DPAS Directive Experience in the Commercial Environment

Dean Johnson Honeywell Sensor and Guidance Products

> " timely availability of materials, facilities, and services ... by requiring preferential contract performance"

Agenda

Background

DPAS in the commercial environment

Kosovo directive

Lessons learned

JDAM Team and Honeywell

Provided enabling JDAM guidance technology

- Autonomous inertial guidance accuracy
- Low price
- Used on revolutionary precision-guided munitions
 - JDAM (Boeing), WCMD, AGM130, GBU15
- Commercial product
 - Honeywell design control
 - Industrial parts qualified to military environment
 - Delivered to Honeywell spec with warranty
 - Honeywell factory and capital equipment
 - Lean manufacturing environment

HG1700 Inertial Measurement Unit (IMU)

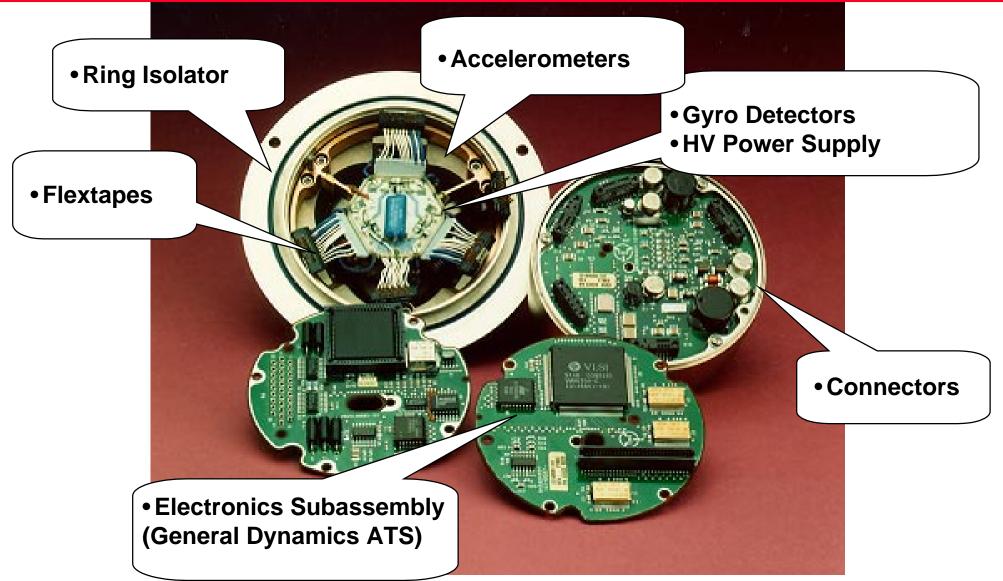




Three axis inertial system

- Changes in orientation
- Changes in velocity
- Honeywell sensors
 - 3 ring laser gyroscopes (RLG)
 - 3 quartz accelerometers
- Shock isolator
- 3 electronics boards
- Software

HG1700 IMU Key Suppliers



DPAS in Commercial Business Processes

RFP or change order response

- Master production scheduler
 - Order rating data
 - Rated order schedules
 - Schedule authority
- Schedule request must convey rating
- Schedule response
 - Review rated orders and schedules
 - Displace lower priority rated/unrated orders if necessary
 - Propose schedule IAW DPAS requirements

DPAS in Commercial Business Processes

Order acceptance

- Master scheduler verifies schedule still valid
- Rating and delivery schedule entered into production system
 - Rated supplier orders placed
 - Prioritized order scheduled for production
- Other impacted order schedules revised as required
- Other customers notified of rated order driven changes

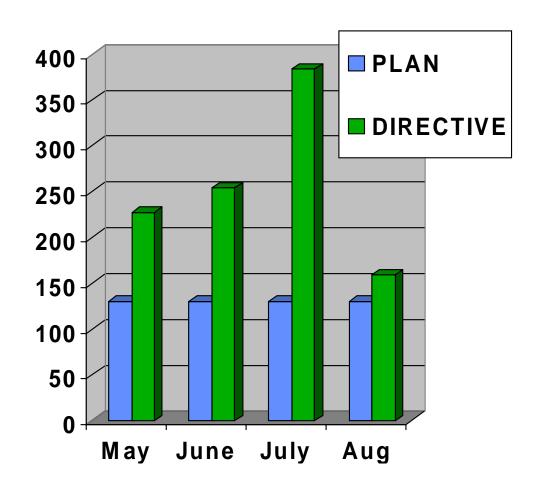
DPAS in Commercial Business Processes

Schedule delinquencies

- Master scheduler revises schedules
- Contract management sends DPAS compliant notices
- Root cause/corrective action
- **Compliance is a management function**
- Training
- Customer and supplier relations
 - Education for industrial customers and suppliers
 - Progress reports to customers with displaced orders

The Kosovo Directive Need

- Boeing ordered to deliver 1320 JDAMS NLT 8/14/99
- Boeing requested DPAS assistance for Honeywell
- Significant ramp-up
 - 130/month to 350/month
 - Record-setting rate
 - Completed on time
- Honeywell designated focal point contact
- Briefed request to IMU team and management



Kosovo Directive - Path to Commitment

Honeywell surveyed suppliers

- Requested DPAS assistance for General Dynamics PWBs
- DPAS manager surveyed all major IMU suppliers
 - GD requested DPAS assistance with 14 vendors
- □ All 14 GD vendors surveyed by DPAS manager
 - Main issues were technical problems (2 designs)
 - Distributors had not passed priority rating to producers
- GD vendor commitment and capability established
 - Directive issued to GD with schedule for PWBs
- Honeywell committed to Boeing requirements
 - DPAS manager issued directive and schedule to Honeywell

Kosovo Directive - Execution

- Focused all resources on directive delivery
 - Material, manpower, facility, management
- Notified displaced customers
- Daily progress reviews and corrective actions
- Factory schedule: 7days X 8 hours X 3 shifts
- Displaced all but vital maintenance shutdowns
- **Daily status rundown with DPAS**
- Priority coordination with DPAS and OSD
- Diligent DPAS follow-up and troubleshooting

Lessons Learned

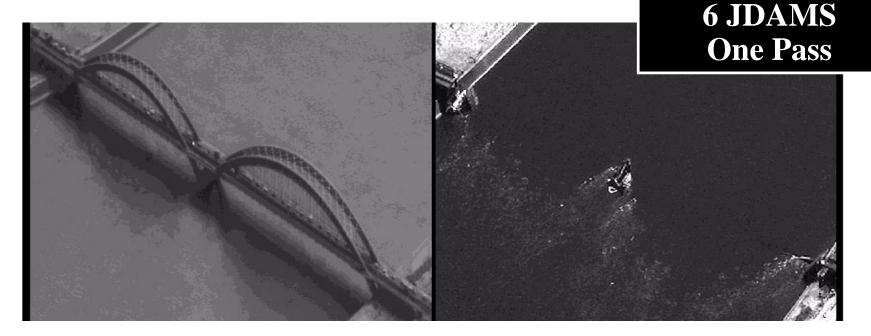
Contingency plan for extraordinary priority need

- Management and process
- Short term "burst of output" capacity
- Suppliers
 - Understand their capability
 - Backup off-shore suppliers with on-shore suppliers
- Lean manufacturing limits sustained response
- Commercial factory capacity set by economics
- Realistic recovery plan
 - Suppliers have displaced customers too!

Communicate early and often

JDAM Team and Honeywell Delivered!

- 98% Reliability
- 89% Targets within CEP Destroyed
- O% Collateral Damage



Our customers say it best: "When it absolutely, positively, has to be destroyed overnight..."

Honeywell Sensor and Guidance Products

One B2

JDAM Teamwork Success: DPAS and industry working together in the commercial environment!

" timely availability of materials, facilities, services to support the armed services during both peacetime and contingencies by requiring preferential contract performance"