Industry Future State and LAI
Executive Panel

Presented by:
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April 18, 2006
Caveat

• Industrial Enterprises is too big a scope to envision one future state other than PERFORM for the Shareholders

• I looked at the industrial complex of Defense and Aerospace but there are others we should consider in the context of LAI going forward;
  – Commercial Aerospace and Space
  – Bio Medical and Health
  – Financial
  – Electronics
  – Automotive (Toyota is still the place to learn and understand)
Industry Future State
Bottom Line

**Increased speed** ...
- In fighting a war
- In developing and fielding new capabilities
- In conducting business

**Increased flexibility, in the face of** ...
- A broad range of threats
- Uncertain budgets
- A transforming customer
- A transforming company

**Increased collaboration** ...
- With customer community
- Across our companies
- Across our supply chains
Industry Future State Focus.....

- **Performing for the Shareholders**
  1. Best Value Provider In Industry ("Value Creation")
  2. Organic Growth
     A. Market Expansion
     B. Profitability
     C. Discriminating Capabilities

- **Support of this and next QDR strategic direction**
  1. Transformation and Reducing Acquisition Timelines
  2. Joint Forces

- **Rationalization and Scoping due to Budgetary variables**
  "Believe me: the crunch is coming. The budget crunch is coming, and it's not going to be pretty." General David Walker, US Comptroller General (and Blaise too!!)

- **Dealing with the reality of the brain drain and leadership**
  1. Executive and individual Leadership
  2. Telecommuting/Flexible work schedules
  3. Virtual Workplace
  4. Generational Skill Mix
  5. Knowledge and Capability
Industry needs LAI….

- Maximizing our Performance/Efficiency
  - Help us to see the money through processes

Integrating the various ‘views’ needed to manage our business:

- Program
- Functional
- Value Stream

Help us see the MONEY!!!!!
Industry needs LAI....

- **Provide us with tools to execute the thoughts** – increase the level of “saturation”
  - Help us to implement. Make VSM/EE part of Program Management or Systems Engineering 101.
  - Make this a leadership MUST HAVE

**Value Stream Management ($$$)**

70% of the total cost to deliver on Product A

80% of the total labor cost to deliver Product B
Industry needs LAI….

- Help us to help customers, ourselves and the supply chain decipher the complexity and transform the industrial base enterprise
  - Keep facilitating Tools and Transformation Activities
Industry needs LAI....

- Maximizing our Performance/Efficiency
  - Help us to see the money through processes

- Provide us with tools to execute the thoughts – increase the level of “saturation”
  - Help us to implement. Make VSM/EE part of Program Management or Systems Engineering 101. Keep research on value added topics

- Help us to help customers, ourselves and the supply chain transform the industrial complex
  - Keep facilitating Tools and transformation activities

- Developing our Human Capital and working the gap of the brain drain on our customers and ourselves
  - Collaborate & Research Solutions in other Industries
  - Enterprise leadership tools and principles
Leadership to close the gap

Success through networked enterprises
- Expanding the lean boundaries
  - Suppliers
  - Customers
  - Partners
- Focus on Expanding Interface Efforts
  - Lean now started

Success through enterprise integration of all stakeholders
- Industry
- Government
- Suppliers
- Employees

Success through enterprise integration
- Lean applied to enabling processes
  - HR
  - IT, etc.

Successes through interaction between functions
- Functional lean successes
  - Manufacturing
  - Product Dev.
  - Supplier Network

Transition from waste minimization to value creation
- Successes through enterprise integration

EVOLUTION OF LEAN ENTERPRISE THINKING/TOOLS

ADOPTION OF LEAN ENTERPRISE THINKING/TOOLS

Products
- LEM
- TTL
- EVOLUTION OF LEAN ENTERPRISE THINKING
- ADOPTION OF LEAN ENTERPRISE THINKING/TOOLS

Knowledge Cycle Time
- (~6 mo)
- (~1 yr)
- (~2 yrs)
- (~3 yrs)
- (~4 yrs)

Phase I
- Products
- Knowledge Cycle Time
- (~6 mo)

Phase II
- Products
- Knowledge Cycle Time
- (~1 yr)

Phase III
- Products
- Knowledge Cycle Time
- (~2 yrs)

Phase IV
- Products
- Knowledge Cycle Time
- (~3 yrs)

Phase V
- Products
- Knowledge Cycle Time
- (~4 yrs)