

LOCKHEED MARTIN: DEALING WITH DEPENDENCE ON A SINGLE CUSTOMER

DISCUSSION QUESTIONS

1. What are the major strengths and weaknesses of Lockheed Martin in 2012? How do these compare to major competitors?
2. Does Lockheed Martin possess any unique and hard-to-imitate resources that give the company a sustainable competitive advantage?
3. Given that Lockheed Martin is dependent primarily on a single customer, what are its best avenues for growth? If you suggest diversification, which products, services or industries would you suggest? Why?
4. Lockheed Martin has acquired many companies and divested many assets since 1981. Do acquisitions represent a viable way to grow the company? What are the advantages and disadvantages of acquisitions compared to growth through internal research and development?
5. Do joint ventures represent an attractive opportunity for growth? If so, what should be the nature of these joint ventures—for what purpose and with what types of companies?
6. Of the four current business segments in which Lockheed Martin currently competes, which one holds the most potential for growth? How might the company take maximum advantage of growth in this segment?
7. Given dependence on government contracts and the promise that government budgets in many countries will be contracting, is Lockheed Martin currently a good investment? Why? Why might some investors disagree with your answer?
8. Nearly all of Lockheed Martin's employees are in the United States. Is international growth a viable option for the company? Why or why not? What might the company do overseas in Europe or Asia?