



No. 3: Northrop's crystal ball

A knack for anticipating and addressing market trends keeps company riding high

- By [Alice Lipowicz](#)
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Northrop Grumman Corp.'s Linda Mills has taken the reins of the company's \$4.5 billion information technology unit in McLean, Va., at a time when federal budgets are tightening and a presidential transition looms.

She's leading the IT services component of the largest and fastest-growing division of Northrop Grumman, and the sector is wellpositioned to benefit from the continued demand for technology in homeland security, intelligence, military and health care for federal, state and local agencies.

The company's \$12.6 billion Information and Services division ? which includes IT, Mission Systems and Technical Services ? enjoyed an 11 percent growth rate in the past year, Mills said.

With federal prime-contracting revenue of \$7.9 billion in 2007, Northrop Grumman coasts in at No. 3 on this year's Top 100 list.

Mills began her role as corporate vice president and president of Northrop Grumman IT May 1, succeeding James O'Neill, who retired. She said serving a broad array of clients is an advantage.

"We are proud to serve a diverse customer set that spans military, intelligence, civil federal agencies and state/local government," Mills said. "This diverse mix enables us to grow as budget priorities shift," she added. "Tight budgets are always a two-edged sword: The pressure to do more with less drives demand for IT because IT drives productivity. On the other hand, it can slow new system starts."

In a headline-grabbing win, Northrop Grumman and the parent company of Airbus beat Boeing Co. earlier this year for a \$40 billion Air Force tanker contract.

In 2007, Northrop Grumman IT had several major wins, including a \$267 million award for the Army's Defense Knowledge Online Web portal and a \$220 million deal for data storage at NASA. The company was one of 16 contractors chosen to participate in a massive Medicare and Medicaid governmentwide

acquisition contract. However, it has lost a few contracts, notably the FBI's Next Generation Identification project.

The IT unit is also active in the intelligence community, state and local governments in the United States, and the United Kingdom.

Mills said the need for greater efficiency and homeland security priorities continue to drive the demand for IT solutions, such as information sharing and security.

"Demand for IT across the government continues to be strong as agencies seek innovative ways to more effectively perform their mission while at the same time improving efficiency," Mills said.

Northrop Grumman's Information and Services division has grown partly through strategic acquisitions, said Bob Kipps, managing director at KippsDeSanto and Co., an investment banking firm.

"They have acquired very high-quality businesses with high-level capabilities and effectively integrated them," he said. "Northrop Grumman is as well-positioned as anyone."

Mills said she views IT as playing a critical role in government, no matter who wins the presidential election.

The candidates face the same challenges: the war in Iraq, economic issues in the United States, the environment, immigration and health care, among others, she said. "IT plays a critical role in meeting these challenges irrespective of policy," Mills said. "For example, in health care, whether we go to a national system, mandated health insurance or some other approach, IT will be critical to reducing costs and improving quality of care."

About the Author

Alice Lipowicz is a staff writer for Washington Technology.