

Army Materiel Command



Adapting the Institution . . .
The "Burning Platform" is Beneath Us

5 April 2011



GEN Ann E. Dunwoody

Sustaining the Strength of the Nation!





What I Want to Leave You With

- ✓ Thank you for what you do everyday
- ✓ At a Strategic Crossroad
- ✓ Tactical Partnerships & Strategic Relationships
- ✓ Challenges = Opportunities
- ✓ Want your thoughts and ideas

"We can't solve problems by using the same thinking we used when we created them." – Albert Einstein



Complexity: Supporting Two Wars . . .



Operation Enduring Freedom

- ✓ Support/Sustain the Surge
- ✓ Building Partner Capacity
- ✓ Leveraging Lessons Learned
- ✓ 50% Surge Equipment from Iraq

Operation New Dawn and Beyond

- ✓ Complete Drawdown
- ✓ Build Iraqi Capabilities and Self-Sufficiency
- ✓ Set Conditions for DoS/Others



"My Logisticians are a humorless lot...they know if my campaign fails, they are the first ones I will slay." - Alexander the Great

... in a Complex Asymmetrical Environment ...



BORDER DELAYS



THEFT & PILFERAGE



WEATHER

POLITICAL UNREST
EXPANDING MILITANCY
HOST GOVERNMENT RULE
UNCERTAINTY
ECONOMIC ISSUES
VISIBILITY ISSUES



ATTACKS



LABOR ISSUES



ROAD CONDITIONS



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... While Supporting Contingency Operations ...



RAPID PORT OPENING



WATER PURIFICATION



LOGISTIC SUPPORT

HAITI - HURRICANE
HAITI - EARTHQUAKE
CHILE - EARTHQUAKE
PAKISTAN - FLOODS
... AND NOW JAPAN



EMERGENCY RATIONS



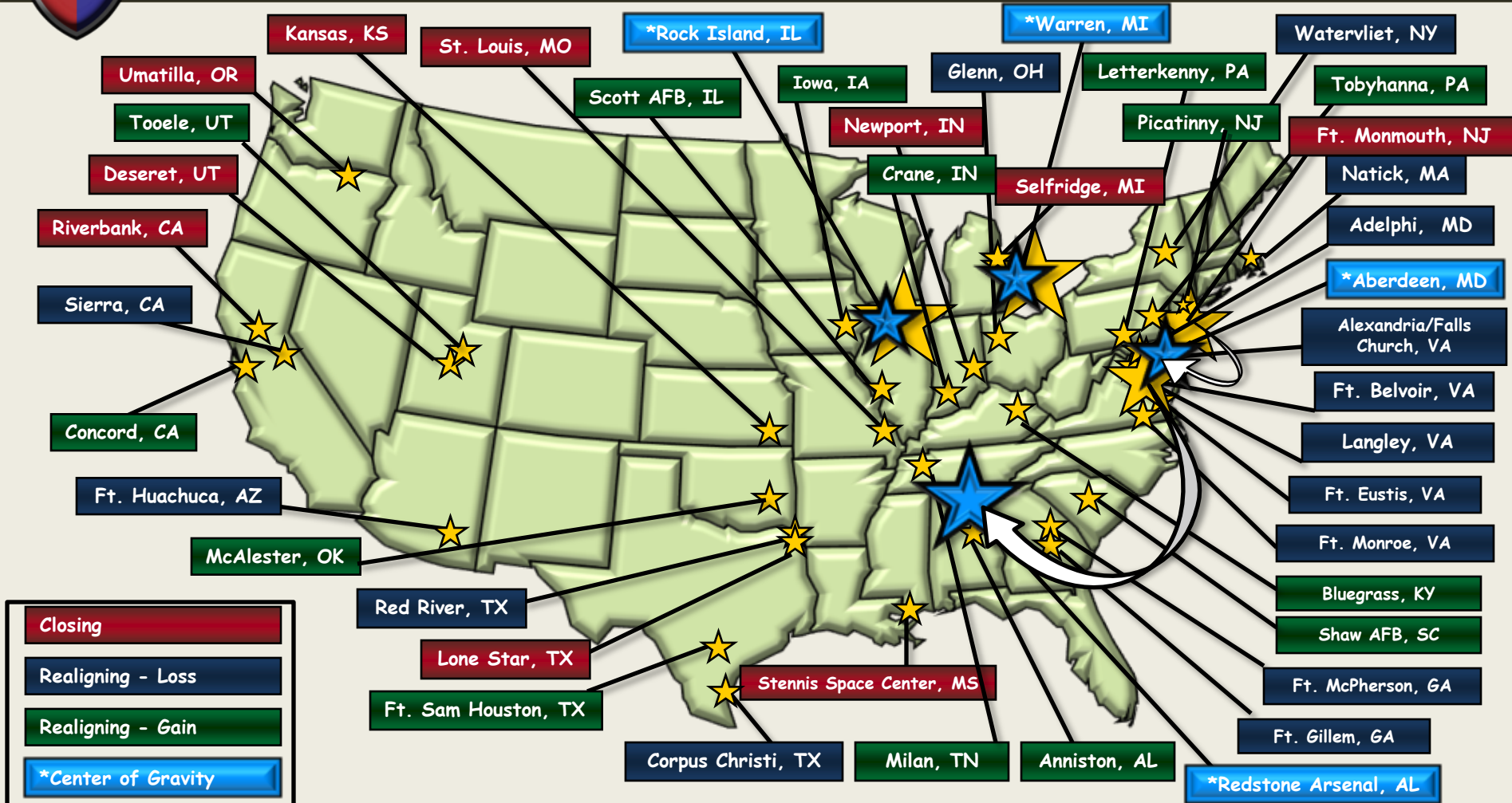
MORTUARY AFFAIRS

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Whenever We Are Called . . .



... During Complex Organizational State



- 1 of 6 employees impacted
- Approx. 11,000 personnel across 25 States
- Center of gravity shifts
- > 50% of all moves complete - must be complete by Sep 2011



SA/CSA Imperatives

Sustain
Prepare
RESET
Transform



Providing America's Warfighter with the Decisive Edge

RESEARCH & DEVELOP
ACQUIRE INTEGRATE TEST
EQUIP SUPPLY MAINTAIN
DISTRIBUTE SUSTAIN DISPOSE

Institutionalized
RESET &
Centralized
Materiel Management

Completed
BRAC

A Responsive
Adaptive
Acquisition
Process

Right-sized
Depots
Arsenals
Ammo

Trained & Ready
Workforce

Operate as the
Materiel
Enterprise

Modernize and
Equip the 21st
Century Army

Challenges

- Persistent Conflict
- Declining Resources



Opportunities

- Optimize Resources
- Collaboration
- BRAC
- Innovation
- Efficiencies



AMC
COMMUNITY

ASA(ALT)
COMMUNITY

INDUSTRY

INDUSTRY

FOCUSED on the
WARFIGHTER



Institutionalized ARFORGEN



Lifecycle Management Challenges



But we need to focus more here ...

The Team does a great job here ... up front

No longer readiness at all cost ...
... now readiness at best value



- Maintain
- Distribute
- Sustain
- Dispose



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Can't Afford to Repeat History



Civil War



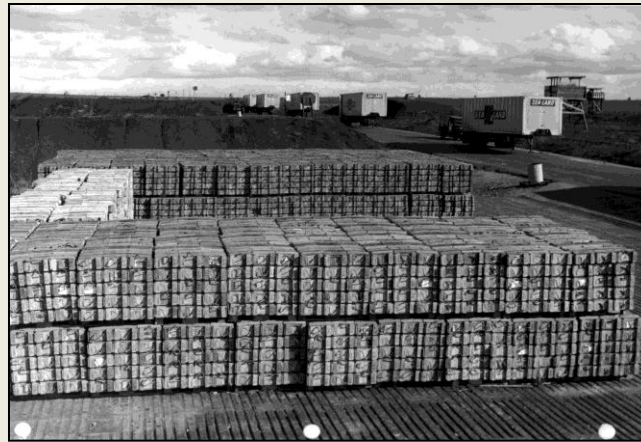
WW1



WWII



Korea



Vietnam



Desert Storm

Insanity: doing the same thing over and over again and expecting different results - Albert Einstein

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Yet Here We Are . . . 2011



Anniston Army Depot

Including 755 M1s, 232 M109s, 781 M113s, 774 M88s, 233 M992A2s, and 93 M9ACEs



Red River Army Depot

Including 7,979 HMMWVs, 1,364 Bradley's, 2,421 Trucks and 1,387 Trailers



Letterkenny Army Depot

Including 741 HMMWVs



Sierra Army Depot

Over 12,000 Combat Vehicles and related equipment including 1,795 Tanks, 5,977 APCs, 80 MRAPs, 123 Bradley's, 130 Bridge Tanks, 1,003 Towed Howitzers, 1,987 Flatracks, and 1,290 Other Vehicles (mainly heavy construction vehicles and MHE).



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We Must Stop the Madness!



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Doing the Same = Failure



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Fundamentally Different Way of Doing Business



"If you don't like change, you will like irrelevance even less."

- GEN Eric Shinseki

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Expand Opportunities to Work Together



★ Munitions Support



★ Arsenal/Depot Operations



★ Chem Demil



★ Foreign Military Sales



★ Forward Presence
CONUS Reach Back



★ Global Contracting



★ Army's Division
Support Command



★ Research, Dev and
Engineering



★ Global Distribution
and Deployment



★ Army Pre-Positioned
Stocks (APS)



★ LOGCAP

★ Interface with Industry & ASA(ALT)

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Factory to Foxhole . . . From Concept to Combat

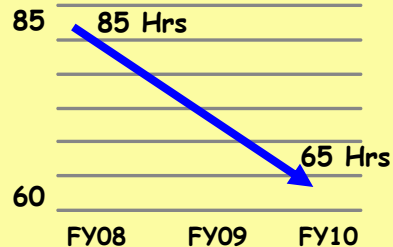


Our Credentials

Anniston Army Depot



**Gunners Primary Site
Man-Hours per Unit**



**McAlester Army
Ammunition Plant**



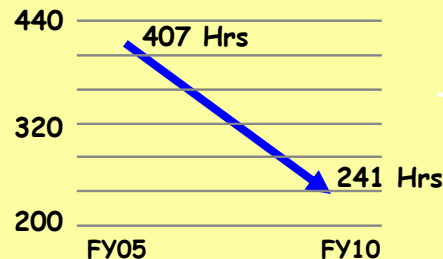
**BLU-109 2000 lb Penetrator
Labor Cost per Unit**



Red River Army Depot



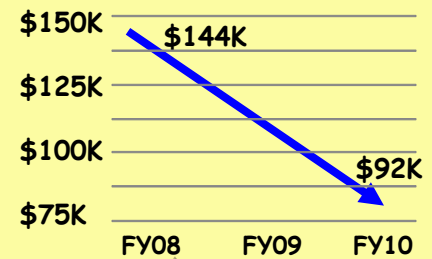
**M1114
Man-Hours per Vehicle**



Letterkenny Army Depot



**Patriot Launcher
Labor Cost per Unit**



**42 ISO
Certifications
across AMC**

4 LSS Excellence Awards in 2010
6 LSS Excellence Awards in 2009,
7 Value Engineering (VE) Awards in 2009
6 VE Awards in 2010
1 Malcolm Baldrige Quality Award (2007)
26 Shingo Medallions since 2005
Self-Sufficiency: AMC has 17 certified
MBBs, representing 33% of all Army MBBs

LSS Benefits
FY11 \$439M (YTD)
FY10 \$402M
FY09 \$250M
FY08 \$310M

VE Benefits
FY11 \$53M (YTD)
FY10 \$2.1B
FY09 \$860M
FY08 \$749M

Total Benefits = \$5.163B!



Tactical Partnerships

*Corpus Christi
Army Depot*

*Anniston Army
Depot*

*McAlester Army
Ammunition
Plant*

*Watervliet
Arsenal*

GE

T-700 Engines

**Repair and
Overhaul**



**General
Dynamic Land
Systems**

**M1 Abrams Family
of Vehicles**

**Services &
Technical Support**



**Raytheon
Systems**

XM795 - Excalibur

**All Up Round
Integration**



BAE Systems

**155mm M776
Howitzer**

Cannon Tubes



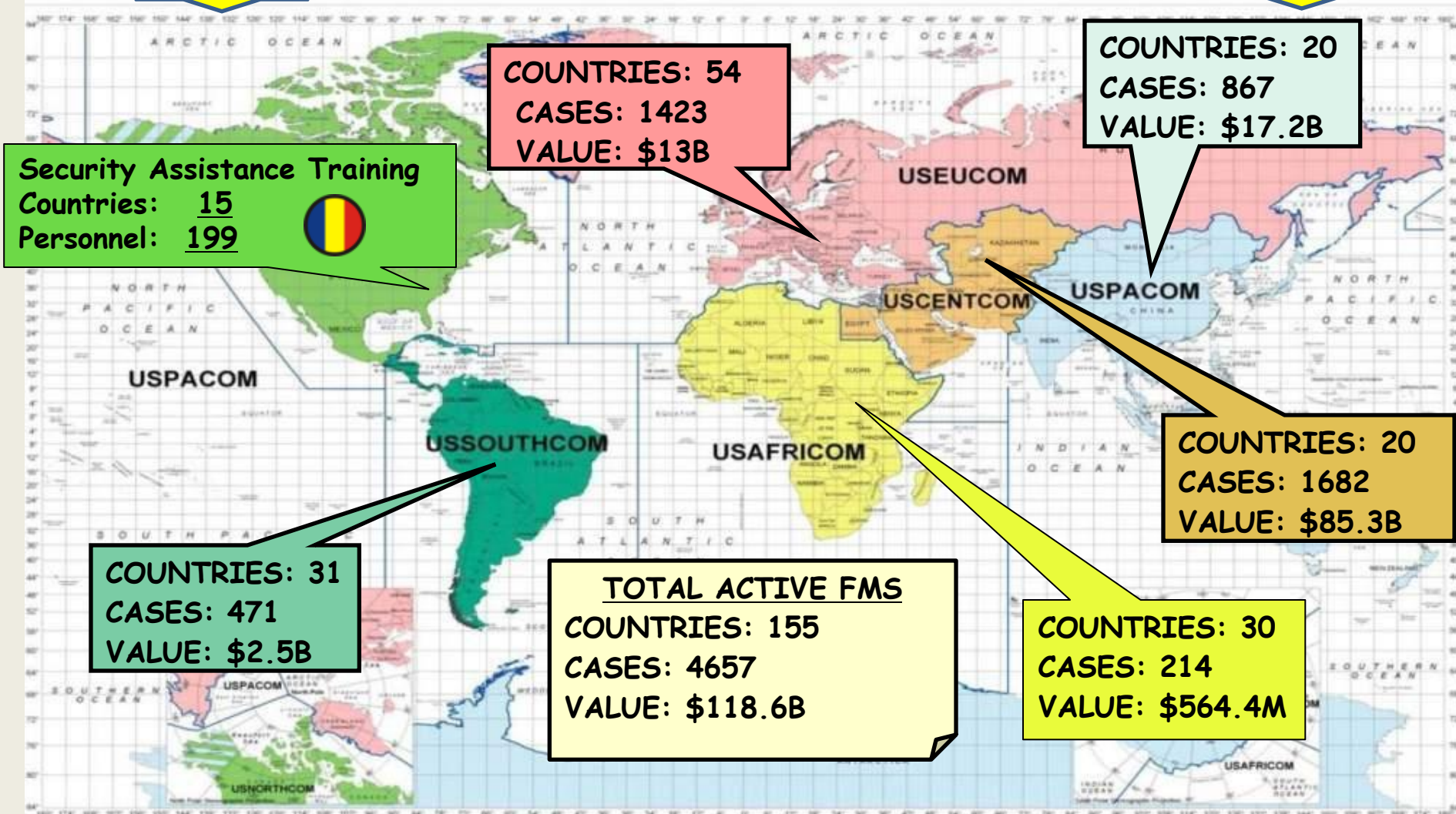


Global Demand = Shared Opportunities

2007 \$9.0B
3897 Cases

FMS Portfolio by Region

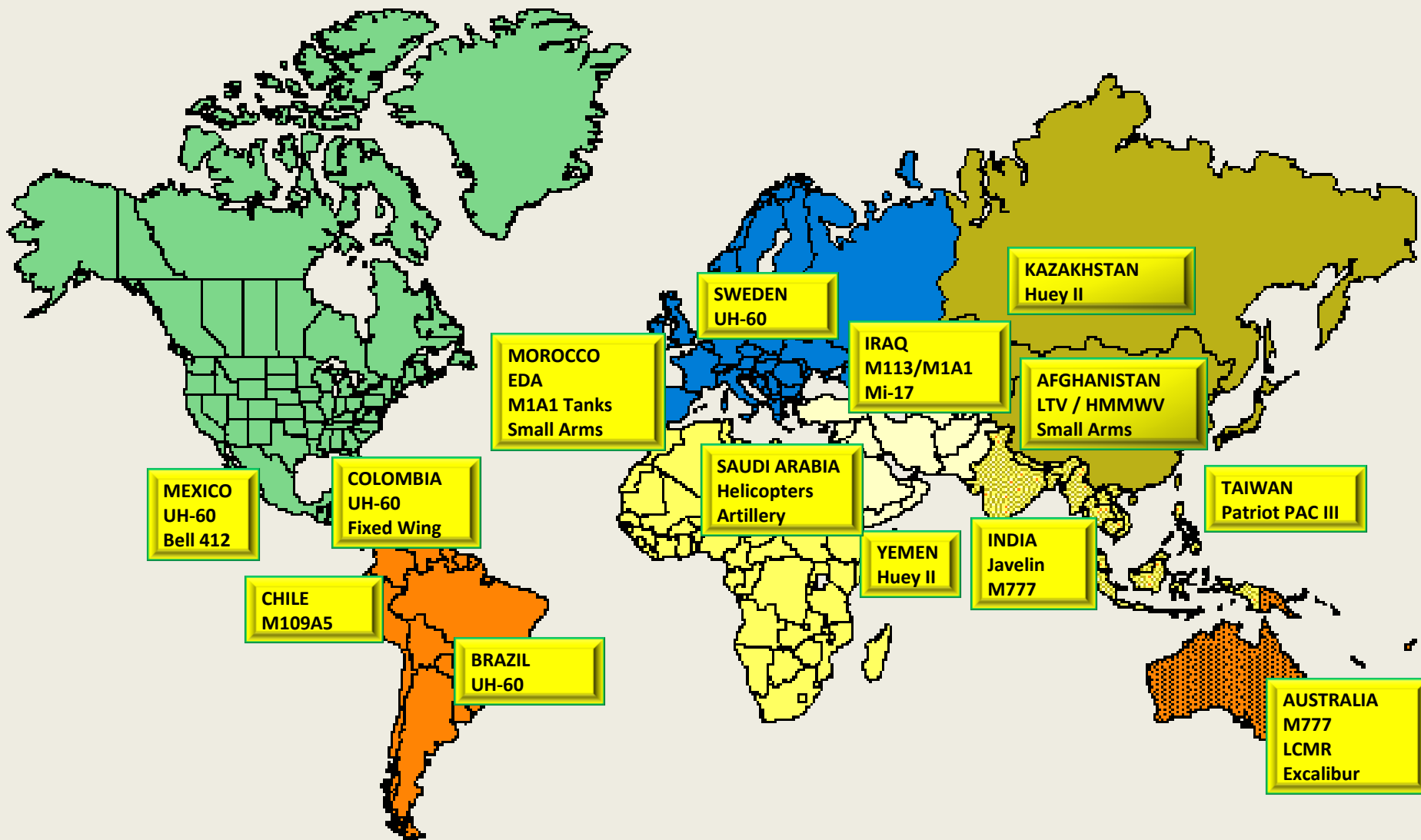
2010 \$14.6B
4657 Cases





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FMS a Growing Business



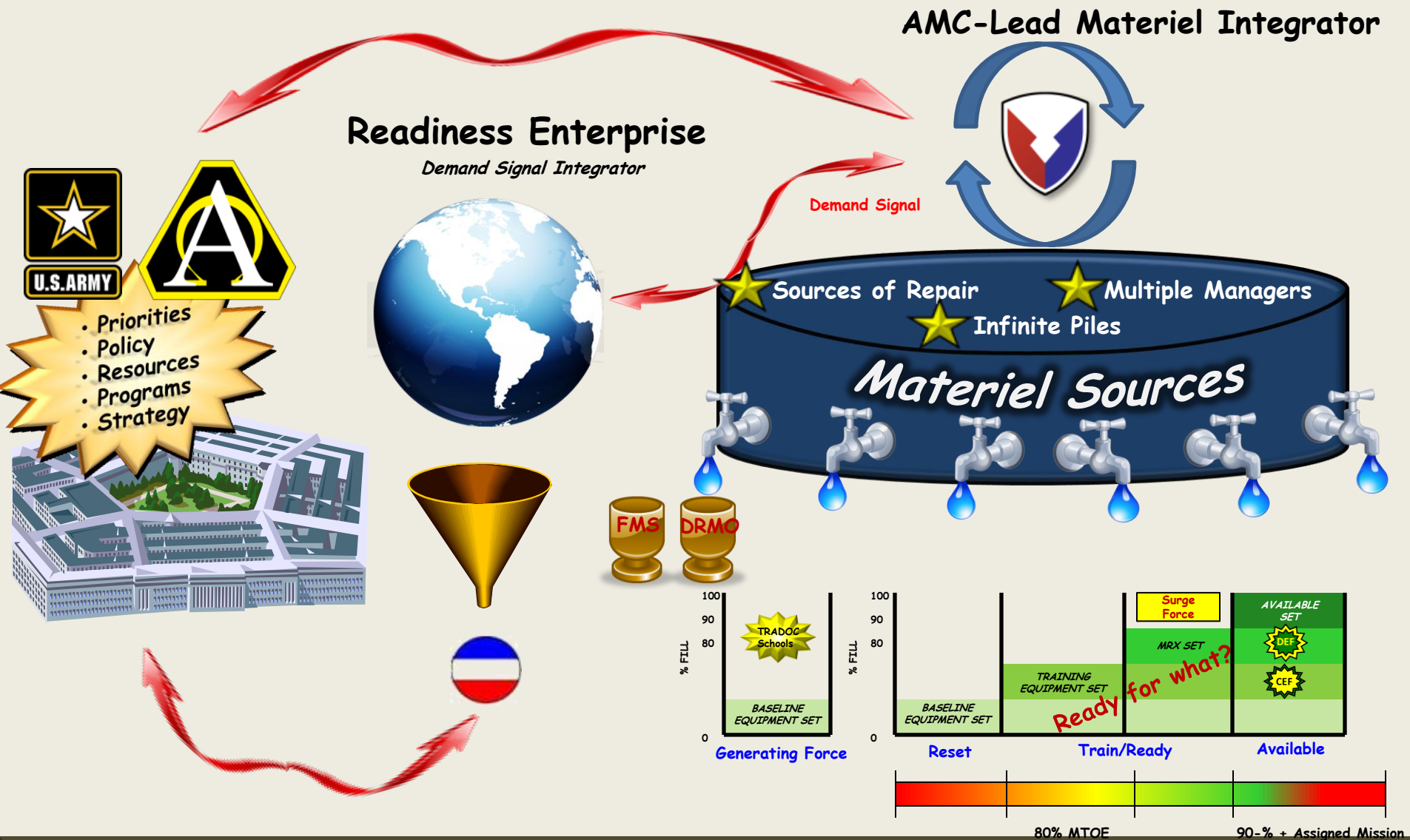
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All Commodities In Demand!



Managing Materiel for the Army

Lead Materiel Integrator develops materiel sourcing solutions IAW Army priorities to support integrated demand signals





Not Business As Usual

- ✓ Institutionalize ARFORGEN Based Rotational Model
- ✓ Eliminate Redundancies
- ✓ Incentivize Efficiencies
- ✓ Enterprise as a Mindset

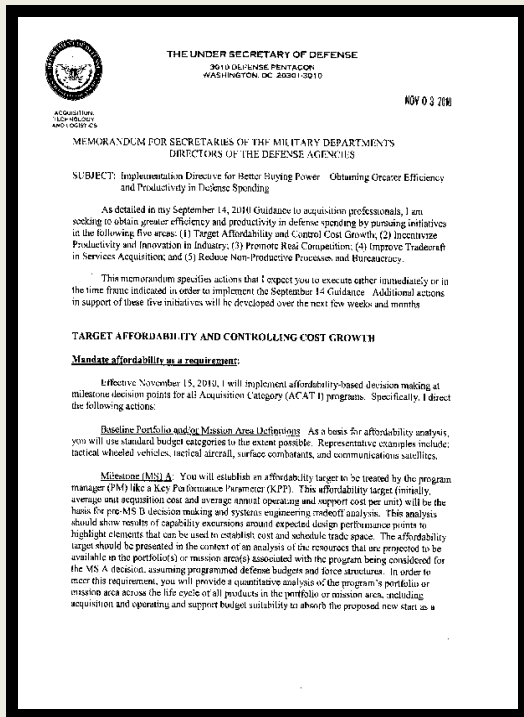
- ✓ Invest in the Most Value
- ✓ Balanced Force
- ✓ Maintain the Combat Edge
- ✓ Cost informed Requirements Process





OSD Better Buying Power Initiatives

Five Key Initiatives



Target Affordability and Control Cost Growth

Incentivize Productivity & Innovation in Industry

Promote Real Competition

Improve Tradecraft in Acquisition of Services

Reduce Non-Productive Processes and Bureaucracy

OSD's Implementation Directive for
Better Buying Power (3 Nov 10)

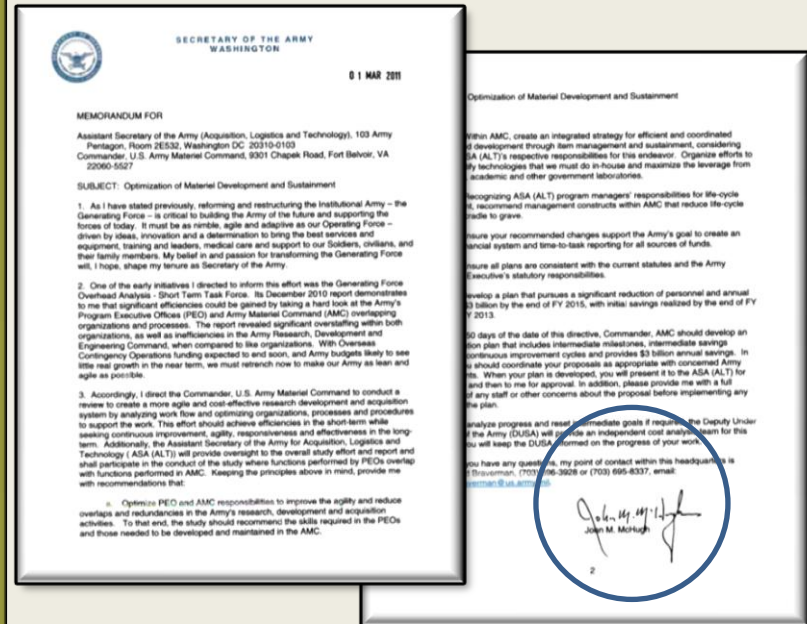


Secretary of the Army Directive

Mission: Conduct a review to create a more agile and cost effective research, development and acquisition system by analyzing work flow and optimizing organizations, processes, and procedures to support the work.

Key Tasks

- 150 day review
- Save \$3B annually by the end of 2015
- Deliberative approach to process and cultural transformation
- Optimize PEO and AMC responsibilities

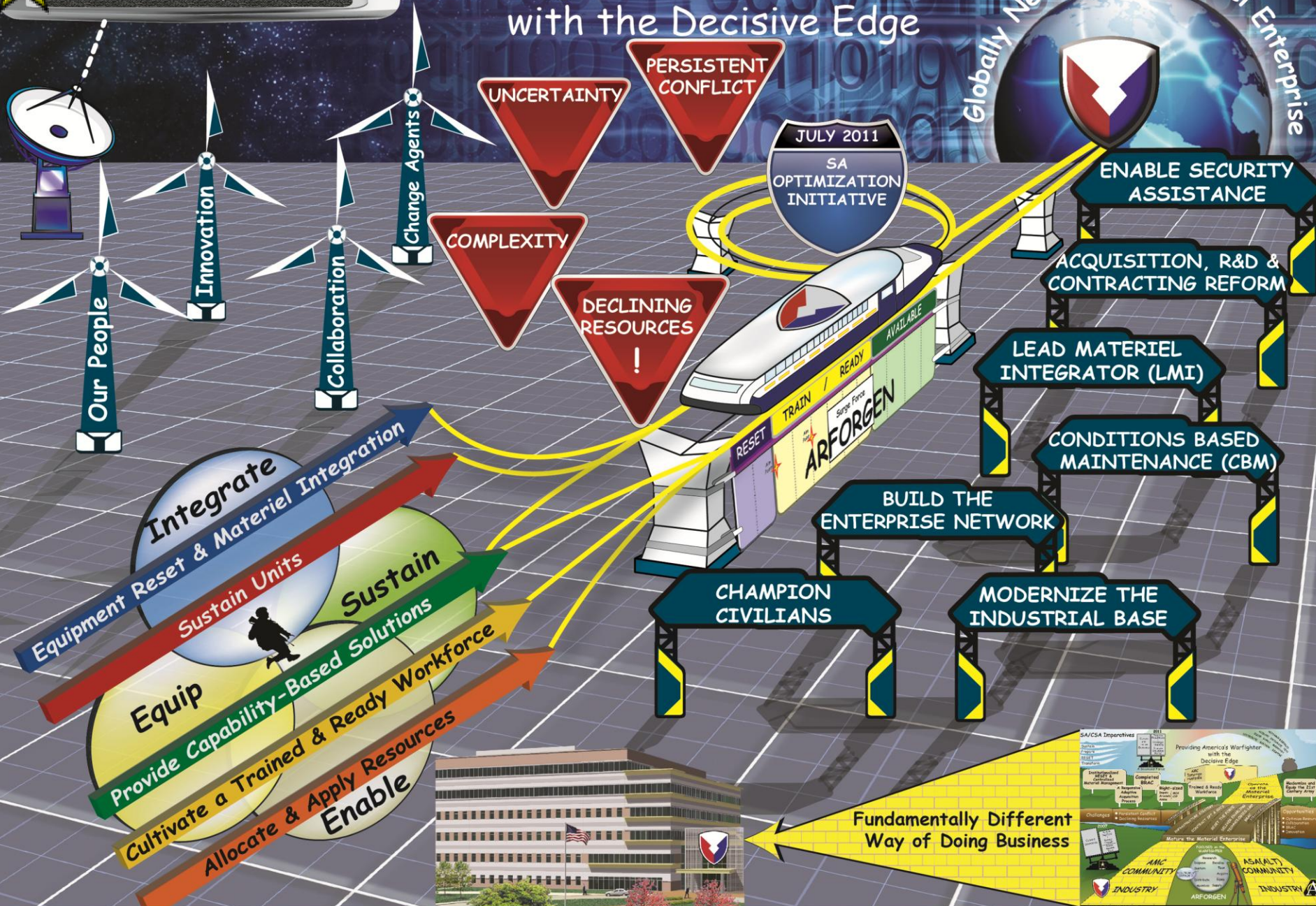


More efficient,
effective, and agile
and free-up
resources to build
the Army of the
future

CSA/SA IMPERATIVE
Continual Adaptation

Providing America's Warfighters with the Decisive Edge

Globally Networked Materiel Enterprise





Taking Care of Our Heroes



Always A Soldier Program



Provide education, training, and employment support to the Soldier who, through no fault of their own, can no longer serve our country in uniform but wants to continue serving our country as an AMC civilian.

AW2
Program,
Transition
Assistance
Program,
Operations
Warfighter

Partnerships



Tangible
Rehabilitation
and
Retraining
Services
(i.e., VA,
ACAP, DoL)



Turning Challenges into Opportunities

You... Us...
Working Together...
Responding to New
Challenges

NDIA

Industry

ASA
(ALT)Strategic
PartnersUS
TRANSOM

FDRSCOM

TACDM

AMC

Foxhole

Contractors

Men &
Women
in
Uniform

DIA

to
FocusDA
Civilians

TRADOC