



The Army: Moving Towards Enterprise Logistics

12 March 2008

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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



- Demand Exceeding Supply
- Counterinsurgency-Focused Force
- Accelerated Equipment Wear-Out
- Soldier and Family Stress



2011
FUTURE

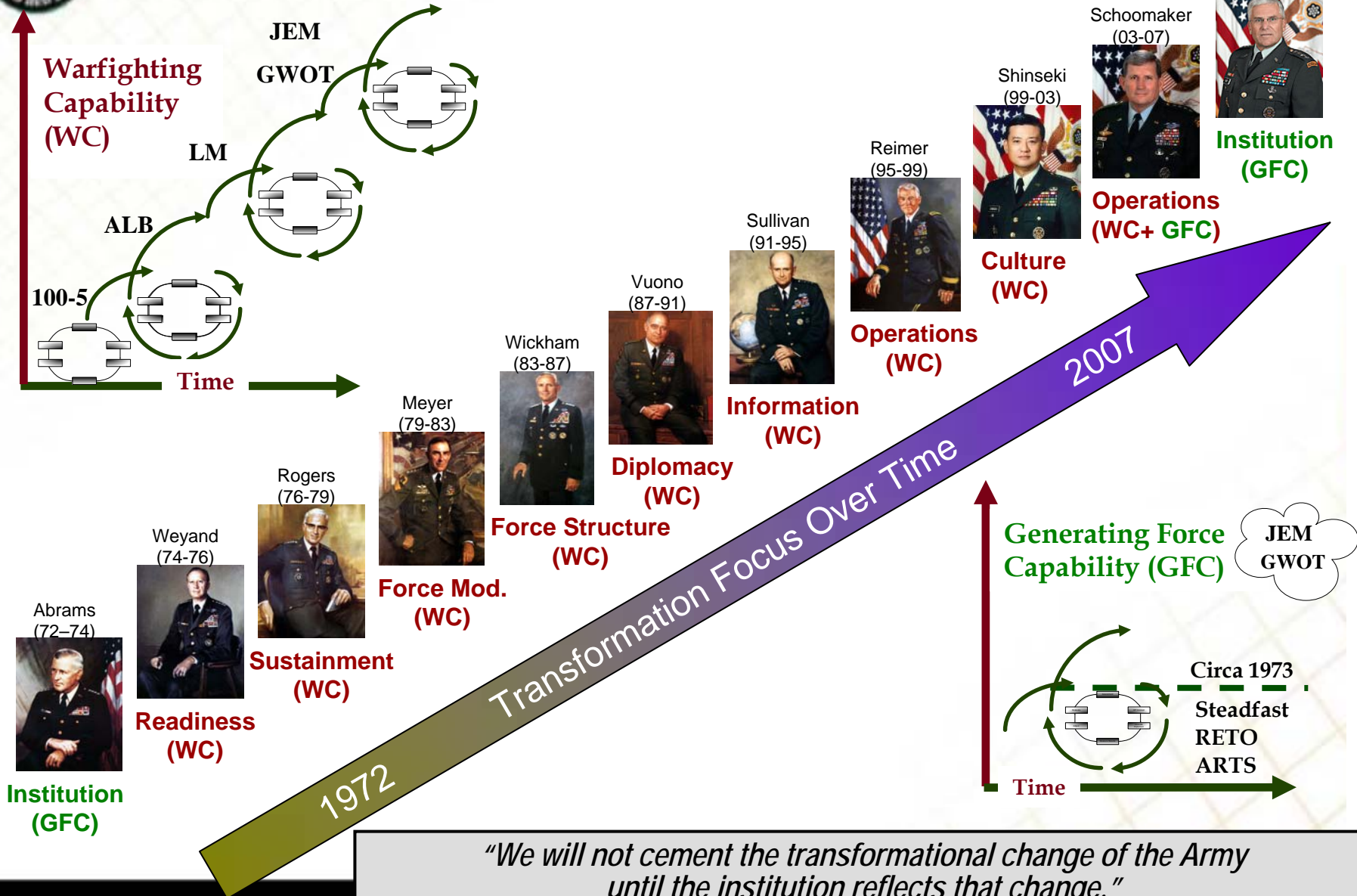


- Steady-State Achieved via Army Force Generation Process
- Full Spectrum Readiness
- Reconditioning and Recapitalization of Equipment
- Better Facilities and Increased Dwell Time for Soldiers

IMPERATIVES

- Sustain
- Prepare
- Reset
- Transform

Transformation: A Journey...



"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.



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.

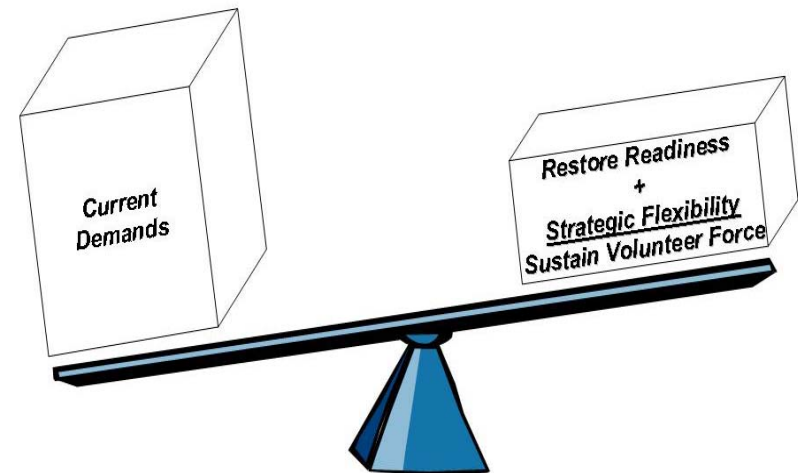
- Full funding of Adjusted GWOT Request:
 - * To provide Soldiers best available equipment
 - * For Reserve Component Pre-Mob training
 - * To offset O&M reduction in base budget

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



Historical Context

Broken Army

Then: 1965 - 1975

- 1:2 (12:12) DWELL
- Low public esteem
- 40% had no HS Diploma
- Old and outmoded equipment
- Severe fiscal constraints
- Underappreciated Draftee

Red Lines



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

"AMERICA'S ARMY: THE STRENGTH OF THE NATION"

We are stretched... Not broken

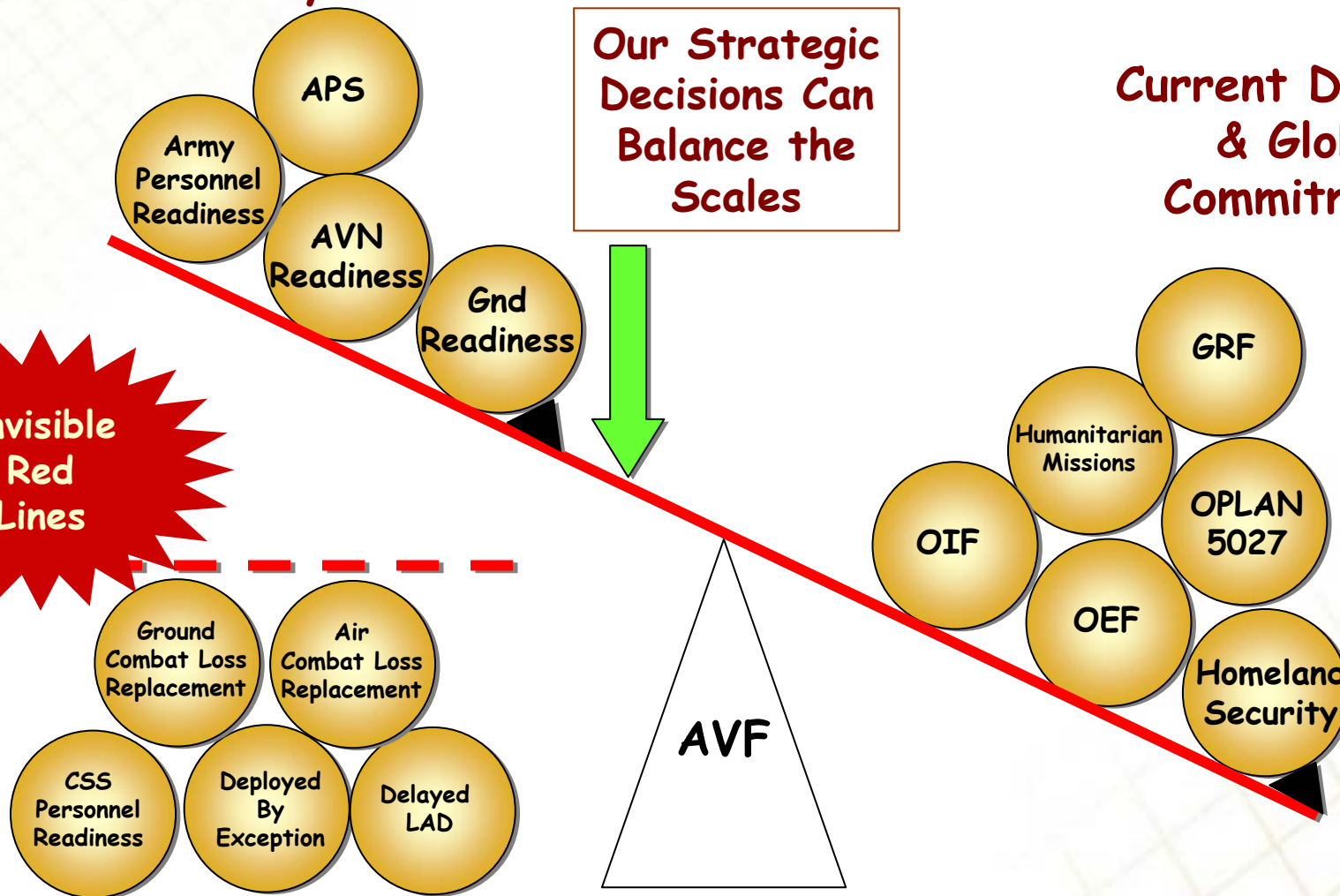
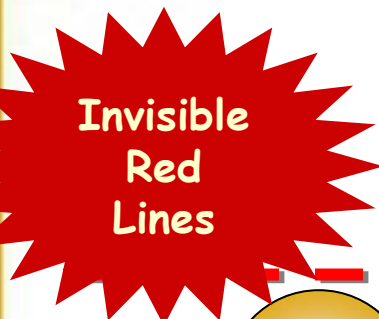


Out of Balance Visible Redlines

Readiness & Strategic Flexibility

Current Demands & Global Commitments

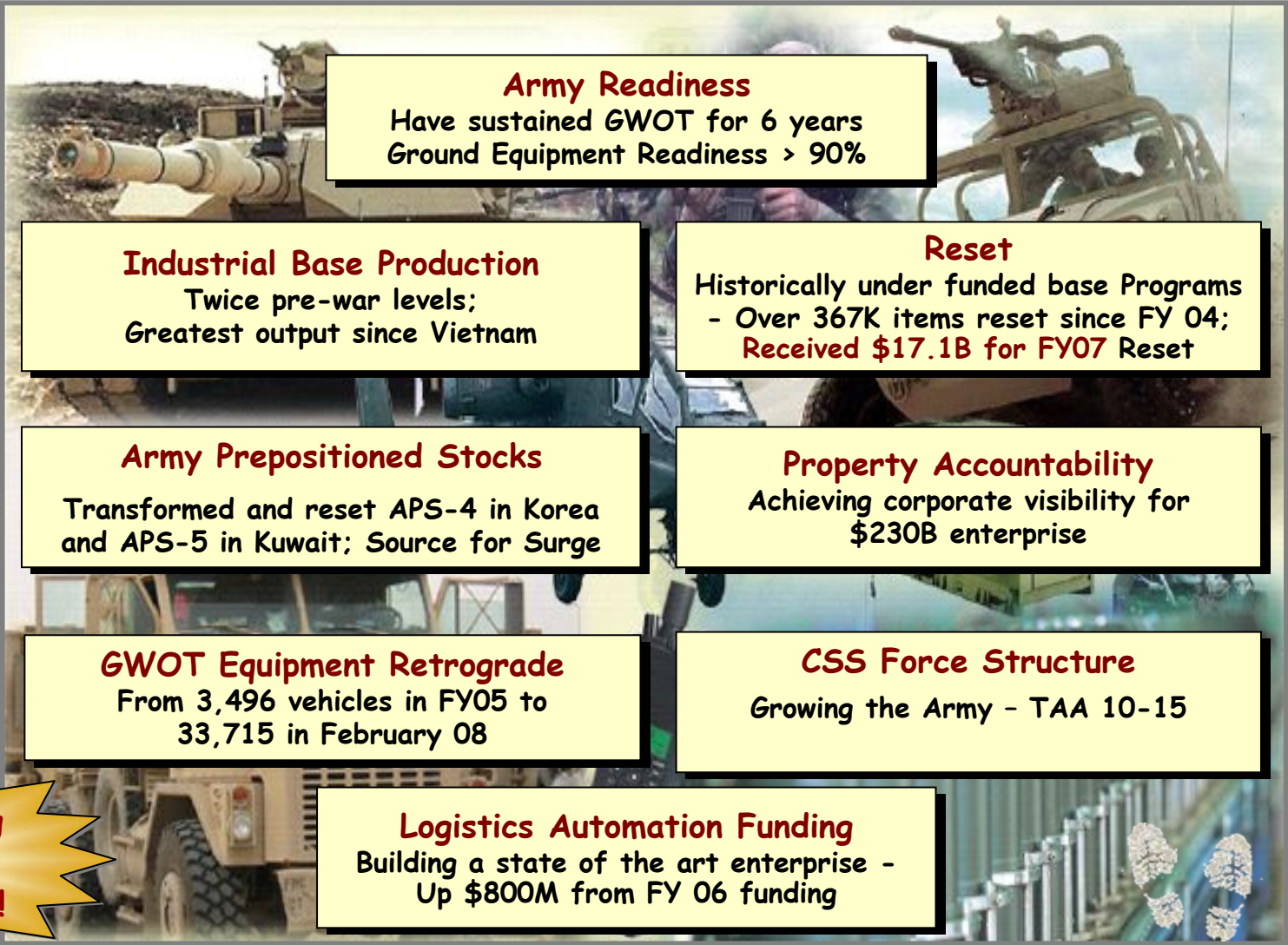
Our Strategic Decisions Can Balance the Scales



AMERICA'S ARMY: THE STRENGTH OF THE NATION™



Army Logistics - Moving Out On All Fronts...



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 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

AMERICA'S ARMY: THE STRENGTH OF THE NATION™



Tactical Wheeled Vehicles: What does the Future Hold?



GAMMA GOAT

STRYKER

Caterpillar 3126 turbo diesel 350hp

18-20 STons

\$4.13M/Vehicle



MRAP

\$600K-800K/Vehicle

M998 HMMWV

\$60K/Vehicle



UA HMMWV

\$150K/Vehicle



WWII - Willys/Ford Jeep

60 hp 134 cu in 4 cylinder

2,290 lbs

Approximate Cost \$2600/vehicle



CUCV



1899 Woods
Electric Staff
Car

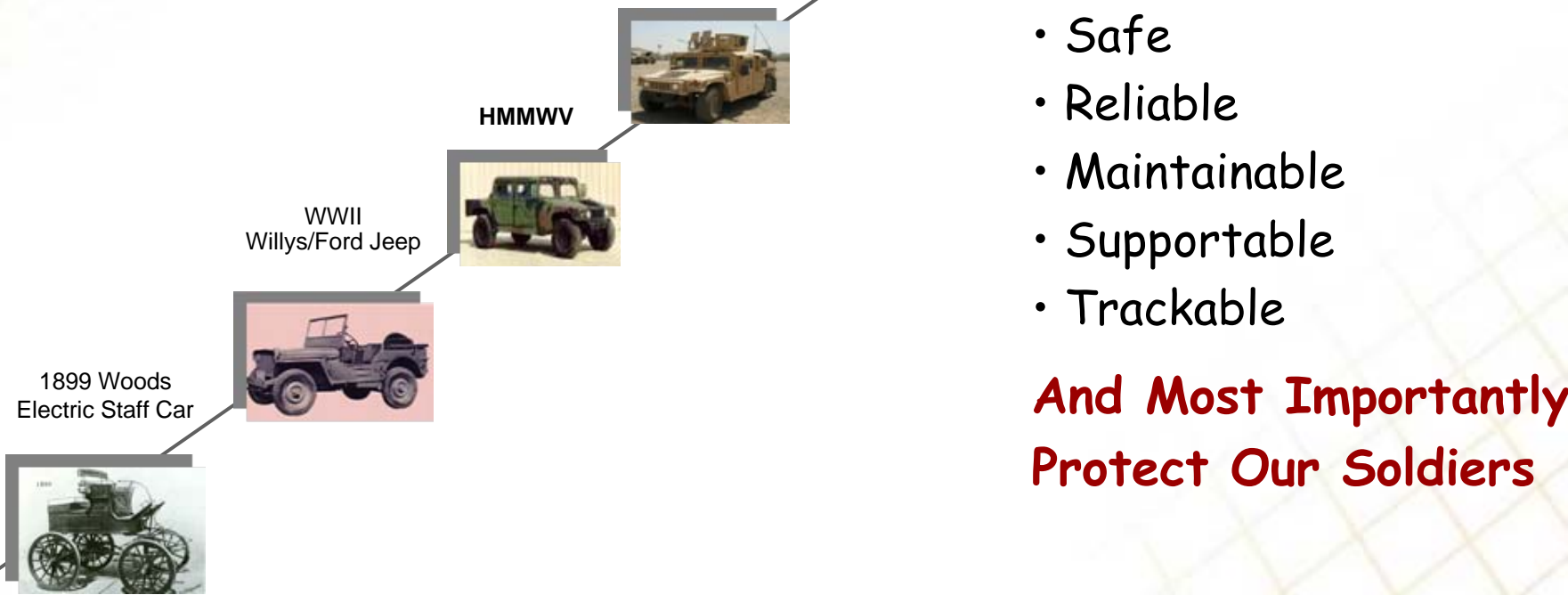




What We Need From You...

The Best Industry Has to Offer

Soldiers' Lives Depend On It



Our Equipment Must Be:

- Safe
- Reliable
- Maintainable
- Supportable
- Trackable

**And Most Importantly
Protect Our Soldiers**

AMERICA'S ARMY: THE STRENGTH OF THE NATION™



Army Logistics Transformation

Where We've Been



ASC – Army Sustainment Command
 AMC – Army Materiel Command
 ESC – Expeditionary Sustainment Command
 TSC – Theater Sustainment Command

- ➔ **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

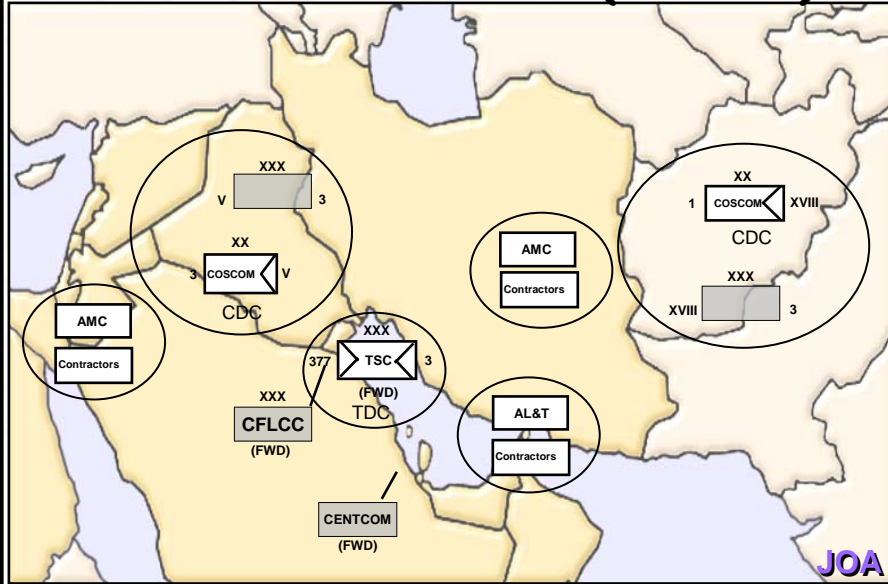
- SecArmy Decision
- CSA Decision
- VCSA Decision

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Transforming to Modular Logistics

Pre-Modular (Pre-911)



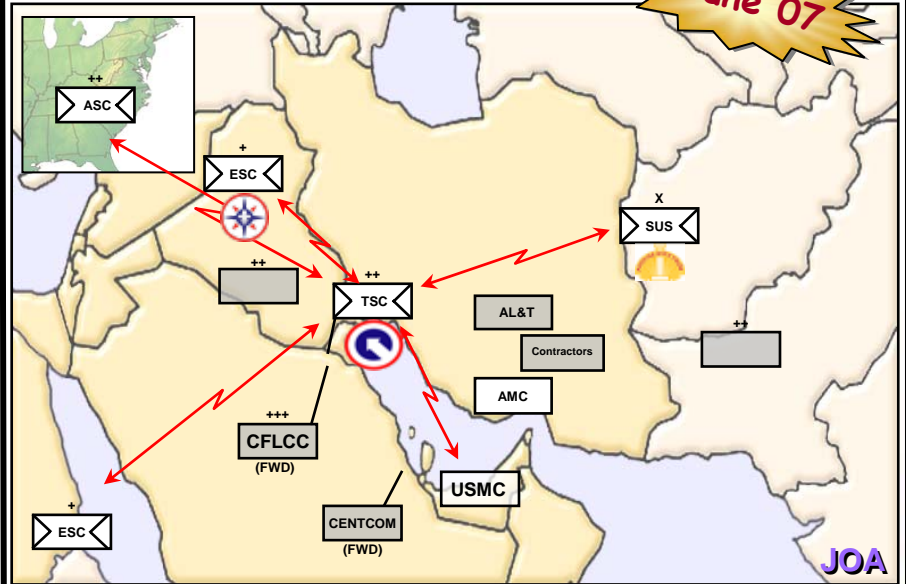
LOG C2

- 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

Strategic

Modular

June 07



LOG C2

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

Operational

Tactical

AL&T Acquisition Logistics & Technology
 AMC – Army Materiel Command
 CENTCOM – Central Command
 COSCOM – Corps Support Command

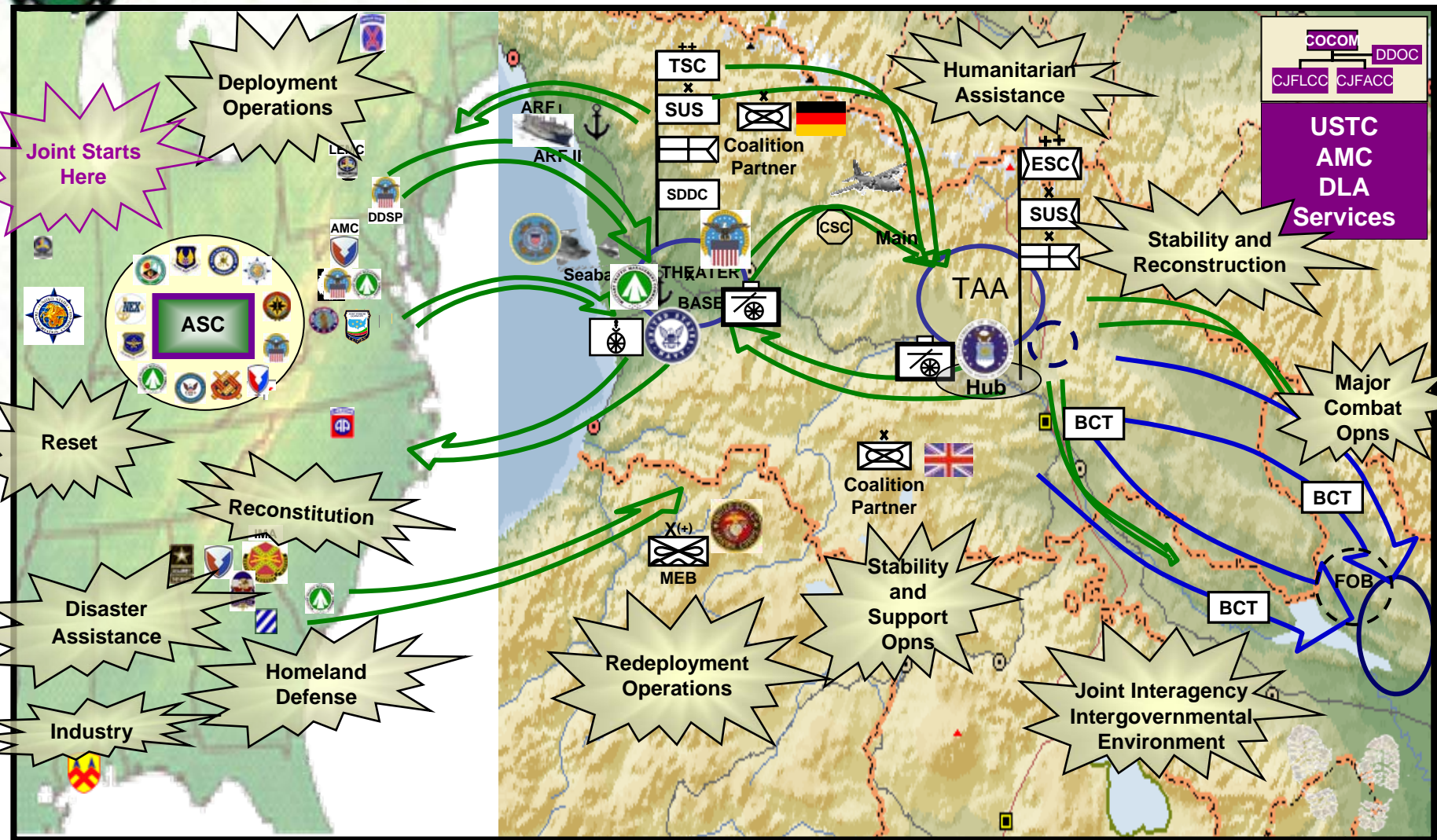
FWD - Forward
 JOA – Joint Area of Operations
 CDC – Corps Distribution Center
 ESC – Expeditionary Support Command

TSC – Theater Sustainment Command
 TDC – Theater Distribution Center
 SUS – Sustainment
 USMC – United States Marine Corps

AMERICA'S ARMY: THE STRENGTH OF THE NATION™



Today's Battle Space...Optimizing Strategic Partners



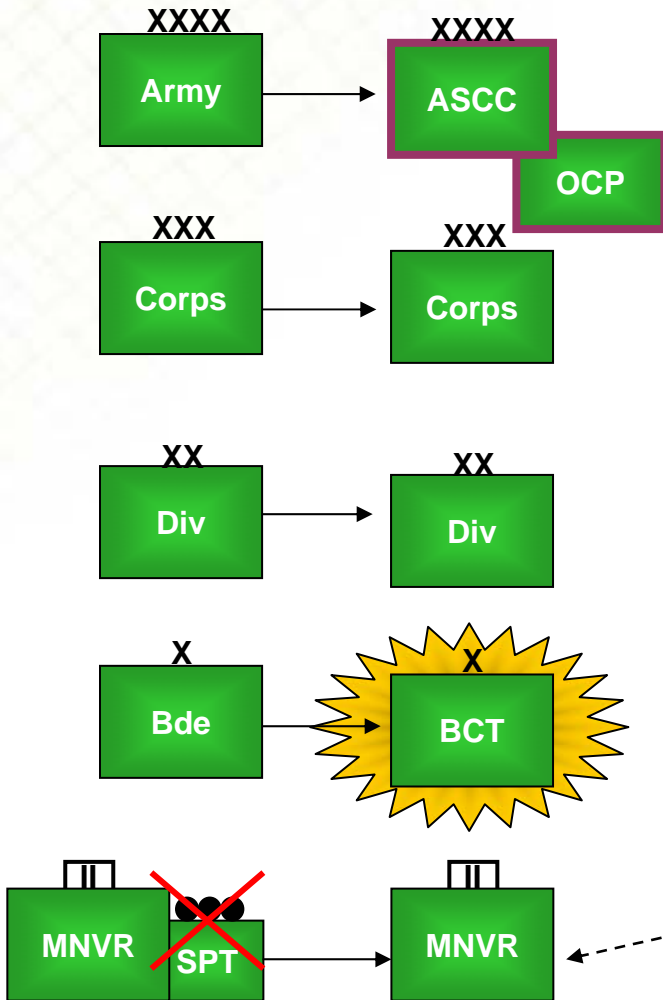
- AMC – Army Materiel Command
- BCT – Brigade Combat Team
- CJFLCC – Combined Joint Forces Land Component Command
- CJFACC – Combined Joint Forces Air Component Command
- COCOM – Combatant Command
- DDOC – Deployment & Distribution Operations Center
- DDSP – Defense Depot Susquehanna, Pennsylvania
- DLA – Defense Logistics Agency
- ESC – Expeditionary Support Command
- MEB – Marine Expeditionary Brigade
- TAA – Tactical Assembly Area
- TSC – Theater Sustainment Command
- USTC – United States Transportation Command
- SUS – Sustainment

Non linear, asymmetrical, noncontiguous...2-way, end-to-end

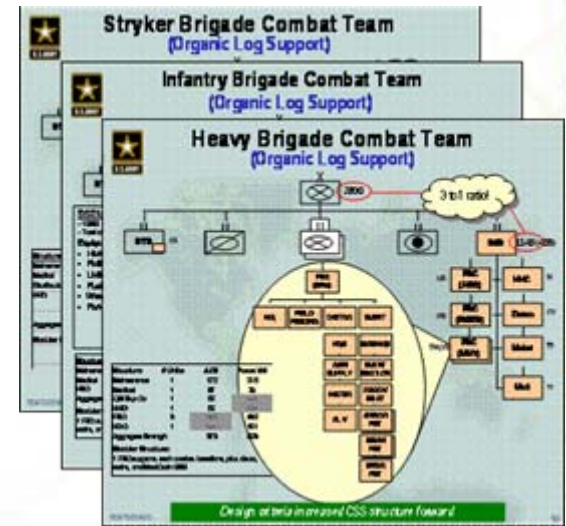
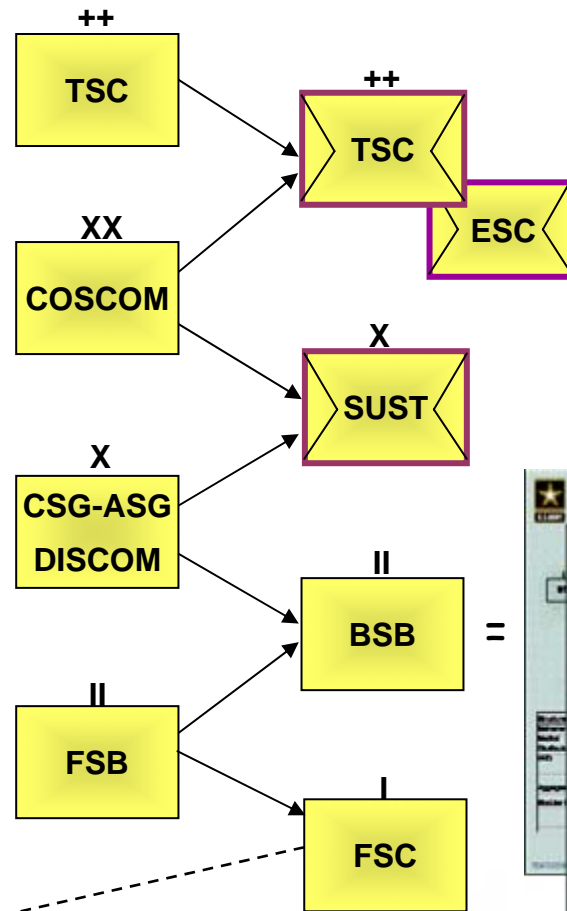


The New Look

OPERATIONS



LOGISTICS



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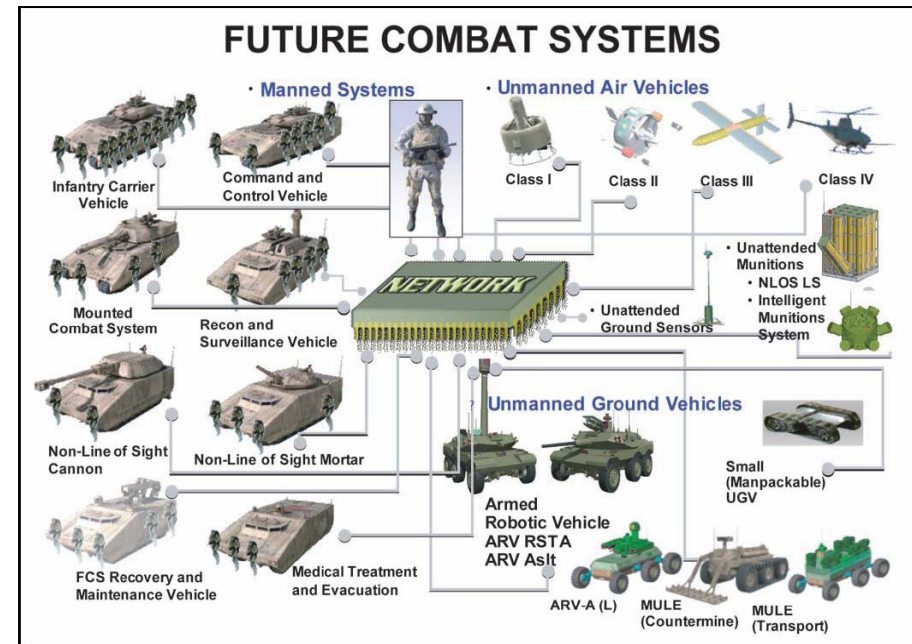


Business Transformation... Where We Need Your Help

- ❑ 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...

Operation
Total Recall



CORPORATE VALUE

FROM \$124B TO \$230B



CORPORATE VISIBILITY

FROM 21.8 M TO 3.4B ITEMS VISIBLE



OPERATION TOTAL RECALL PHASE I

20,000 items FOI worth \$135M



LOG AUTOMATION FIELDING

86% ULLS-AE FIELDIED TO TOE ARMY
50% SAMS-E FIELDIED TO TOE ARMY



DATABASE CLEANSING

FROM 872K INVALID ENTRIES TO 0



LOG AUTOMATION FIELDING

32% CAISI FIELDIED TO TOE ARMY
32% VSAT FIELDIED TO TOE ARMY



CONTAINER MGMT / RETROGRADE

FROM \$2M TO \$1M IN DETENTION COSTS



PBUSE FIELDING

100% FIELDIED TO TOE ARMY
70% FIELDIED TO TDA ARMY



CENTRAL ISSUE FACILITIES

FROM \$1.5B TO 2.3B VALUE VISIBLE IN CIF-ISM
\$430M IN EXCESS USED TO OFFSET NEW BUYS



DEPLOYMENT TIMELINES

FROM 120 DAYS to 50 DAYS for OIF
FROM 120 DAYS to 65 DAYS for OEF



LEAN SIX SIGMA / LOG POLICY

FROM 450 DAYS TO 115 DAYS TO CHANGE POLICY
FROM 24 STEPS TO 10 STEPS



RAPID FIELDING INITIATIVE

FROM 70% TO 100% OF 850K LINS VISIBLE (CIF-ISM / PBUSE)



READINESS - AMC MANAGED LINS

UPDATE SUPPLY POLICY TO CLARIFY SUPPLY CLASS &
BUDGET APPROPRIATIONS; IDENTIFIED 3500 LINS
FOR REVIEW UNDER NEW POLICY



ARFORGEN - SUBSTITUTE LINS / REGS

FIXING REGULATIONS TO ACCURATELY REFLECT
READINESS REPORTING; ELIMINATING INNACURATE
REPORTING FOR OBSOLETE EQUIPMENT)

IMPROVING / ON SCHEDULE HOLDING STEADY NOT IMPROVING / NO ACTION TAKEN

AMERICA'S ARMY: THE STRENGTH OF THE NATION™

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



Personifies the Warrior Ethos in all aspects, from war fighting to statesmanship to enterprise management ... It's a way of life.

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



Personifies
enterprise leadership...
sets strategic goals
that deliver
a ready Army

Leader Attributes

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