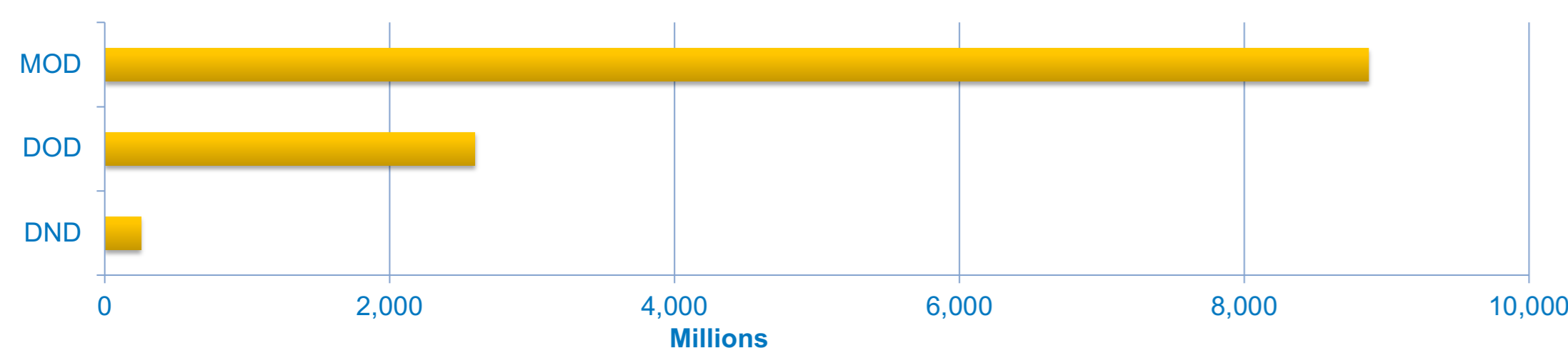


Excess Inventory in Aerospace & Defense

Motivation / Background

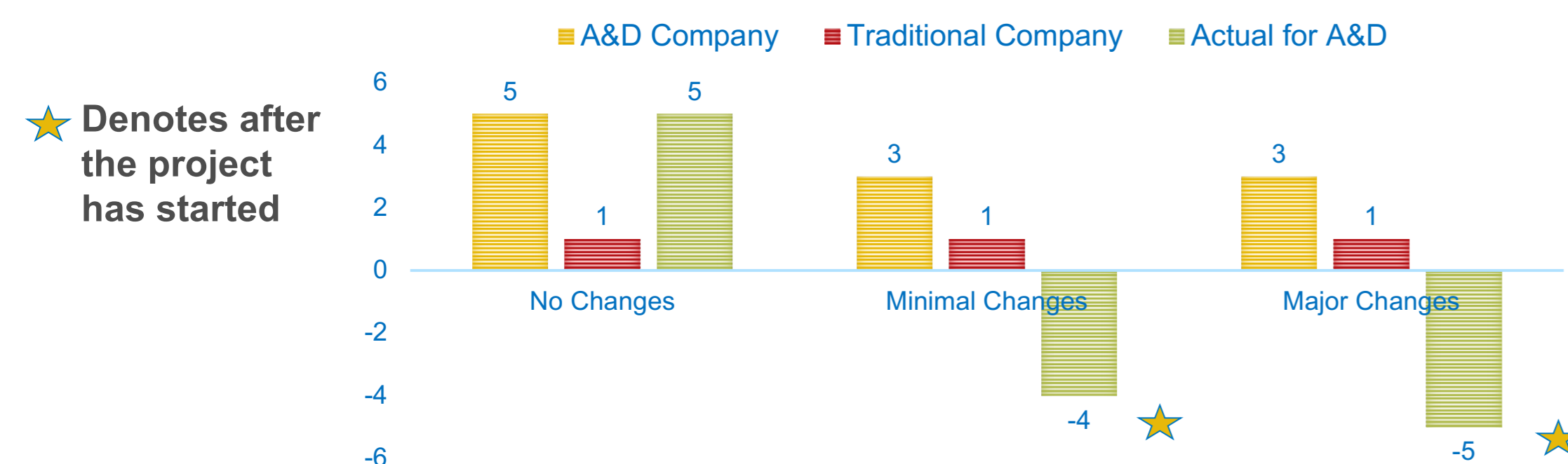
Copious amounts of excess inventory in Defense

VALUE OF EXCESS INVENTORY



Likely due to late design changes and complex inventory

NUMBER OF EXPECTED MONTHS NOTICE TO DESIGN CHANGES



Key Question / Hypothesis

Will a revised supply chain with increased visibility, the ability to scale efficiencies, and cataloging help decrease the excess inventory A&D firms and Global Government Defense Departments been experiencing?

Relevant Literature

- GAO: Report to the Subcommittee on Readiness, Committee on Armed Services, House of Representatives on Defense Inventory, April 2015
- National Audit Office: Report to the Ministry of Defence, "Managing Defence Inventory" April 2012
- Department of National Defence: Report to House of Commons "Defence Renewal Overview" FY 2016/2017



The Problem

- No formal inventory management procedure
- Lack of inventory reconciliation for COTS items
- Classified and complex inventory add difficulties to scaling and part ordering

Methodology



Expected Results

- Reduction Strategy
- Create joint inventory lists between projects
- Part clustering to align order types
- Locked down planning horizon

Reduction Strategy
Review current equipment and sell, or destroy any parts that cannot be reworked

Share Inventory Lists
Projects can find part commonality through clustering

Set Frozen Period
No design changes after a set frozen period unless deemed mission critical

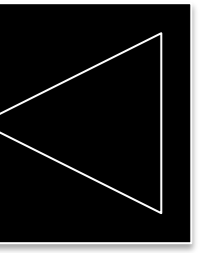
Expected Contribution

- A procurement strategy that:
- Reduces excess inventory through a fixed timeline;
 - Has cross project inventory lists to manage parts;
 - A reduction strategy for obsolete parts and equipment, to reduce warehouse space;

This will reduce cost, waste, and free up capital



Hyperlink Test



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- Possible Next Page/Expansion