General Dynamics Land Systems
Linkage of Director, DLA Strategic Plan to Assisting DLA in Achieving a 10% Material Cost Reduction & a 10% Operating Cost Reduction in 5 Years

<table>
<thead>
<tr>
<th>Director, DLA Strategic Plan</th>
<th>GDLS Interpretation of Intent</th>
</tr>
</thead>
</table>
| SE-2: Achieve significant price reductions across DLA’s materiel and services acquisitions. | ▪ Better and Further Leveraging of Time to Generate Efficiency  
▪ Answer the Question – What Makes Sense to Kit? |
| SE-3: Implement a more efficient and effective global supply support network for storage and distribution across all materiel classes of supply. | ▪ Examine Every Process that Industry and DLA Do Together as a Team  
▪ Have we fully examined ways we can partner? |

Approved for public release, distribution is unlimited, GDLS approved, Log No. 2012-59, dated 06/8/12
General Dynamics Land Systems
Efforts to Assist DLA in Achieving a 10% Reduction in Material Costs

- Link Sustainment Purchases with Production Purchases

- Increase Use of Long Term Contracts
  - Decrease One Time Buy Contracts

- Increase Quantities Bought, While Reducing the Frequency of Purchases

Approved for public release, distribution is unlimited, GDLS approved, Log No. 2012-59, dated 06/8/12
Reduction Touch Points Wherever Feasible – in Industry & Government

Reduce Administrative Costs –
- Increased Use of Long Term Contracts
- Mature Ordering Frequency to Less Frequent, Higher Volume

Cost/Benefit Tradeoff – Military versus Commercial Packaging

Consolidate Corporate Faces to DLA – Move from Multiple SSAs to a Single SSA