



MARINE CORPS SYSTEMS COMMAND

EQUIPPING THE WARFIGHTER TO WIN

MUNITIONS EXECUTIVE SUMMIT

Ammunition Enterprise Cross Service Panel

Brigadier General Frank Kelley

Commander, Marine Corps Systems Command

“Achieving Efficiencies in an Uncertain Budget Environment”

3 February, 2011

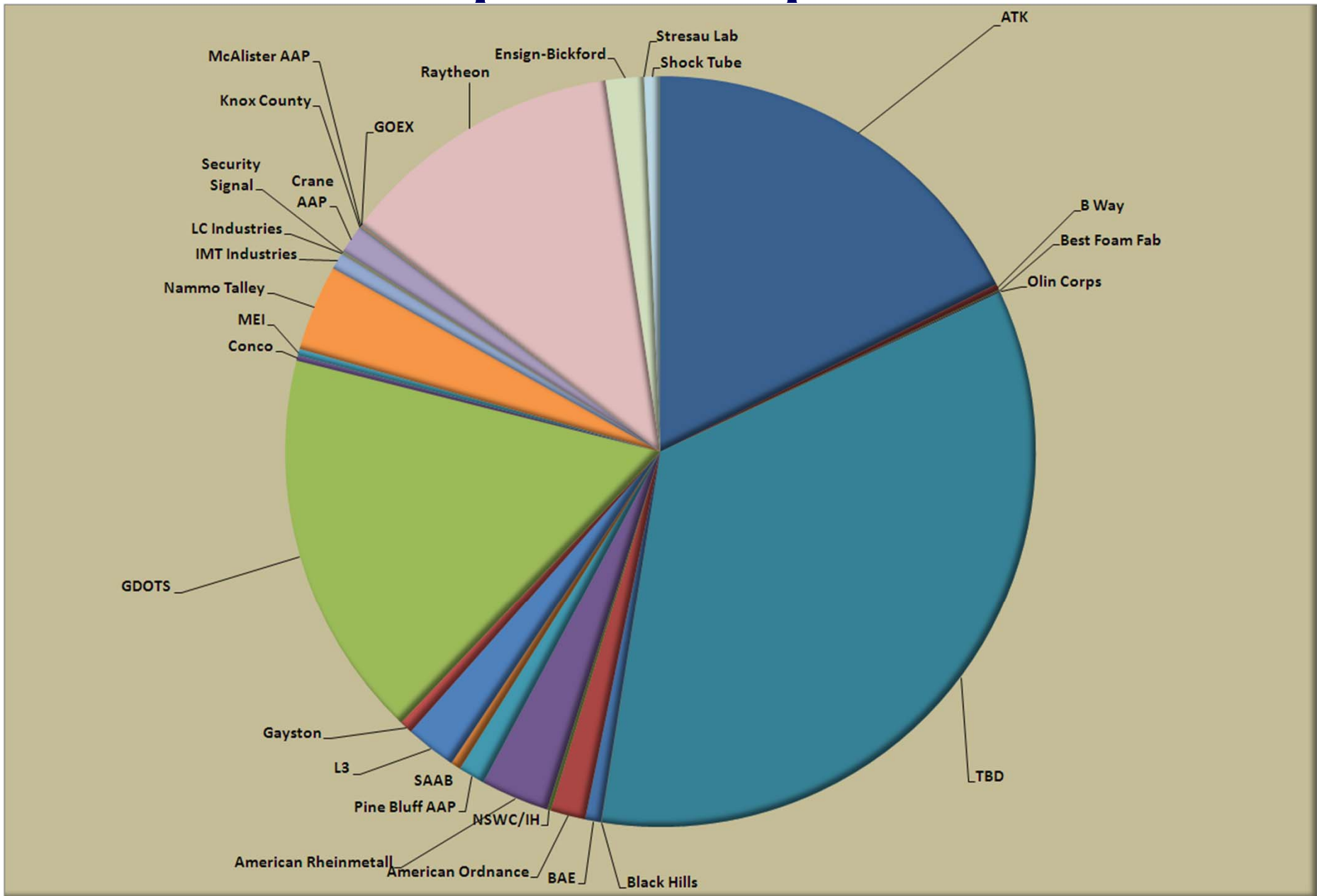


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**Industry Support
FY11 Supplier Breakout**

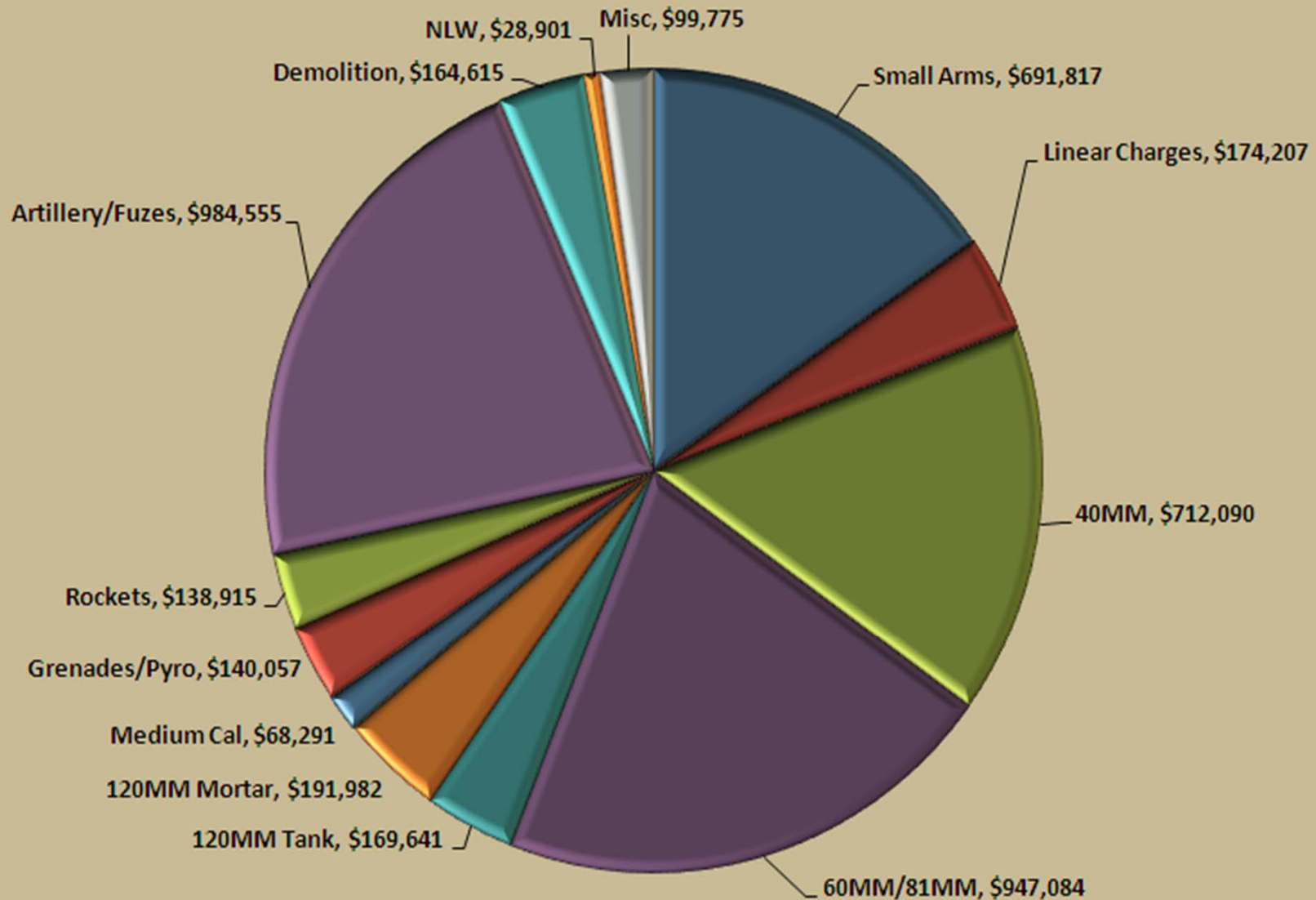
Total Production Pipeline: 377 Open Orders @ \$2.3B





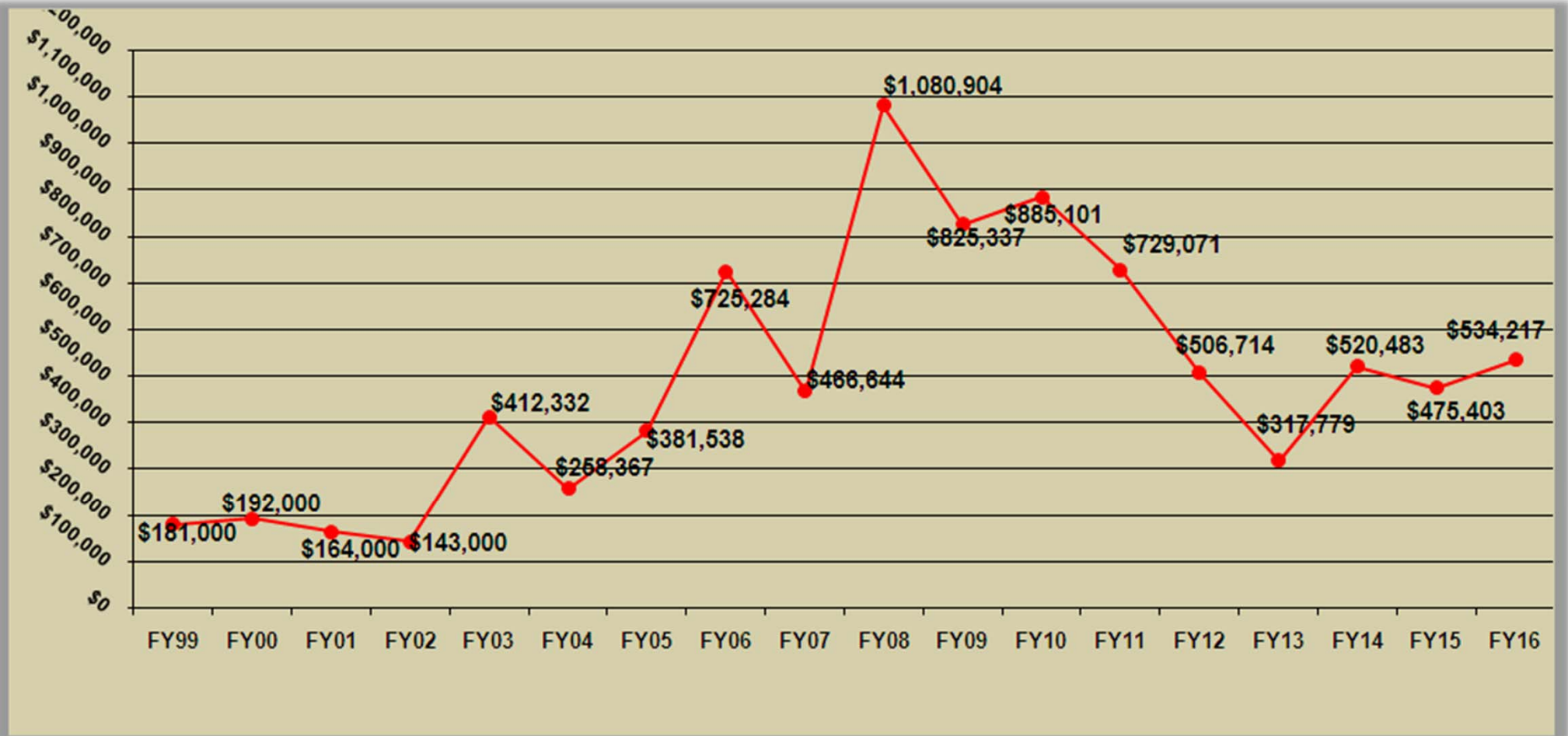
FY11-FY16 Procurement Breakout - \$4.5B

(PRESBUD11 – in millions)



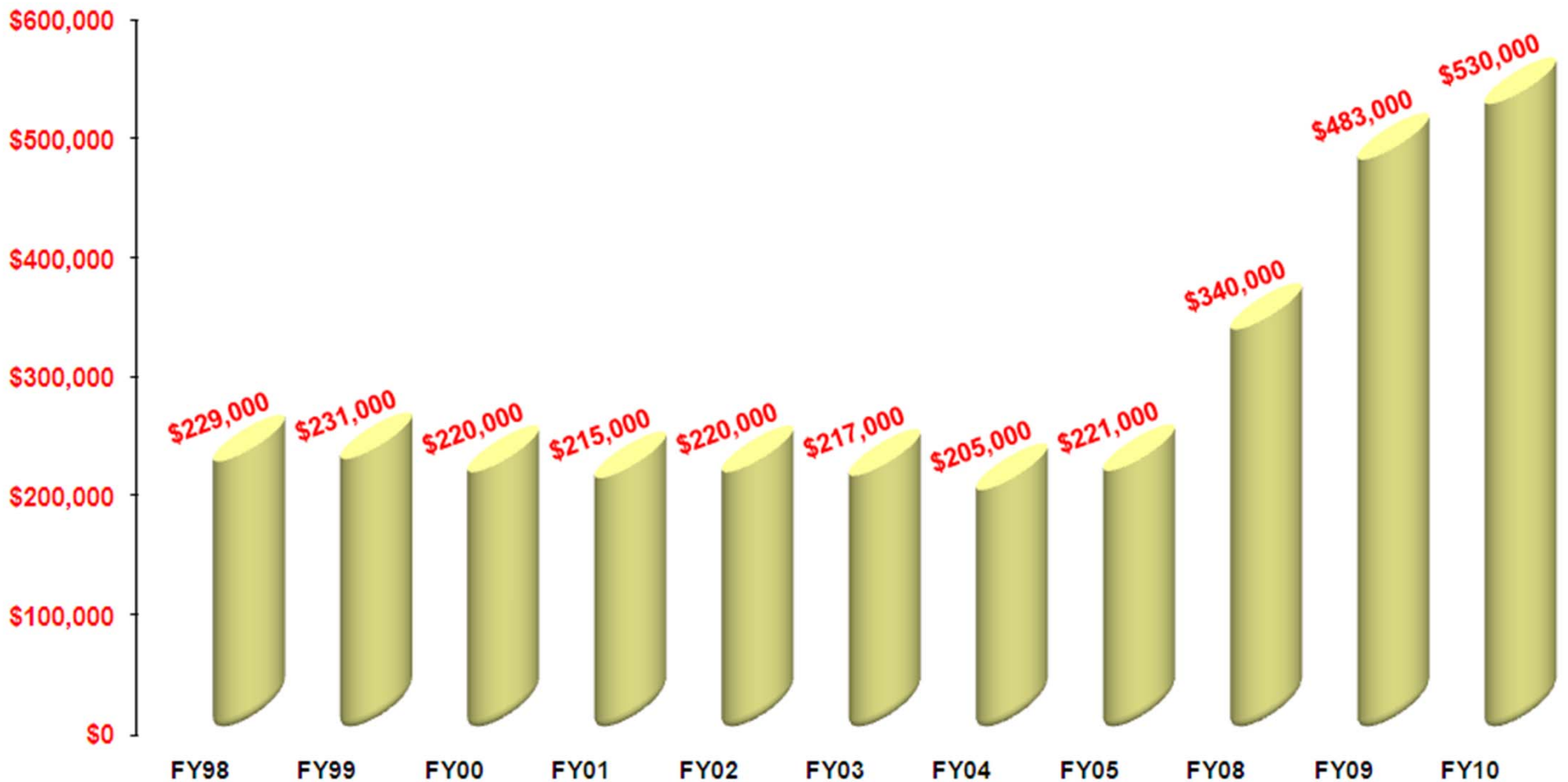


USMC Ammunition Investment (FY99 thru FY16)





USMC Live Fire Training (FY98 thru FY10)





Defense Secretary Gates' Efficiency Initiatives

“We cannot support our troops with the capabilities they need unless we *achieve greater efficiency.*” - Robert Gates, Secretary of Defense

Better Buying Power: Mandate for Restoring Affordability & Productivity in Defense Spending

Objectives:

“Obtain 2-3% net annual growth in warfighting capabilities without commensurate budget increases by identifying and eliminating unproductive or low-value added overhead and transfer savings to warfighting capabilities.

“Do more without more.”



Defense Secretary Gates' Efficiency Initiatives

Adopting Government Practices that Encourage Efficiency

- Adopting “Should-Cost” and “Will-Cost”
- Improving Audits
- Mandating Affordability as a Requirement
- Stabilizing Production Rates
- Eliminating Redundancy within Warfighting Portfolios
- Establishing Senior Managers for Procurement of Services
- Protecting the Technology Base





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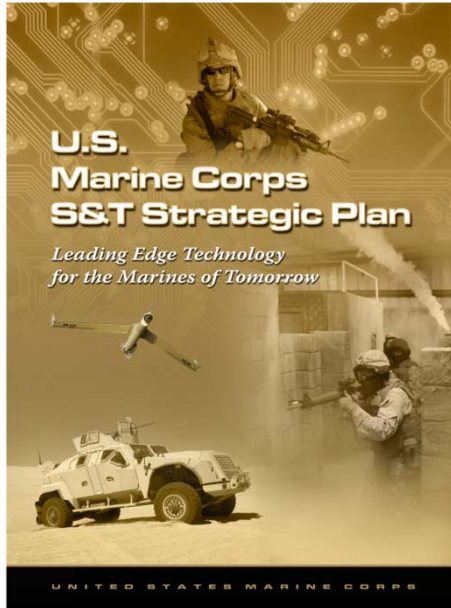
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Scoping the Future Requirement

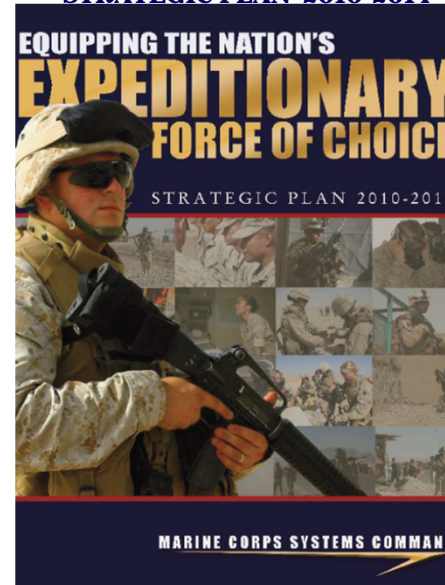
USMC VISION & STRATEGY 2025



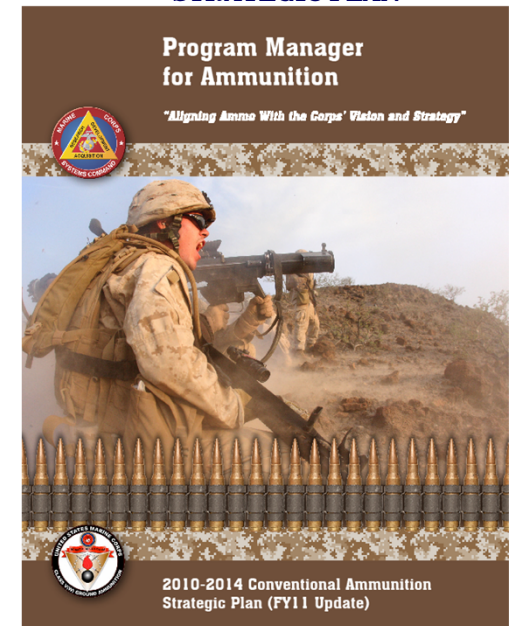
2009 USMC S&T STRATEGIC PLAN



MARINE CORPS SYSTEMS COMMAND
STRATEGIC PLAN 2010-2014



PM AMMUNITION 2010-2014
CONVENTIONAL AMMUNITION
STRATEGIC PLAN





Marine Corps Vision and Strategy 2025

“We have been prepared in the past because we understood that a force in readiness must be well-trained, broadly educated, and properly equipped for employment across all forms of warfare. We believe the individual Marine is the most formidable weapon on today’s battlefield and will remain so tomorrow.”





Priorities of the 35th CMC

- We will continue to provide the best trained and equipped Marine units to Afghanistan. This will not change. This remains our top priority!
- We will rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations.
- We will better educate and train our Marines to succeed in distributed operations and increasingly complex environments.
- We will keep faith with our Marines, our Sailors and our families.



Will affect the Munitions Industrial Base!

- End of OCO funding – FY03-FY11 \$2.3B
- Force Structure reduction – heavy on trigger pullers
- POM13 Bottoms up review
- Efficiencies will now drive our relationship with the industrial base

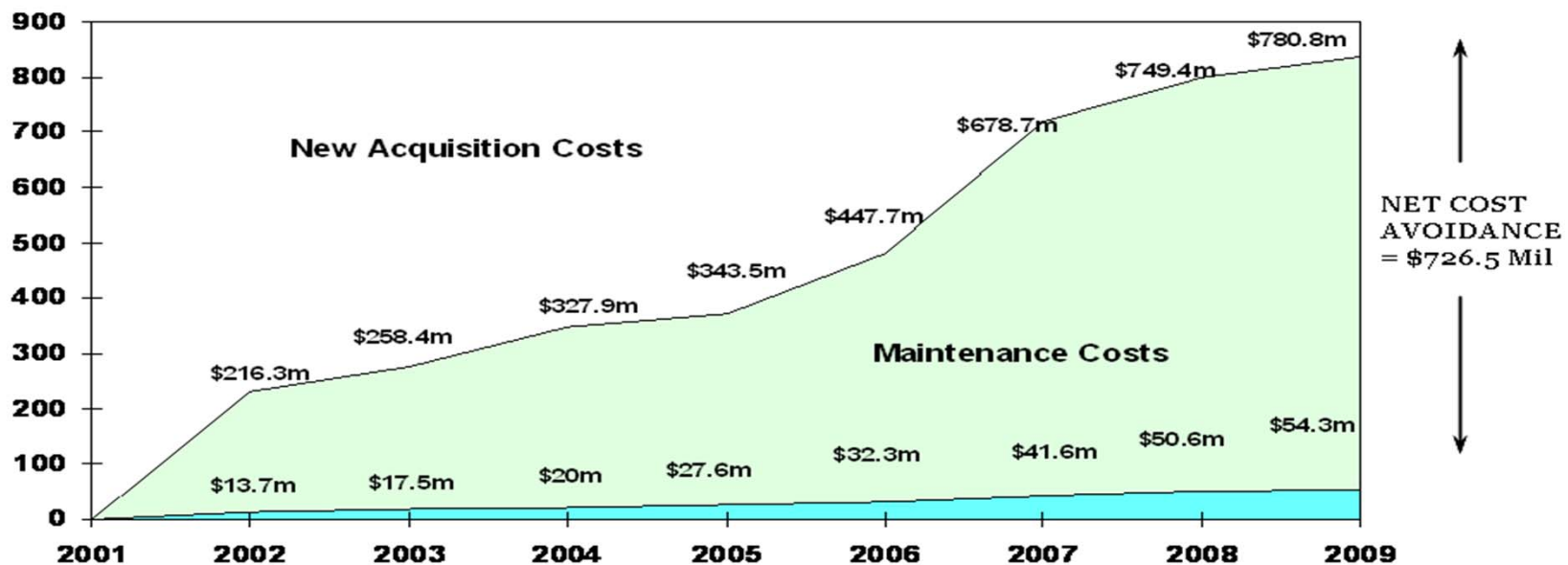


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USMC Expectations

- Quality is a must - every investment dollar must buy me a dollar
- USMC will continue to align procurement profiles with ALL customers in the best interests of Need first AND industry!
- We have increased investment in our O&MMC account to maintain our inventory (quality, maintenance, rework) – may be a component procurement driver





- Unstable Funding Profiles
- Requirements Fluctuation
- Alignment of Procurements & Requirements
- Joint Ordnance Commanders awareness
- Continued Reliance on Industry
- Single Manager for Conventional Ammunition
- The Key to Success
 - Collaboration
 - Open and frank Communication
 - Reasonable Expectations