

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



WEATHER



ATTACKS



THEFT & PILFERAGE

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



LABOR ISSUES



ROAD CONDITIONS

... While Supporting Contingency Operations ...



RAPID PORT OPENING



WATER PURIFICATION



LOGISTIC SUPPORT

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

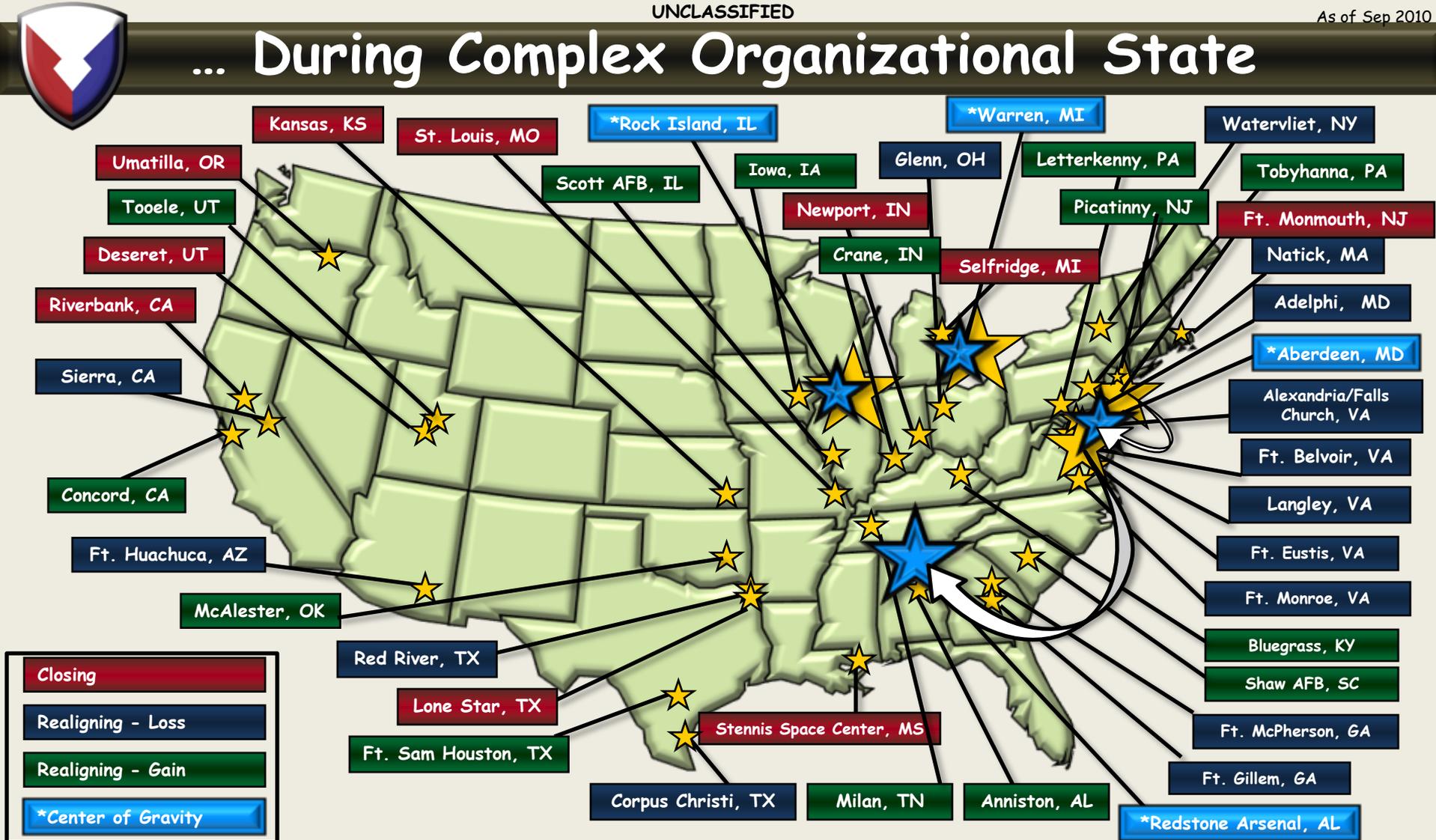


EMERGENCY RATIONS



MORTUARY AFFAIRS

... 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

Public Law

SA/CSA Imperatives

Sustain
Prepare
RESET
Transform



Providing America's Warfighter with the Decisive Edge

RESEARCH & DEVELOP
INTEGRATE TEST
ACQUIRE SUPPLY MAINTAIN
EQUIP SUSTAIN DISPOSE

Institutionalized RESET & Centralized Materiel Management

Completed BRAC

A Responsive Adaptive Acquisition Process

Right-sized
Depots
Arsenals
Ammo

MCA
CIP

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

2007



AMC COMMUNITY

FOCUSED on the WARFIGHTER



ASA(ALT) COMMUNITY

INDUSTRY

INDUSTRY

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



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

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).

We Must Stop the Madness!





Fundamentally Different Way of Doing Business



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

- GEN Eric Shinseki



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)

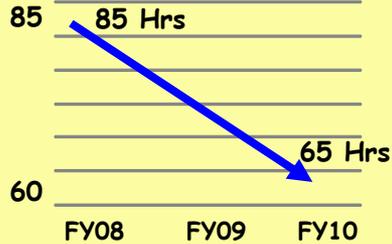
Our Credentials



Anniston Army Depot



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



**McAlester Army
Ammunition Plant**



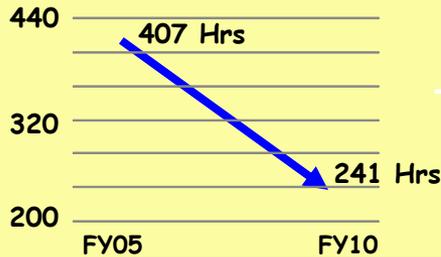
**BLU-109 2000 lb Penetrator
Labor Cost per Unit**



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

<p><i>Corpus Christi Army Depot</i></p>	<p><i>Anniston Army Depot</i></p>	<p><i>McAlester Army Ammunition Plant</i></p>	<p><i>Watervliet Arsenal</i></p>
<p>GE</p> <p>T-700 Engines</p> <p>Repair and Overhaul</p> 	<p>General Dynamic Land Systems</p> <p>M1 Abrams Family of Vehicles</p> <p>Services & Technical Support</p> 	<p>Raytheon Systems</p> <p>XM795 - Excalibur</p> <p>All Up Round Integration</p> 	<p>BAE Systems</p> <p>155mm M776 Howitzer</p> <p>Cannon Tubes</p> 

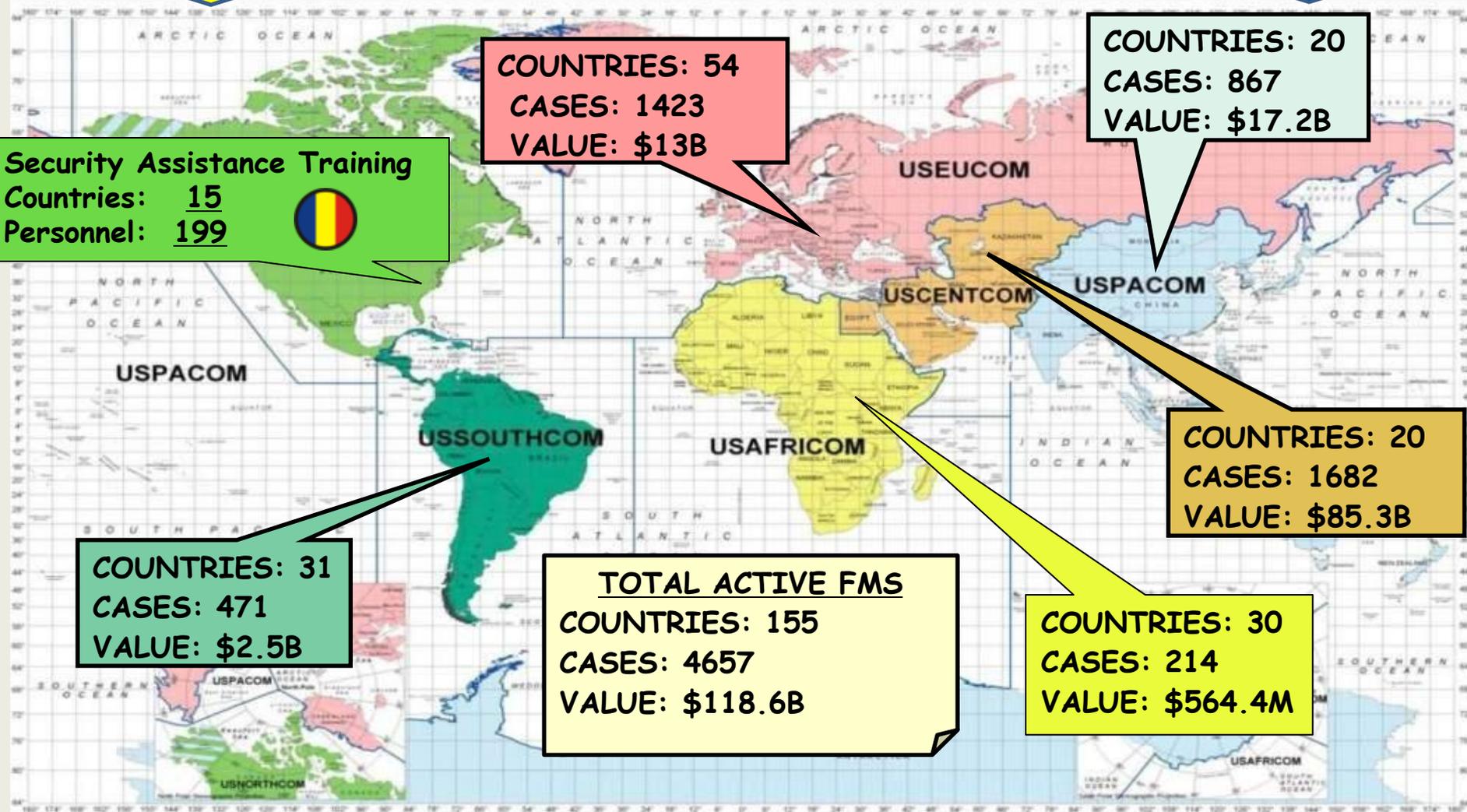
Global Demand = Shared Opportunities



2007 \$9.0B
3897 Cases

2010 \$14.6B
4657 Cases

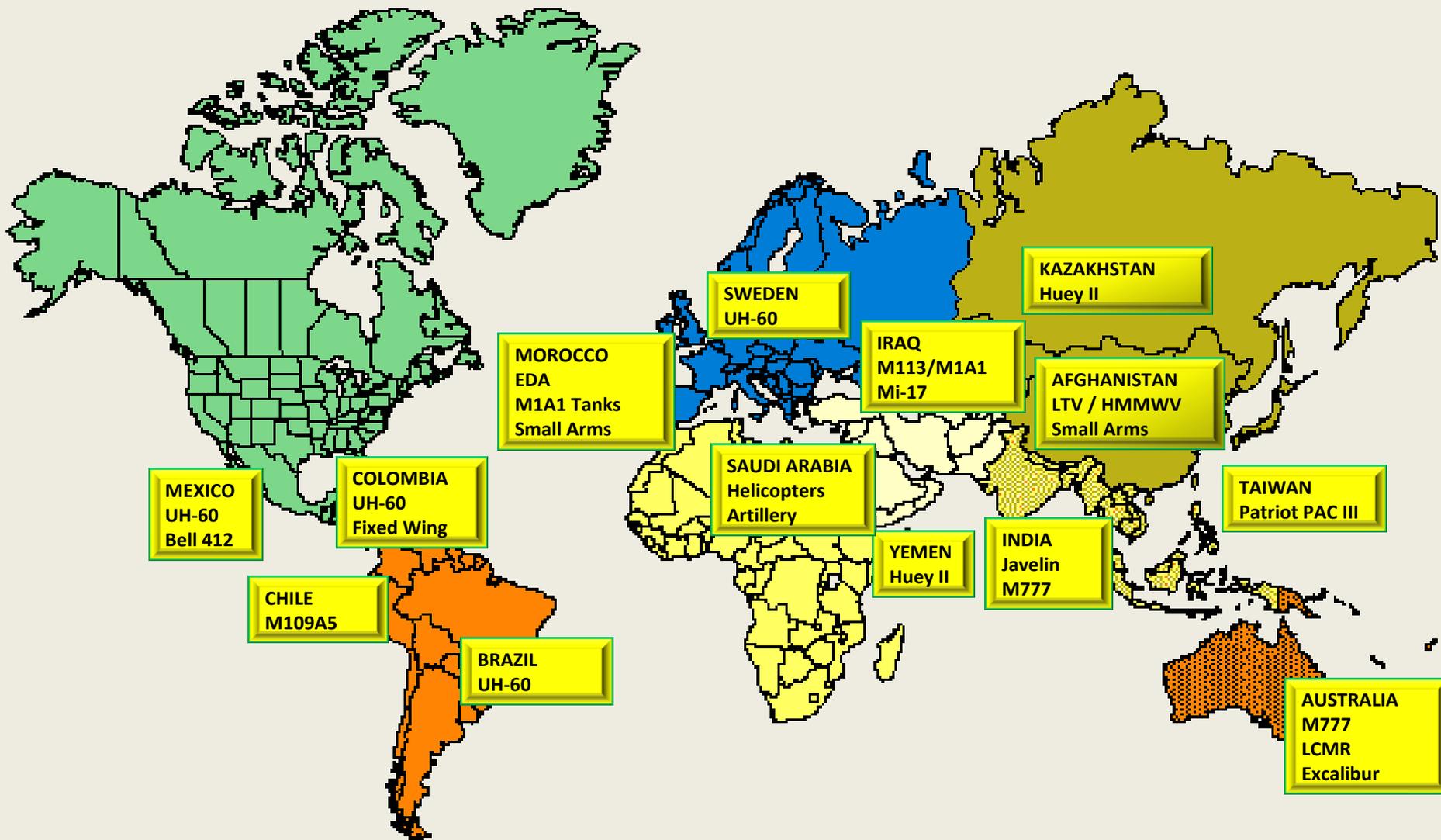
FMS Portfolio by Region



Security Assistance Training
Countries: 15
Personnel: 199



FMS a Growing Business





Managing Materiel for the Army

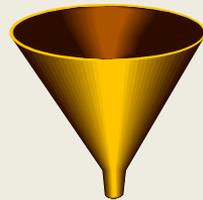
Lead Materiel Integrator develops materiel sourcing solutions IAW Army priorities to support integrated demand signals

AMC-Lead Materiel Integrator

Readiness Enterprise

Demand Signal Integrator

- Priorities
- Policy
- Resources
- Programs
- Strategy



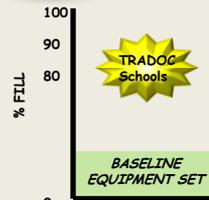
Demand Signal

Sources of Repair

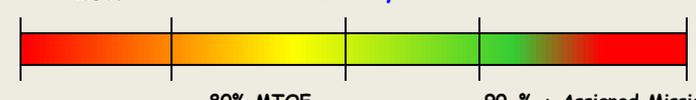
Multiple Managers

Infinite Piles

Materiel Sources



Ready for what?



Not Business As Usual

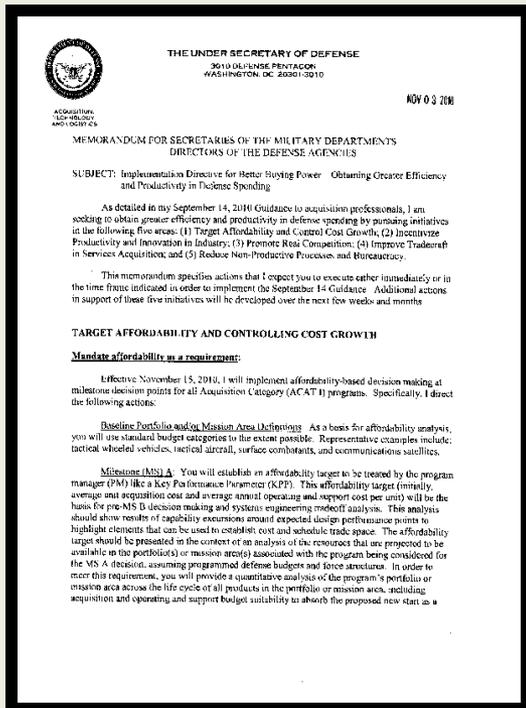


- ✓ Institutionalize ARFORGEN Based Rotational Model
- ✓ Eliminate Redundancies
- ✓ Incentivize Efficiencies
- ✓ Enterprise as a Mindset

- ✓ 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)

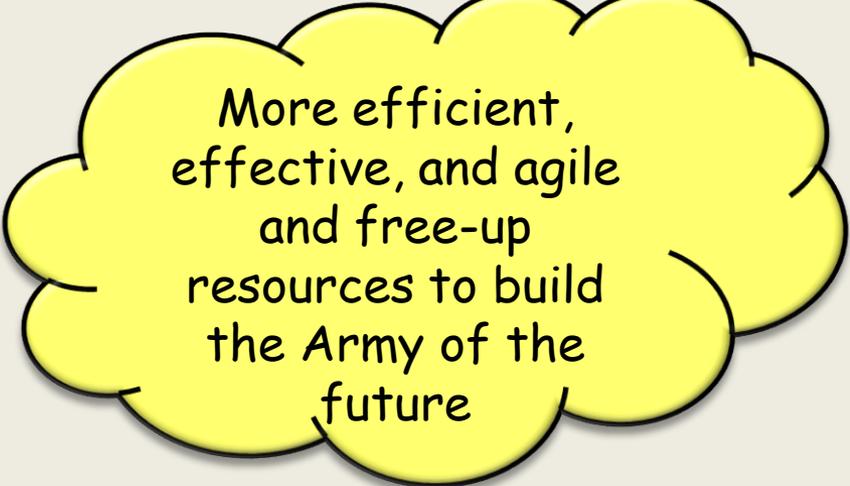
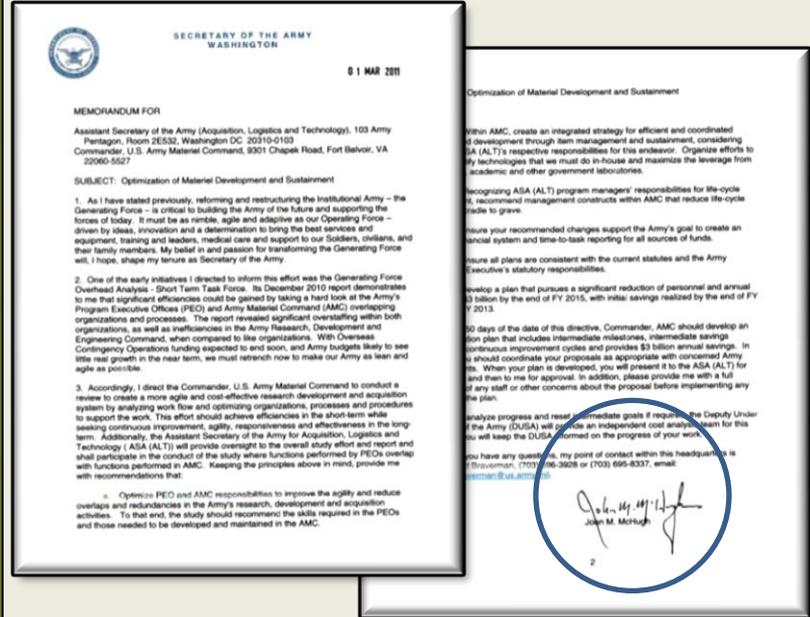


Secretary of the Army Directive

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

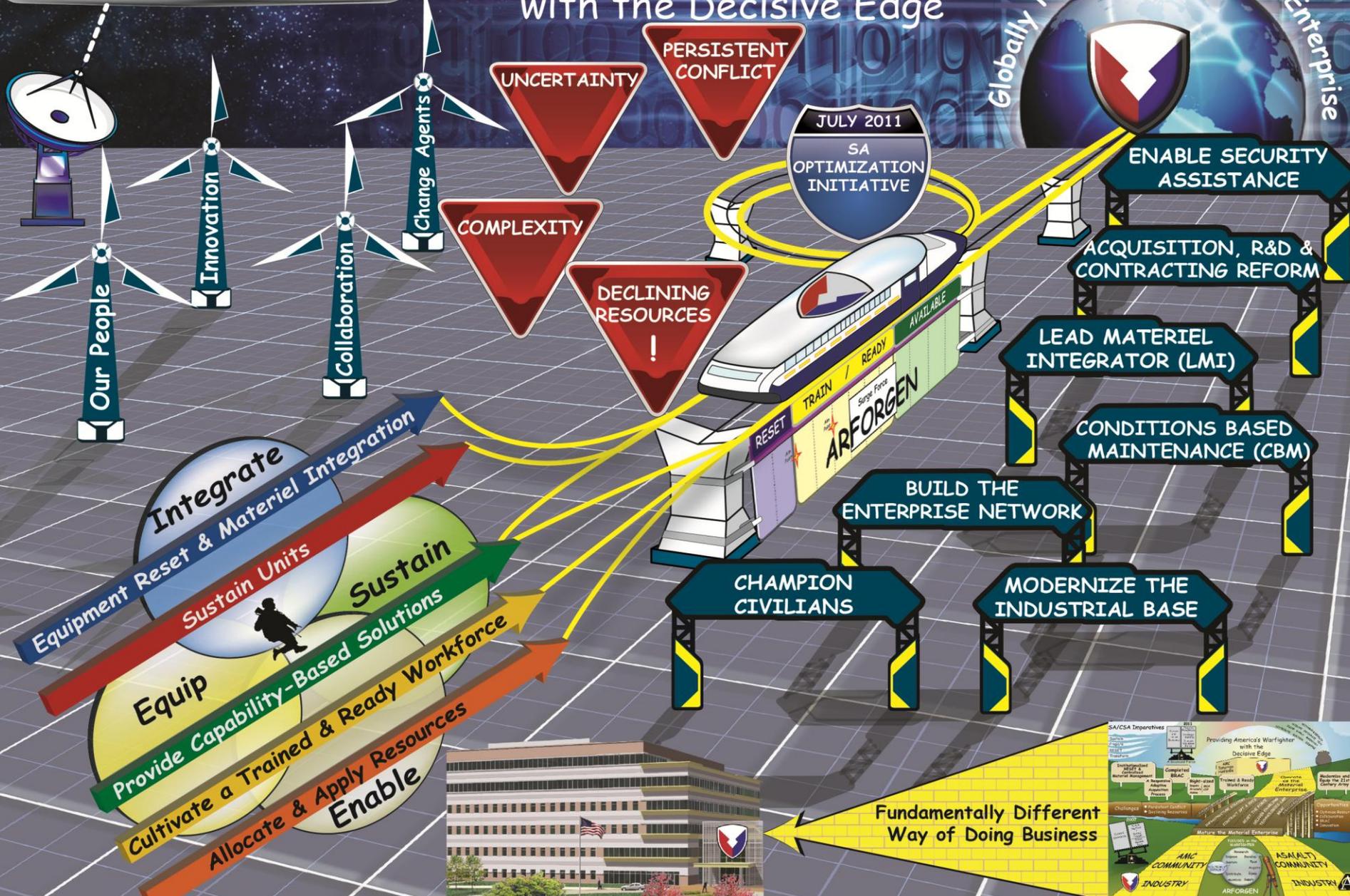
- 150 day review
- Save \$3B annually by the end of 2015
- Deliberative approach to process and cultural transformation
- Optimize PEO and AMC responsibilities



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

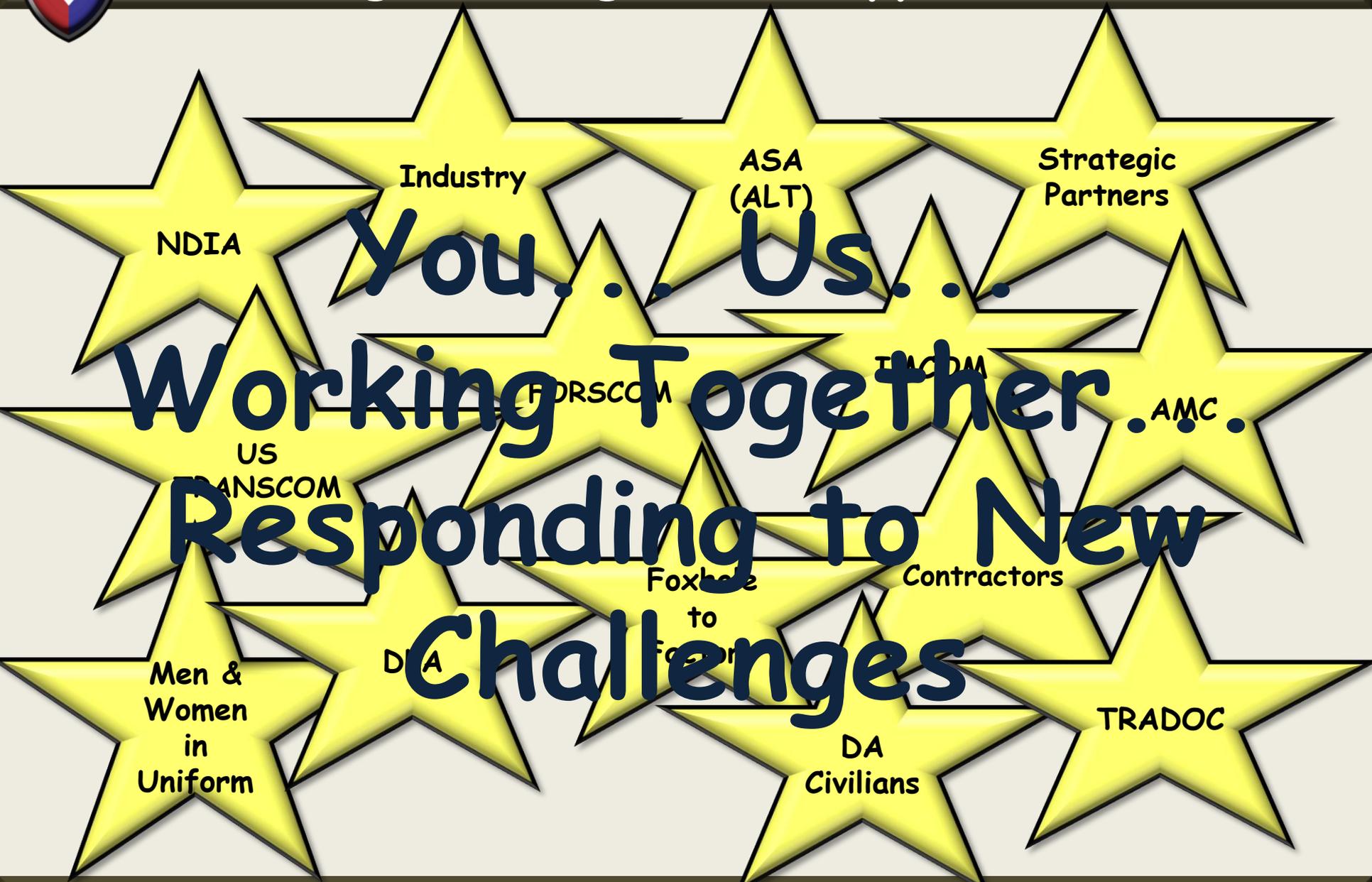
Partnerships



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
Partners

US
TRANS COM

FORSCOM

TACDM

AMC

Foxhole

Contractors

Men &
Women
in
Uniform

DIA

to
Foreign

DA
Civilians

TRADOC