

# Air Force Materiel Command

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*War-Winning Capabilities ... On Time, On Cost*



**U.S. AIR FORCE**

## **Air Force Purchasing and Supply Chain Management**

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AFMC**

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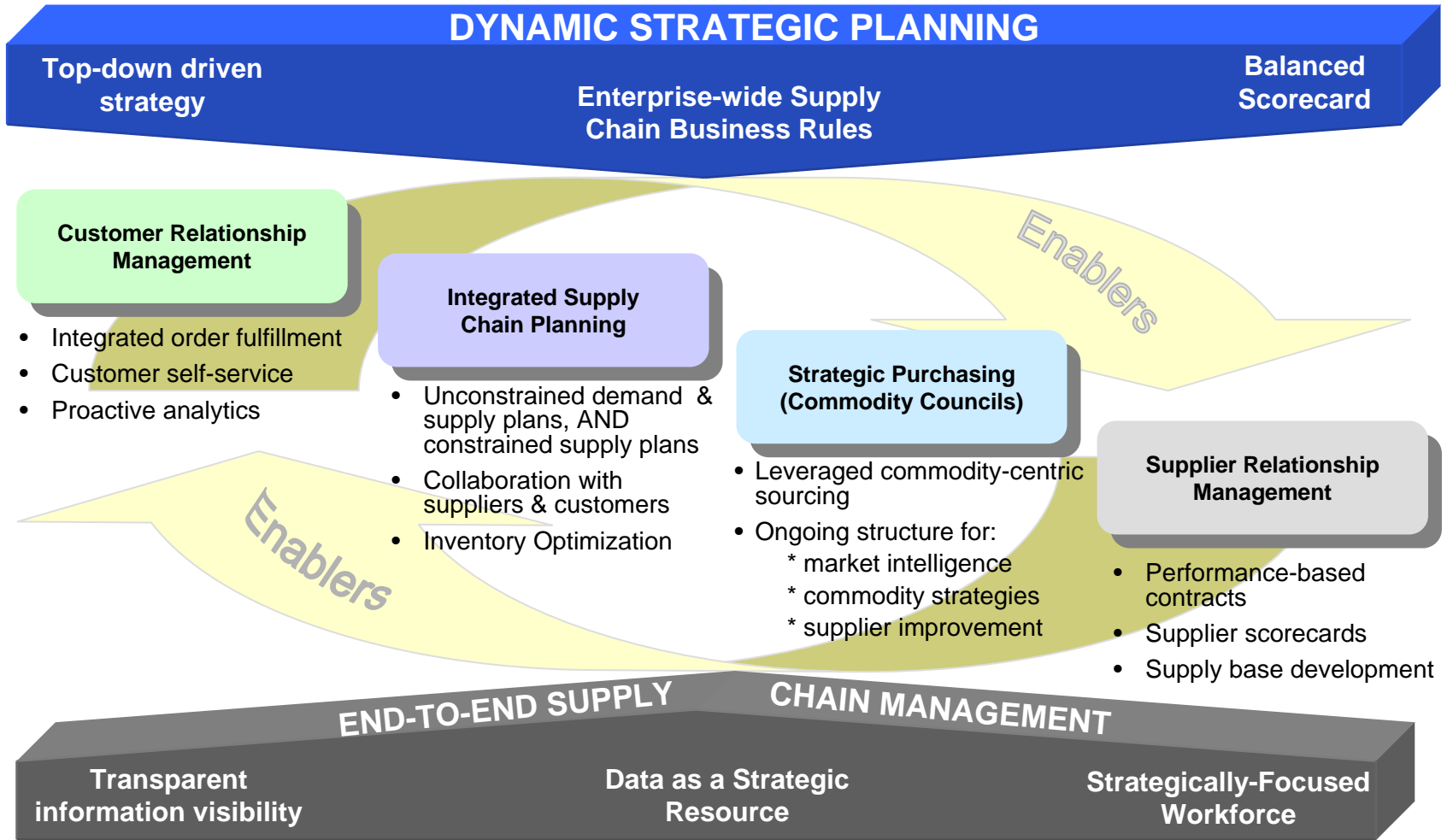
*Integrity - Service - Excellence*



**AFMC**

# Initiative No. 3 – Purchasing & Supply Chain Management

Major Air Force initiative to improve and integrate AFMC's purchasing and supply processes



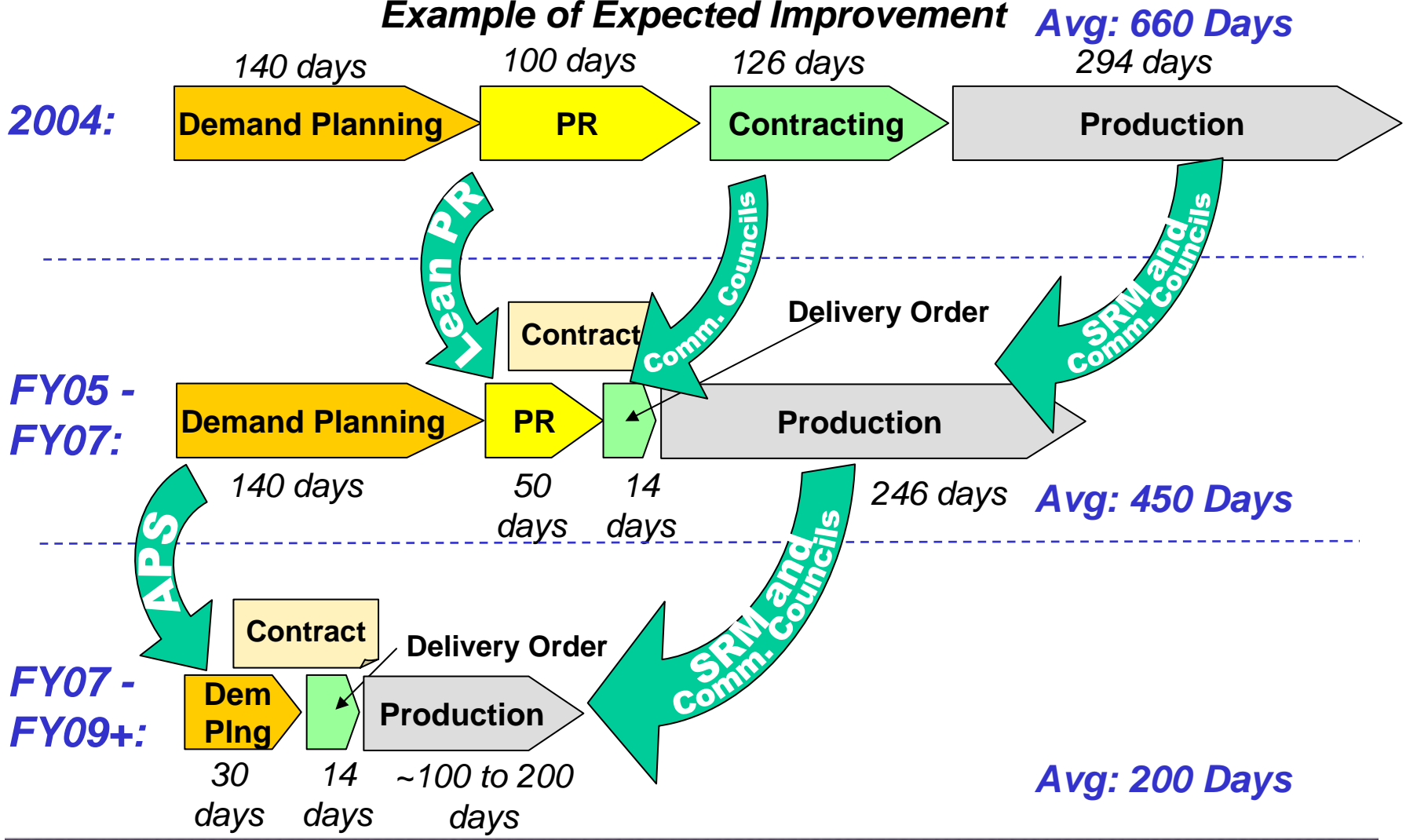


# One goal of PSCM is a large reduction in Sourcing Cycle Time



AFMC

## Example of Expected Improvement





# Commodity Councils (CC)



- **Cross-functional groups, charged with developing enterprise-wide purchasing strategies and establishing centralized contracts for selected commodity groups. Responsible for:**
  - **Developing and executing AFMC-wide commodity sourcing strategy**
  - **Monitoring supplier performance**
  - **Conducting commodity market research**
  - **Developing suppliers**

## Future State

- AFMC-wide, Commodity-centric sourcing
- Enterprise-level governance
- Strategic, not tactical sourcing
- Cross-functional
- CC goals linked to AF goals: increase material support, reduce cycle time and cost
- Goals to be achieved by executing enterprise wide procurement strategies, leveraging purchase volume

## Accomplishments

- Launched 8 Commodity Councils
- Developed Commodity Management Plans for 20% of our sustainment spend and 30% of our active sustainment NSNs – leading to 85% reduction in cycle time
- To date we have signed 3 contracts and added 30+ high volume NSNs on strategic contracts



# Integrated Supply Chain Planning



- Unconstrained demand and supply plans, and constrained supply plans
- **Data treated as strategic resource**
- Monthly demand and supply collaboration with key suppliers
- Exception-based reviews and analysis
- Limited use of PRs (spot buys only)
- **Approvals delegated to knowledge level**
- On-line tech data with enterprise-wide visibility and access

## Future State

- Suppliers and customers will both see unconstrained demand plan and will collaborate
- ERP migration toward one supply system
- Relentless pursuit of data integrity
- Reduced end-to-end cycle time
- More accurate forecasts, improved supply availability
- Reduced product costs – better coordination

## Accomplishments

- Workload Deferrals
- Interim Demand & Supply planning improvements
- SSRB Improvements