from LRIP to FRP would add perhaps another \$6 Billion to the pot, bringing the Triton's program value (excluding development) to about \$10 Billion, according to the article.

How much would you pay to ensure your \$10 Billion program received Milestone Decision Authority approval? We bet you'd pay quite a bit. We bet you'd bring in engineers and quality assurance experts and experts in composite manufacturing, and you'd drop them into that supplier and have them camp there until all the problems had been fixed. We bet anybody who tried to argue about budget overruns and cost/schedule variances would be told to STFU because there was \$10 *freakin'* BILLION dollars at stake. But that's at your company.

Apparently at Northrop Grumman, subcontractor management is handled a bit differently.

That's a shame, really, especially if you are a NOC shareholder.

Finally, anytime you think we're full of hot air, and that we are making too much noise about the importance of subcontractor management, feel free to review this article.