

**Paul D. Peters | Deputy Assistant Secretary of Defense
Supply Chain Integration**



**NDIA Supply Chains Conference and Exhibition
Featuring DLA Land & Maritime
June 12, 2012**

MILITARY



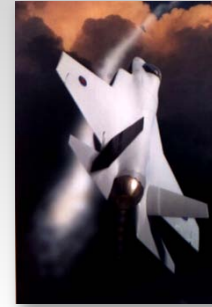
- Smaller
- Leaner
- Technologically Advanced

CAPABILITY



- Quickly confront and defeat aggression from any adversary – anywhere, anytime

PROTECT & PRIORITIZE



- Key investments in technology and new capabilities

STRATEGIC GUIDANCE

REBALANCE GLOBAL POSTURE



Include:

- Asia-Pacific
- Middle East

DIPLOMACY



- Build innovative partnerships
- Strengthen key alliances & partnerships from Europe to Latin America to Africa

Current Operations



RAPID
ACQUISITION

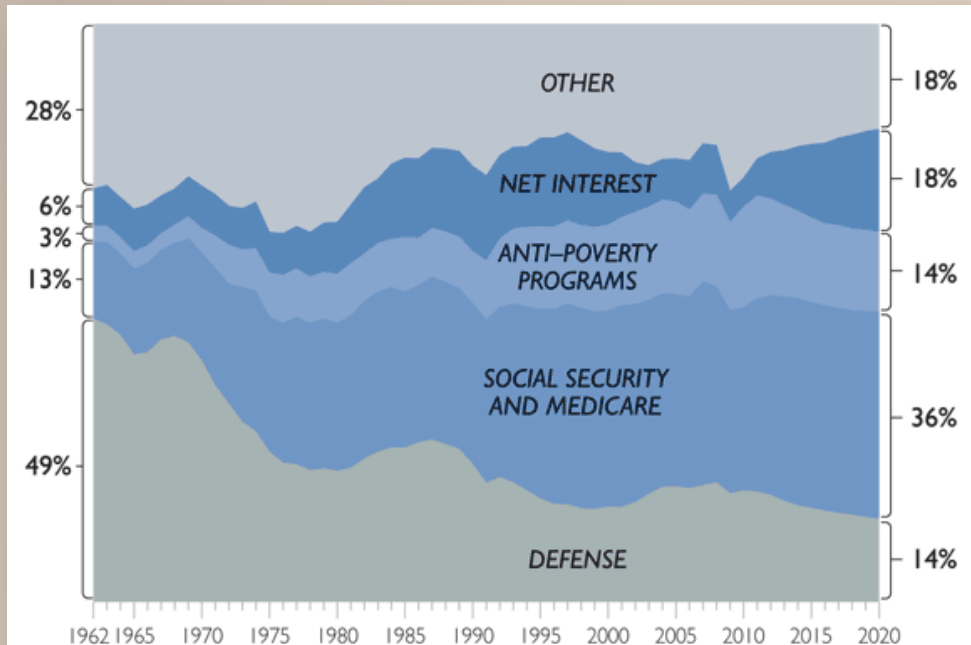


RESPONSIVE
LOGISTICS



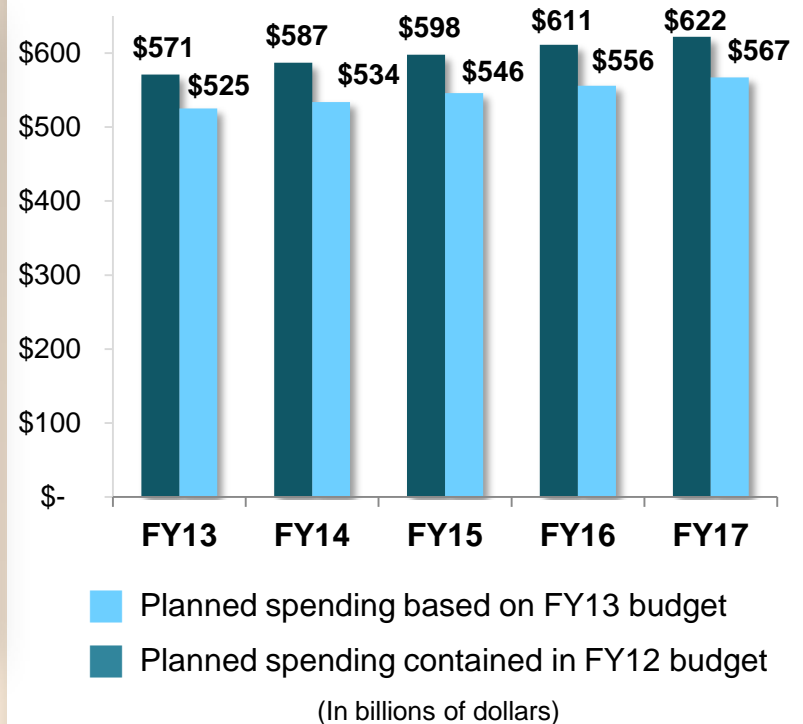
Current Funding Environment

Federal Spending Trends 1962 to 2020



SOURCE: Office of Management and Budget
of the United States Government
FY2011 data

DoD Budget Outlook FY12 & FY13



SOURCE: U.S. Dept. Defense

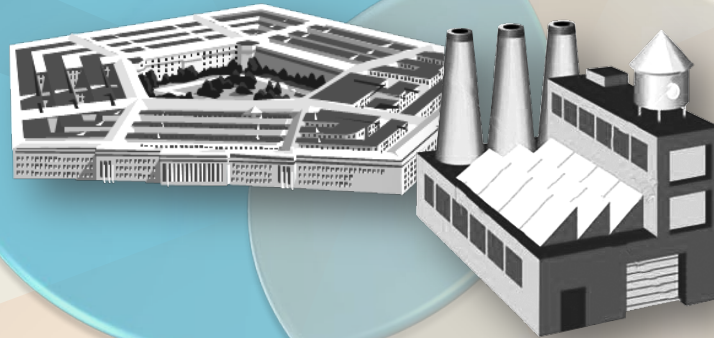
Better Buying Power

**Reduce
Bureaucracy**

**Target
Affordability**

Government

**Improve
Tradecraft**

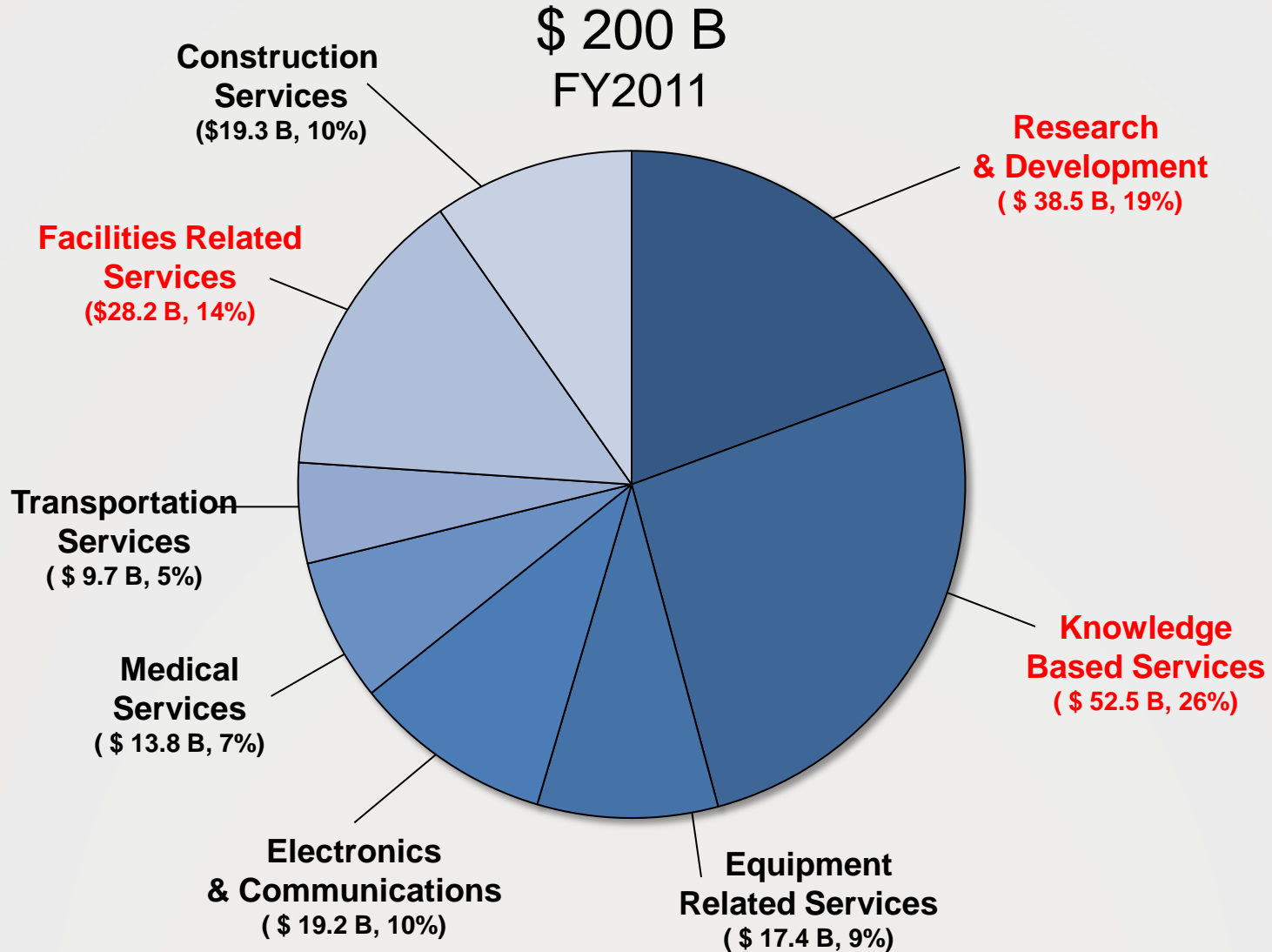


**Promote
Competition**

Industry

**Incentivize
Productivity**

Better Buying Power – Services



Better Buying Power – Affordability

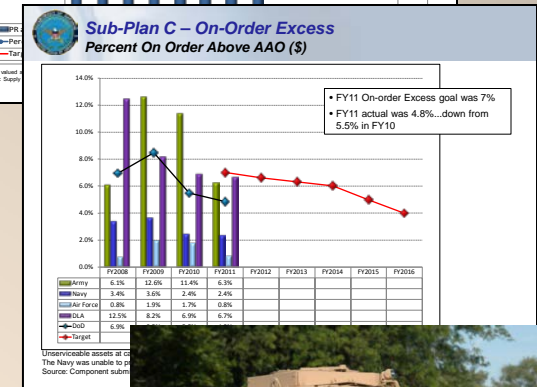
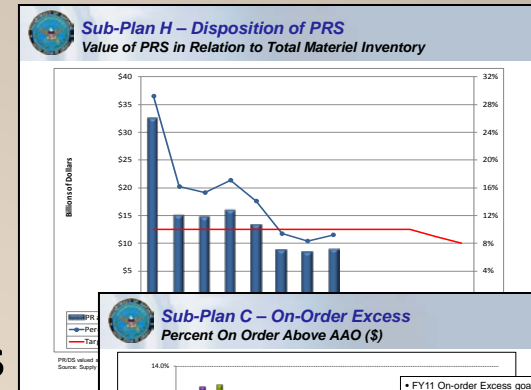


- **Mandate Affordability**
- **Implement Should Cost**
- **Eliminate Redundancy**
 - **Achieve Stable and Economical production rates**
 - **Manage Program Timelines**



Improving Partnerships

- ❑ Change processes
 - ❑ Buy more of what we really use
 - ❑ Manage supply chain vice transactions
 - ❑ Drive down cost of operations
 - ❑ Consolidate buying power
 - ❑ Lower costs borne by the Government



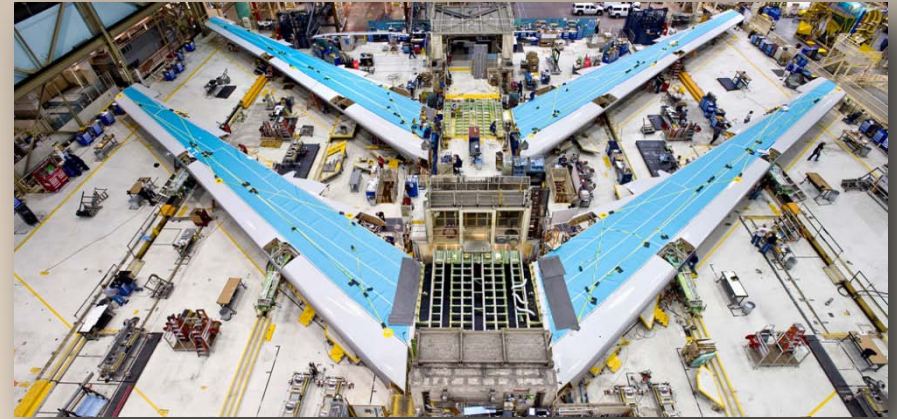
These capabilities will strengthen Government – Industry partnerships and create more agile and synchronized supply chains

Agile and Synchronized Supply Chains enjoy ...

- ❑ **Adaptability:** Adjust and meet changing mission requirements
- ❑ **Innovation:** Generate and use new ideas, methodologies and technologies
- ❑ **Collaboration:** Leverage internal and external knowledge and resources to support the mission
- ❑ **Visibility:** Create and maintain transparency to enhance fact-based decision making
- ❑ **Velocity:** Recognize and respond with the requisite tempo to new circumstances and events

Industrial Base

- Industry is part of DoD's Total Force Structure
- Must produce affordable and sustainable programs
- DoD is proactively analyzing risks
- National security strength is directly tied to health of the industrial base



Summary

- ❑ The DoD and Industry partnership requires more effective and efficient operational performance
- ❑ We have faced similar challenges in the past ... we need to learn from those experiences ... we must adapt to the new environment
- ❑ Change is required by the Government as well as Industry for both to be successful
- ❑ More work remains to become a more agile and synchronized supply chain