



# THE NAVAL AVIATION ENTERPRISE AIR PLAN



*...One Vision, One Team*

# 9

February 2010

*"The bridge between current readiness and future capabilities is called future readiness. Building that bridge takes analytical insight, due diligence and a discerning sense of prioritization. Our future depends on it."*

**- RADM Deke Philman, Director, Air Warfare Division**

## **Future Readiness Cross-Functional Team ... results that endure!**

**Future Readiness Cross-Functional Team (FR CFT):** Today's managers of Naval Aviation readiness often find themselves operating in environments dictated by yesterday's decisions – some made long before the systems achieved initial operating capability. Recognizing both the need to influence readiness issues early in the acquisition process as well as the compression of the Naval Aviation budget, NAE leadership stood up the FR CFT to foster collaboration, identify systemic issues, champion the solutions that reduce total cost of ownership (TOC), and improve overall sustainability of aviation platforms.

- In early September 2009, the FR CFT submitted its charter and way-ahead to the NAE senior leadership. A key NAE strategic objective states that "the NAE will engage stakeholders to effectively produce required levels of future readiness while optimizing costs." To achieve this objective, the team's efforts are centered on six Strategic Initiatives (SI) led by Senior Advisor Glenn Perryman and Director CAPT Richard Lorentzen, both from OPNAV N88.
  - SI 4.1: Aggregate, prioritize and elevate issues for fielded systems and sustainment infrastructure
  - SI 4.2: Champion Future Readiness issues
  - SI 4.3: Identify stakeholders and engage them in required culture changes
  - SI 4.4: Engage in the development level program gates and reviews to ensure readiness issues and Total Ownership Cost are championed
  - SI 4.5: Incorporate relevant sustainment objectives in requirements documentation
  - SI 4.6: Leverage Science and Technology for the benefit of Future Readiness
- The team is currently developing a process to identify readiness and cost degraders for fielded systems and sustainment infrastructure; establishing a business case methodology, model, and criteria for issue consideration; and defining NAE engagement actions in POM/PR cycles. Also underway are efforts to guide a cultural shift to ensure that "readiness issues" are considered on an equal basis with platform "system investments."
- The FR CFT is comprised of representatives from: Commander, Naval Air Forces; Headquarters, Marine Corps, Aviation; Naval Air Systems Command; Assistant Secretary of the Navy for Research, Development and Acquisition; Commander, Naval Air Forces Atlantic; Office of the Chief of Naval Operations: Air Warfare Division/Fleet Readiness Division; Naval Inventory Control Point; Office of Naval Research; and NAE Chief Technology Office.

## **Latest NAE Outstanding Performance Award Winners**

December 2009: AMEC (AW) Richard Hannaman, USN, NAVAIR, Maintenance & Supply Chain Management sub-team

January 2010: CAPT James Nichols, USN, CNAL, Current Readiness CFT

February 2010: LtCol Tony Barnes, USMC, VMGR-352, KC-130 TMS Team

### **Key Messages**

- The NAE recognizes the need to balance investments between capabilities of the future and the sustainment infrastructure required to support it.
- The NAE leadership, in issuing guidance and actively engaging through the development lifecycle, can ensure that new development programs begin with realistic and comprehensive considerations for future readiness and Total Ownership Costs.
- Engagement with the Science and Technology community is key to long term improvement of both Future Readiness and TOC.

### **Facts and Figures**

- Since 1997, Naval Aviation operating and support (O&S) costs have risen at an average rate of \$270M per year while the aircraft inventory has fallen by 10% between 1997 and 2008.
- Analyses show the majority of TOC is expended during the sustainment phase, but as much as 90% of O&S costs are determined before a weapon system enters production.
- Despite the deliveries of new aircraft such as the MV-22, F/A-18E/F and JSF, legacy aircraft will still account for about 33% of the total USN aircraft inventory through FY2020. These legacy aircraft will be on average 25 years old.