# **Industrial Base Presentation**

5 February 2009

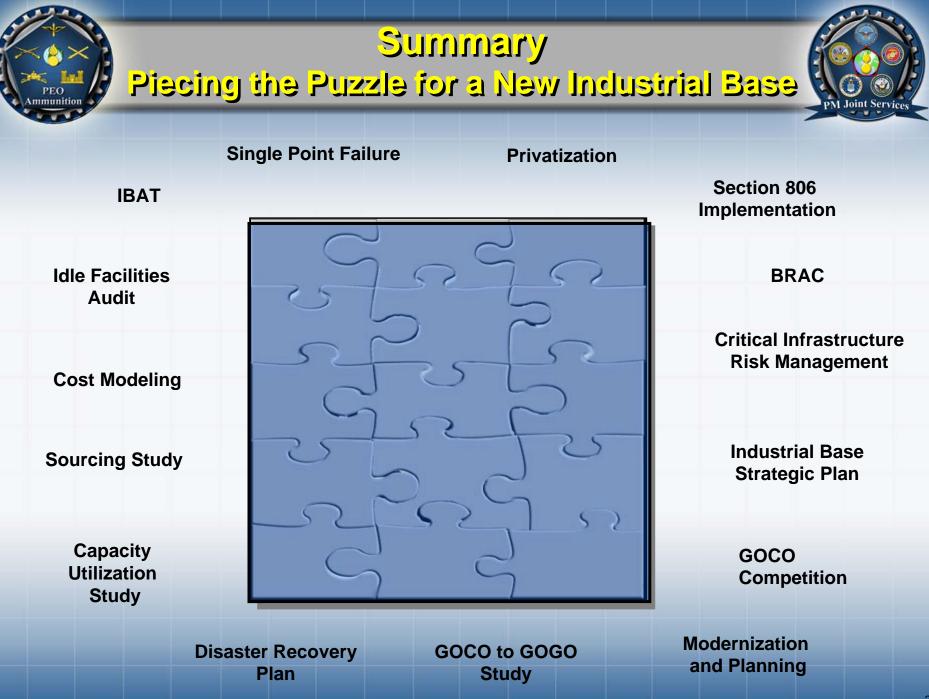
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Industrial Base Panel Purpose



- Capture and share insights from different munitions providers as to:
  - What we have done well and what we can improve upon
    - Contractor Operated Contractor Owned (COCOs) Mr. Dave Siggers (Spectra, Camden AR)
    - Government Owned Contractor Operated Facilities (GOCOs) - Mr. Michael Yoh (Day and Zimmerman, Philadelphia, PA)
    - Government Owned Government Operated Facilities (GOGOs) - COL William Barnett (Pine Bluff Arsenal, AR)



## PEO Ammunition

#### Background - Facts and Assumptions



<u>Problem Statement:</u> Historically, a lack of organic Army Ammunition Plant (AAP)/Depot modernization resourcing has resulted in antiquated/unreliable equipment and infrastructure that challenges our ability to deliver ammunition to the Joint Warfighter in support of the National Defense Strategy

#### Facts:

- Achievement of National Defense Strategy (NDS) objectives depends on a viable organic ammunition industrial base
- > 49 Critical single point failures
  23 mitigated
- Organic ammunition industrial base provides capabilities/capacities not available in the commercial sector
- > WWII Vintage Equipment/Facilities
  - ✓ Oversized & Under Utilized
  - ✓ Unreliable
  - ✓ Equipment/Parts Obsolescence
- > Historically Resourcing has been Cyclical

Sustainment of the industrial base is funded through customer orders

# Assumptions: Lack of modernization & sustainment of the organic ammo industrial base will result in

- > National Military Strategy will be at risk
- High probability of catastrophic production failures within our ammo plants
- High probability of significant supply disruptions will exist
- Organic industrial base will remain inefficient
- Increase in foreign dependency for ammo and ammo components

#### What We Are Doing Now

- Modernizing
- > Utilizing Lean Six Sigma principles
- Government-Owned, Contractor-Operated (GOCO) competitions
- Strategic planning
- > Optimizing ammo supply network
- Implementing BRAC
- Consolidating operations

### SMCA IBSP Development Process



# To provide <u>strategic guidance</u> and establish a <u>management framework</u> to <u>posture</u> the <u>ammunition</u> <u>production</u> and <u>logistics supply chain</u> to <u>effectively</u> and <u>efficiently</u> respond to the <u>Joint Warfighter's</u> current and future conventional ammunition <u>requirements</u>

Goal Production Depot Life Innovative Industrial Base Logistics Cycle Acquisition Strategies Capabilities Readiness Readiness Costs Strategies Capabilities Siveness Workforce	Workforce Perspective		Perspective		nning bective		pective	Perspectiv	
	Promote Collabor'n Commo throughou the IB	Train, Retain The Best	Munitions Supply Chain Respon-	Industrial Base	Innovative Acquisition	Life Cycle	Depot Logistics	Goal	
Readiness    Readiness    Costs    Strategies    Capabilities    Response    Workforce      Supporting Objectives and Strategies    BSC    LSS    LSS    Environment		LSS	Strategies	tives and					



SMCA Industrial Base Strategic Plan Access Information



• To obtain a copy of the Industrial Base Strategic Plan log onto:

http://peoammo.army.mil/PMJointServices/

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