A Look into the Depot of the Future
Looking Back & Ahead

What the last 10 years have taught us
• Ability to Surge
• Innovation and Design Skills
• Integrator Skills

Looking to the Future
• Environment
• Response
Ability to Surge

- It’s about process
- Capability not a location
- Partnering

**Direct Labor Hours**

- Hours in Millions

2000  2011

**Depot Revenue**

- $ in Millions

2000  2011
Innovation & Design

• Modest Efforts with big returns to the Fleet!

• New effort towards efficient processes with reduced repair cycle time
Environment

- Weapon System mix relatively stable
- Reset Bubble
- Prime Lock
- Clean-up of Urgent Universal Needs Statements
- Budget Realities
Response - Case for Change!

Depot Consolidation

• Post-war downsizing around the corner

• Many, many unknowns…
  - Future of new and existing weapons systems
  - Force Structure Review Group Impacts
  - Reset from OEF…when/how much?

• Reality Check…Two Distinct Dynamics In Play
  - Workload reductions proportionately impact direct workforce
  - Consolidation of Overhead functions impact indirect workforce

BOTTOM LINE: We are working hard to stay ahead of all the change and remain in the best possible position to serve the Warfighter!
Depot Consolidation (continued)

• In June 2011, the Commanding General, Marine Corps Logistics Command (MCLC) approved a concept of operations to establish the Marine Depot Maintenance Command (MDMC).

• Maintenance Center Albany, GA and Maintenance Center Barstow, CA, will be consolidated and re-designated as the MDMC.
  - MDMC will exercise command and control over the industrial operations from a single, consolidated command element!

• This consolidation will promote a more efficient method to accomplish organic sustainment maintenance to meet Marine Corps materiel readiness challenges of the future without jeopardizing current mission requirements.
  - MCLC will strive to achieve an economic balance with the efficient consolidation of maintenance-centric skills, work processes, equipment, procedures, methods, and techniques.

Through a concerted effort, based on a rough order of magnitude (ROM), we anticipate to achieve an efficiency of ~9-13% savings for overhead costs or ~3-5% savings for total costs. By the end of FYDP (2016), we project a range of ~$40M - $60M in net savings!
Benefits of Consolidation

**Goal:** Position organic Maine Corps maintenance infrastructure to meet future challenges!

- **Cost Savings….More Buying Power for the Warfighter**
  - Reduce personnel (lower labor costs)
  - Reduce operation cost (lower base operating support)

- **Standardization of Business and Production Processes….Reduces Variability in End Products & Services.**
  - Single Process Owner for:
    * Maintenance production planning
    * Materiel inventory and forecasting
    * Cost estimating
  - Virtual production capacity
  - Single Automated Information Systems

- **Workload Specialization Schemes….Promotes Efficiency**

- **Organizational Simplicity….Reduces Customer and Workforce Frustration**
  - Streamline Communication