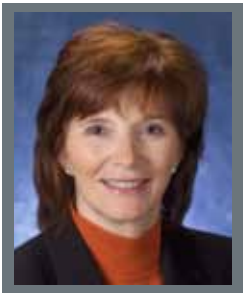

TALKING HEAD

ANNE LLOYD, EXECUTIVE VICE PRESIDENT, CFO AND TREASURER, MARTIN MARIETTA MATERIALS



Anne H. Lloyd has served as CFO of Martin Marietta Materials since June 2005 and was elected Treasurer in March 2006. Ms. Lloyd joined Martin Marietta Materials in 1998 as Vice President and Controller and was promoted to Chief Accounting Officer in 1999. Before joining Martin Marietta Materials, she was with Ernst & Young, LLP. Ms. Lloyd is a graduate of the University of North Carolina at Chapel Hill. She holds a Bachelor of Science degree in Business Administration and is a Certified Public Accountant.

“Finance professionals are often viewed as historians, because we capture what’s happened as opposed to helping strategise for the future. However, we are working our way towards a more value added approach.

I have seen that strategic element become more and more important recently, but at the same time, in somewhat of a perverted way. The depressed economy here in the United States and for the construction materials sector in particular, has placed a new value on traditional CFO and accounting skills. The focus on how to do more with less and pull out costs by identifying inefficiencies in processes is paramount.

Before the recession we were beginning to make a connection with operations’ staff and were seen as a valued partner at the table, listening to the financial concerns, helping non-finance departments’ understanding of the financial implications of the decisions that were going to make.

As we moved into the recession, the operations folks were asking for our support saying: ‘Help me figure out how to cut my costs. How do I save money here?’ And we have been hard at work for almost four years, using those old tried and true skills to reinforce that partnership.

So now, what I am looking forward to, as the economy recovers, is the trust-based relationship getting magnified and strengthened as we move up

the business cycle and begin to move away from the more traditional skills of accounting and reporting and controlling to using strategic and analytical skills. For me, I think it is going to serve as a springboard for an even stronger relationship as the economy recovers.

In hindsight, the last few years have been an interruption, and perhaps even a validation of the value proposition. These are skills that finance can bring to their operating partners who are charged with reducing their costs in innovative ways.

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And the only way that the relationship between finance and its partners will strengthen is through people, and ultimately what we are trying to do is make our finance team members fully rounded professionals with a holistic approach.

The ideal finance person, to us, will have done a stint in the control or the audit side of the business; they will have done a stint through the varying functions in finance, whether it be tax or inventory management or cash management. Furthermore, they will have also been involved in operational work and by that I mean being out in the field, being a part of a team.

Our motto here is that we are overhead, we don't generate direct revenue, and so without the revenue generators we simply would not have a job. I think that really crystallises when finance professionals are out in the trenches, working with people, realising how difficult it is to get and maintain a customer and keep them satisfied.

Where do we find those good people? Well, we make the assumption from a financial perspective that if staff have mastered their course of study through college and taken the CPA exam and have a professional certification, then they are technically qualified. That is a given. We are not going to test this, but it will be proven pretty quickly whether they are technically competent or not.

After that, we will identify what we call 'high performing professionals' – probably less than 20% of our finance staff. These are individuals who we consider to be capable of moving at least two levels up in our organisation over a five to ten-year period. Our approach is to start very intentionally working with them on both the hard and, as, if not more importantly, the soft skills.

As part of their development, they will go through a rotation programme and they will do placements in various parts of finance – we have them go into purchasing, in capital and out in the field. And if there is a particular avenue these individuals want to explore, we will work to try to get them into that area by supporting their development.

The other tool we use that we have found particularly relevant, although it can be a very bruising process, is a 360° feedback review. We conduct them internally with our own training staff, but we also use external expertise, where we will send people to varying programmes depending on the requirements for development.

Essentially you allow yourself to be psychologically assessed, number one, but then also you have your superiors, your subordinates and your peers analyse your performance. And then you go to an individual site with a trained professional to help you understand not only how you perceive yourself, but how others perceive you and how blind spots or misperceptions can be a roadblock to your success.

I have gone through this process myself three different times and it is the most excruciating process I have ever been through. You essentially get stripped bare and built back up. What high performers get is an appreciation of the fact that their point of view may be different from someone else's, but both parties more than likely have the same positive goal in mind for the organisation as a whole.

It is a tough process, but we believe that steel is made stronger by the fact that it is melted and re-hardened over and over again.

The development support and moulding that we provide to our people, and the rotation programme that we try to put them through, is an essential recruitment and retention tool. We want them to find them a place where they get the challenge that they are looking for. This is particularly important to aid in the retention of our high performers and have them stick with us until we get back to the upside in the economy.”