Advanced Planning Briefing for Industry
“Supporting the Warfighter”
31 October 2002

MG N. Ross Thompson III
Agenda

• Why are we transforming?

• How are we going to do it?
  – Reorganize to Support the Objective Force
  – Modernize the Industrial Base
  – Redesign our Business Processes
  – Integrate the Logistical Enterprise System
  – Revitalize the AMC Workforce
Army Transformation
…Guiding AMC Transformation

The Army Vision is clear:
An Army that is……
• More **Responsive**
• More **Deployable**
• More **Agile**
• More **Versatile**
• More **Lethal**
• More **Survivable**
• More **Sustainable**

The Army Vision defines the Logistics Transformation Vision:
**Ensure Army forces are capable of rapidly deploying in support of current and future operational force deployment goals; effectively sustain the full spectrum of Army operations, while synchronizing Army and Joint efforts to:**

• Enhance Strategic Responsiveness – meet deployment timelines
• Reduce CS/CSS footprint in the combat zone
• Reduce the cost of generating and sustaining forces without reducing warfighting capability and readiness

Eoessential in Peace, Indispensable in War
Move Technology to Soldiers Faster

Any Civilian in search of adventure Is using a better / Cheaper GPS

Cost Comparison
- PLGR: $1000
- COTS GPS: $150 - $300

Affordable Technology to Soldiers Rapidly
Affordable Technology
To Soldiers Faster

Navy developed Armored turret in Civil War
Army introduced armored turret 80 years later

Army Developed Hybrid vehicle mid 80s - still none fielded
Toyota introduces Hybrid to market 1999
TACOM / (PEO)$^4$ Partnership
World-wide Collaboration Supporting the Warfighter

- TACOM - Warren
- PEO GCS
- PEO CS&CSS

- TACOM - Rock Island
- TACOM GSIE – Rock Island Arsenal

- TACOM GSIE – Lima
  Army Tank Plant

- TACOM GSIE – Red River
  Army Depot

- TACOM GSIE – Sierra Army Depot

- TACOM GSIE - Watervliet Arsenal
  PEO GCS
  PEO Ammunition

- TACOM - Picatinny
- PEO Soldier

- TACOM - Logistics Assistance Representatives (LARS) Worldwide
- TACOM GSIE – Anniston
  Army Depot

An Integrated, Collaborative Approach to Army Transformation
Strategic Objectives

- Make customer support and satisfaction our top priority.
- Revitalize the workforce to meet 21st century challenges.
- Deliver world class technology on time to support FCS Block 1.
- Ensure seamless integration/synchronization with our PEOs.
- Grow the Ground Systems Industrial Enterprise; become the provider of choice.
- Reengineer the spare parts system.
- Reform financial system to support the business processes.
- Create the model Integrated Business / Data Environment.
- Partner to provide best value and capability.
- Continue to be the Army’s lead system integrator for ground systems.
Strategic Initiatives

- Leadership Competencies Program
- Logistics Transformation
- Strategic Readiness System / Balanced Scorecard
- TACOM Reorganization
- RDE (Technology & Engineering) Command
- Ground Systems Industrial Enterprise (GSIE)
- MSC Redesign
- Lean Implementation / Quality Focus
AMC Transformation Campaign Plan

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<tr>
<th>FY 02</th>
<th>FY 03</th>
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<tr>
<td>HQ AMC</td>
<td>STRICOM</td>
<td>GSIE</td>
<td>JOINT MUNITIONS CMD</td>
<td>FSC I</td>
<td>IMMC REDESIGN</td>
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<td>RDE CMD</td>
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NMP / SSF MS III / LMP / GCSS-A

LTTF

3 – 4 Year Process

OBJ Force
What is the Industrial Base?

Industrial Base – technology, processes, materials, skills and facilities to produce and sustain materiel and systems
Ground Systems Industrial Enterprise (GSIE)

- Provisional GSIE activated 10 October 2002
- Combines RRAD, ANAD, WVA, RIA, SIAD, and LATP into one organization.
- Operates as a single business unit, utilizing core capabilities of each installation.
- Transform those core capabilities to meet the needs of Army Transformation.

….Leverages all TACOM ground systems industrial base assets
ON THE WAY TO A SMALLER FOOTPRINT

Past
(104 Locations)

Current
(37 Locations)

Future
(PREDECISIONAL)

Right Sizing the Infrastructure
Logistics Transformation Task Force
Objectives

Essential to Army Transformation

Future Logistics Enterprise Business Process Improvement

Reduce the cost of generating and sustaining forces without reducing warfighting capability and readiness

Reduce CS/CSS in the Combat zone

Enhance Strategic Responsiveness Meet Deployment timelines

Logistics Transformation Requires The Army
Logistics Transformation Task Force

Results

Financial Integration

Information Integration

Strategically Responsive

Life Cycle Management

Total Management

Essential to Army Transformation

Enterprise Integration

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Army Logistics Enterprise Integration

The Plan

- SSF & National Maintenance
- National Level Modernization
- Installation / Tactical Modernization
- Continuous Upgrades

BSM = Business Systems Modernization
LMP = Logistics Modernization Program

BSM = Business Systems Modernization
LMP = Logistics Modernization Program

Supply, Maintenance, Distribution, Finance, Contracting, Technical Data
**DoD / FLE**

**GOAL:** A single enterprise meeting warfighter requirements around the clock and across the globe

<table>
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<tr>
<th>Six OSD initiatives</th>
<th>AMC supporting efforts</th>
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<tr>
<td>Depot Partnering</td>
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<td>Condition based Maintenance</td>
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<td>Total life cycle systems mgmt</td>
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<td>Executive Agents</td>
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<tr>
<td>End to End distribution</td>
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<tr>
<td>Enterprise Integration</td>
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DoD and AMC partners in logistics transformation

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DoD Objectives, Service Flexibility
Industrial Base Success Story

RRAD - HEMTT Engine Rebuild Process Improvement

Optimized Process

- Utilized Simpler Business System
- Converted from Batch Assembly to One Piece Flow
- Reduced travel time/distance by co-locating component repair with assembly process
- Established Flow within component repair and assembly process
- Updated/Redefined Standard Work

Improved Reliability & Readiness

- Experienced 50% decrease in time required for engine assembly process
- Reduced distance travel by engine component during the rebuild process by 50%
- Increase reliability by establishing standard work
- Estimated improvement in inventory turns by limiting work in process

Implementing Across AMC
TACOM Mission Map

Provides Ground Combat, Automotive, Marine and Armaments Technologies.
Provides and Sustains Mobility, Lethality, and Survivability for Soldiers, Other Services, and Our Allies.

Core Competencies
- IAW Mission Statement
  - Stakeholder
  - IAW Mission Statement
  - Learning & Growth
  - Resources

Functions
- Warfighter Readiness
  - Develop and Transition Technology into Systems
  - Positively Influence Materiel Readiness

- Army Transformation
  - Optimize Industrial Operations
  - Ensure Logistics Power Projection
  - Execute Technology Development, Weapon System and Sustainment Contracting

Business Practices
- Customer Focus
- Conduct Modeling and Simulation for Assigned Systems
- Continually Improve and Focus on Performance Processes
- Provide Integrated IT Support Systems
- Develop and Implement Knowledge Management Solutions

People
- Recruit and Retain the Workforce of the 21st Century
- Train, Educate and Develop an Empowered Workforce for the 21st Century
- Provide a Quality Work Environment

Resources
- Identify and Manage Resources with an Emphasis On Cost Reduction

Supports The Army Strategic Readiness System
Six Sigma/Lean in the AMC
Quality Federation Roadmap

Solution Set #1:
Internal Quality Management
(Better Ourselves)
- Core Competencies
- Quality Single Process Initiatives (SPIs)
- Integrated Data Environments

Solution Set #2:
Quality Supplier Management
(Better our Suppliers)
- (CP)^2 Integration
- Gov’t & Commercial Partnerships
- Use of Past Performance Info

Constraint:
Transformation
relevance
agility
pace

STRONG TOOLKITS

ISO/AS/QS *
CMMI
SIX SIGMA
LEAN

* ISO – Int’l Stds Org 9000-2000;
AS - AS 9100 Aerospace Quality System Standard
QS - QS 9000 Automotive Quality Standard

Total Focus on Quality
Standard Exchange of Product (STEP) Data Overview

A Snapshot of the Problem

Operational Concept

Data Repository

ePDM (COTS Product)

Technology Refresh

AMC RDECs
System OEMs
Depots/Arsenals

AMC IMMC

PEOs & PMs

Nth Tier Suppliers

CATIA
UNIGRAPHICS
CADDs
I-DEAS

First-Tier Engineering & Mfg Orgs

CATIA
UNIGRAPHICS
CADDs
I-DEAS

Original Engineering & Mfg Orgs

CATIA
UNIGRAPHICS
CADDs
I-DEAS

Existing Tech Data

3-D Solid Model Format

AMC RDECs
System OEMs
Depots/Arсенals

AMC IMMC

DLA ICPs

Technology Refresh

Single Interface to LMP/BSM

Develop/Maintain Commercial Linkage

ˇ Machined Parts
ˇ Electronics
ˇ Gears
ˇ Castings
ˇ Etc.

Legacy Systems

New Systems

It is Officially ISO 10303

STEP Improves Quality – the Right Part the First Time
Bottom Line = PEOPLE

Small successor force to follow large retirement eligible force 5-7 years to infuse

Historical Average Div: Mean age: 27 Median Age: 25

Historical AMC Civilians: Mean age: 42 Median Age: 42

Today AMC Civilians: Mean age: 49 Median Age: 48

Today Average Div Soldiers: Mean age: 27 Median Age: 25

Recruit, Train and Retain The 21st Century Workforce!

Smaller, leaner force means multi-skilled & multi-functional
Leadership Competencies Program (Desired Traits)

Leadership
- Strong Coalition of Leaders
- Leadership commitment
- Supportive Managers
- Consistency

Communication
- Connected Internally and Externally
- Open and Honest

Teaming
- Empowerment
- Fewer Management Layers
- Teamwork
- Enabled

Strategic Thinking
- Put our soldiers first; Operating with a Purpose
- Focus on All of Our Customers (internal and external)
- Focus on Our Future
- Using Change to Our Advantage
- Broad Focus in Decision-Making

Organization Climate
- Proactive
- Flexible, Adaptable, Agile, and Innovative
- Willingness to Take Risks
- Peer Respect
- Organizational Pride
- Trust Throughout Our Organization

Employee Support
- A Great Place to Work
- Feel Comfortable and Derive Job Satisfaction
- Challenging and Exciting
- Career Advancement Potential
- Caring (work and family balance)

World-class management practice has proven that to maintain a competitive edge, we must:

- Create a compelling future.
- Let the customer drive the organization
- Involve every mind.
- Manage work horizontally.
- Build personal credibility.

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<td>Results</td>
<td>Bias Toward Action / Risk / Courage</td>
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LEADERS AND LED ARE INTIMATE ALLIES: THE MOST POWERFUL PARTNERSHIPS.

Leading in Tough(er) Times, The Leadership Institute
Conclusion

• Reorganizing to Support the Objective Force
• Modernizing Industrial Base
• Redesigning Business Processes
• Integrating Logistical Enterprise System
• Revitalizing AMC Workforce

Support Army Transformation and Improve the Readiness of the Fighting Force