The Army: Moving Towards Enterprise Logistics

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LTG Ann E. Dunwoody
Deputy Chief of Staff, G-4
Headquarters, Department of the Army
CSA’s Direction

GEN Casey, AUSA Eisenhower Luncheon Remarks

“We will act quickly to restore balance to preserve our All-Volunteer Force, restore necessary depth and breadth to Army capabilities, and build essential capacity for the future. Four imperatives will frame what we need to do. Implementing these imperatives will require several years, considerable resources and sustained commitment by Congress and the American people.”
The Army is Out of Balance

2008
CURRENT

Current Demands
Readiness + Strategic Flexibility
Sustain Volunteer Force

IMPERATIVES
- Sustain
- Prepare
- Reset
- Transform

2011
FUTURE

Current and Future Demands
Readiness + Strategic Flexibility
Sustain Volunteer Force

- Steady-State Achieved via Army Force Generation Process
- Full Spectrum Readiness
- Reconditioning and Recapitalization of Equipment
- Better Facilities and Increased Dwell Time for Soldiers

- Demand Exceeding Supply
- Counterinsurgency-Focused Force
- Accelerated Equipment Wear-Out
- Soldier and Family Stress
“We will not cement the transformational change of the Army until the institution reflects that change.”
Chief of Staff, Army 19 June 2007
Back-Up
One Thing Remains Constant

The Soldier – the Centerpiece of the Army
Living the Warrior Ethos - on duty protecting the Nation and the society they serve.

Thank you for all you do to support our Soldiers
The Army is Out of Balance

We need Congress’ continuing support to:

SUSTAIN Soldiers, Families, and Civilians.
- Full funding for Family well-being programs in Adjusted GWOT Request

PREPARE forces for victory in the current fight.
- Full funding of Adjusted GWOT Request:
  * To provide Soldiers best available equipment
  * For Reserve Component Pre-Mob training
  * To offset O&M reduction in base budget

RESET forces to rebuild readiness and to prepare for future deployments and contingencies.
- Full funding in GWOT Request and Adjusted Request for Army Pre-positioned Stocks, Theater Provided Equipment, and reset restoral.

TRANSFORM to meet demands of persistent conflict in the 21st Century.
- Support FCS in conference; fully fund JNN / WIN-T
- Support Armed Reconnaissance Helicopter
- Support the Joint Cargo Aircraft
- Support two additional PAC-3 (Patriot) battalions
The Army’s Strategic Imperatives

**PREPARE**
Continue to prepare our Soldiers for success in the current conflict

**SUSTAIN**
Sustain our Soldiers, Families and Army Civilians

**RESET**
Reset expeditiously for future contingencies

**TRANSFORM**
Transform to meet the demands of the 21st Century

The Soldier...
The Centerpiece of Our Great Army

Laser-focused on the Chief’s Imperatives
Historical Context

Broken Army

Then: 1965 - 1975

- 1:2 (12:12) DWELL
- Low public esteem
- 40% had no HS Diploma

Strength of the Nation

Now: 2003 - Present

- 1:3, (15:12) DWELL
- High public esteem
- 17% waivers; 81% HS grads
- Equipment stressed/stretched
- Fiscal stability thru Supplementals
- Proud volunteer Warrior

Red Lines

- Rotations
- Public Support
- Recruiting
- Equipment
- Congress' Support
- Soldier Ethos

We are stretched... Not broken
Out of Balance
Visible Redlines

Current Demands & Global Commitments

Our Strategic Decisions Can Balance the Scales

Balance... People, Readiness and Strategic Flexibility
In Our Rucksack...Sustaining the Current Force & Improving the Future Force

READINESS
Continued Congressional support has provided the necessary means for the Army to undertake disciplined, orderly ways of reconstituting and resetting the force ensuring the ends of restoring and building combat power.

Supporting The Warfighter!

Army Logistics - Moving Out On All Fronts...

Army Readiness
Have sustained GWOT for 6 years
Ground Equipment Readiness > 90%

Industrial Base Production
Twice pre-war levels;
Greatest output since Vietnam

Reset
Historically under funded base Programs
- Over 367K items reset since FY 04;
- Received $17.1B for FY07 Reset

Army Prepositioned Stocks
Transformed and reset APS-4 in Korea and APS-5 in Kuwait; Source for Surge

Property Accountability
Achieving corporate visibility for $230B enterprise

GWOT Equipment Retrograde
From 3,496 vehicles in FY05 to 33,715 in February 08

CSS Force Structure
Growing the Army - TAA 10-15

Logistics Automation Funding
Building a state of the art enterprise - Up $800M from FY 06 funding

Congressional support has provided the necessary means for the Army to undertake disciplined, orderly ways of reconstituting and resetting the force ensuring the ends of restoring and building combat power.
Tactical Wheeled Vehicles: What does the Future Hold?

- **STRYKER**
  - Caterpillar 3126 turbo diesel 350hp
  - 18-20 STons
  - $4.13M/Vehicle

- **MRAP**
  - $600K-800K/Vehicle

- **UA HMMWV**
  - $150K/Vehicle

- **WWII - Willys/Ford Jeep**
  - 60 hp 134 cu in 4 cylinder
  - 2,290 lbs
  - Approximate Cost $2600/vehicle

- **M998 HMMWV**
  - $60K/Vehicle

- **1899 Woods Electric Staff Car**

- **GAMMA GOAT**

- **CUCV**
What We Need From You...
The Best Industry Has to Offer

Our Equipment Must Be:
- Safe
- Reliable
- Maintainable
- Supportable
- Trackable

And Most Importantly
Protect Our Soldiers

Sustaining America’s Army: The Strength of the Nation
Army Logistics Transformation

Where We’ve Been

- **Nov 07** - Multifunctional Logistics Branch
- **Jun 07** - Employment of Logistics Concept of Support throughout AOR
- **Oct 06** - ASC Operational/SDDC ADCON to AMC
- **Mar 06** - Designed Single Army Log C2
- **Feb 06** - ASC Concept Design Approved (Centralized Strategic Reachback)
- **Feb 06** - Employment of Joint Logistics Headquarters in OEF
- **Feb 06** - Total Army Analysis
- **Jul 05** - ARFORGEN Approved
- **Jun 05** - Logistics Functional Area Assessment
- **Dec 04** - Joint Capable Concept of Support Approved
- **Nov 04** - TSC, ESCs, Sust Bde Modular Design Concept Approved

Accelerating The Momentum Of Logistics Transformation

ASC – Army Sustainment Command
AMC – Army Material Command
ESC – Expeditionary Sustainment Command
TSC – Theater Sustainment Command
Transforming to Modular Logistics

**Pre-Modular (Pre-911)**
- Fragmented Combat Service Support
- No single log C2 in JOA
- No single E2E distribution manager
- Inter and intra-theater log layered
- Inability to operate in multiple AORs or JOAs
- Limited log connectivity

**Modular**
- Single Army log C2 in the JOA
- Single distribution manager
- Leveraging Joint partners
- Ability to operate in multiple AORs or JOAs
- Assured communications

**LOG C2**
- Fragmented Combat Service Support
- No single log C2 in JOA
- No single E2E distribution manager
- Inter and intra-theater log layered
- Inability to operate in multiple AORs or JOAs
- Limited log connectivity
Today's Battle Space....Optimizing Strategic Partners

Non linear, asymmetrical, noncontiguous...2-way, end-to-end
The New Look

OPERATIONS

Army

Corps

Div

Bde

MNVR

SPT

ASCC

COSCOM

CSG-ASG

DISCOM

TSC

SUST

FSB

FSC

LOGISTICS

OCP

XXX

XXX

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X

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X

DS

Robust Multifunctional Support at the Maneuver Battalion Task Force Level
Business Transformation... Where We Need Your Help

- Increased reliability
- Better fuel efficiency
- Enhanced readiness
- Reduced footprint
- Decrease life cycle time
- Embrace condition based maintenance
- Embed sensors / TAV solutions
- Shoot for commonality of parts
- Create automation systems “For Dummies”

Help drive costs down and performance / readiness up

Successful business transformation is essential to the Army . . .
Recovering from the Perfect Storm

Getting After It...

**CORPORATE VALUE**
FROM $124B TO $230B

**OPERATION TOTAL RECALL PHASE I**
20,000 items FOI worth $135M

**DATABASE CLEANSING**
FROM 872K INVALID ENTRIES TO 0

**CONTAINER MGMT / RETROGRADE**
FROM $2M TO $1M IN DETENTION COSTS

**CENTRAL ISSUE FACILITIES**
FROM $1.5B TO 2.3B VALUE VISIBLE IN CIF-ISM
$430M IN EXCESS USED TO OFFSET NEW BUYS

**LEAN SIX SIGMA / LOG POLICY**
FROM 450 DAYS TO 115 DAYS TO CHANGE POLICY
FROM 24 STEPS TO 10 STEPS

**READINESS - AMC MANAGED LINS**
UPDATE SUPPLY POLICY TO CLARIFY SUPPLY CLASS & BUDGET APPROPRIATIONS; IDENTIFIED 3500 LINS FOR REVIEW UNDER NEW POLICY

**CORPORATE VISIBILITY**
FROM 21.8 M TO 3.4B ITEMS VISIBLE

**LOG AUTOMATION FIELDING**
86% ULLS-AE FIELDDED TO TOE ARMY
50% SAMS-E FIELDDED TO TOE ARMY

**LOG AUTOMATION FIELDING**
32% CAISI FIELDDED TO TOE ARMY
32% VSAT FIELDDED TO TOE ARMY

**PBUSE FIELDING**
100% FIELDDED TO TOE ARMY
70% FIELDDED TO TDA ARMY

**DEPLOYMENT TIMELINES**
FROM 120 DAYS to 50 DAYS for OIF
FROM 120 DAYS to 65 DAYS for OEF

**RAPID FIELDING INITIATIVE**
FROM 70% TO 100% OF 85OK LINS VISIBLE (CIF-ISM / PBUSE)

**ARFORGEN - SUBSTITUTE LINS / REGS**
FIXING REGULATIONS TO ACCURATELY REFLECT READINESS REPORTING; ELIMINATING INACCURATE REPORTING FOR OBSOLETE EQUIPMENT

Gaining Visibility Over Our Enterprise
Army Leaders in the 21st Century
“The Pentathlete”

Multi-skilled Leader

- Strategic and creative thinker
- Builder of leaders and teams
- Competent full spectrum warfighter or accomplished professional who supports the Soldier
- Effective in managing, leading, and changing large organizations
- Skilled in governance, statesmanship, and diplomacy
- Understands cultural context, and works effectively across it

Leader Attributes

- Sets the standard for integrity and character
- Confident and competent decision-maker in uncertain situations:
  - Prudent risk taker
  - Innovative
  - Adaptive
  - Accountable
- Empathetic and always positive
- Professionally educated and dedicated to life-long learning
- Effective communicator

Effectiveness requires a new breed of leader...
## Enterprise Leaders

### “Pentathlete Logisticians”

### Leader Skills
- Skilled at supporting combatant commanders and **integrating logistics enterprise capabilities**
- Understands and leverages **global supply chains**
- Fully versed in **life cycle management**
- Capitalizes on emerging **technologies**
- Respected **resource manager**
- Master of international savvy
  - Corporate
  - Economical
  - Military
  - Political
  - Cultural

### Leader Attributes
- Role model for Army values
- Creative and **critical thinker**
- Effective **strategic communicator**
- Fosters **strategic relationships**
- Exceptional **business acumen**
- Personally accountable

*Draft Pre-decisional*