

Defense Electronics

Army Force Structure Transformation – Unveiling the U.S. Army of tomorrow

Industry Overview

Army force structure evolution details announced

The U.S. Army published their force transformation plans which outlines how the branch will adapt to meet the needs of tomorrow. Fundamentally the Army is shifting its focus and structure away from counterinsurgency and counterterrorism operations which dictated the design after 9/11. The new structure is expected to evolve the branch to enable large scale combat operations against advanced military power. Key to the re-imagined Army will likely be investments in advanced technologies, autonomous systems, multi-domain effects, cyber, and counter-unmanned/manned defense systems.

30 new programs and upgraded systems in the works

Investing in new platforms and modernizing the Army's existing system portfolio is critical for the Army to maintain an advantage on the future battlefield. As such, 30 new or upgraded systems are being added across six essential modernization portfolios. The first priority is completing the build out of the Army's five Multi-Domain Tasks Forces (MDTFs). These MDTFs are designed to increase the depth and scale of ISR capabilities, deliver long-range fire power, as well as non-kinetic space and cyber effects. The MDTFs are designed at the theater-level ready to act in the Pacific, Europe-Africa, and U.S. Central Command. We see the significant investments in enhancing intelligence and cyber capabilities as an opportunity for the defense services in our coverage – PLTR, CACI, BAH, and LDOS.

New capabilities being added for air defense

The Army is also making significant investments in the force structure supporting integrated air and missile defense. The new additions include: Four additional IFPC battalions, nine counter-UAS batteries, and four additional M-SHORAD battalions. The added capabilities will ensure the Army is better equipped to defend against UAS threats, cruise missiles, artillery, mortars, as well as aircraft. The significant investment in air defense systems will likely benefit LMT, RTX, NOC, DRS, and GD all of which have significant air defense, missiles, and munitions exposure.

New design cutting open positions, not troops

The new design would bring down "authorized" troop levels to approximately 470,000 (from 494,000) by FY2029. The reduction in authorized positions does not mean there will be cuts to the existing 445,00 active-duty Army personnel. The reduction targeting ~32,000 authorizations phases out available spaces which are no longer mission critical, while transitioning some positions to new focus areas of the service.

Refreshed view on recruitment

The Army will also be reshaping its recruitment workforce and practices to better address the persistent challenges of attracting new personnel. Specifically, the Army is aiming to recruit one third of its personnel from citizen with a college degree or some college experience. Additionally, the recruitment process is being designed more fluidly to allow for quick changes in processes, experimentation, and the ability scale efforts up or down to remain competitive with a dynamic labor market.

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PLTR: Palantir

CACI: CACI International

BAH: Booz Allen Hamilton

LDOS: Leidos Holdings

LMT: Lockheed Martin

NOC: Northrop Grumman

DRS: Leonardo DRS

GD: General Dynamics

UAS: Unmanned Ariel Systems

IFPC: Indirect Fire Protection Capability

M-SHORAD: Maneuver Short Range Air
Defense

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