



LMI

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THE OPPORTUNITY TO MAKE A DIFFERENCE HAS NEVER BEEN GREATER



Depot Maintenance Benchmarking

27 October 2008

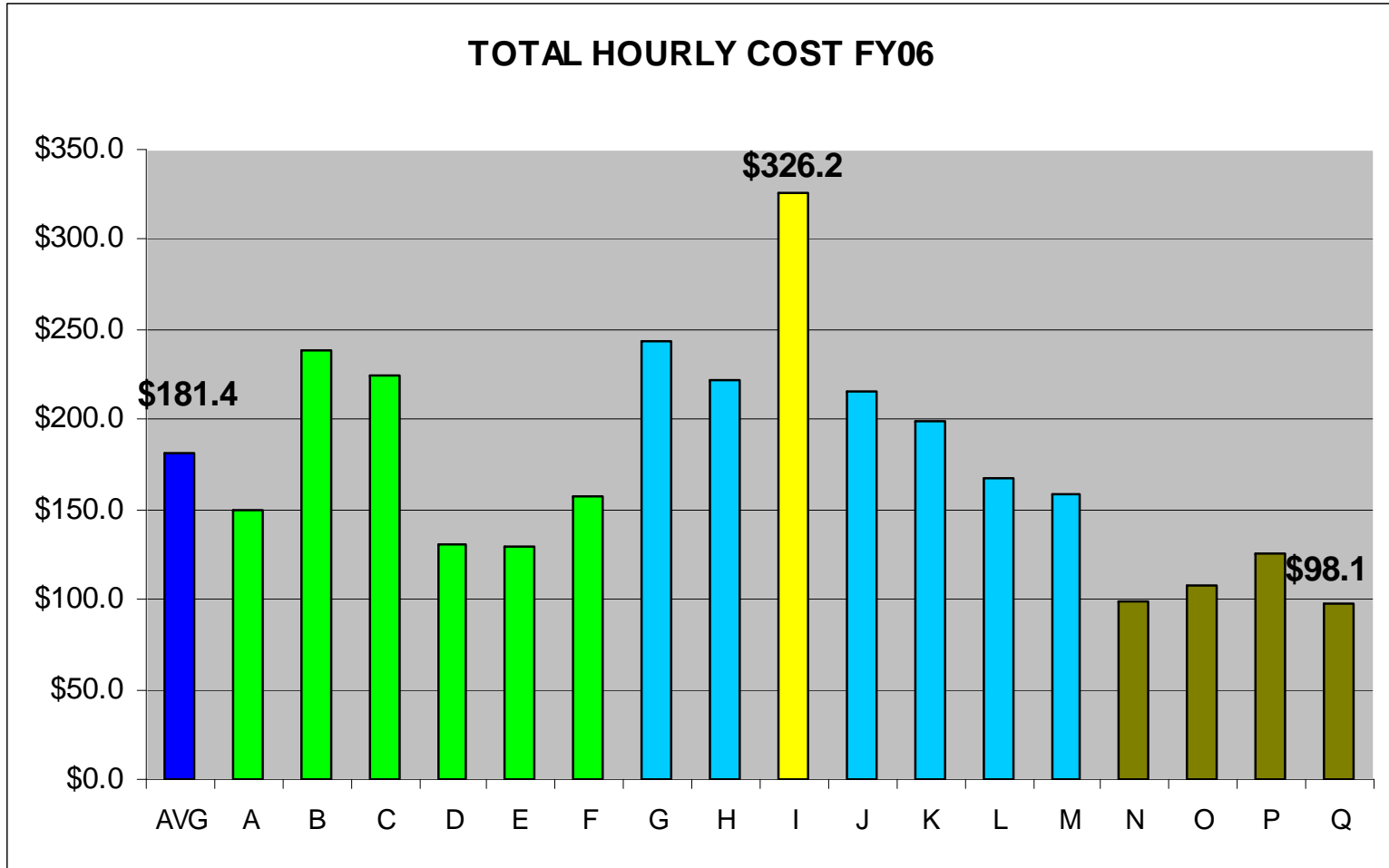
Why Benchmark?

- Proven tool in process improvement toolkit
 - Reduce costs
 - Increase productivity
 - Establish actionable plans, goals, and objectives
 - Provide a sense of urgency
 - Create a better understanding of the industry
 - Emphasize sensitivity to changing customer needs



Depot-to-Depot Comparison

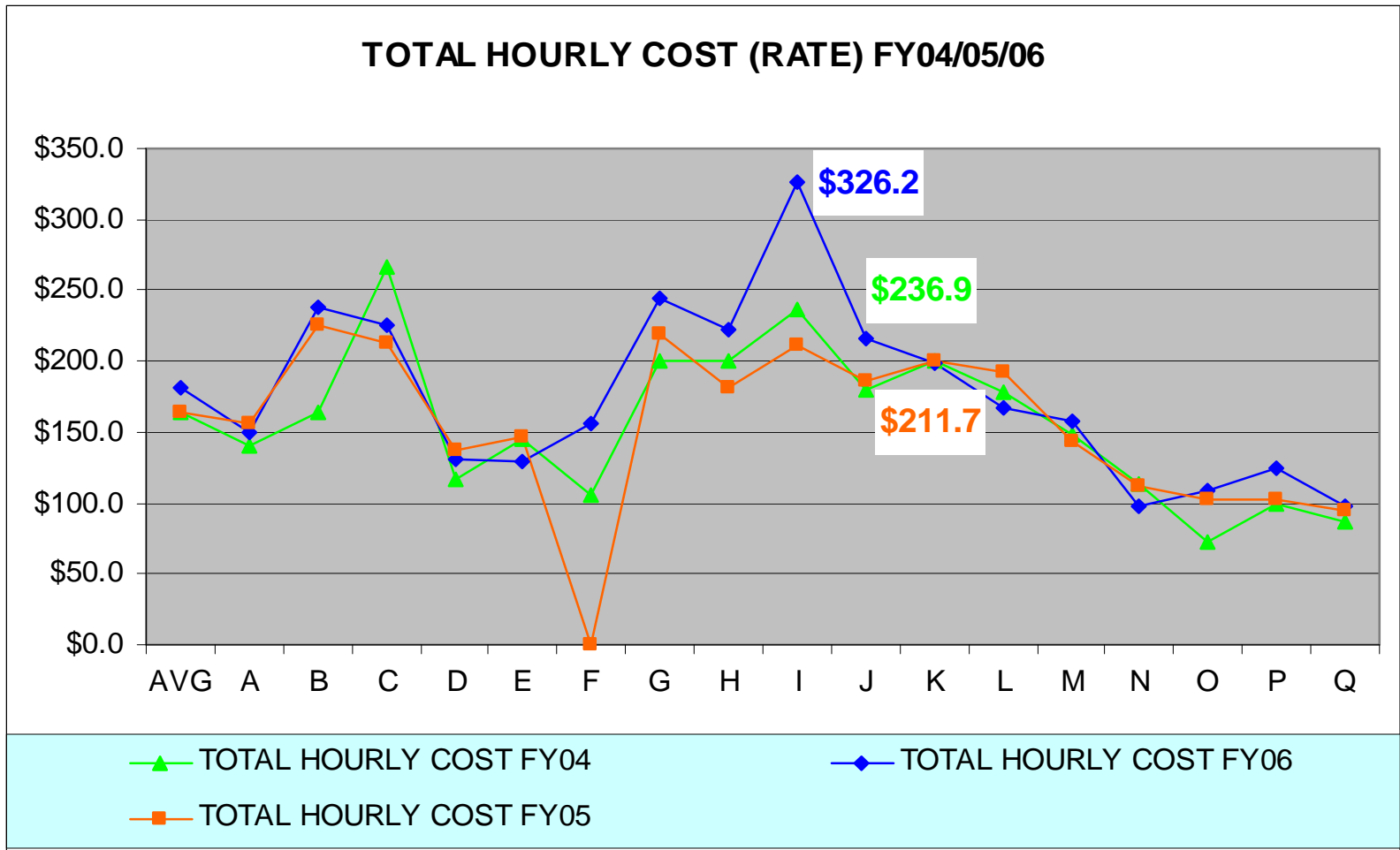
Total Hourly Cost (Rate)



Source: FY06 DMCS Data



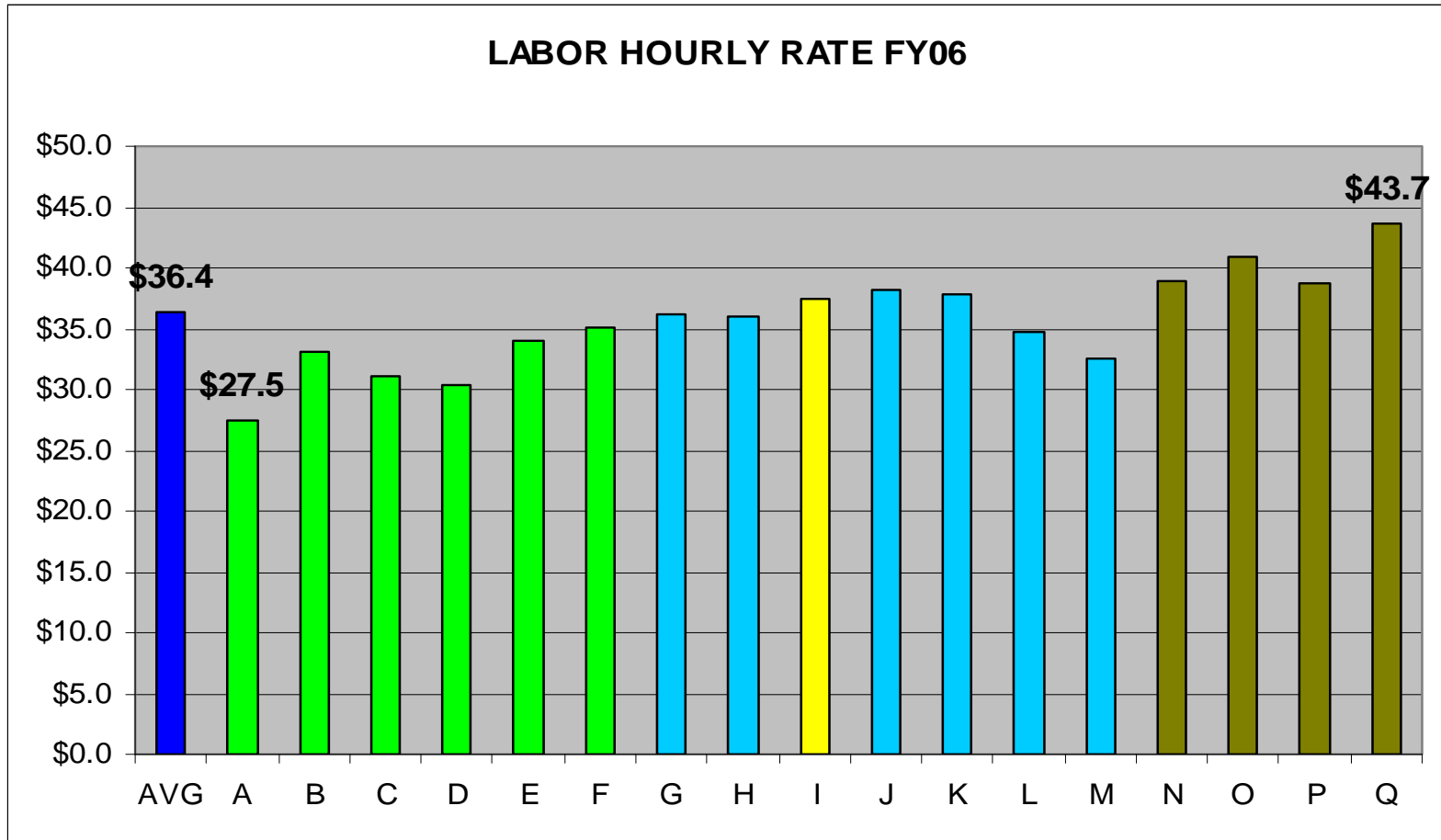
Depot-to-Depot Comparison Total Hourly Cost (FY04-FY06)



Source: FY06 DMCS Data



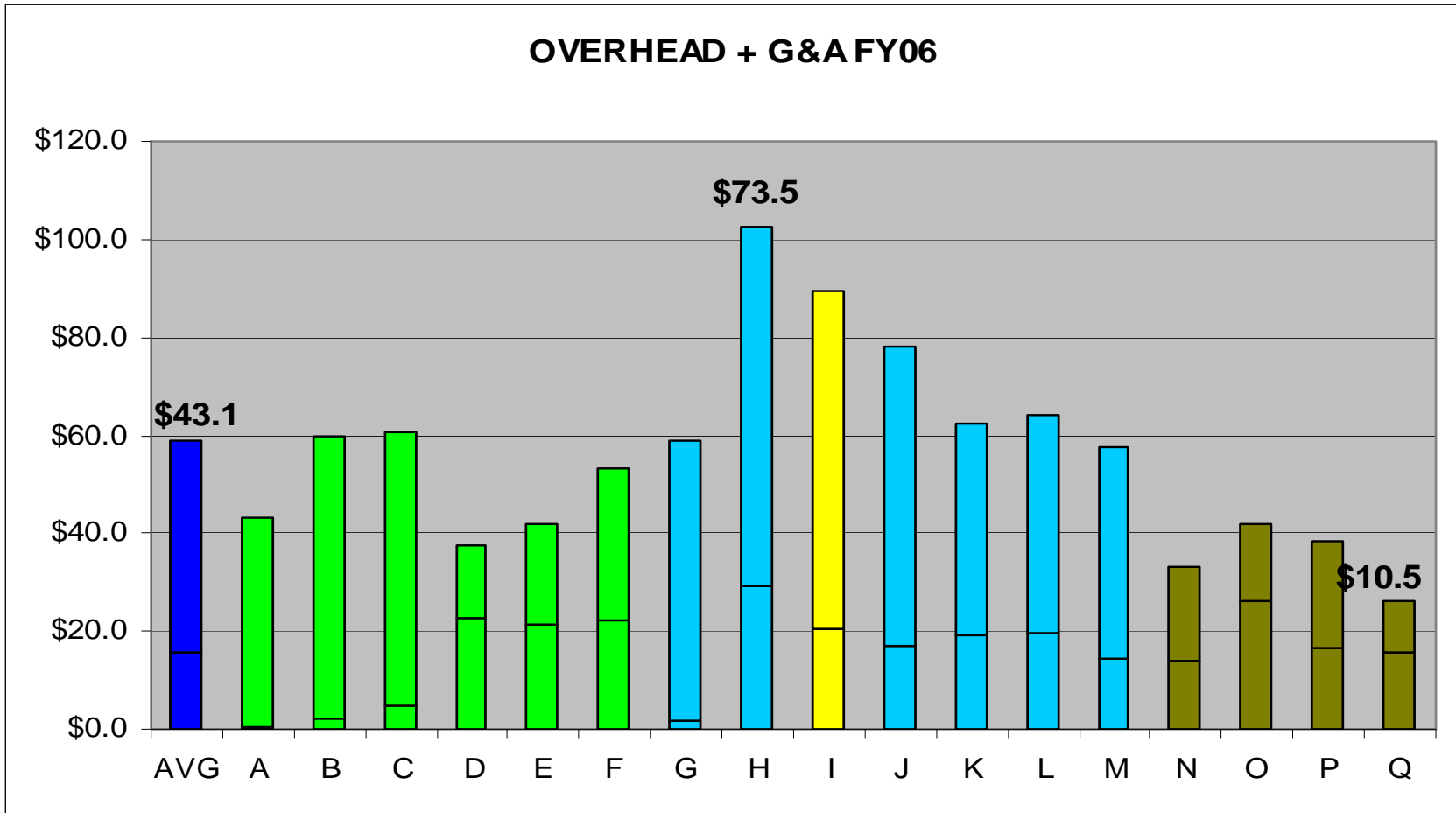
Depot-to-Depot Comparison Labor Hourly Rate



Source: FY06 DMCS Data



Depot-to-Depot Comparison Overhead + G&A

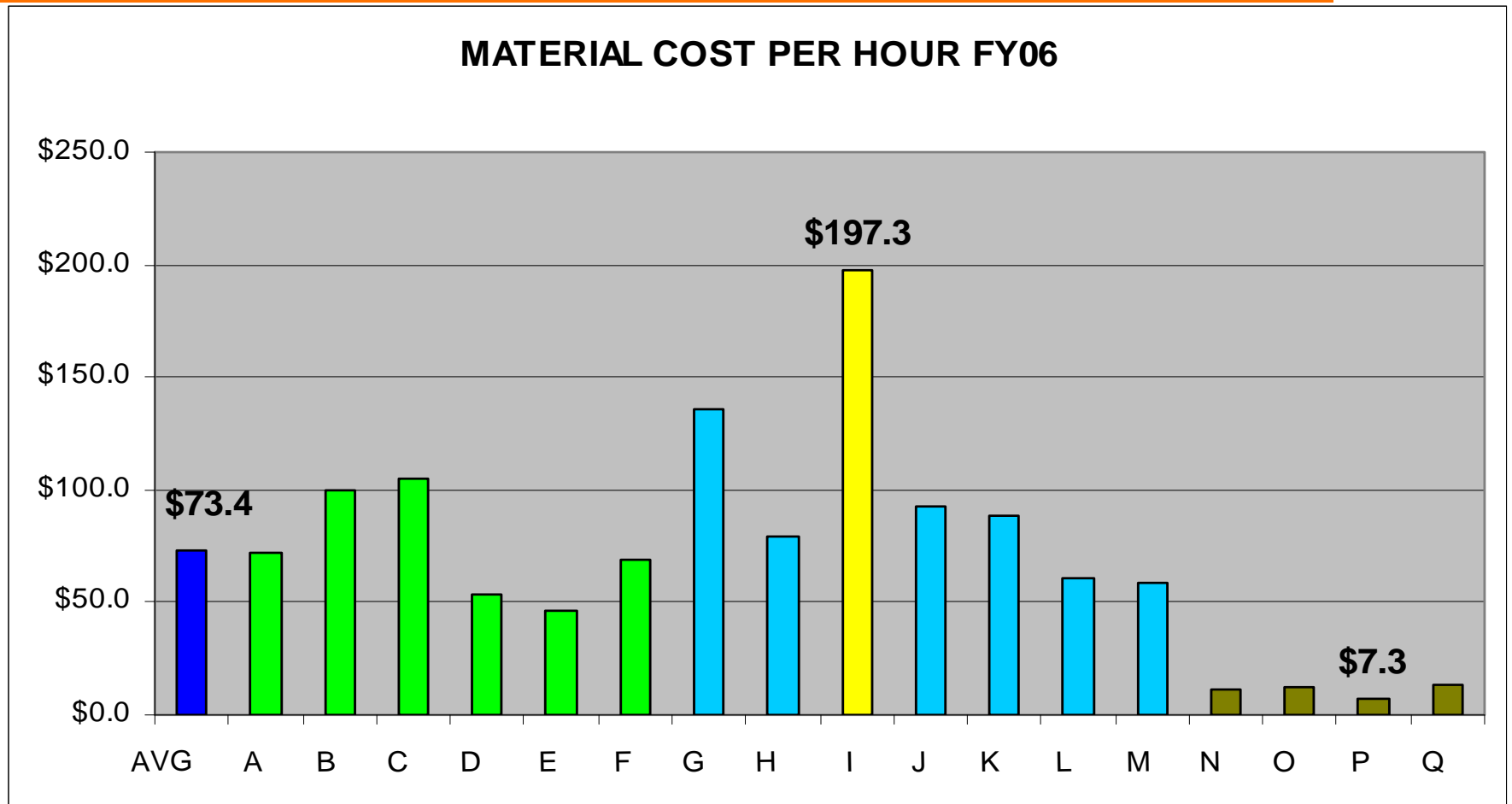


Source: FY06 DMCS Data



Depot-to-Depot Comparison

Material Cost Per Hour



Source: FY06 DMCS Data

Depot Maintenance Benchmarking - What is the Task?

- Establish a Joint Analysis Task Force to conduct Inter-Service benchmarking of DoD organic maintenance depots to
 - Develop key ***benchmarking metrics*** that are common to all depots to provide depot-to-depot and depot-to-private sector comparisons
 - Identify ***best practices*** across the depot enterprise that are worthy of replicating
 - Develop a ***repository of benchmarks and best practices*** for the depots to reference



Our Approach to the Task

Phase I

- Selected the following commodities for benchmarking
 - Aircraft Landing Gears
 - Aircraft Hydraulic/Pneumatic Components
 - Engines (Non-Aircraft)
- Conducted Site Visits to 9 DoD Depots
 - 3 Fleet Readiness Centers
 - 3 Army Depots
 - 2 Marine Corps Maintenance Centers
 - 1 Air Logistics Center
- Gathered cost and schedule data for completed production for FY03 through FY07



Initial Observations

- Lots of anxiety regarding the use of data and depot benchmarking
- Lean, TOC and other CPI efforts focused on largest revenue streams
- Service unique maintenance management systems create challenges in data collection
- Lack of common definitions for key performance indicators
 - Repair Cycle Time
 - Quality
 - Customer Satisfaction



Questions?

