



Maintenance Center Albany Cost Containment



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Logistics Solutions for the Warfighter



Logistics Command's ★ ★ VISION



***Marine Corps' Operational Logistics Solution provider
for fielded weapons systems, support services and supplies.***

- Operational logistics solutions to satisfy the Warfighter's tactical logistics requirements.
- Sustain weapon systems and equipment with supporting products and services.

***With a Warfighter focus, we provide competitive, comprehensive
and integrated solutions by being "the best" or sourcing from
The best commercial, organic and DOD providers.***

- Fulfill the Operating Forces' logistics requirements
.....with innovative, efficient and effective solutions.
- Best-value logistics support provider for strategic functions
..... resource from best-value support providers for all other functions.

***Enhance the Marine Corps' ability to execute
and sustain its warfighting competency.***

- Logistics broker connecting strategic logistics resources to tactical logistics requirements.
- Take logistics burden off of the Warfighters' shoulders
..... allowing them to focus more on their core competency of warfighting.

Logistics Solutions for the Warfighter



Versatility and Capability

Multi-Commodity / 493 Lines
69 Trade Skills - Laborers to Engineers



National Guard Bureau



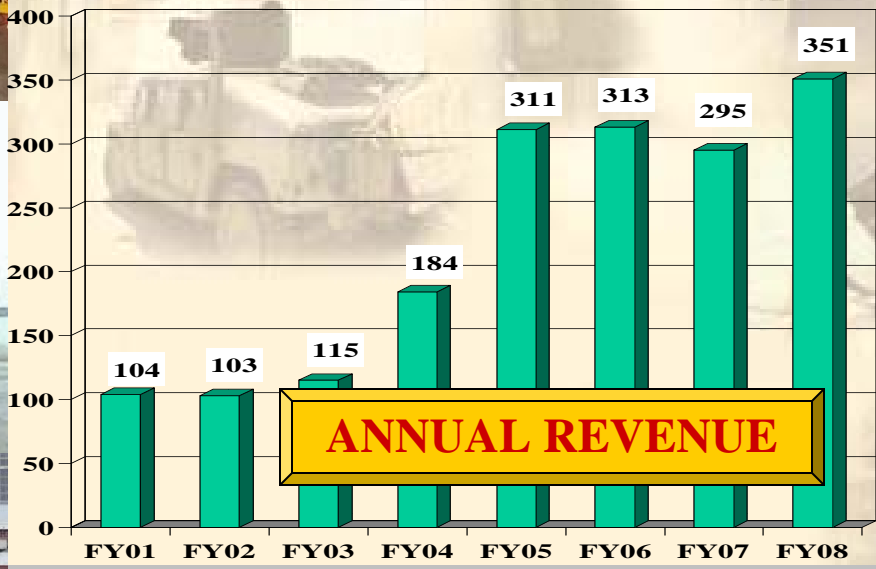
Marine Corps



Air Force



Private Industry



ANNUAL REVENUE



Foreign Military Assistance

Army

Homeland Security

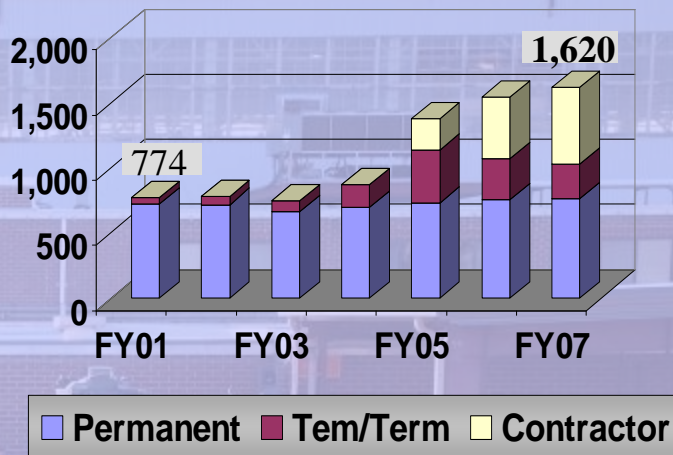


Navy



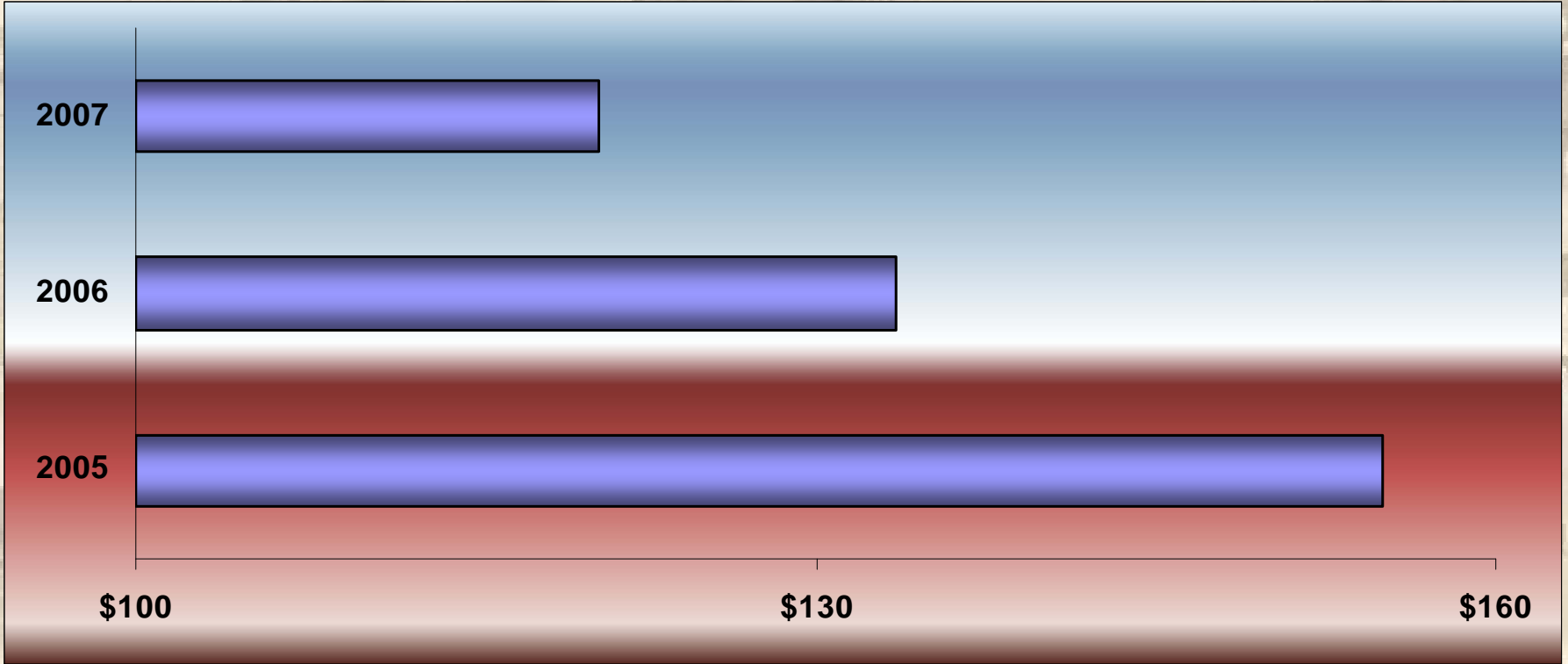
It's All About The People!

Current on Board: 1,788
Contractor: 571
Temp/Term: 417
Permanent: 791
Marines: 9





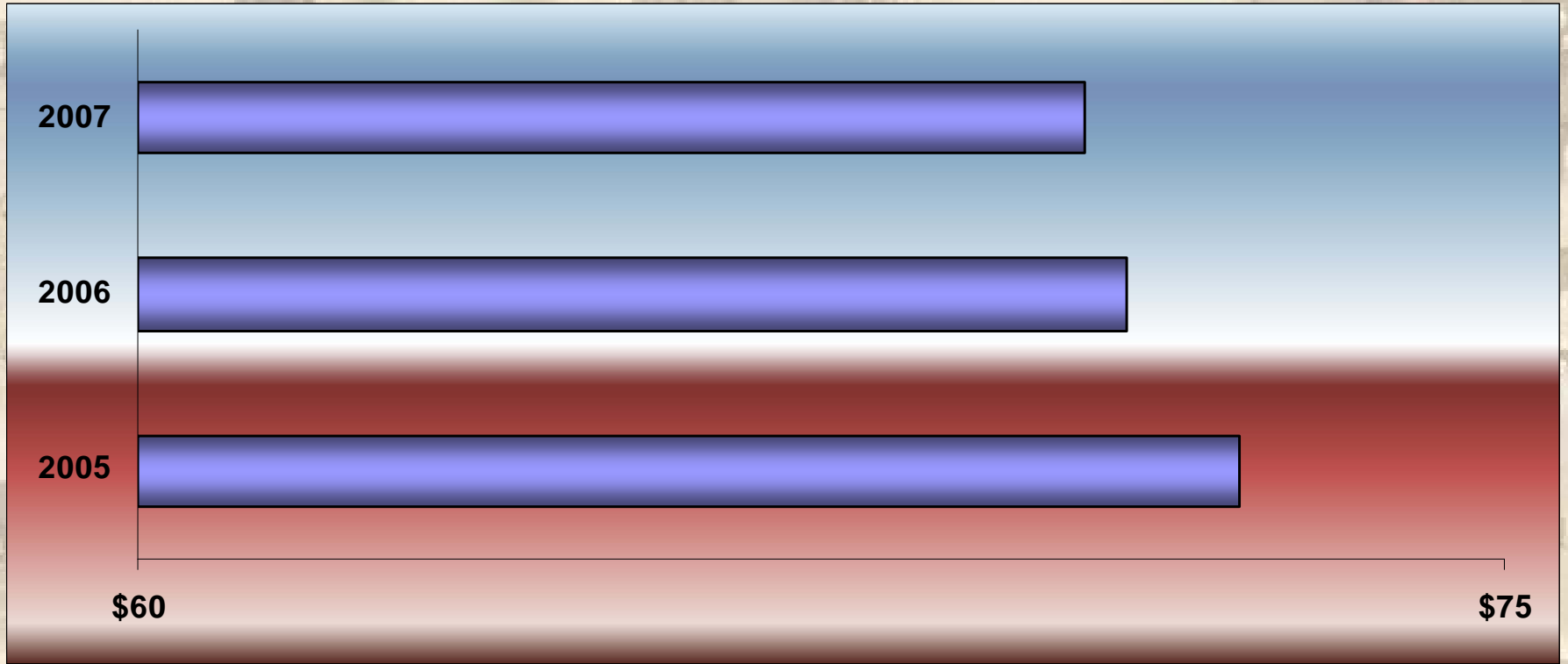
Total Cost Hourly Rate



Logistics Solutions for the Warfighter

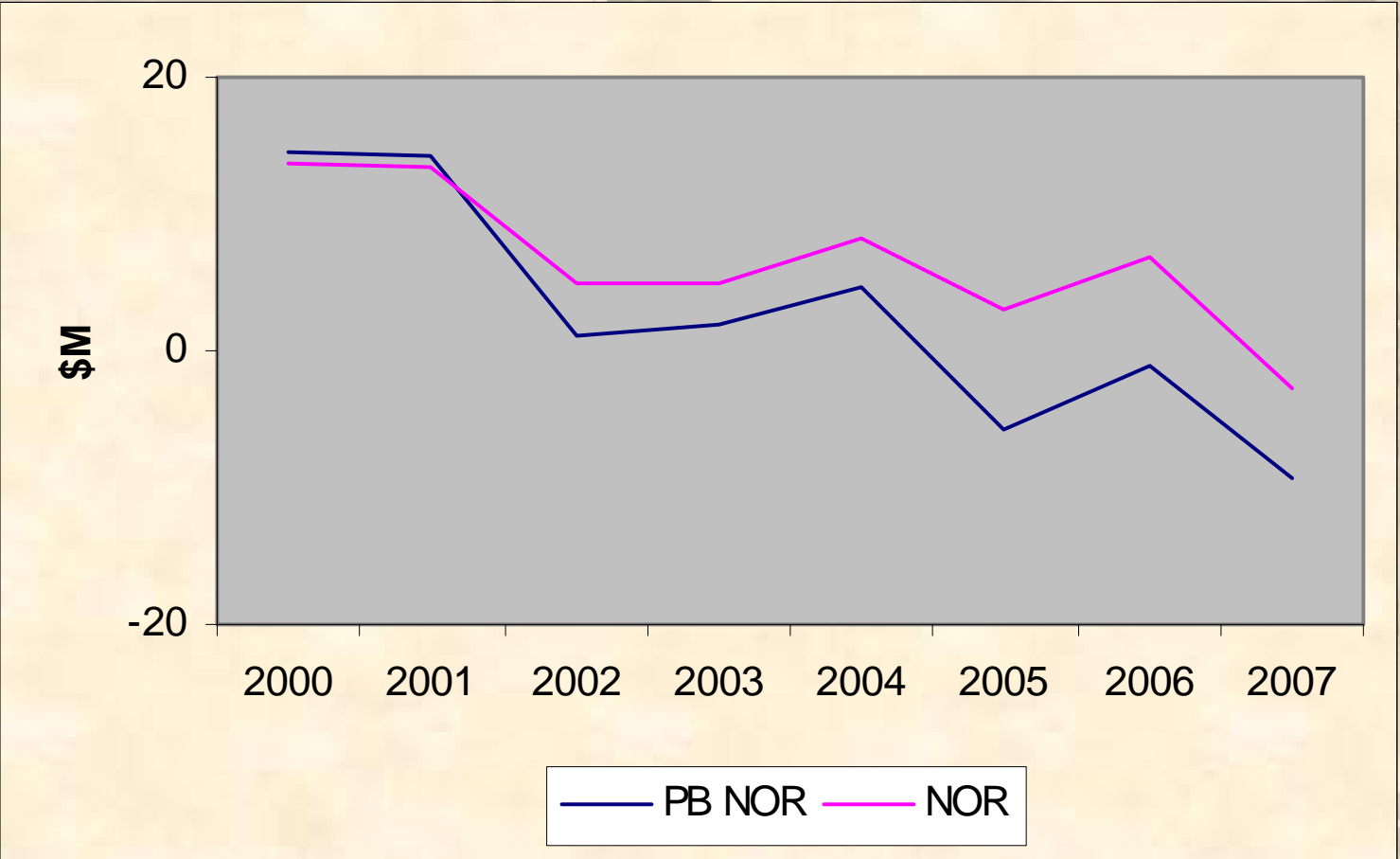


Hourly Rate Without Material














Net Operating Results



Logistics Solutions for the Warfighter



Cost Containment







-  **Leadership – Communications – Think Safety**
-  **Focus on Throughput**
-  **Control WIP/Inductions**
-  **Material Management - Parts Availability**
-  **“Right Size” the Workforce**
-  **Manage Capacity – Shifts/overtime/equipment**
-  **Facility improvements/Capital investment**
-  **Continuous Process Improvement**
-  **Remember the Lean years**

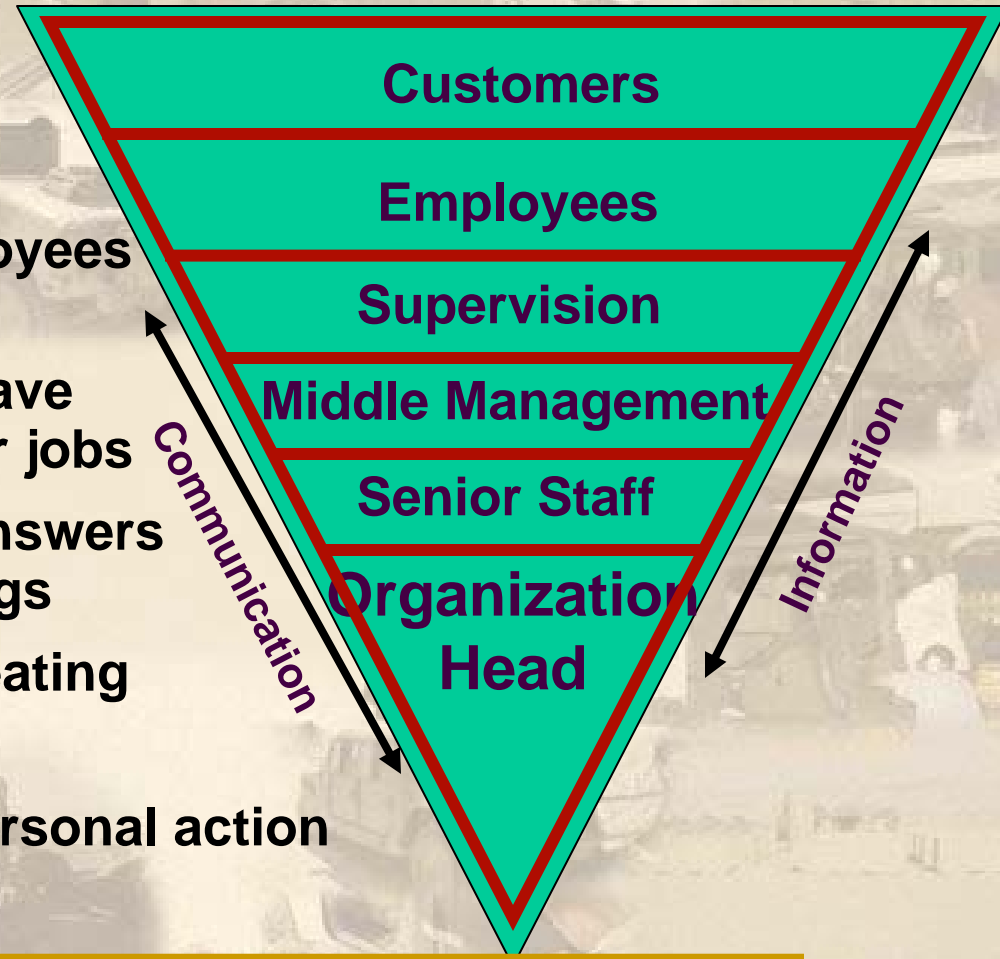


MCA LEADERSHIP CONCEPT



“Radical” Approach

-  Managers work for employees
-  Supervisors exist to help employees create value
-  Managers ensure employees have everything they need to do their jobs
-  Manage by walking the floor, answers are not in an office or in meetings
-  Managers get engaged with creating value for the customer
-  Managers drive change with personal action



Talk the Talk, WALK the WALK



THROUGHPUT FOCUS

 **Increase throughput and make schedule without increasing operating expenses or sacrificing quality.**

- 1. Identify the constraint**
- 2. Exploit the constraint**
- 3. Subordinate everything else to the constraint**
- 4. Elevate the constraint**
- 5. Go back to step one (avoid inertia)**



RCT VARIATION REDUCTION







Weapon System	FY-04 (RCT Variation)	FY-07 (RCT Variation)	Reduction (Days) (%)
MK-48 192 in FY-01	100 (138-38)	38 (68-30)	62 (62%)
MK-15 Trailer	71 (133-62)	5 (41-36)	66 (93%)
MK-17 Trailer	53 (105-52)	10 (47-37)	43 (81%)
M970 Refueler	86 (136-50)	4 (73-69)	82 (95%)
M149A2 Water Trailer	49 (65-16)	19 (38-19)	30 (62%)
M88 Tank Retriever	89 (235-146)	31 (129-98)	58 (65%)



CONTROL OF WIP / INDUCTIONS



-  **One Piece Flow**
-  **Pull System**
-  **Critical Chain**
-  **Simplified Drum-Buffer-Rope**








MATERIAL MGT



- 🧑‍🚒 **Ensure Parts Availability**
 - 🧑‍🚒 Aggressively worked with DLA, OEMs and other vendors
 - 🧑‍🚒 **“It’s NOT a parts problem!”**
- 🧑‍🚒 **Maximized Line-Side Stock**
 - 🧑‍🚒 High volume materials within arms reach of the artisan
 - 🧑‍🚒 Automated the reorder process - Reduced from 5 to 1 day
- 🧑‍🚒 **Make/Buy Decisions**
 - 🧑‍🚒 Determine uneconomical repair processes
 - 🧑‍🚒 Less inventory OH + less labor to complete + increased throughput = Reduced cost
- **Increased Kitting**
 - Develop kits to support/optimize production throughput
 - Purchase kits ready to use vs. making in house









“Right Size” the Workforce

-  **Right people, the right job, the right time**
-  **Core Permanent Workforce**
-  **Temps/Term Employees**
-  **Augment with Contractors**
-  **Develop the Workforce**









Manage Capacity

-  **Expand First Shift Capacity**
-  **Overtime – Voluntary/Mandatory**
-  **2nd Shift used for Constrained Shops**
-  **Critical Plant Equipment Availability**
-  **Outsource when Needed**
-  **Monitor WIP**



Facility Improvement & Capital Investments



	FY03	\$4.8M
	FY04	\$4.7M
	FY05	\$5.9M
	FY06	\$6.1M
	FY07	\$3.5M
	FY08	\$6.7M
















Continuous Process Improvement

DEFENSE ACQUISITION REVIEW JOURNAL



APPLYING THEORY OF CONSTRAINTS PRINCIPLES AND LEAN THINKING

Theory of Constraints principles can be used in conjunction with Lean thinking to leverage even more benefits for the enterprise.

-  Theory of Constraints & Lean enables growth strategy.
-  TOC primarily focuses on the bottleneck.
-  Lean is focused on reducing waste at all levels.
-  Lean uncovers additional capacity for further growth.
-  Lean thinking corporate implementation plan developed.
-  Set up Lean Team.
-  Lean 6-S efforts results:
 -  Reengineered supply warehouse,
 -  Significant increase in available shop floor space,
 -  Streamlined process flows,
 -  Cleaner workplace, less cluttered, and safer.












“The Center has become extremely flexible and better positioned to meet its responsibilities for regeneration and reconstitution of critical supplies.”



METRICS/RESULTS IMPROVED



-  **Throughput ↑**
-  **Employee Morale ↑**
-  **Customer Satisfaction ↑**
-  **Direct Labor Hours ↓**
-  **Repair Cycle Time ↓**
-  **Work in Process ↓**
-  **Direct Labor Costs ↓**
-  **Overhead Costs ↓**
-  **Total Repair Cost ↓**



Remember the Lean Years

-  **Organizational Review**
-  **Offsites**
-  **Benchmarking**
-  **Relationships w/ Industry**
-  **Sustainment**
-  **Market Share Expansion**



The
Maintenance Center
Quality Policy



Through
CONTINUOUS IMPROVEMENT,
we work as a team to deliver quality
products and services to all our
customers





Cost Containment



Questions?



Backup Slides

Logistics Solutions for the Warfighter



STRATEGIC RELATIONSHIPS



Delta Airlines

Booz Allen Hamilton

GDLS

DRS Technologies

Other DoD Depots ...

3 M

Joe Gibbs Racing

BAE Foreign Military Sales (Taiwan)

Toyota

Lockheed Martin

BAE Systems

Force Protection

Oshkosh

Franklin Covey

W.W. Williams

John Deere

International Military Group

(Relationships)

*Logistics Solutions for the Warfighter
(Both)*

(Benchmarked)



MARKET SHARE EXPANSION



USMC

Increasing Beyond Traditional Customer Base

MARSOC

NAVAIR

Seabees

...??

Private Industry

Homeland Security

National Guard Bureau

Air Force