Recognized by CJCS as “the busiest Service” with 251,000 Soldiers deployed in 120 Countries
- Iraq and Kuwait ~150K
- Afghanistan ~20K
- Korea ~ 28K
- Homeland Defense ~ 8K

Fleet
- Wheels ~237,000 vehicles
- Tracks ~28,000 vehicles
- Rotary wing ~4,200 airframes

Installations
~$251B Plant Replacement Value
~4,100 Installations and centers
~14.0M acres
~56,487 miles of roads
~973 Million square feet of buildings

FY 08 Appropriation + Supplemental $183.2B*
FY 09 President’s Budget $140.7B**
* Includes HR2764 Supplemental but not pending $63.7B supplemental
** Does not include expected Supplemental support for GWOT.

FY09 President’s Budget
Military Personnel $ 51.8B
Operations & Maintenance $ 40.2B
Procurement/RDT&E $ 35.1B
Military Construction $ 5.4B
Army Family Housing $ 1.4B
BRAC $ 4.6B
ChemDemil $ 1.6B
JIEDDO $ 0.5B
Other $ 0.1B
$ 140.7B*
* Does not include Supplemental support for GWOT

As a corporation
- Would rank #6 on the Fortune 500 based on revenue
- As large a workforce as Wal-Mart and McDonalds (1.5M)
  - UPS has 355K employees
Today’s Full Spectrum Challenges

- **Complex Threats**
  - Conventional—traditional
  - Unconventional—asymmetric

- **Complex Environment**
  - World wide Commitments
  - Culture, Language
  - NGO’s
  - Media
  - Political
  - HN Police and Military
  - Mix of Combatants and Non-combatants
  - Full range of Terrain: Urban, desert, etc.

- **Full Spectrum Operations**
  - Conventional High Intensity Ops
  - Stability Ops
  - Support Ops

The security environment has changed … increasing your Army’s global commitments.
History

Steadfast circa 1973 established TRADOC and FORSCOM as MACOMS.
Building the Army Now and for the Future - Complex Interrelationships

You cannot focus on just one initiative...

... you have to consider the effect that each has on the whole...

Therefore you have to focus on the desired outcome – to win today’s war and prepare for future conflicts.

Consistent and flexible funding and execution will allow the Army to synchronize these interdependent initiatives to sustain global commitments.

Will directly influence:
- Recruiting / Retention
- Public Support
- Army Resourcing
Army Imperatives

- We will **Sustain** our Soldiers, Families and Civilians;
- **Prepare** soldiers for success in current operations;
- **Reset** to restore readiness and depth for future operations; and
- **Transform** to become the Army the Nation needs today and in the future.
Decade of Change

“We will not cement the transformational change of the Army until the institution reflects that change.”

Chief of Staff, Army
19 June 2007

America’s Army
A campaign-quality expeditionary force able to operate effectively with Joint, interagency and multinational partners across the spectrum of conflict.
Business Transformation Governance

Army Values

Continuous Process Improvement (CPI)

Risk Management

Performance Measurement

BT Alignment

Organizational Analysis and Design (OA&D)

Professional Development

Situational Awareness

Change Management
The Keys to Lean / Six Sigma

Lean Six Sigma

Support for Warfighter
- Quality
- Speed
- Team Work

Improve Processes
- Variation & Defects
- Process Flow

Data and Facts

<table>
<thead>
<tr>
<th>Program</th>
<th>Lean Thinking</th>
<th>Six Sigma</th>
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</thead>
<tbody>
<tr>
<td><strong>Theory</strong></td>
<td>Remove Waste</td>
<td>Reduce Variation</td>
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<tr>
<td><strong>Application Guidelines</strong></td>
<td>1. Identify Value</td>
<td>1. Define</td>
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<tr>
<td></td>
<td>2. Identify Value Stream</td>
<td>2. Measure</td>
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<td></td>
<td>3. Flow</td>
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<td>4. Pull</td>
<td>4. Improve</td>
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<td>5. Perfection</td>
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<tr>
<td><strong>Focus</strong></td>
<td>Flow Focused</td>
<td>Problem Focused</td>
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</table>

Source of chart: “What is Lean Six Sigma?, George, Rowlands, & Kastle
Source of Picture: Simpler Business Systems, Inc., facilitating a lean VSA at a GSIE depot
Army LSS Deployment Strategy

1. **Design and Build Initial Deployment Infrastructure**
   - **Initial Planning**
     - Identify Senior LSS Deployment Champions
     - Dep. Design & Governance
     - Award LSS Contract
     - Establish LSS HQDA PMO and Army LSS School House
     - Deploy Contractor MBBs / BBs

2. **Build Skills and Execute Projects**
   - Build ELs & Project Sponsors (3-4 months)
     - Executive Leadership Workshops
     - Project Sponsor Workshops
     - Train Sponsors Draft Charters & Opportunities
     - Project Identification & Selection Workshops
     - Build ELs & Project Sponsors (3-4 months)
     - Define & Prioritize Charters
     - Green Belt Projects (DMAIC) via 2 -1 week classes/month
     - Green Belt Projects (DMAIC) via 4 - 1 week classes per month
     - Black Belt Projects (DMAIC) via 2 -1 week classes/month
     - Ongoing JDIs & Rapid Improvement Events (DMAIC)
   - Execute Projects via DMAIC Process
     - 4-6 months
     - 2-3 months
     - Define and Prioritize Charters
     - Green Belt Projects (DMAIC) via 2 -1 week classes/month
     - Green Belt Projects (DMAIC) via 4 - 1 week classes per month
     - Black Belt Projects (DMAIC) via 2 -1 week classes/month
     - Ongoing JDIs & Rapid Improvement Events (DMAIC)
   - PowerSteering Database

3. **Integrate and Sustain the Effort**
   - Integrate LSS POI in Army Institutional Courses
   - Build Army Master Black Belts from Army BBs and Grandfathering

**Army Deployment Characteristics**
- Top down – Bottom up
- Army wide (Active, Res, NGB)
- One central system of record - PowerSteering
- Decentralized execution – central policy, training, and IT support
- BB centric with 3 year phase in of 1% BBs and 3% GBs
- Sustainment in FY08
- Project opportunities generated via PSWs and refined via Plan and Execute Project Identification workshops (PISW)

**Repeat to achieve project & belt goals**
Army LSS Leadership Structure

Joint Civilian and Military leadership at all levels

HQDA Structure

EOH Forum

SRG (BT)

Deployment Team
Co-Chairs: DUSA(BT) and MILDEP ASA(ALT)
Members: HQDA Staff and ACOM Deployment Directors

Command/DRU/ASCCs Structure

Deployment Director

Master Black Belt

Black Belt

Process Owner

Process Owner

Process Owner

Organization’s Senior Leader

Process Owner

Training, Cert, & HR

Integration

Project Execution/Finance

Information Technology

Strategic Comms

DUSA(BT) Enterprise Deployment Director

LSS Sr. Advisor

Program Director

Black Belt

Green Belt

Black Belt

Black Belt
Key to Sustainment: Army MBBs and POI Integration

Integrate and Sustain the Effort
FY07 MBBS = 86
FY08/09 MBBS = TBD
FY07 = 30% Courses
FY08 = 80% Courses
FY09 = 100% Courses

<table>
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<tr>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
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<tr>
<td>Q2</td>
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<td>Q4</td>
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<tr>
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<td>Q4</td>
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<td>Q2</td>
</tr>
<tr>
<td>Q3</td>
<td>Q1</td>
<td>Q2</td>
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Create Army Master Black Belts from Army BBs and Grandfather

Integrate LSS POI in Army Institutional Training

- 30% courses integrated
- 80% courses integrated
- 100% courses integrated

LSS delivered part of Civ/Mil Institutional training

Integrate with Suppliers (TBD)
MBBs strategically deployed to provide LSS enterprise wide consultation to Command Deployment Directors to accelerate project ID, execution, and completion to realize hard dollar savings.
Project Execution and Training: Building the Bench

Build Executive Leaders/ Project Sponsors and Draft Project Charters

Executive Leadership Workshops

ID Sponsors
Exec Awareness
ID PVCs

Hands on Sponsor Training
Draft Charters & Opportunities

Project Sponsor Workshops

Project Identification & Selection Workshops

Defined & Prioritized Charters

Build Army Belts and Execute Projects via DMAIC Process

2-3 months

3-4 months

2-3 months

4-6 months

GB Courses (2-wk crs)

BB Courses (4-wk crs)

Projects Completed

Certifications submitted & approved

Ongoing JDIs & Rapid Improvement Events (DMAIC)

GB Courses (2-wk crs)
Power Steering Tracking Tool

Idea & Pipeline Management
- Submit Ideas
- Prioritize
- Charter

Project Management
- Project Plans & Schedules
- Tools & Templates
- Status Reporting
- Issues / Discussion
- Benefit Tracking

Knowledge Management
- Version Control
- Full Text Search
- Best Practice Repository

Resource Management
- Roles & Allocation
- Time Sheets & Cost Tracking
- Skill Sets & Certifications

Portfolio & Program Management
- Rollup Benefit Reporting
- Benefit Allocation Across Units
- Graphical Status Display
- Dynamic Portfolios
- Saved & Custom Reports

Configurable Look, Feel, and Permissioning Per Unit, Group, or User

Email Alerts, Full Activity History, Metric Versions

Search Projects, Users, Documents, Tasks, and Templates

Functionally Robust: Best-of-Breed Tool for Army’s Implementation of LSS
### Project Dashboard in PowerSteering
User-specific view of important data

“If it’s not in PowerSteering, it doesn’t exist!”

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Owner</th>
<th>Status</th>
<th>% Complete</th>
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</table>
FY08 Goals
- 4500 Projects Completed (Cum)
- 2,600 Gated
- 1,900 Non-Gated
- 1625 BB Certified (Cum – see Note)
- 3850 GB Certified (Cum – see Note)
- 40 MBB Certified (Cum – see Note)
- Add 90 MBBs Trained in FY08
- Add 1770 BBs Trained in FY08
- Add 3000 GBs Trained in FY08

Note: Assumes 99% of MBB trained through 1QFY08 will be certified by end of FY08; 95% of BB trained through 2QFY08 will be certified by end of FY08; and 90% of GB trained through 3QFY08 will be certified by end of FY08.
2007 Award Recipients

Red River Army Depot
- HMMWV Production - Gold
- Bradley Power-train - Silver
- HEMTT - Silver

US Army Rock Island Arsenal – Joint Mftg & Tech Ctr
- Forward Repair System - Gold
- Shop Equipment Contact Maintenance - Silver

Malcolm Baldrige National Quality Award
Armament Research, Development and Engineering Center (ARDEC)
- AN/TPQ-36 Firefinder Antenna - Gold

Tobyhanna Army Depot
- PowerGenerators

Letterkenny Army Depot
- HMMWV Recap - Silver
- Power Generators - Bronze
- HH-60 Pavehawk - Bronze

Corpus Christi Army Depot
- TH-57 Sea Ranger

Anniston Army Depot
- ACLC/AMCOM – Fort Rucker
- AGT 1500 Turbine Engine
**Army Transformation Done Right**

**VISION**
- A fundamental change in how the Army does business.
- Apply proven business principles to the Army’s business problems.

**DESIRED EFFECTS**
- Maximizing return on taxpayers’ dollar
- A culture that drives costs down vs. driving budgets up. …”Defending the Nation is more important than defending the budget”
- A culture of continuous improvement.

*Payoff – an Army which effectively and efficiently provides the necessary forces and capabilities to the Combatant Commanders in support of National Security and Defense Strategies*