

Air Force Materiel Command

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



U.S. AIR FORCE

Air Force Purchasing and Supply Chain Management

Mr. Dan Bowman
Chief, Supplier Management Division
AFMC

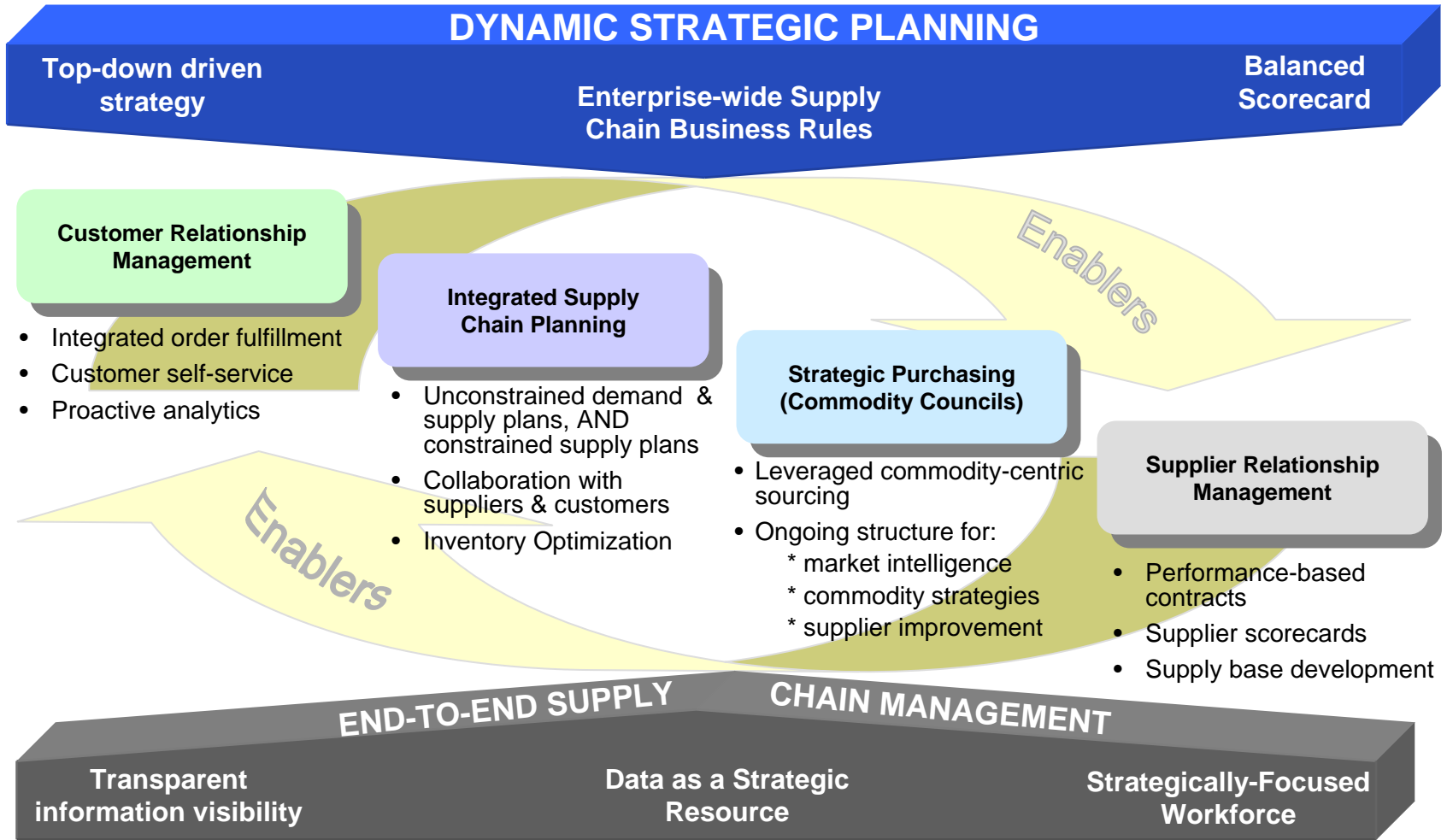
Integrity - Service - Excellence



AFMC

Initiative No. 3 – Purchasing & Supply Chain Management

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



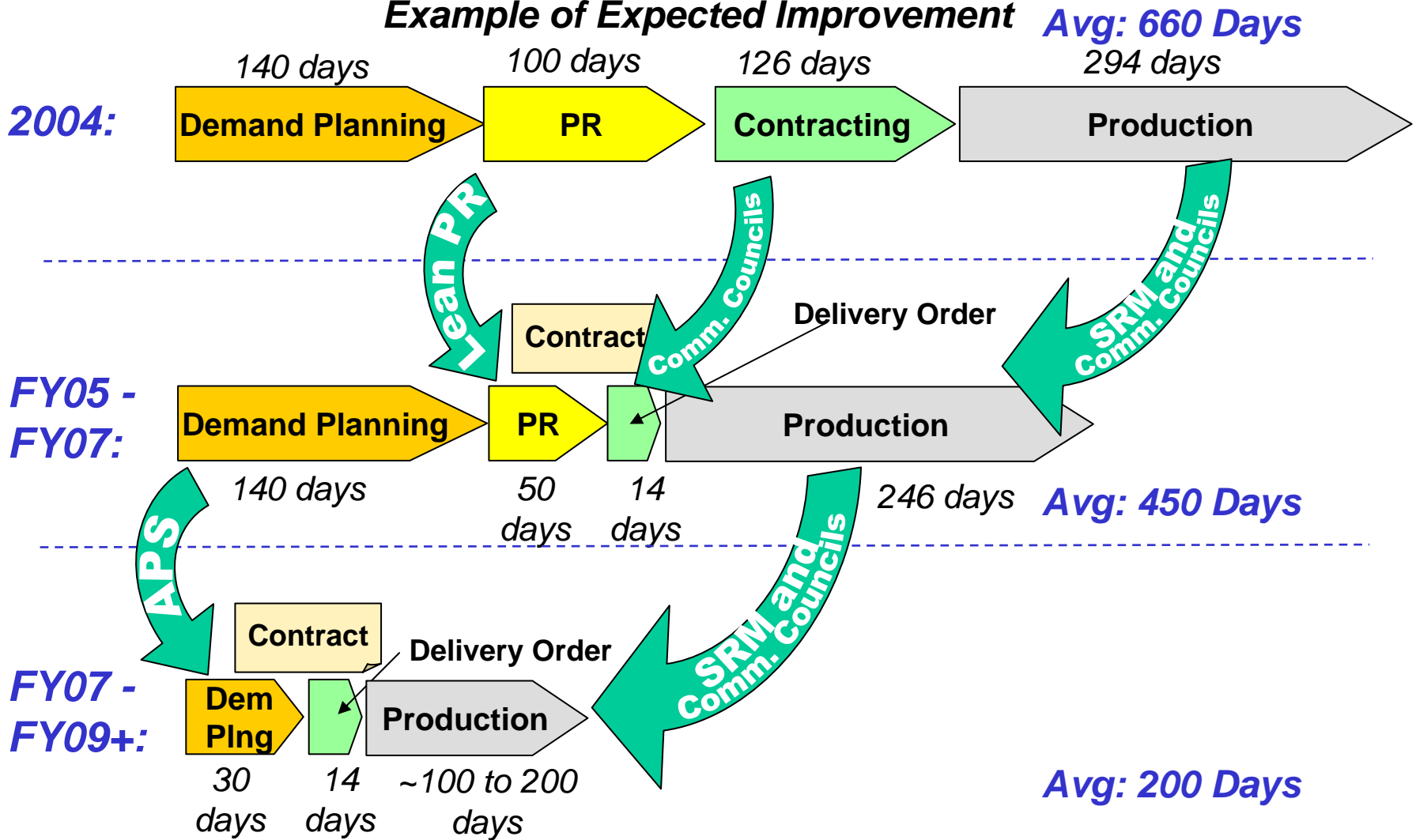


One goal of PSCM is a large reduction in Sourcing Cycle Time



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