

GENERAL DYNAMICS

Land Systems



Selected Lessons in Industrial Cooperation

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Industrial Cooperation Approach



- Target Companies Impacted by *Namer* Transition to US, Especially in NPA Regions and Key SMEs
- Cross-General Dynamics Engagement to Expand Business Opportunities for Israeli Companies
- Three Elements—Causality, Incrementality, Content
- Extend Outreach to Other Israeli Companies to Compensate for Competitiveness of Targeted Industries
- Engage Israeli Industry to Provide Market Access in US ...Could Lead to Significant Business
- Continue to Involve Israeli Industry in Future Programs
 - More Critical than ever to use **mc²**

Points of Entry to GDLS

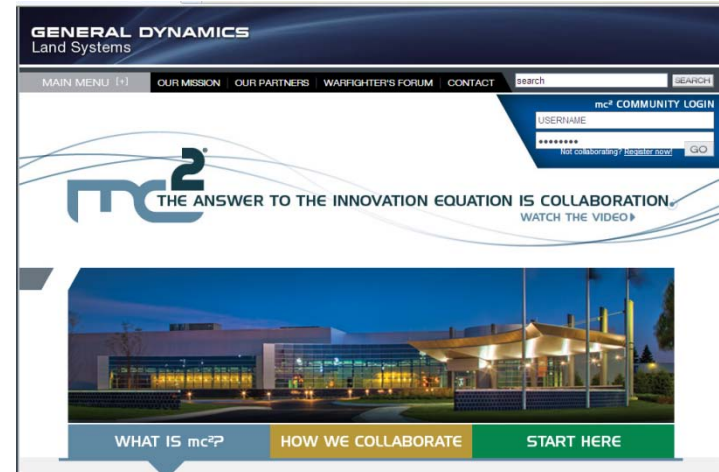


- **Supply Chain Management (SCM)**

- www.gdls.com/suppliersoverview
- Dedicated IC Coordinator
 - dannab@gdls.com

- **Maneuver Collaboration Center (mc²)**

- <http://www.gdls.com/mc2>
- Warfighter Needs
- Innovative Solutions



GDLS SCM Metrics for Israel



Registered Suppliers

- 5,000 Global Suppliers in 256 commodity areas
- 90 Israeli Suppliers in 154 commodity areas
- 3 New Israeli Suppliers since Jan 2013

Opportunities Presented to Israel

- RFQ's worth nearly \$200M provided to 54 Israeli Companies

Sub-Contracts / PO's Awarded

- Over \$22M in Awards from GDLS

Targeting National Preference Areas and SME's

- \$6.5M of all PO's to NPA companies (34% of approved IC)
- \$7.8M of all PO's to SME's (<100 emps) (41% of approved IC)

iSupplier is the Principal Point of Entry for Most Israeli Companies

Keys to Success with SCM



- Must gain a clear understanding of the following:
 - GDLS Terms & Conditions and required Quality clauses of the RFP/RFQ
 - Period of Performance of the program and any options to be priced, if any
 - TDP/Specifications to include qualification/FAT/Control Testing if required
 - The current state of the US Defense Industry and the supply base that you will be competing against
- Should demonstrate in writing that items 1 - 3 above are understood when submitting RFQ/RFI response
- Upon winning business – MUST PERFORM meeting all requirements

MTC² Metrics for Israel



Israeli Membership

- Active – 19 members
- Disabled – 63 members (disabled after 6 months of inactivity)
- 4 New Members since Jan 2013

Innovative Solutions

- 54 Total Submissions
- 1 with Program Support
 - JAB Vision
- 4 Recommended for Program Sponsorship
 - Electrical Components
 - Hydro-Mechanical Components
 - Mechanical Components
- 5 Submissions since Jan 2013

Address Needs Early in the DOD Acquisition Process

Keys to Success with



Maintain reasonable expectations:

- Currently a limited number of active development programs at GDLS – limited new technology procurement at this time
 - Future programs will require technology
 - **mc²** provides opportunity for early exposure and entry
- Technology Should Fill a User Need – Programs Limited to the Approved Requirements
 - Early exposure of your products may provide opportunity to shape future requirements
- Technology has to fit within the US DoD logistics system and Concept of Operations
- Must provide sufficient technical data to support performance claims
- **Unsolicited Innovative Solutions are welcome**

Areas of Interest in Responding

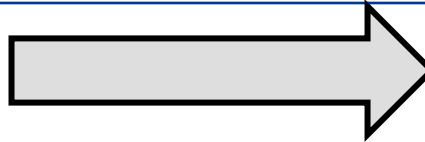


- Provide a meaningful offer (price) to the SPECIFIC request of the BTP/BTS RFQ/RFI – Provide best price first – BAFO opportunity unlikely
- Clearly describe any exceptions and/or alternative product pricing to the RFQ/RFI item, if any exist
- Clearly describe any exceptions to the Quality and Terms & Conditions of the RFQ/RFI, if any exist
- Make a clear statement of required lead-time and or confirmation that requested delivery date can or cannot be met
- If supplier decides not to submit a tender:
 - Please provide a reason - either on the RFQ/RFI, or at a minimum on a separate letter addressed to the buyer
 - This will help GDLS better target future opportunities

Winning is Not Enough... Performance is Key



Supplier Issues



Impact to GDLS

- Behind Schedule/Late Deliveries
- Non-Conforming/Non-Compliant Parts
- Faulty Internal Inspections
- Capacity Constraints
- Missed Test Requirements
- Critical Part Shortages
- Production Stoppage / Work-Arounds
- Significant Excess Internal Resources Being Used to Micro-Manage Activity
- Expedited Shipments
- Missed Deliveries to Our Customer

- Performing “as good” as existing supplier is not “good enough”
- You must prove—every day—that doing business is worth the risk
- Issues discovered at delivery are compounded by distance from source
- Confidence in you may erode

Performance Has Impacted Our Commitments to US Government

Keys to IC Success



Relevance

- Causality
- Incrementality
- Content

Keys to IC Success



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- Causality
- Incrementality
- Content

Competitiveness

- Price
- Schedule
- Quality

Keys to IC Success



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Competitiveness

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Performance, Performance, Performance



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