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**VIGILANCE**  
Freedom is defended by the shield of readiness



## NDIA Luncheon – PM Perspective

3 December 2019

Presented by:  
Col William “Opie” Rothermel  
PMA-257 Program Manager



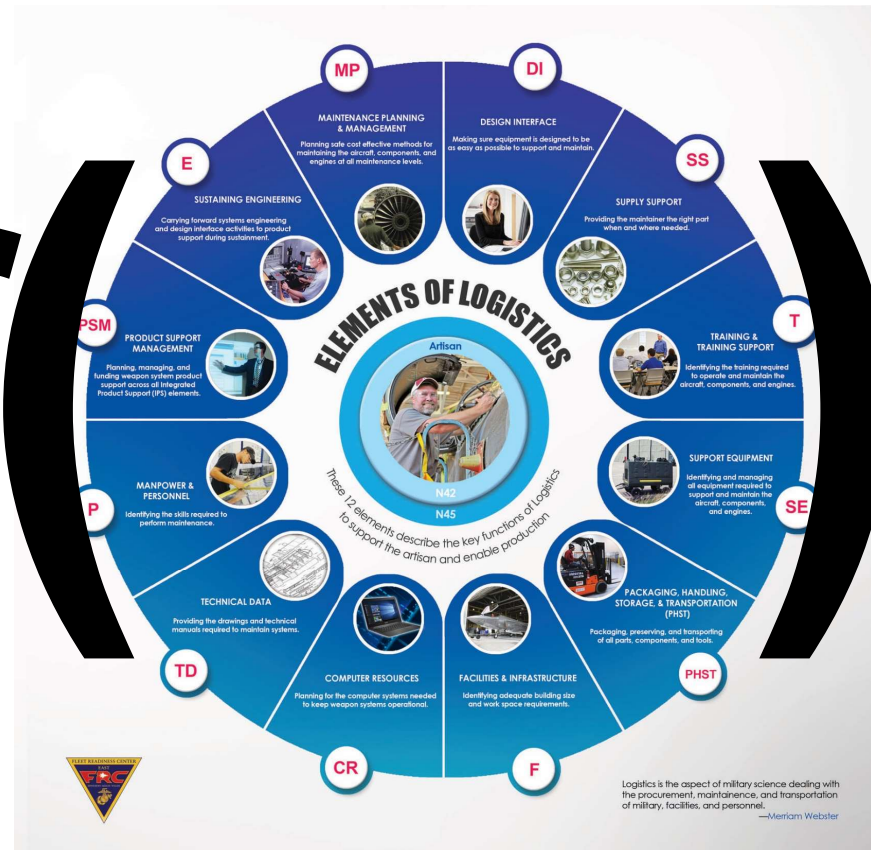
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# Readiness Function

Readiness =

**f**





# Simplified Tactical View

Retail

Wholesale

TYCOM / WING / MAG / PMA

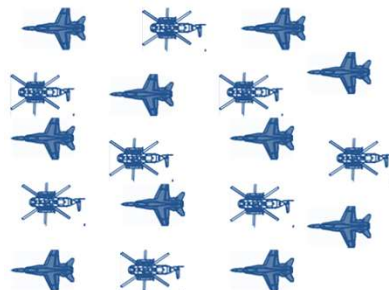
- Variability in O-level demand disrupts supply chain

WSS / DLA \$\$NWCF, DWCF, OMN, APN

- SHORCAL/AVCALs do not support Flightline
- Asset Status Unknown to WSS

COMFRC \$\$NWCF, OMN, APN, MILCON

- Inaccurate/excessive TATs = stock shortfalls
- Aged WIP = shortfalls in stock



I Levels/PMA \$\$MPN, APN, OM&N

- Excessive TATs & Time to Reliably Replenish
- Aged WIP = stock shortfalls
  - Average Goal is < 10 days

NRFI  
61% of broken components

RFI  
RFI: 79%  
BCM: 21%

PMA's / OPNAV \$\$APN, OMN

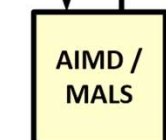
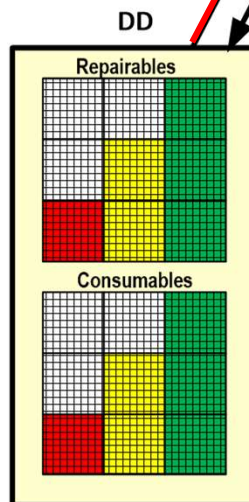
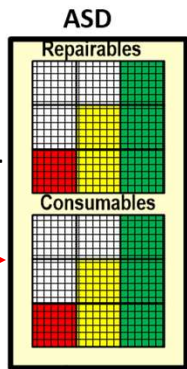
- Actual Failure Rates > Planned causing NMCS / PMCS (dries up supply chain)

WSS \$\$NWCF, APN

- Commercial Repair & Spares do not meet need

WSS / DLA \$\$NWCF, DWCF, APN, OMN

- Forecast inaccuracy = ineffective repairs
- Low volume items not stocked = long material delays
- CWT do not support customer reqts
- No one has full view of Supply Chain



CWT

CWT

NRFI

BCM

RFI

NRFI

RFI

NRFI

RFI

RFI: Ready for Issue (Good Part)

NRFI: Not Ready for Issue (Bad Part)

BCM: Beyond Capable Maintenance at I Level (Bad Part)

NDIA OPEN USE / FEDERAL EMPLOYEE



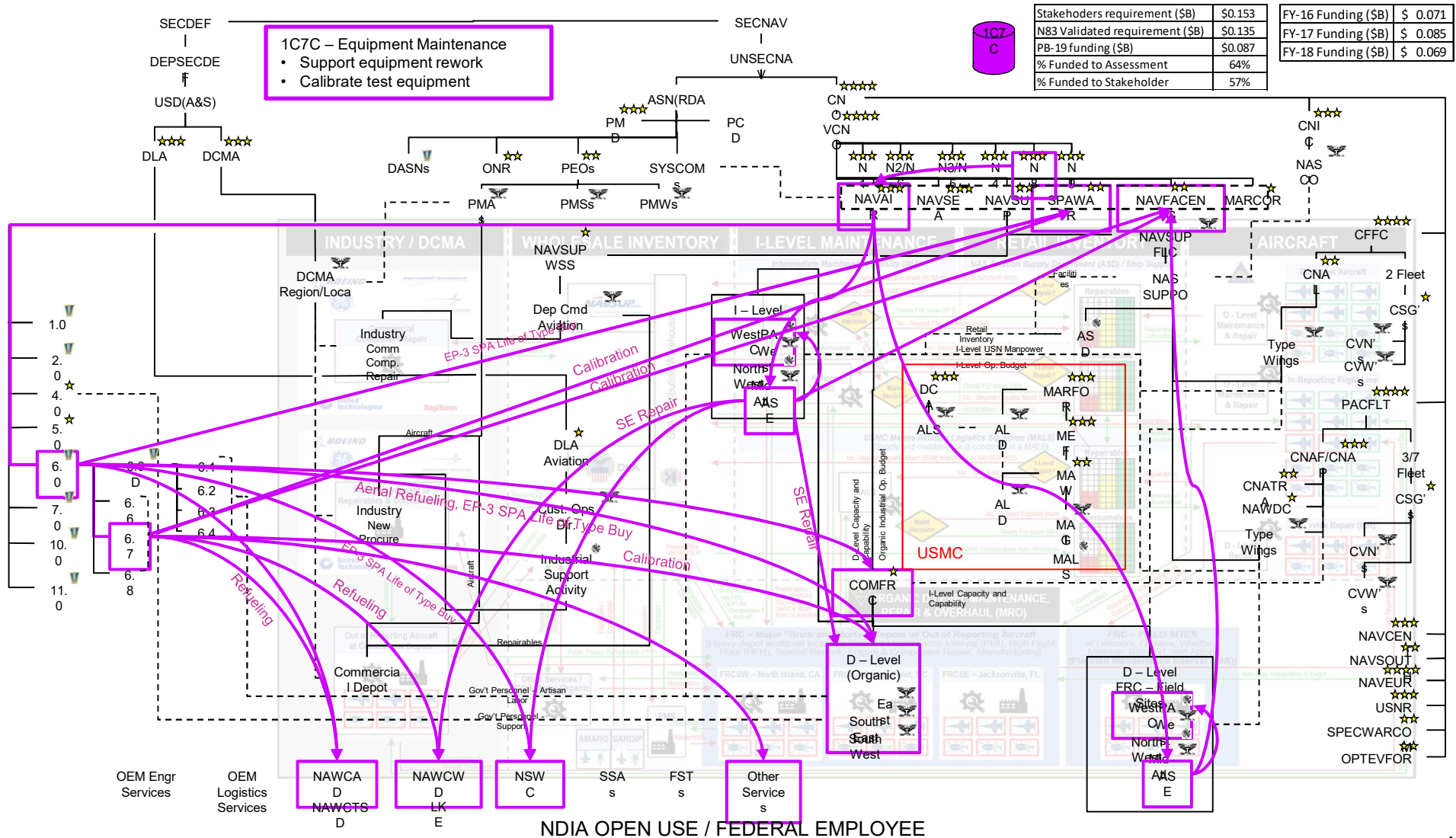
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# Follow the Money

1A1A 1A2A 1A3A 1A4A 1A4N 1A5A 1A6A 1C7C 1A9A APN5 APN6 APN7 NWCF DWCF

No single owner of readiness. Behavior driven by who signs your paycheck, and who writes your FITREP. Result = competing priorities







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# Resultant Environment

|                   |                  |             |             |             |                  |             |             |             |             |
|-------------------|------------------|-------------|-------------|-------------|------------------|-------------|-------------|-------------|-------------|
|                   |                  |             |             |             |                  |             |             |             |             |
| <b>Contract</b>   | <b>A</b>         | <b>B</b>    | <b>C</b>    | <b>D</b>    | <b>E</b>         | <b>F</b>    | <b>G</b>    | <b>H</b>    | <b>I</b>    |
| <b>Resource</b>   | <b>1A1A</b>      | <b>1A4N</b> | <b>1C7C</b> | <b>1A3A</b> | <b>1A5A</b>      | <b>1A4N</b> | <b>1A4N</b> | <b>1A6A</b> | <b>1A4N</b> |
| <b>STOVEPIPES</b> |                  |             |             |             |                  |             |             |             |             |
| <b>Contract</b>   | <b>A (Prime)</b> |             |             |             | <b>B (Prime)</b> |             |             |             |             |
| <b>Resource</b>   | <b>1A1A</b>      | <b>1A4N</b> | <b>1C7C</b> | <b>1A3A</b> | <b>1A5A</b>      | <b>1A4N</b> | <b>1A4N</b> | <b>1A6A</b> | <b>1A4N</b> |



# How Does Industry Play?

## 1. Understand the Sustainment Ecosystem

Principal-Agent environment

Boundaries of USG system

## 2. Innovate Integration

Contractor and Government Integration

Elements of Logistics Integration

However, no one will have access to all levers

## 3. Be Timely

Work with Government to meet deliveries

Administrative Lead Time accuracy

Production Lead Time accuracy



# National Defense Strategy



*“The current bureaucratic approach, centered on exacting thoroughness and minimizing risk above all else, is proving to be increasingly unresponsive. We must transition to a culture of performance where results and accountability matter. We will put in place a management system where leadership can harness opportunities and ensure effective stewardship of taxpayer resources. We have a responsibility to gain full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people.”*

- Deliver Performance at the Speed of Relevance
- Organize for Innovation
- Drive Budget Discipline and Affordability to Achieve Solvency
- Streamline Rapid, Iterative Approaches From Development to Fielding
- Harness and Protect the National Security Innovation Base

## **PMA257 Opinion:**

**Our National Defense requires Readiness in Depth.  
Readiness in Depth comes from Quantity and Agility.  
Industrial Innovation and Integration can Assist Both.  
Sustainment is a Team Sport.  
Schedule Adherence Builds Team Trust.**



# PMA257 Specifics

## Current Issues are also Headwinds to Sundown

### 1. F402 Engine Production to meet readiness requirement

Critical Item List Process

Contract Execution (Administrative and Delivery)

### 2. Manpower shortfall to readiness requirement

Result of addressing sundown changes from stovepipes

Current mitigation strategy

### 3. Supply System Response and DMSMS / small quantities

Net effectiveness

Critical Item list process and UK Vendor Visits



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# Discussion



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