Enabling Greater Productivity
An Imperative to Improve Materiel Readiness

Panel Discussion

June 2017
“Productivity” Defined

- **Productivity** [proh-duhk-tiv-i-tee, prod-uhk-] noun
  1. the quality, state, or fact of being able to **generate, create, enhance, or bring forth goods and services**:
  “The productivity of the group's effort surprised everyone.”

- How do we add value?
- How do we discern value differently between public and private sectors?
  - Between the Defense Sector and other public sector entities?
- Is there a temporal aspect to value?
- How do you measure it?
- Is technology and access to data changing our perception of value? How?

* from dictionary.com
Barriers to Productivity

- Cumbersome, redundant, and/or misaligned organizational structures
  - No *shared vision* – No *common mission*
  - No *clear accountability*
  - No *ownership/buy in*
  - Poor *communication*

- Outdated toolsets & processes
  - Lack of/insufficient information

- Inadequate training & training materials

- Inconsistent & uncertain resourcing “strategies”
  - To include *Human Resources*
Theoretical Premise

Increased Maintenance Productivity = Increased Materiel Readiness
Refocusing on Readiness

- **Readiness Recovery** is SECDEF #1 Priority (31 Jan 17 Memo)
- Materiel Readiness reporting, tracking & oversight functions have atrophied over time
  - Deteriorating materiel readiness trends for past decade+ on multiple TMS & systemic & interdependent deficiencies across Mx, Supply Support, Data, Governance, Acq Planning, Engineering
  - No consolidated Life Cycle Management Approach that spans early acquisition stages through fielding & sustainment
  - Various metrics/definitions being utilized by the Services – little commonality
    - reporting to OSD non-existent
- MP&P assigned as lead for materiel readiness Apr 17
  - Re-establishing linkages w/ OSD(P&R) readiness work groups
Materiel Readiness – *in context*

- **Materiel**: includes all items - ships, submarines, tanks, vehicles, self-propelled weapons, aircraft, etc., and related spares, repair parts, and support equipment - *necessary to equip, operate, maintain, and support military activities – i.e. “stuff”*

- **Materiel Readiness**: the availability and condition of materiel required by a military organization to support its mission/taskings
  - Assessed in terms of Equipment Availability and Equipment Condition

- **Equipment Availability**:  
  - Measured by computing the % currently on-hand vis-a-vis the wartime requirement for each weapon system, each type of combat essential equipment, and selected types of critical support equipment  
  - In other words, “*Do we have it?*”

- **Equipment Condition**:  
  - Measured by computing the % of a particular type of weapon system or equipment that is both on-hand and functioning properly.  
  - In other words, “*Will the stuff we have work?*”
Readiness Challenges

Our pattern of deferring modernization; retaining and supporting aging systems; and shifting procurement resources to operation and support of existing systems shapes our current and future readiness challenges.

"In the middle of difficulty lies opportunity." Albert Einstein
Readiness Challenges

- Complex problem with *no single fix* – requires an integrated approach, long-term commitment & senior leader buy-in

- Service resourcing strategies inconsistent and lack common focus, *and metric(s)* to gauge overall status and improvement
  - Mistrust of oversight & reporting at OSD level; *fear of potential POM adjustments/PDMs*

- Expectation from Congress that *supplemental funds provided will have a near-term readiness effect*
  - Requirement from 60-day Readiness Review to provide second tier materiel readiness metrics to P&R – report cadence
A Dynamic Environment

- Changes driven by a new administration
  - Slow identification & congressional approvals of DoD appointees
  - Multiple vacancies contributing to uncertainty

- Changes driven by a shift(s) in strategy
  - CJCS released new NMS in Dec; NDS effort underway now – global vs. regional focus

- Changes driven by law (new NDAA language)
  - Sec. 901 (AT&L breakup), 902, 844, and others...
Sustainment Challenges & Opportunities

**Current**
- Stove-piped organizations
- Stagnant policies
- Lack of system inoperability
- Aging infrastructure

**Drivers**
- Resource uncertainty
- Trans-regional conflicts
- Cyber threats
- Demands on industrial base

**Future**
- Reorganize for success
- Leverage advanced technology
- Revitalize collaboration

**Cross-cutting Challenges**

**Complex and Dynamic Environment**

**Opportunities to Shape for Success**

**IMPROVED SUPPORT TO THE WARFIGHTER**

Advisor, Advocate, Catalyst
First 120 Days - Assessment

- **Department is laser-focused on improving readiness overall;**
  *current state did not happen overnight* – steady decline over a decade

- **Complex challenges across the sustainment enterprise – no easy or quick fix**
  - Requires an integrated approach
  - Increasing $ is not the only answer
  - Spans engineering support, reliability, supply, manpower, and maintenance

Long-term sustainment considerations have been a tradeoff
Enabling Productivity

- Overcome the barriers...
- Shared Sustainment Vision – everyone rowing towards it – focus on long-term objectives
- Shared Information – leverage our data to *identify the constraints* – focus on the priorities
  - Build momentum on the “eaches”, small victories
- Consistency and priority of sustainment resourcing
- Cultivate our workforce and shape it towards the future
  - Mitigate technical (STEM) debt from software explosion
OSD Role

- Influence/obtain enterprise level outcomes
- Integrate & synchronize sustainment policies & processes
- Contribute to resource allocation deliberations
  - Sustainment personnel recruitment & retention
  - Spares availability
  - Services “resources to readiness” advocacy
- Provide materiel readiness awareness & oversight
  - Metrics development/application
Priorities – first cut

- Refocus on DoD materiel readiness – *back to basics*
  - Enterprise-level maintenance data collection and deep analysis to inform decision making; government purpose rights to necessary tech data

- Accelerate innovative sustainment technologies

- Sustainment strategy – clear, actionable, *forward-looking*
  - Stewardship of the industrial maintenance enterprise – baseline assessment of critical capabilities & readiness
    - Gaps/shortfalls, infrastructure, *systemic challenges*
  - Effective messaging – OSD level role and lines of effort – enterprise *integration & synchronization*

- Implement new framework for software sustainment
Summing Up

- Moving the needle on materiel readiness *hinges on improving productivity of our industrial base capabilities*
- We have an opportunity now, & obligation to better align the department towards long-term life cycle sustainment objectives
- Our ability to collaborate effectively across the sustainment enterprise will enable success
Backup
DoD Sustainment Strategy

- Conspicuous by its absence...
- Sustainment linkage to department overarching strategy and warfighting readiness requirements
  - Multi-Domain Logistics Command & Control to support & sustain forces in contested environment
- Coherent sustainment-focused messaging to congressional members & staffers
- Integrated and current sustainment vision across the department

MESC/JG-DM member input crucial to ensuring we get it right!
Sustainment Technology Program

- Need to fundamentally change readiness to cost ratio
- Requires fundamental shift in focus, engagement and expanded investment in sustainment technology
  - No DoD level sustainment technology program exists today
  - Only 3% of $64B RDT&E budget is spent on sustainment
- The existing pace of our sustainment technology adoption process is inadequate

![Graph showing sustainment costs over years]

DoD RDT&E FY14 - $64B
Sustainment (<3%)
Way Ahead

- Evolve/grow materiel readiness capabilities

**Oversight & Governance**
- Plug-in w/ OSD (P&R)
- *Establish data sources* & reporting cadence
- Establish template & common metric(s)

**Integrate & Synchronize**
- Information flows
- Cross-functional approach
- Rapid review teams

**Assess & Report**
- Identify trends & discreet root cause analysis/correlations
- Gauge performance
- Assess get-well plans

Setting a foundation for how readiness will be managed under ASD(S)