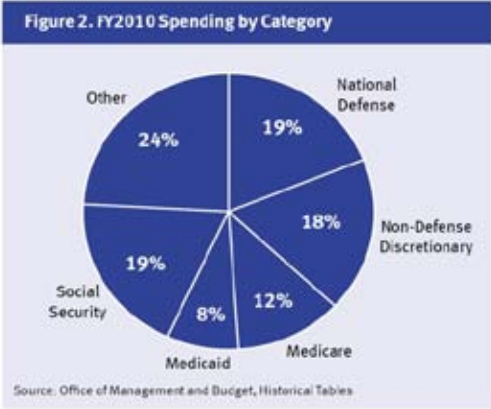
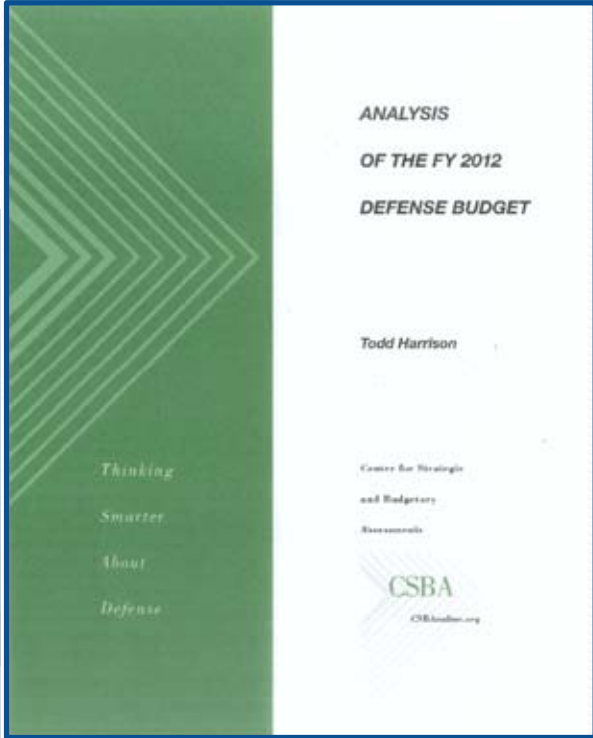
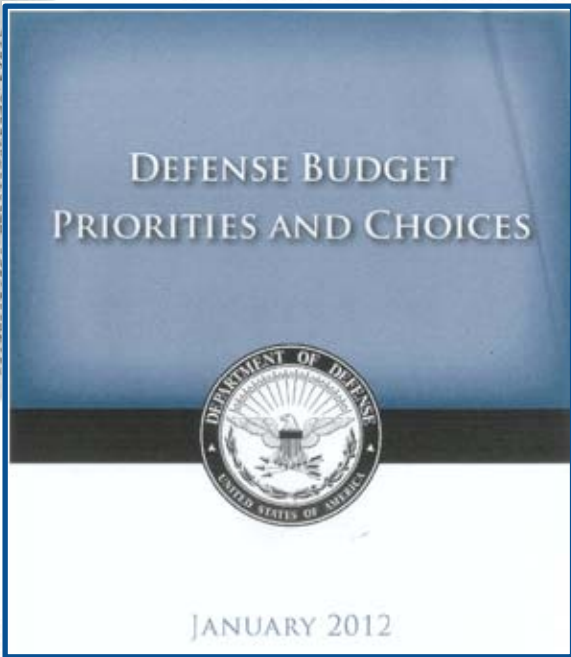


How Will the Defense Budget Cuts Effect the Future of the Military Industry & the Security of our Nation?



Kelly Schlegel
Technolink May 2012

The Current Environment

Defense Spending



\$259B cuts over next 5 years
and \$487B cuts over next 10
yrs

Defense Focus



Decreased ground troops



Decreased high profile weapons
programs



Increased Special Operations
Forces & Emphasis on capability

World Situation



Increased violent extremism



Increased instability in Africa,
Latin America, Asia & Middle
East



Global economy downturn,
Global competition for talent

Industry Impacts



Decreased new starts & loss of
industrial base



Loss of expertise & ability to
attract talent



Increased need for innovation
& talent

“...a joint force for the future that will be smaller and leaner but will be agile, flexible and ready, and technologically advanced.” – DoD Secretary of Defense Panetta

Jack Welch
Former CEO of GE

“Any company trying to compete...Must figure out a way to engage the mind of every employee.”

Abraham Lincoln

“The occasion is piled high with difficulty and we must rise high with the occasion.”

Industry Response Examples

- Decrease overhead rates and labor rates for affordability
- Private sector investment in transformational technology
- Present prototypes with needed capability to customer
- Invest in projects that merge defense and security
- Invest in tools for special operation forces
- Help shape government CONOPS
- Partner with schools to develop and attract talent



“...a joint force for the future that will be smaller and leaner but will be agile, flexible and ready, and technologically advanced.” – DoD Secretary of Defense Panetta