



ITT Consolidates Defense Divisions

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ITT will combine its seven defense divisions into three and cut 2 percent to 3 percent of its defense work force, the maker of night-vision goggles and military radios said Monday.

With the moves, ITT Defense Electronics and Services will become ITT Defense and Information Solutions, to reflect a focus on systems rather than separate products, said Dave Melcher, president of the defense business.

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"It is a little bit of a maturation of thinking within the company from just simply being product-centric to being systems-centric," Melcher said.

Melcher declined to give a specific figure for the job cuts ITT will make over 2010, but said the cuts would likely come in office support areas rather than production. The defense business has about 24,000 employees, he said.

Also, while major manufacturing facilities such as those in Fort Wayne, Ind.; Roanoke, Va.; Clifton, N.J.; and Salt Lake City will stay open, Melcher wouldn't rule out closing smaller facilities in 2010.

Over time, the consolidation could save ITT hundreds of millions of dollars, Melcher said. The defense business had \$6.3 billion in revenue in 2008.

The realignment also will eliminate redundancies and overlap across different divisions, he said. Partially as a result of past acquisitions, different divisions were doing similar, and in one case almost identical, work for similar customers without communicating or collaborating.

ITT's defense business is divided into seven divisions: Electronic Systems, Communications Systems, Intelligence and Information Warfare, Space Systems, Night Vision, Advanced Engineering and Sciences, and Systems.

With the realignment: Electronic Systems (focused on electronic warfare and counter-improvised explosive devices), Communications Systems (tactical radios) and part of Intelligence and Information Warfare (systems for national security and law enforcement)



ITT will merge to form the Electronic Systems division, based in Clifton. Rather than focusing on making separate point-of-use products, the division will concentrate on networked communications systems and surveillance technologies "that address the entire spectrum of electronic warfare," ITT said.

The rest of the Intelligence and Information Warfare division will combine with the Systems division (systems integration, satellite communications and space launch services, among other things) and the Advanced Engineering and Sciences division (working on the Federal Aviation Administration's NextGen Automatic Dependant Surveillance-Broadcast surveillance system) to form Information Systems, based in Herndon, Va.

The Space Systems and Night Vision divisions will become the Geospatial Systems division, based in Rochester, N.Y. That division will focus on networked sensors and imaging from ground-, air- and space-based systems, with the idea of transitioning from disparate image acquisition products to image processing and distribution across networks.

"By winnowing it down to three value centers - one focused on all things electronic systems, [electronic warfare]-oriented and communications, another on all information and cyber and service kind of work, and the third one on what we've termed geospatial, which is the image chain from ground up to space and how all that becomes part of the network - what we've done is cleaned up pretty much all those organizational disconnects that we had," Melcher said.