



TACOM

Lethality, Survivability, Mobility and
Sustainment for America's Army



Combat Vehicles Conference 22 September 2003

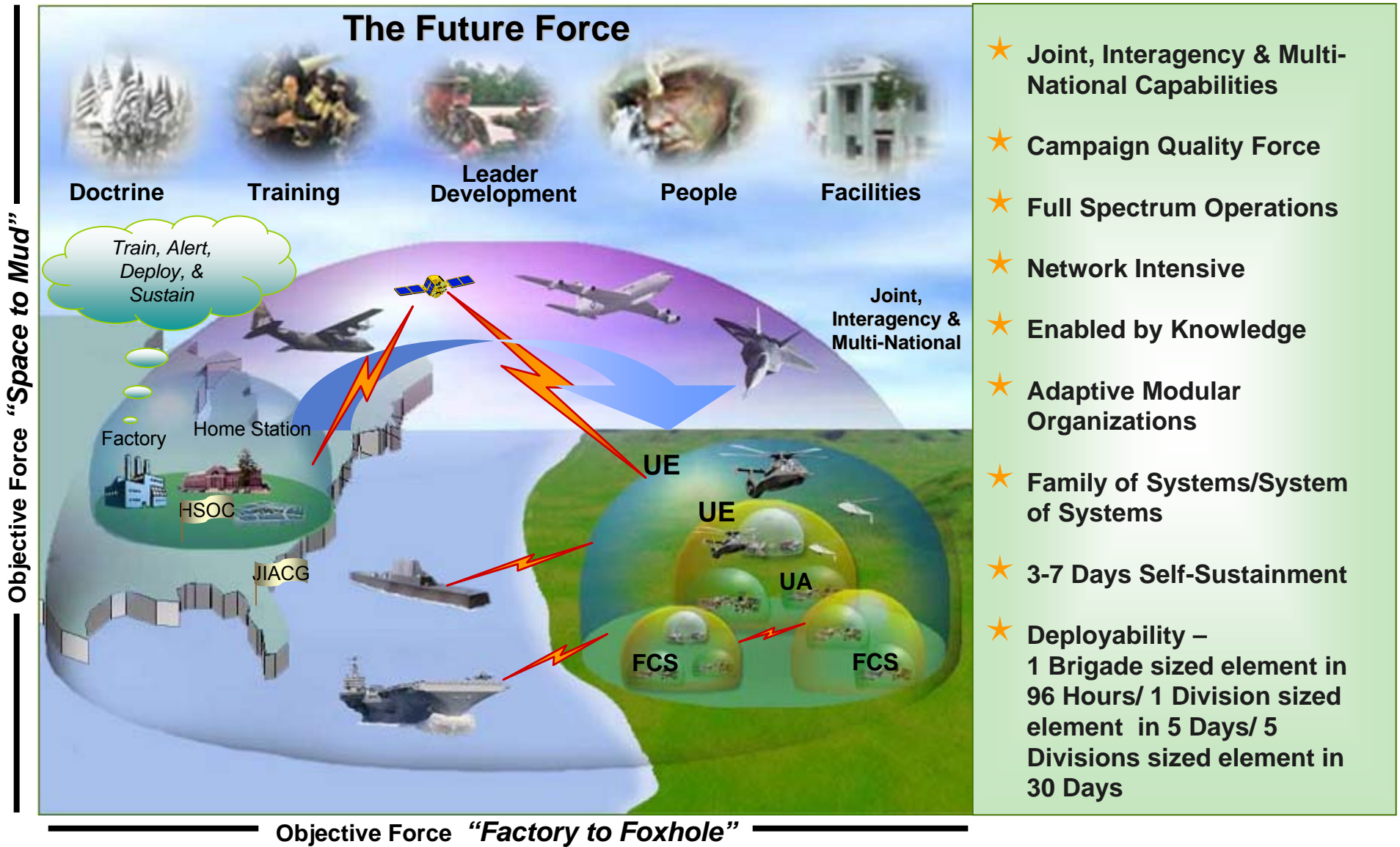
Jerry L. Chapin
Deputy to the Commander

Tank-automotive & **A**rmaments **COM**mand

AGENDA:

- Future Force Concept
- AMC Restructuring
- Transforming Industrial Base
- The Way Ahead

Future Force Concept



Logistics Thrust: Support the Warfighter

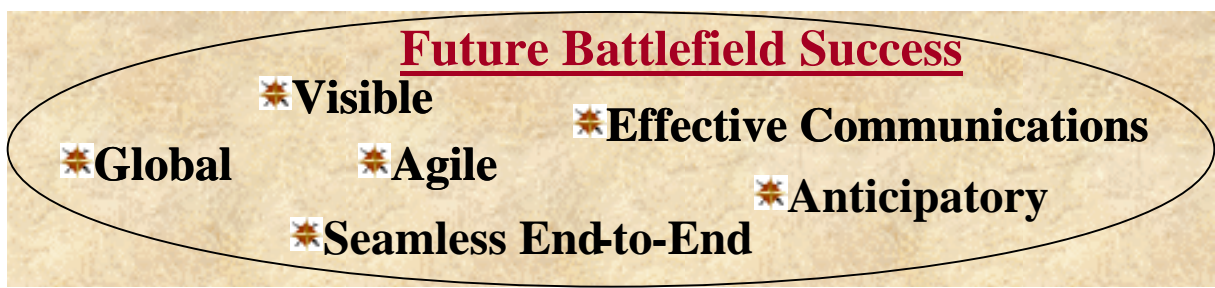
...the changing framework

Move from a Wholesale & Industrial Base Focus to a DOD Logistics Enterprise & Joint Focus

→ **Tactical, Operational & Strategic Focus**

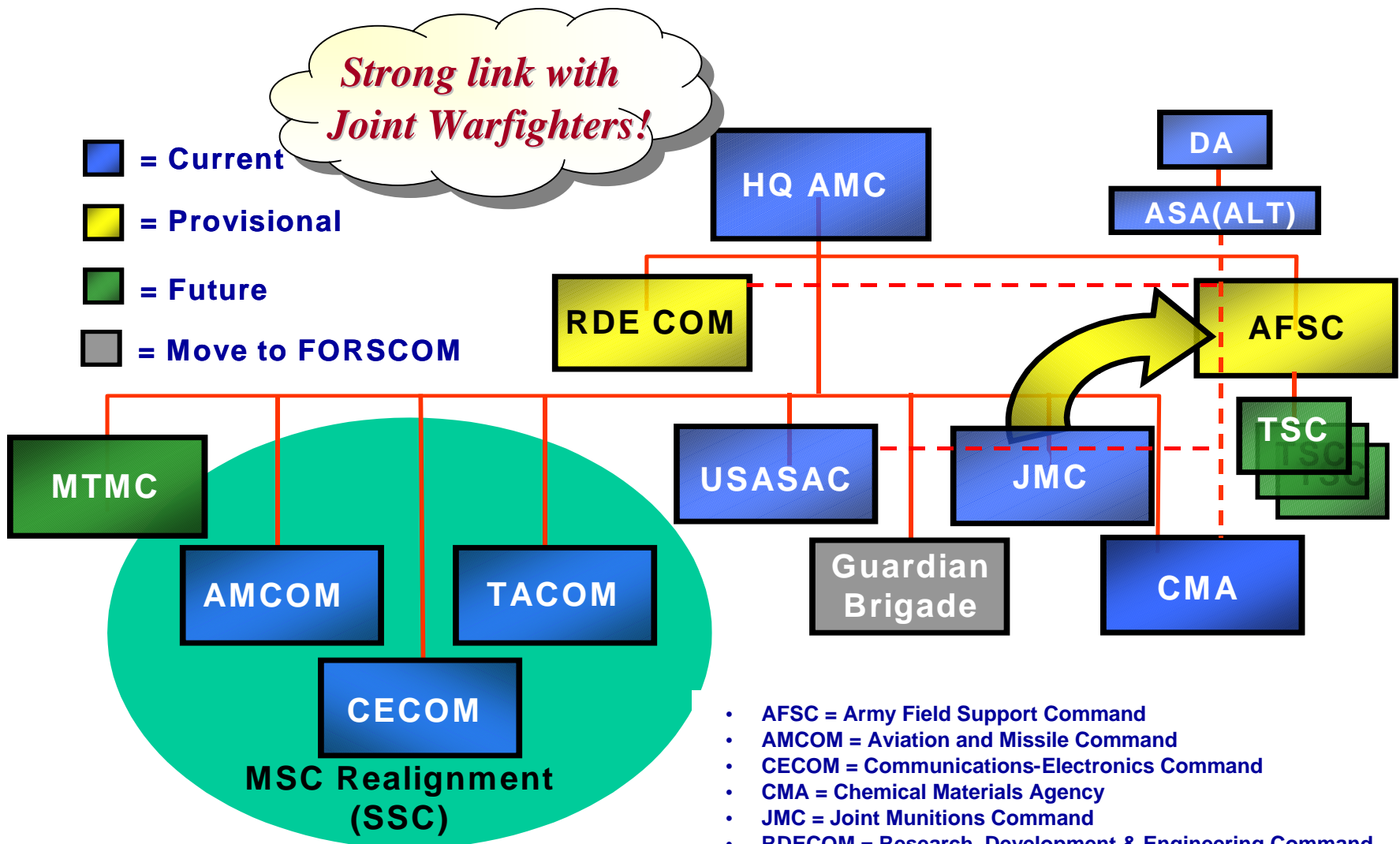
Reactive	→	Anticipatory, Integrated & Responsive
Supply Based	→	Rapid Distribution Based Sustainment
Army Centric	→	Joint/Coalition
Logistics System"s"	→	Collaborative, Interoperative
Planning Centric	→	Execution Centric
Industrial Operations	→	Joint & Theater Logistics Focused

Full Logistics Spectrum



- What We've Accomplished . . .**
- ❖ Full Single Stock Fund implementation
 - ❖ Phase I of Logistics Enterprise Integration Pilot (Deployed 7 Jul 03, Nat'l Level; preparing to move to tactical level)
 - ❖ Architecting End-to-End Log Enterprise

Transforming AMC: Status To Date

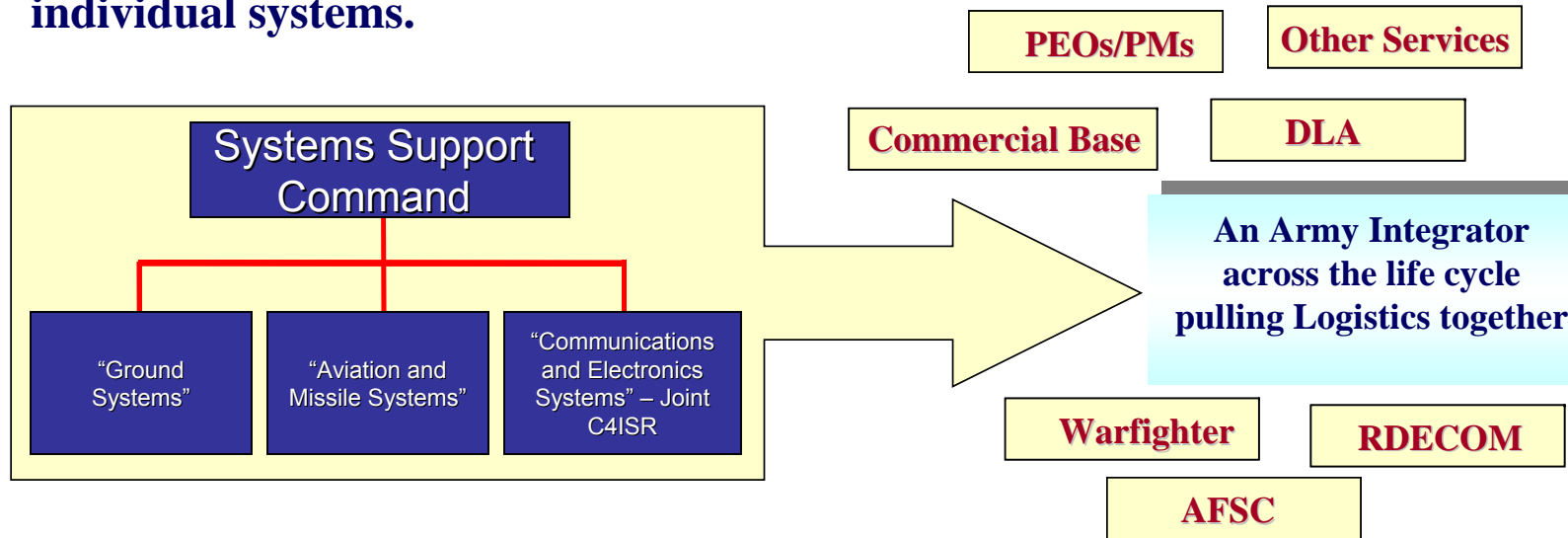


- AFSC = Army Field Support Command
- AMCOM = Aviation and Missile Command
- CECOM = Communications-Electronics Command
- CMA = Chemical Materials Agency
- JMC = Joint Munitions Command
- RDECOM = Research, Development & Engineering Command
- SBCCOM = Soldier and Biological Chemical Command
- TACOM = Tank-automotive and Armaments Command
- USASAC = Security Assistance Command

Systems Support Command

Objective: An integrated command focused on optimization of total force readiness vice the individual systems.

SSC - - an outgrowth of efficiencies and a single enterprise

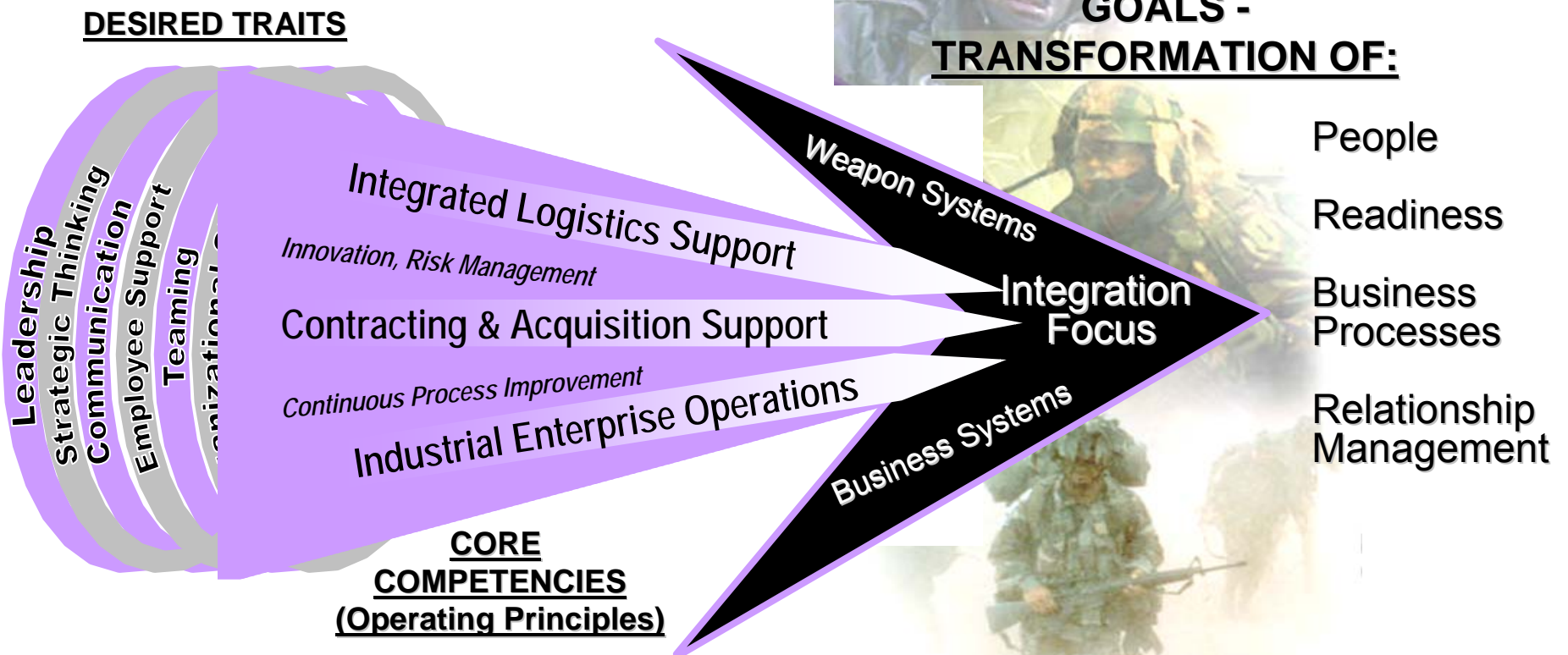
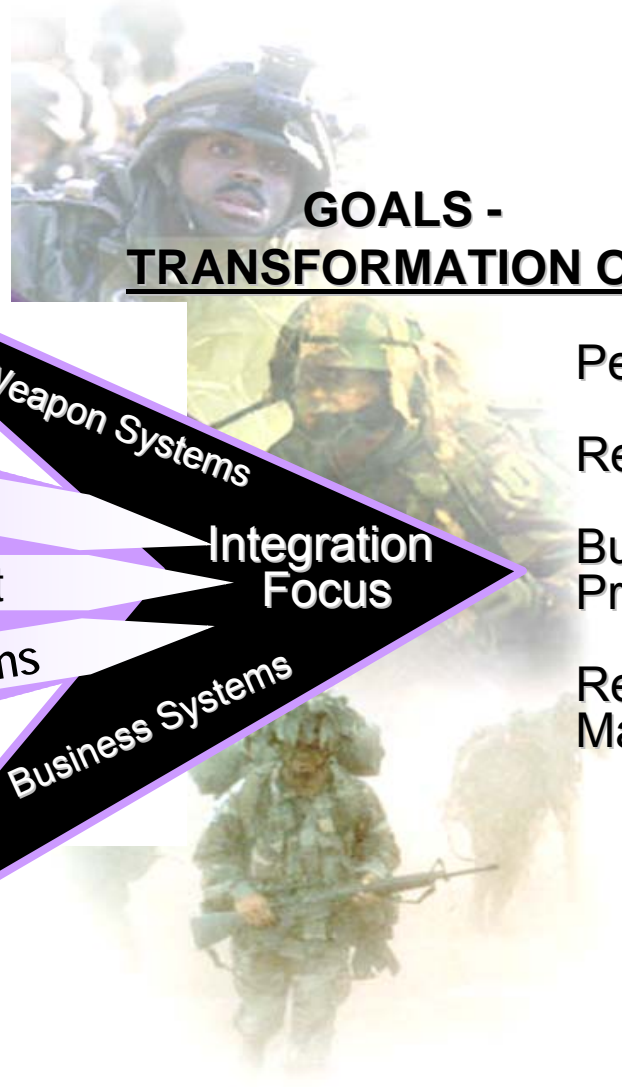


Benefits . . .

- ❖ Army's supportability advocate
- ❖ A single Materiel Management Center with product areas of expertise
- ❖ Improved support to PMs & warfighters
- ❖ Streamlined organization; standardized business processes
- ❖ Weapon system focus; improved product line integration/coordination
- ❖ Internal efficiencies

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Systems Integration Focus



Wartime Support Examples

	<u>FY02</u>		<u>FY03</u>		<u>Δ</u>	
	<u>\$M</u>	<u>Quantities</u>	<u>\$M</u>	<u>Quantities</u>	<u>\$M</u>	<u>%</u>
Track	\$77.8	507,178	\$202.0	1,323,523	\$124.2	260%
* Abrams	\$54.2	203,177	\$104.2	375,832	\$50.0	192%
* Bradley	\$7.3	67,059	\$50.6	483,340	\$43.3	693%
Tires	\$55.0	256,764	\$243.0	942,364	\$188.0	442%
* HMMWV	\$12.0	47,782	\$50.4	204,191	\$38.4	420%
* HET	\$1.1	5,818	\$16.0	87,796	\$14.9	1455%
Engines	\$184.0	10,004	\$354.0	12,361	\$170.0	192%
* AGT 1500	\$66.4	410	\$153.2	816	\$86.8	231%
* HMMWV	\$33.3	6,056	\$90.4	11,865	\$57.1	271%
* 1790	\$23.4	595	\$60.0	687	\$36.6	256%
Transmissions	\$15.2	2,333	\$26.5	9,183	\$11.3	174%
* Tank	\$9.8	393	\$14.7	543	\$4.9	150%
* Bradley	\$11.5	651	\$20.2	886	\$8.7	176%
	\$332		\$826		\$494	249%

Transforming the Business Philosophy and Practices: Lean Thinking



AVDS 1790 Reciprocating Engine Anniston Army Depot

- ❖ **Process includes 7 major diesel engine programs; 14% of Revenue**
- ❖ **Value Stream Analysis in December '02; 10 Rapid Improvement Events in FY02 and 03 combined**
- ❖ **Improved Turn-Around Time from 62 days to 42 days**



Small Emplacement Excavator Red River Army Depot

From Jul 02:

- ❖ **Output improved from 5 Vehicles to 11 vehicles per month**
- ❖ **Improved productivity by 36%**

Lean is...
“a philosophy of manufacturing that seeks to minimize unnecessary time, materials, and effort in the production process”

Standard and Davis, Running Today's Factory, 1999

Vital to Army Transformation and the Industrial Base



T700 Engine Corpus Christi Army Depot

- ❖ **Partnered with General Electric utilizing Six Sigma tools**
- ❖ **Reduced Turn-around Time by 57% to 130 days**
- ❖ **Optimized supply by having kits on hand before induction**

Transforming the Industrial Base

Why transform...

- ❖ National Security Missions
- ❖ Lean/Agile Manufacturing Concepts
- ❖ Defense Future Systems Requirements
- ❖ Migrate to Public-Private Partnerships

Our Strategy . . .



Way Ahead . . .

- ❖ Pursue Legislative/Financial Reform
- ❖ Negotiate Plant Divestiture & Leasing Arrangements

Transforming the Manufacturing Base Ground Systems Industrial Enterprise (GSIE)



Ground Systems Industrial Enterprise (GSIE) Goal:

Continuous Improvement of soldier support while
Realizing cost reduction of products/services to a level
comparable to private industry

How We're Doing It . . .

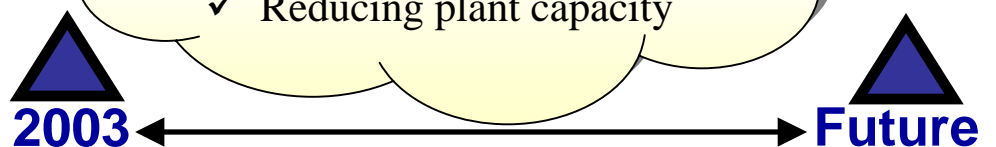
- ❖ Lean Philosophy
- ❖ Further Reducing Infrastructure
- ❖ Infusing New Workload (Diminishing
Manufacturing Sources & Materiel Shortages)
- ❖ Legislative & Financial Reform (Memo to HQDA
1 July; Business Initiatives Council Reviewing)

What We've Done . . .

- ❖ Reduced infrastructure
(Watervliet Arsenal)
 - 290,000 sq. ft. (floor space)
 - 527 pieces of Industrial Plant Equip
- ❖ Reduced infrastructure
(Rock Island Arsenal)
 - 600,000 sq. ft. (floor space)
 - 357 pieces of Industrial Plant Equip

What We're Achieving . . .

- ✓ Industrial base's full capability
- ✓ Expanded capabilities' utilization
- ✓ Getting more efficient
- ✓ Divesting unneeded plant facilities
- ✓ Reducing plant capacity



For AMC, BRAC should mean Base Reconfiguration Around Competencies

- **AMC Centers of Excellence**
- **System-focused Centers of Excellence within other services**
- **Academic Centers of Excellence**
- **Industrial Centers of Excellence**

The goal should be the geographical conjunction of several of the categories listed above

Suggested key criteria for evaluation of AMC Installations:

- Clearly defined core capabilities.
- Ability to provide an optimal workforce possessing both high quality core competency skill sets plus a world-class understanding of the product line.
 - Proximity of intellectual talent (AMC, other Services, Academia)
 - Proximity of commercial sector activities applicable to the product line.
- Versatility (multiple and/or joint capabilities/functions)—now and in the future.
- Homeland defense potential
- Power projection capabilities
- Flexibility—capacity to meet changing/increasing operational requirements

The Way Ahead

