

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?
- 2a. Does Lockheed Martin possess any unique and hard-to-imitate resources that give the company a sustainable competitive advantage?
- 2b. What resources does Lockheed Martin possess that could be repurposed for the private sector? How would these particular resources be repurposed? How could their knowledge and ability to adhere strictly to U.S. government regulations make them attractive in the private sector?
3. Lockheed Martin has acquired many companies and divested many assets since 1981. What types of diversification they have used (i.e., related, unrelated, external, internal, vertical, horizontal). Please give specific examples.
4. Given that Lockheed Martin is dependent primarily on a single customer, what are its best avenues for growth? Which products, services, or industries would be viable for internal diversification? Which type of external diversification (strategic alliance, joint venture, acquisition, merger) would represent an attractive opportunity for growth?
5. 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?
6. Please describe Lockheed Martin's current supply chain. Use specific examples about their suppliers, buyers, and resources from the case. Should their supply chain strategy be different if they begin operating more in the private sector? Why or why not?
7. Given the dependence on government contracts, 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 company resources should or should not be utilized or developed outside of the United States?