

# ABOUT RED RIVER ARMY DEPOT

## *Red River Industrial Complex*

Location: North East Texas (Four States Area)

Size: 18,000 Acre

Industrial Space: 1396 Buildings, 7.85M Ft<sup>2</sup>

Employees: 3,000

FY06 Revenue Stream: \$759M

Over 300 Product Programs:

Combat Platforms (Bradley Fighting Vehicle)

Tactical Systems (Heavy Trucks, HMMWV)

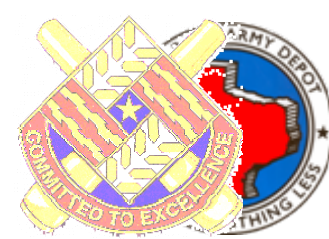
Air Defense Systems (Patriot & Hawk Missiles)

Sensei: Simpler Consulting

FY-06 Partnerships: 55 Direct Sales Contract

Revenue: \$130M





# RRAD HMMWV RECAP BACKGROUND

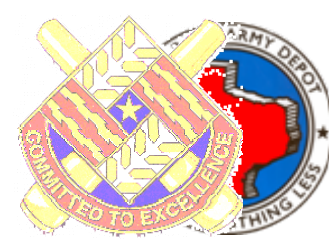
- BASELINE: Apr 2004
- OUTPUT: 1 Vehicle every 2 days (somewhat below customer's requirement)
- COST: Over-expending manhours by 400% (Batch Processing most work)
- QUALITY: Questionable (Still working kinks out of the process)



Red River Army Depot

*Committed to Excellence*

[www.redriver.army.mil](http://www.redriver.army.mil)



# TACTICS

- Communicate a Vision with Clear Standards  
(Leadership Commitment)
- Provide Training (Each person is a change agent)
- Empower the People (Obtain Buy-in at all Levels)
- Aggressive Pace of Change Through Lean Sigma Activities
- Drive Continuous Improvement through Metrics



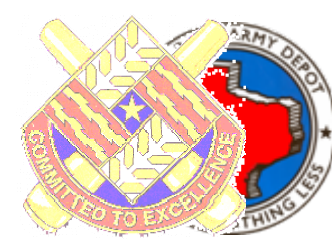
Red River Army Depot

*Committed to Excellence*

[www.redriver.army.mil](http://www.redriver.army.mil)



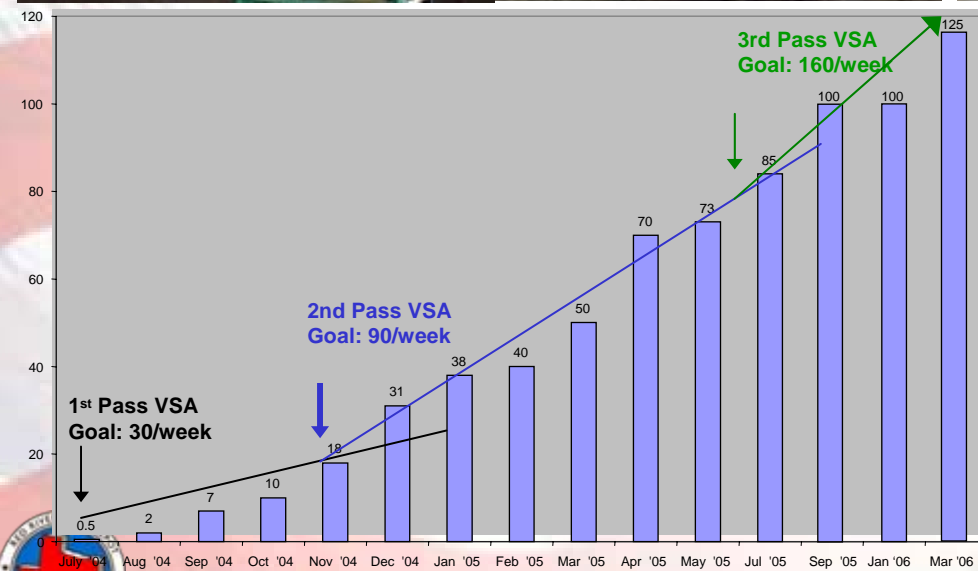
**Lean Six Sigma**  
U.S. ARMY MATERIEL COMMAND



# BENEFIT TO THE WAR-FIGHTER

Before

After



**Red River Army Depot**

\*Production as of Mar 06: 125 p/week

## Results

- ★ **Productivity: Improved from >450 to <120 manhours/veh (75%)**
- ★ **Cost per vehicle reduced from >\$88,000 to <\$52,000/veh (40%)**
- ★ **Output increased from 0.5 to 32 vehicles per day (63X!)**
- ★ **Lead Time: Reduced from 4 days to 1 day (75%)**
- ★ **FY05 Cost Avoidance: \$30M**
- ★ **FY06 Cost Avoidance: \$15M**

*Committed to Excellence*

[www.redriver.army.mil](http://www.redriver.army.mil)