

Munitions Executive Summit

Industry Panel

April 2015



Day & Zimmermann

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Current Environment - Impacts

ENVIRONMENT	RESULTS
• Increased unpredictability	• Less planned investment, reduced reaction times
• Reduced Staffing	• Losing decades of experience and knowledge – very hard to attract new talent
• Closing Facilities/Production Lines	• Degraded or loss of capability and fewer suppliers
• Cost Cutting	• Lost capabilities, capacities and more deferred maintenance as well reduced flexibility and investment in development
• Increased Government requirements and oversight	• Maintaining costs solely to deal with more and duplicative oversight, subjectively increasing costs
• Increased Competition as businesses look to increase market share and vertically and horizontally integrate operations	• Increased costs in business development less to spend on development and to maintain capacity



Recommendations



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- Expand the IBAT data base to include all munitions, not just SMCA.
- Unless there is an over-riding national security need, deliveries should be flexible except for final delivery date.
- Better coordinate audits and inspections to reduce repetition, disruption and time.
- Provide a real forecast of requirements beyond one year – for all munitions. Let us help you with Congress.



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Recommendations

- Industry is evolving at an ever increasing pace as a reaction to reduced requirements for ammunition.
 - Finding, new and cheaper ways to operate
 - The IBAT/MSR are great tools that industry needs to keep updated
 - Everything has a cost, but not all costs are created equal.
 - We need to prioritize costs and forgo those that are at the bottom of the list.

