

Navistar Defense – Armored Military Vehicles



Fortune 200 Corporation
Founded in 1902 as International Harvester
Operations in 90 Countries Worldwide



20,800 Employees

Headquarters

Lisle, Illinois

Annual Income

\$13.9 Billion



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Relationship “Reshoring” Category

- ✓ **Reshoring Work & Jobs** – Bringing work & jobs back to US from other countries
- ✓ **Retaining Work & Jobs** – Analyzing costs and/or developing processes and facilities to justify keeping work & jobs in the U.S.
- ✓ **Growing Work & Jobs** – Becoming more efficient & competitive in cost/quality/etc. to facilitate growth & keep products from being **offshored** to other countries.

‘Mechanisms Utilized’:

Comparative Analysis:

- ✓ **Formal Cost Analysis**
- ✓ **Strategic Reasons** (Responsiveness to Customers, Intellectual Property).

‘Best Practices’:

- ✓ **Plant Master Planning** (*Layout, Flow, Facilitation, etc.*)
- ✓ **Process Modeling & Simulation** (MSU CAVSE)
- ✓ **Lean Implementation/Training** (*Flow, Waste Elimination,)*
- ✓ **Quality Improvements** (*Six Sigma, Statistical Process Control*)
- ✓ **Supplier Development** (*Moving Work & Jobs to U.S. Suppliers*)

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Global Operations



Reshoring Drivers

- ❖ **Navistar Defense Customer Base**
 - US Military Commands
 - NATO Allies
- ❖ **ITAR (International Traffic in Arms Regulation)**
 - US Government regulations controlling sale of arms
 - Security
 - Control of technology
- ❖ **Quality Control**
- ❖ **Rapid Response to Urgent Military Orders**

Reshoring Strategy

- ❖ **Maximize Use of Local Labor Force**
 - Emphasis on training, safety, quality
 - Utilize available educational facilities (MSU, EMCC, etc.)
- ❖ **Drive Maximum Value Into Local Communities**
 - Maximum utilization of local small businesses
 - Raw materials purchasing
 - Plan for growth
- ❖ **Utilize Local Resources for Technology Advancement**
 - Facility planning and manufacturing process simulation
 - New product development

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Business Results

- ❖ **Awarded Major Military Defense Contracts**
 - Primary supplier of MRAP armored vehicles to USG
 - Grew military armored vehicle business to NATO allies
- ❖ **Secure Reputation for “On Time – On Budget” delivery of products**
 - Competitive advantages realized
 - MRAP Recovery Vehicle Program (2011) termed: “From contract to delivery, fastest deployment of a military vehicle system since World War II.”
- ❖ **Provides Stability for both Navistar Defense & Local Economies**
 - Jobs, support of local infrastructure, community growth
 - Long-term growth opportunities for Navistar Defense

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