

Logistics Transformation

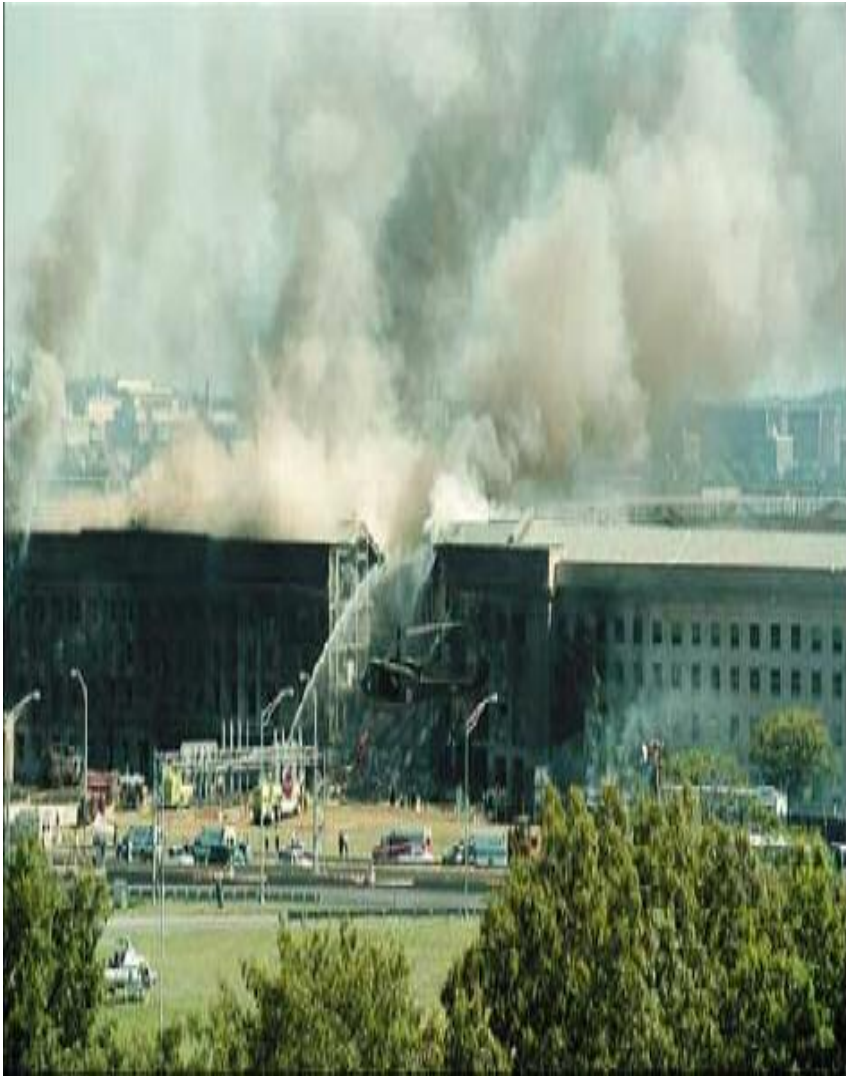


Achieving Knowledge-Enabled Logistics

1 March 2005



US National Security Priorities



- **Immediately Employable Force Option**
 - High readiness
- **Preemptive Capability**
 - Global Force posture
- **Net-Centric Warfare**
 - Non-linear operations
- **Focused Joint Logistics**
 - Coalition operations



Logistics Transformation

Mass-Based



- More is better
- Mountains of stuff measured in days of supply
- Uses massive inventory to hedge against uncertainty in demand and supply
- Mass begets mass and slows everything down

Prime Metric: Days of supply

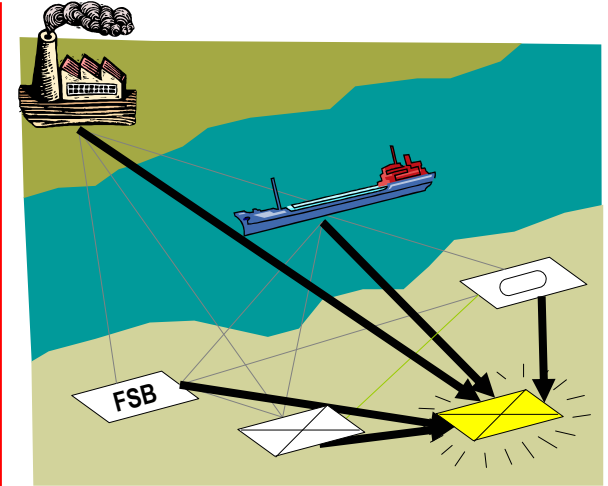
Just-in-Time



- Precision is better
- Reduce Inventory to a minimum and keep moving
- Use precise demand prediction and optimization to reduce uncertainty
- Works great, except when it doesn't

Prime Metric: Flow Time

Sense and Respond



- Agile is better
- Dynamically positioned Inventory throughout
- Use transportation flexibility and robust IT to handle uncertainty
- Supports adaptive operations

Prime Metric: Effects

Developing a Coherent Roadmap



Tasking

SPG Language

- By 30 September 2004, the USD(AT&L) will **reconcile**:
 - Sense and Respond Logistics (S&RL) concept
 - Force-Centric Logistics Enterprise (FLE)
 - Focused Logisticsinto a coherent logistics transformation strategy that supports distributed, adaptive operations.
- In addition, USD(AT&L) will initiate a joint effort to integrate *logistics from point-of-effect to source of supply/services, across Services and Defense Agencies.*

USD(AT&L) Memo

- Logistics Transformation Roadmap will provide a coherent way forward, including milestones and resources, that encompasses:
 - Force-Centric Logistics Enterprise (FLE)
 - Ongoing Distribution Process Owner efforts
 - Sense and Respond Logistics
 - Joint Theater Logistics Management
- Product will be a Transformation Roadmap for integrating *logistics from point-of-effect to source of supply/services, across Services and Defense Agencies.*



Logistics Transformation Strategy

**Department of Defense
Logistics Transformation
Strategy**



Achieving Knowledge-Enabled Logistics

10 December 2004

- Recognized Focused Logistics as JROC-Approved Concept
- Incorporated key Sense and Respond Tenets
- Subsumed Force-Centric Logistics Enterprise initiative
- Recognized ongoing transformation efforts (TRANSCOM, JFCOM, Joint Logistics, Joint Integrating Concept)
- Provided Strategic Milestones to enable future refinement



Key Remaining Issues

- Full integration of intel, operations, logistics, and a net-centric environment in the Global information Grid?
- Network hosted business rules for sourcing and lateral redistribution
 - Including allied material?
- Industrial base responsiveness to demand signals
 - With a “build-to-order” industry?
- DoD capability to process demand signals (that are not requisitions)?
 - Sensor suites and backfitting to fielded systems
 - Routing and response messaging
- Expanding Combatant Commanders directive authority?
- Broader global sourcing of material and services?
- Reduced theater logistics footprint, relying on reach back capability?
- DoD capability to document, translate, and manage commander’s intent and situational awareness into appropriate logistics actions in an automated process?
- Dramatic increases in logistics process integration
 - Which requires increased systems integration?

Joint Logistics Board will consider these issues over the next 18 months.



Army Stryker Vehicle

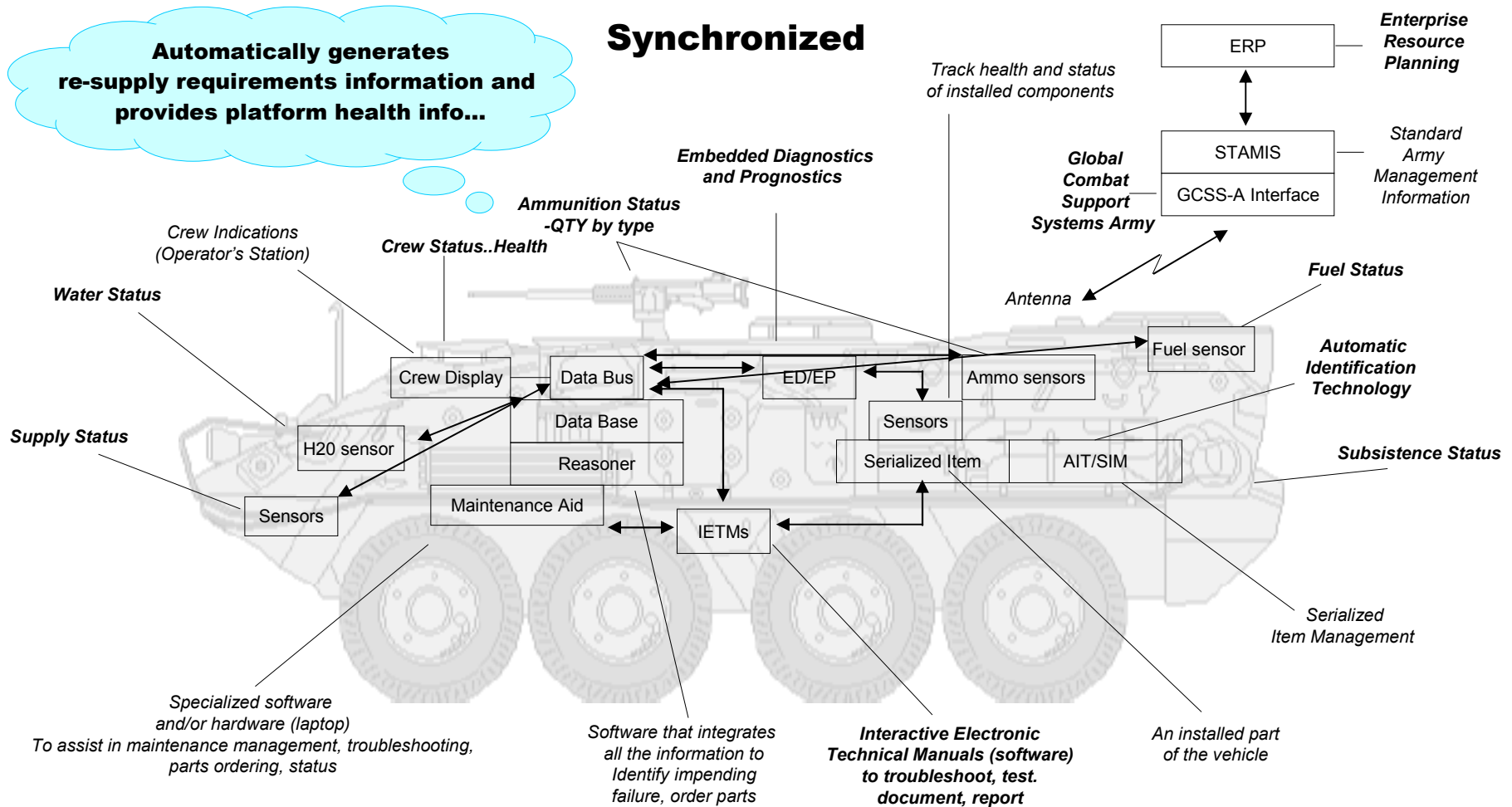
Integrated Weapon System Status and Health Management

Sensor-Based

Self Monitoring

Self Reporting

Automatically feeds Army Shared Data Environment





Stryker

Averaging 16-20 days for parts to be shipped from the United States to the unit.

98% current OR Rate (total)

**94% average OR Rate over 189 days
of combat operations.**



**OIF: 200 Engagements
No Kills or Mobility Kills
No Soldiers Lost**



Stryker



“I just did a year in Iraq.... If we did not have [Stryker], there would have been a lot of dead Joes.”

“Stryker is an urban pacification vehicle. I love it.”

“I personally would rather get out of the Army than go somewhere that doesn’t have the Stryker.”

-Sgt. John Hedrington*

“The Stryker Isn’t a poster child gone bad. It has saved the lives of many of my fellow soldiers.”

“One of my sister platoon’s Strykers was hit by five rocket-propelled grenades and everyone on that crew is still walking.”

“Our weapons were plenty for the missions we were placed in.”

“The tires lasted longer than track pads.”

-Staff Sgt. Johnathan Vines*

**Quoted in Defense News 1/17/2005*



Today's Distinguished Panel

- Mr. Dave Pauling – Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs, and Resources)
- Mr. Richard Wylly, Director, Government Business Development, Collins Aviation Services, Rockwell Collins, Inc.
- Mr. Sheldon Margolis, Director, Lifetime Support, Lockheed Martin Maritime Systems and Sensors



Key Issues for Panel Discussion

- What is industry's performance to date in support major weapon systems in OEF/OIF?
- How can we achieve continuous improvement and agility in our weapon system support processes?
- What is DoD and industry doing to capitalize on prognostics to enable "Sense and Respond Logistics?"
- How can DoD incentivize industry to become "world-class" supply chain managers and increase agility?
- What are the barriers to global sourcing of weapon system support products?