



## LEADERS IN AEROSPACE & DEFENSE:

### A LOOK BEHIND THE LARGEST LOGISTICS ENTERPRISE IN NAVAL AVIATION



**Rod Skotty**

President, MHSCo,  
*Lockheed Martin*

Rod Skotty is a veteran helicopter pilot. After leaving active duty in 1985, he joined Lockheed Martin, and became President of the Maritime Helicopter Support Company (MHSCo), a subsidiary of Lockheed Martin, in 2004.

MHSCo has provided performance-based logistics support for over 550 Navy helicopters. Worth nearly \$5Billion, MHSCo is the largest logistics enterprise in naval aviation and key to the MH-60 enjoying the highest readiness and lowest cost per flight hour in the Navy's inventory. MHSCo has been recognized as a superior supplier to the Navy since 2014.

Rod has worked within the defense industry worldwide, including senior management positions for Lockheed Martin in the U.S., U.K., and Canada while residing in those countries. He now lives and raises beef cattle on his farm in upstate New York.

Rod will be joining us as the Day 1 Opening Keynote at our upcoming 2018 American Aerospace & Defense Summit taking place December 12-13, 2018 in Glendale, AZ.

## OVERVIEW

- What is the greatest challenge you have encountered as President for the MHSCo?
- How did your background as a veteran helicopter pilot help in your career advancement?
- How important is international experience to open the doors to opportunity?



### **What is the greatest challenge you have encountered as President for the MHSCo?**

The Maritime Helicopter Support Company (MHSCo) explored new frontiers when we created a platform-level performance-based logistics (PBL) model to manage the supply support for the US Navy's fleet of H-60 helicopters under a fixed-price per flight hour contract. It was an innovative and risky endeavor for both the contractor and the government. As President of MHSCo, my primary job has been to keep all stakeholders on course, considering the audacity of the undertaking. At the time, MHSCo was a joint venture between Lockheed Martin, the mission systems OEM, and Sikorsky Aircraft, the air vehicle OEM. The two parent companies often had diverse and divergent objectives. As president of the JV, it was a challenge to keep the two diverse parents on the same path of delivering the extraordinary performance that the Navy customer expected...and received. The Navy, by the way, was on their own path of enlightenment as to whether this whole PBL concept would work. The other challenge I had was to keep the Navy, from the fleet users to the supply acquisition organizations, to the senior executive levels, confident that this PBL was providing the best possible supply support to provide high readiness at an affordable price.

### **How did your background as a veteran helicopter pilot help in your career advancement?**

My time as a Navy helicopter pilot and maintenance officer was most valuable in landing a position with the company over 32 years ago. Since then my career has taken me to over 50 different countries and I have lived in three...if you count the USA. Yet despite the geographic diversity, I have

always served the maritime helicopter community, albeit often for the company on foreign shores. My helicopter experience allowed me to understand the issues that helicopter operators and procurement executives face, which are surprisingly common without prejudice to nationality. I can advocate more effectively for helicopter operators to get more out of the procurement system and industry. This allows us to influence investments and energies to answer critical priorities, such as better readiness, affordability, and lethality. Coming from the same community that I have served through industry, I feel an extra sense of concern for ensuring the mission success of the maritime helicopter community, and therefore I am more willing to listen to the customer and work for them as an advocate back into industry; advocating for the reliability improvements that will improve the readiness of the fleet.

### **How important is international experience to open the doors to opportunity?**

Doing business internationally, especially when you live in the country for extended periods, is a very rewarding experience. It broadens your ability to listen to your customer and develop solutions that satisfy their needs, while providing an entirely new perspective that in-country resources might not be able to apply. Since the defense aerospace market is global, foreign business experience gives you an added advantage to apply lessons learned to nearly any international opportunity. Through a variety of international experiences, you develop an arsenal of approaches to solve a variety of challenges, which makes serving this market even more exciting.

### **What was the biggest hurdle in transitioning to different roles and countries?**

The biggest hurdles are learning the different defense and procurement organizations, who are the stakeholders that need to be influenced, what are their priorities, and how to adapt to cultural imperatives. Once you have all that figured out, it becomes easy to communicate with military customers, because of the common bond that you have with them borne of common experiences. A significant challenge is to bring superior American technology to address in-country requirements. In most cases, you must partner with host country industry and meet other industrial participation requirements, but this becomes evident while addressing the biggest hurdles, such as knowing who to listen to, what are their priorities, and how to adapt culturally.

**How does it feel to be recognized as a superior supplier to the Navy?**

The Navy's Superior Supplier Incentive Program is a great and important distinction. It has been a tremendous honor to have been recognize every year since the program's inception in 2014. It is a recognition that we consciously strive to repeat, so it motivates how we invest to improve our performance continuously. It is also a big boost to our brand to think that MHSCo is in such an elite group of contractors serving the US Navy. Our brand is very important to us, and we are witnessing referrals from government customers who want MHSCo to help solve other sustainment challenges. Obviously, anything that positively affects our brand, such as the Superior Supplier Incentive Program, helps grow our business.

**Where do you see the MHSCo in the next 5 -10 years?**

Over 14 years ago, MHSCo was created as a joint venture between the Navy's H-60 OEMs to share the responsibility

and risk of improving the Seahawk's readiness and affordability through supply support. We developed a fixed-price per flight program to deliver performance-based logistics. This program has been hugely successful, and the proof is that the Navy H-60 enjoys the highest level of readiness and the lowest cost per flight hour of any aircraft in the Navy. Today, Sikorsky is a wholly-owned subsidiary of Lockheed Martin, therefore a joint venture legal entity is not required. Going forward, MHSCo's brand will be retained in the form of a center of excellence, and we will apply its tenets of developing and executing superior sustainment solutions to other readiness and affordability challenges. I believe in 5 – 10 years you will see MHSCo's imprimatur on other successful sustainment stories.

*Rod Skotty will speak about "Partnering to Perform: How Performance-Based Logistics can Improve Readiness and Affordability" at the American Aerospace & Defense Summit.*



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