

'Lives Were at Stake' So GDLS Worked to Solve Problems

by Jim Stickford

Creating an environment that is creative, collaborative and nurturing while maintaining strict military security is no easy task.

But that's what General Dynamics has done with its Maneuver Collaboration Center (known as MC²).

The company's MC² building off of Mound Road in Sterling Heights is a new kind of defense facility. Sonya Sepahban, senior vice president of Engineering Development and Technology for General Dynamics Land Systems (GDLS), said MC² has one main goal.

"We're setting out to change the way we do business," Sepahban said. "We are driven by the need for agility. We saw more and more things in the different theaters of war where the enemy came up with measures that could hurt our troops."

It was part of GDLS' job to develop new counter-measures and they had to do it fast.

"After all, lives were at stake," Sepahban said.

But when developing military systems, or making adjustments to current systems, there are a lot of checks and balances and gates that military contractors must go through, Sepahban said.

"That's only proper because we make complex systems where people die if we get things wrong. The idea behind MC² is not to go around the gates, but rather to get from gate to gate quickly without taking any of the needed rigor out of the selection process."

So the facility was created. It runs more like Google's campus than a defense facility. It's mission is to create a collaborative environment to foster innovative solutions and enable rapid transition of mature technologies into vehicles and programs to address

armed forces' needs," Sepahban said.

So engineers and others from GDLS now can come together and break a problem apart at the facility. They can try to come up with solutions by working together.

Rock Marcone was appointed the director of the GDLS MC² in June of 2012. A retired lieutenant colonel in the Army, he brought with him 26 years of military experience with him when he joined GDLS.

He said that the facility's mission is of special importance to people like him. He estimates that about a quarter of the people who work for GDLS are former military.

In addition to providing an environment where GDLS engineers can get together and work on the a problem, MC² also is where anybody with a good idea can get that idea tested, Marcone said. They've created a website that lists specifications to problems they are trying to solve.

People can log onto the site, check out the specs and email



General Dynamics Land Systems' MC² facility, located in Sterling Heights, fosters solutions to address armed forces' needs.

their solutions to the problem, Marcone said. And an engineer will get back to that emailer within a reasonable amount of time.

If the solution works after the engineers at MC² assess it, then that person or company can have the solution sold.

He cited a company in Laurel, Miss., that had a better idea for a fire suppression system. They emailed MC², and GDLS was able to sell the system to the military within a couple of weeks of the facility's positive assessment of the fire suppression system.

Both Marcone and Sepahban credit the former president of GDLS for coming up with the idea for MC².

"His name is Mark Roualet," Sepahban said. "He's been promoted to the position of executive vice president of General Dynamic's Combat Systems Group. This is his brainchild. He made this place happen."

The facility opened its doors in October of 2010. And it's been a success, Sepahban said. Engineers have been able to make certain processes four to six times faster.



Sonya Sepahban

Marcone said that the facility is fairly well-known among people in the defense industry, but GDLS executives want to work with people outside the industry, like auto suppliers.

"I urge anyone interested in the defense business to check out our website," Marcone said. "Its address is www.gdls.com/mc2. We want to collaborate. There's no charge and this is a great way to innovate. What other way can a small company get its product before engineers of a major defense prime?"

Ford Starts 2013 with 15th Straight Profitable Quarter

The first quarter of 2013 was a strong one for Ford, as the automaker enjoyed its highest North America profit in more than a decade.

Ford's pre-tax profit of \$2.1 billion, or 41 cents per share, was a decrease of \$147 million from a year ago, but it registered the 15th consecutive quarter of profitability.

The result was a net income of \$1.6 billion, or 40 cents per share, an increase of \$215 million compared with a year ago.

Automotive operations brought in \$700 million more in cash than went out during the quarter, the 12th consecutive quarter of positive cash flow – with strong liquidity of \$34.5 billion, unchanged

from year-end 2012.

The financial report issued on April 24 stated that Ford expects another strong year in 2013, with total company pre-tax profit about equal to 2012, operating margin about equal to or lower than 2012, and automotive operating-related cash flow higher than 2012.

Wholesale volume and total company revenue each grew about 10 percent compared with a year ago, including market share gains in North America, as well as Asia Pacific and Africa.

North America pre-tax profit was a record \$2.4 billion – the highest quarterly profit since at least 2000, when the automaker began reflecting the region as a

separate business unit – with an operating margin of 11 percent. The increase was due to favorable market factors, offset partially by higher costs that reflect the company's investment in new products and growth, as well as higher pension and OPEB expense.

Ford also reported a small pre-tax profit for Asia Pacific and Africa, and losses in Europe and South America.

Ford Credit continued its solid performance with a first quarter pre-tax profit of \$507 million.

Ford North America experienced strong growth in the first

quarter, with wholesale volume up 17 percent from the same period a year ago, and revenue improving 20 percent.

These same factors drove Ford North America's operating margin of 11 percent – the fourth quarter out of the last five that the region produced double-digit operating margins.

For the full year of 2013, Ford's projection for North America remains unchanged – the company expects strong performance to continue, with pre-tax profit expected to be higher than 2012 and operating margin of about 10 percent.

Mark Fields Takes Torch as United Way Chairman

Mark Fields, Ford's Chief Operating Officer, has been named the 2013-14 campaign chair for United Way for Southeastern Michigan.

Outgoing United Way Chair and Chrysler Chairman and CEO Sergio Marchionne passed the torch to Fields. Fields' role as 2013-14 campaign chair is expected to build on the long-term partnership between Ford and United Way.

"Our One Ford team is dedicated to doing our part to build a better world, and that starts with the metro Detroit community where our company was founded," Fields said. "We look forward to supporting United Way's efforts by raising funds to support education, boost financial self-sufficiency and reduce hunger for those in need."

According to Ford sources, the company has contributed more to the United Way for Southeastern Michigan than any other corporation since the organization was founded in 1949.

Ford has been a major presence in the metro Detroit community since its founding more than 100 years ago. And the Ford philanthropic arm, the Ford Fund, has also made significant contributions since it was founded 64 years ago.

The Dearborn-based automaker has invested hundreds of millions of dollars in support of non-profit organizations, and for programs supporting education, community development, arts and culture, up to \$60 million in the past five years alone.

United Way for Southeastern Michigan President and CEO Michael Brennan thanked Ford



Mark Fields

for its generosity.

"We are now looking ahead to the coming year and thank incoming Campaign Chair Mark Fields for agreeing to carry the torch forward with a visionary approach to meeting our next annual goal," Brennan said. "We are grateful for his enthusiasm for and dedication to United Way's mission."

China Business Expo Planned

The Automotive Industry Action Group and the Michigan Economic Development Corporation (MEDC) formed a partnership to provide incentives for Michigan's small- and medium-sized automotive companies interested in launching or expanding exports to China.

"AIAG is committed to help accelerate growth in the lower-tier automotive supply base in terms of both capacity and capability," said J. Scot Sharland, executive director of AIAG.

The seventh annual AIAG Auto Parts Purchasing Leadership and Suppliers Forum, supported by the Chinese Ministry of Commerce and the U.S. Department of Commerce, takes place on Sept. 14 at the Radisson Blu Hotel in Beijing.

More information on the event is available at www.AIAG.org and www.michiganadvantage.org.

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