

*U.S. Logistics refurbishes military vehicles returning from Iraq and Afghanistan.*



U.S. LOGISTICS

# The Nuts and Bolts of Logistics

*Refurbishing dusty, war-weary vehicles, planes and equipment is good business for companies like U.S. Logistics.*

**O**n Aug. 19, 2010, nine time zones and a world away from U.S. Logistics Inc. headquarters in Fayetteville, the end of American combat operations in Iraq meant more business opportunities in North Carolina. Thousands of Army and Marine Corps vehicles would soon return to the United States — along with the dust, dirt and damage accumulated during Operation Iraqi Freedom.

These vehicles enter the military logistics system for shipment to a maintenance and repair facility in the states, where they are readied for the next deployment and returned to their military units. Transporting and repairing vehicles and aircraft coming home from Iraq and Afghanistan is worth millions to North Carolina companies, says Bill Greuling, business development manager for the N.C. Military Business Center.

Military logistics is challenging and demanding work, especially for a Department of Defense contractor providing direct field support for combat operations. “Because lives are at stake, this is a high-wire act with no room for failure,” Greuling says. Financing also can be a major issue: Contractors aren’t paid until after the work is completed, but they must buy parts when they win the contract.

If anyone understands those challenges, it’s retired Army Maj. Gen. Chuck Swannack, a Winston-Salem native and president and CEO of U.S. Logistics, since 2009 a wholly owned subsidiary of Ranger International Services Group Inc. in Greenville, S.C. Most North Carolinians probably know him best as former commander of the 82nd Airborne Division at Fort Bragg and deputy commander of the 18th Airborne Corps.

U.S. Logistics' primary work is maintaining, modifying and resetting wheeled and tracked vehicles. It also washes and controls corrosion for Air Force and Army aircraft. Additional services include technical staffing, base logistics, warehouse support, inventory control, program and project management and administrative and human-resources management services, primarily at military facilities.

U.S. Logistics was founded in 2001 to provide outsourced technical staffing at Fort Bragg, then broke its maintenance teeth on medium tactical vehicles. Work continues today on Army and Marine vehicles as diverse as the Bradley Fighting Vehicle, Humvees, tanks and mine-resistant ambush-protected vehicles, known as MRAPs. There's big money at stake: One of the company's current Marine Corps' vehicle-maintenance contracts is worth up to \$100 million. The company employs more than 200, including air-conditioning mechanics, mobile-equipment metal mechanics, welders, electronic technicians and line supervisors under the contract.

Company revenue has grown 12% over the last two years; the number of employees increased from 444 at the end of 2009 to 538 at the end of last year. Today, U.S. Logistics has 600 employees in eight countries and 38 states, including 200 in war zones. Finding skilled employees willing to live and work overseas is not an unusual business challenge; throw in the risk of bombs and bullets and you have an entirely different problem to overcome. The company has three recruiters who spent decades in the military and target retired military members for their workforce.

The competition for lucrative military logistics contracts continues to grow. "I don't lose sleep over the coming decline in the military budget because this means the Army and Marines will need to spend more dollars to maintain their current equipment as fewer vehicles will be procured," Swannack says. "But this anticipation of more maintenance and repair work will lead to more competition, and we are already seeing new companies enter our markets very aggressively." The company will have to "balance the need for competitive pricing against holding the line on profit margins that are already thin," he adds. ★

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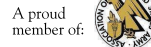
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