DoD Supply Chain Challenges
Moving Towards A More Integrated Environment

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DoD Exhibits Some Distinct Supply Chain Challenges ….

**Number & Diversity of…**
- Weapons Systems
- Supply Chains
- Procurement Actions

**Equipment Age & Complexity**
- Weapons Systems in the inventory for years
- Obsolescence & supplier issues
- Mission uses change over time
- Tech Data Access
- Repair as a significant supply source

**Information Flow…**
- Magnitude of supply chain “signals”
- Number of systems processing supply chain information
- User locations, functions are dynamic

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Number of Supply Chains To Integrate

DoD keeps things A long time

Information Integration – Colossal Task
This makes Supply Chain Synchronization Difficult ....

**Integration of Processes**

(Manufacturing, Finance, Transportation, etc)

**Visibility**

(Resources, Materiel, Information, Supplier Data, User Needs)

**Alliances and Collaborative Networks**

(Strategic Sourcing, Joint Requirements, Defining The Alliance Network)

Integration, Visibility and Collaboration are Crucial Components To Effective Management
So, how are the DoD elements addressing these issues....?

Putting the Foundational elements in place

<table>
<thead>
<tr>
<th>Integration Of Processes</th>
<th>USAF</th>
<th>USA</th>
<th>USMC</th>
<th>USN</th>
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BRAC SS&D implementation cuts across all agencies – Focus of these initiatives consistent with J4 Logistics Visibility definition “… access to logistics processes, resources, & requirements to provide the knowledge necessary to make effective decisions.”
Different Elements have different Roles in Supply Chain Management…

<table>
<thead>
<tr>
<th>Original Equipment Manufacturers (OEMs)</th>
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<tbody>
<tr>
<td>• Product Sourcing</td>
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<td>• Collaboration</td>
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<td>• Technical Data/Information</td>
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<tr>
<th>Suppliers</th>
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<tbody>
<tr>
<td>• Product Sourcing</td>
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<td>• Materiel Supply</td>
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<th>Users/Maintainers</th>
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<tr>
<td>• Demand Signals</td>
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<td>• User Feedback</td>
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<td>• Key information/data to suppliers</td>
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<th>Consultants</th>
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<tr>
<td>• Expertise to assist in process improvement and analysis</td>
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<tr>
<td>• Alignment, Change Management</td>
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<td>• Thought Leadership</td>
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<tr>
<td>• Best Practices</td>
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Analysis, Change Mgt, Holistic View
USA: Assisted Army in Defining & Clarifying Roles & Responsibilities associated with Army Materiel Command assuming process ownership for RESET

- Policy Guidance
- Resource(s)
  - Programming & Execution Monitoring
  - Allocation & Prioritization
  - Requirements Validation & Prioritization

- Advocate for Command
- Current and Future Operations Vision
- Enterprise Planning & Corporate Information Repository

- AMC’s Face to the Customer
- Global “Reach Back” to AMC –Direct Customer Feedback
- Logistics Synchronizer for ARFORGEN
- Tactical CONUS Materiel Management
- Integrates APS, AFSBs, LSEs, BLSTs, LBE, TE Sets, Contingency Contracting & LOGCAP.

Life Cycle Management

- National Supply Chain Management/Support
- Weapon System Fielding, Technical Support & Quality Assurance
- Maintenance Workloading & Standards of Repair at Depots; Installation DOLs; FLRCs; NG Sites; & Contract Maint.
AMC LOGFORGEN Supports ARFORGEN

Resetting the Force

- Reset
- Reconstitute APS
- Reestablish Ammo War Reserves
- Repair IAW TMs (10/20)

Sustaining the Force

- Available 3
- Left Behind Equipment (LBE)
- Contractor Logistics Support
- Technology Insertion
- Joint Logistics Integration
- Distribution Management
- Training Equipment

Logistics Synchronizer and Integrator for ARFORGEN

as of: 10 May 07
Army Maintenance in Support of ARFORGEN

PROGRAM MANAGER
- OEM
- RESET
- Configuration Management
- Procurement

DEPOTS / NAT MAINT CONTRACTORS REPAIR
- RECAP
- Automatic Return Items
- Major Overhaul

DOL REPAIR
- Below Depot Repair
- Repair and Return
- Special Repair Authority

FLRC REPAIR
- Augments DOL’s
- Flexible Size and Mission

MATES / UTES REPAIR
- Primarily Org / DS Level
- Reimbursable

UNIT REPAIR
- Common Standards
- Generally Funded through OPTEMPO

UNIT EQUIPMENT FROM
IRAQ / AFGHANISTAN / EUROPE / KOREA

LEFT BEHIND EQUIPMENT
"DMT is assigned to the DMC, in direct support of customers of the AFSB / LSE / AFSBn commander".
USAF: Developed methodology to assist decision makers to determine critical processes/skill sets the Air Force should retain organically.
Concluding Thoughts ....

- DoD has several unique attributes
  - Number and diversity of weapons systems/supply chains
  - Equipment age and complexity
  - Dependency on maintenance as a source of supply
  - Magnitude of information flow requiring integration/synchronization
- All organizations are implementing initiatives that will enhance process improvements, integration, lean processes, supplier collaboration ... these will mature at different times
- Booz Allen is assisting clients with alignment of supply and maintenance processes to enhance mission and supply chain operations
  - USA – Mission alignment and synchronization
  - USA - Establishment and implementation of the Distribution Management Center (DMC)
  - USAF – Process Sourcing Decision Model provides objective approach to identify what critical processes/skill sets should be retained organically throughout the Weapon System lifecycle