



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Logistics Support For the Warfighter

Mr. Steve St John

17 November, 2010



# Panelists

- **Mr. Steve St John**
  - Chief, Planning Division, DLA Materiel Policy, Process, and Assessment, HQ DLA
- **Mr. Vance Avera**
  - Supply Program Manager, HQ DLA
- **Ms Karyn Rodgers**
  - Chief, Supply & Demand Planning, HQ DLA
- **Mr. Don Schulze**
  - Chief, DLA Land and Maritime BRAC Office
- **Col Jeffery Meserve, USAF**
  - Chief, AF Customer Facing Division, DLA Aviation



# Purpose

To discuss current and future Defense Logistics Agency support programs and initiatives in direct support of the Service's weapon systems.



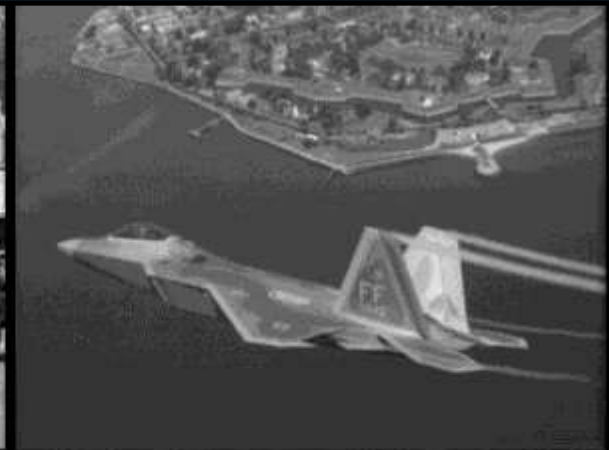
# Outline

- Inventory Management and Stock Positioning (IMSP)
- Demand Collaboration
- DLA Land and Maritime Initiatives
- DLA Aviation Initiatives



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## Inventory Management and Stock Positioning (IMSP)

Mr. Vance Avera

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# Background

- BRAC 2005 - Recommendation # 177: Supply, Storage and Distribution (SS&D)
  - Transfer of material support operations at Service Industrial locations to DLA
- Integrate Service Industrial Activity material support with DLA's Supply Chain
  - Process improvements ...eliminate redundancy
  - Optimized network strategy ...materiel positioned to provide optimal weapon system support
  - Visibility of planned Service Maintenance Requirements to support material forecasting...position materiel "Just - In - Time"



# SS&D Objectives

- Consolidate SS&D functions and inventories supporting industrial depot maintenance activities
  - Day One / As Is, Where Is – *Initial Activation:*
    - **Transfer** SS&D functions and associated personnel supporting industrial depot maintenance from the Services to DLA
    - **Activate** DLA SS&D site collocated with industrial customer
  - Day Two / To-Be / End-State:
    - Merge distinct wholesale and consumer level (retail) supply processes and inventory
    - Roll out supporting systems and process capabilities
    - Transfer inventory



# Day 1 / As Is, Where Is – Overview

- Day 1 / As Is, Where Is the Functional Transfer and Initial Activation
  - More closely connects supply with maintainer demand by transferring SS&D functions and personnel from the Services to DLA
  - To date, 11 DLA SS&D sites supporting Air Logistics Center (ALC), Navy Fleet Readiness Center (FRC), Naval Shipyard (NSY), Marine Corps Logistics Base (MCLB) and Army Depot customers have activated
  - Future sites supporting Army Depot customers will transfer by 4QFY11





# Day 2 / To-Be / End-State – IT Approach

- Minimize impact on existing maintenance systems and processes
- Maximize standardization and flexibility
  - ALC/NSY/FRC/MCLB interfaces and DLA Enterprise Business System (EBS) / Distribution Standard System (DSS) support : not all capabilities used for all Service customers
- Develop IT solution through multiple phases
  - **Plan & Analyze:** "To-Be" Process Flows & Requirements Documents
  - **Design & Build:** Processes & Documentation
  - **Test & Certification:** Software & Accreditations
  - **Implementation:** Training, Data Migration & IOC



# Core Functionality Spiral #1

- The core functionalities captured for Spiral 1:
  - The Forward Shop Services Centers (SSCs)/Shop Stores will be set up as discrete stocking locations in DLA systems.
  - DLA systems must be modified to accommodate immediate issues.
  - The stock at this location must be protected.
  - DLA systems must be able to accept material returned from a Maintainer and provide credit.
  - Collaboration will be utilized to exchange information on Production Schedules, Bills of Material and number assemblies' etc.
- Must set up unique interfaces from DSS and DO35K to process transaction and communicate levels.



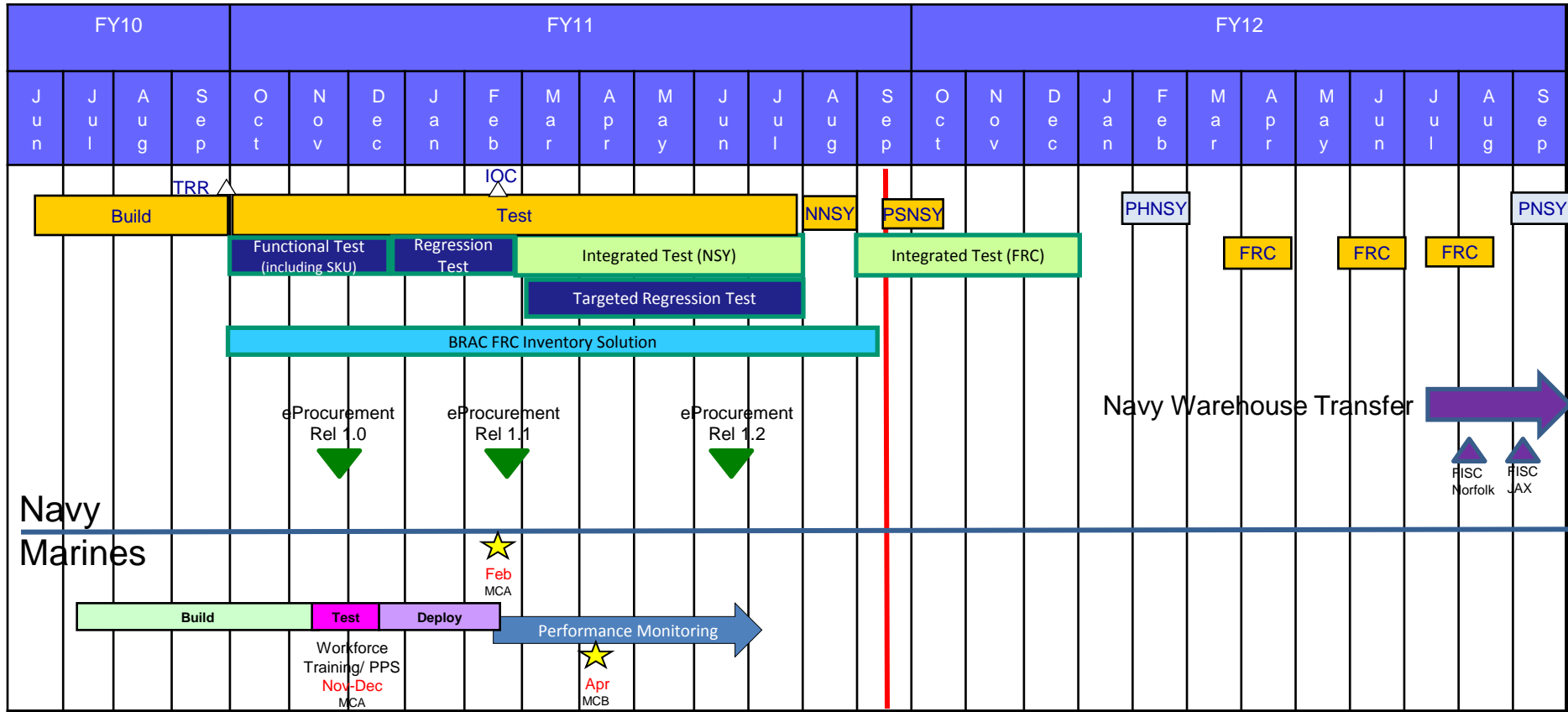
## Spiral # 2 Additional Functionality

- DLA systems must be modified to accommodate retail functionality that was not previously required for Spiral #1.
  - DLA will need to manage items at less than unit of issue and be modified to handle non-DLA source of supply.
  - Use of Flat File verse DLMS transaction (GDP Data/On-Hand Quantity Data).
  - Requisition Alert, unfunded request for materiel.
  - Need the ability to manage Rip Out material.
  - Materiel Staging Request to water-front.
- We must set up unique interfaces from DSS and MAT for the Shipyards.



# IMSP Implementation Timeline

All events are contingent on required funding



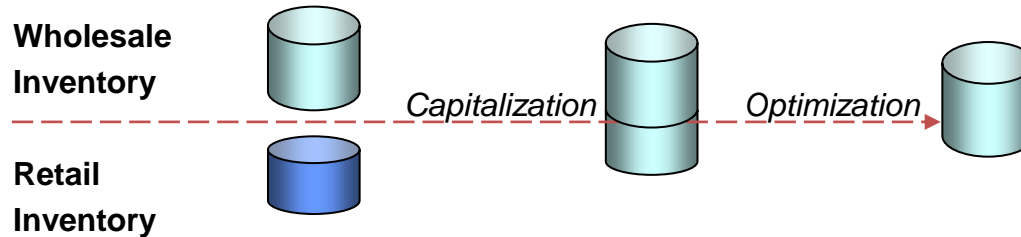
Updated: 09/24/10

- BRAC Sites
- Wynne Memo Sites
- ★ DLA Albany and DLA Barstow deployment dates
- ▶ Navy Warehouse Transfer – All remaining FISC sites are schedule in FY14 - FISC SD, FISC SIG, and FISC YOKO
- ▼ eProcurement Release



# Path to Supply Chain Integration

IMSP/IPO extends DLA's existing planning and fulfillment processes and tools to support a multi-echelon retail network

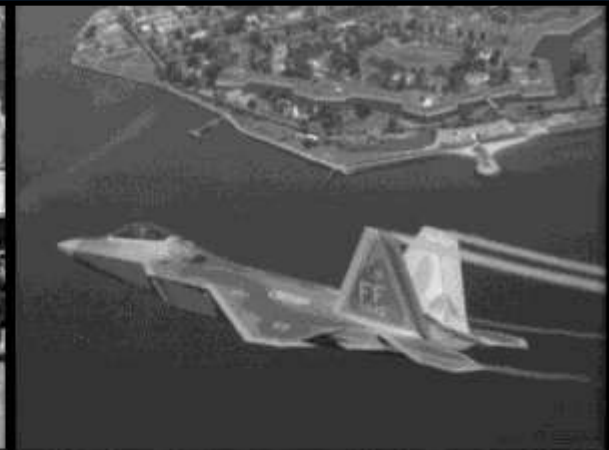


	Army (Complete)	Spiral 1 – AF (Complete)	Spiral 2 – Navy (AUG 11)	Spiral 2.1 – Marine Corps
IMSP	<ul style="list-style-type: none"> <li>• All Materiel Identified as Work In Progress (WIP)</li> <li>• Transfer of Personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Capability to stock all DLA managed material</li> <li>• Protection of stock</li> <li>• Dynamic Deployment</li> <li>• Parts Request / Material Issues</li> <li>• Local Purchase/Emergency Buys</li> <li>• Parts Return / Material Receiving</li> </ul>	<ul style="list-style-type: none"> <li>• Support of non-DLA managed items</li> <li>• Support items less than unit of issue</li> <li>• Mission Support Material (MSM)</li> <li>• “Demand Signal” from Navy systems</li> <li>• Visibility of material status maintained in Navy Systems and EBS</li> <li>• Rip Out – Custodial Storage</li> </ul>	<ul style="list-style-type: none"> <li>• All Materiel Identified as Work In Progress (WIP)</li> <li>• Extension of DSS</li> <li>• Transfer of Personnel</li> </ul>
IPO	<ul style="list-style-type: none"> <li>• Inventory Level Setting</li> <li>• Multi-echelon Inventory Positioning</li> </ul>			
RFID	<ul style="list-style-type: none"> <li>• Tracks inventory from Point of Shipment to Customer Receipt</li> <li>• Provides opportunity for LRT reduction improvement</li> </ul>			



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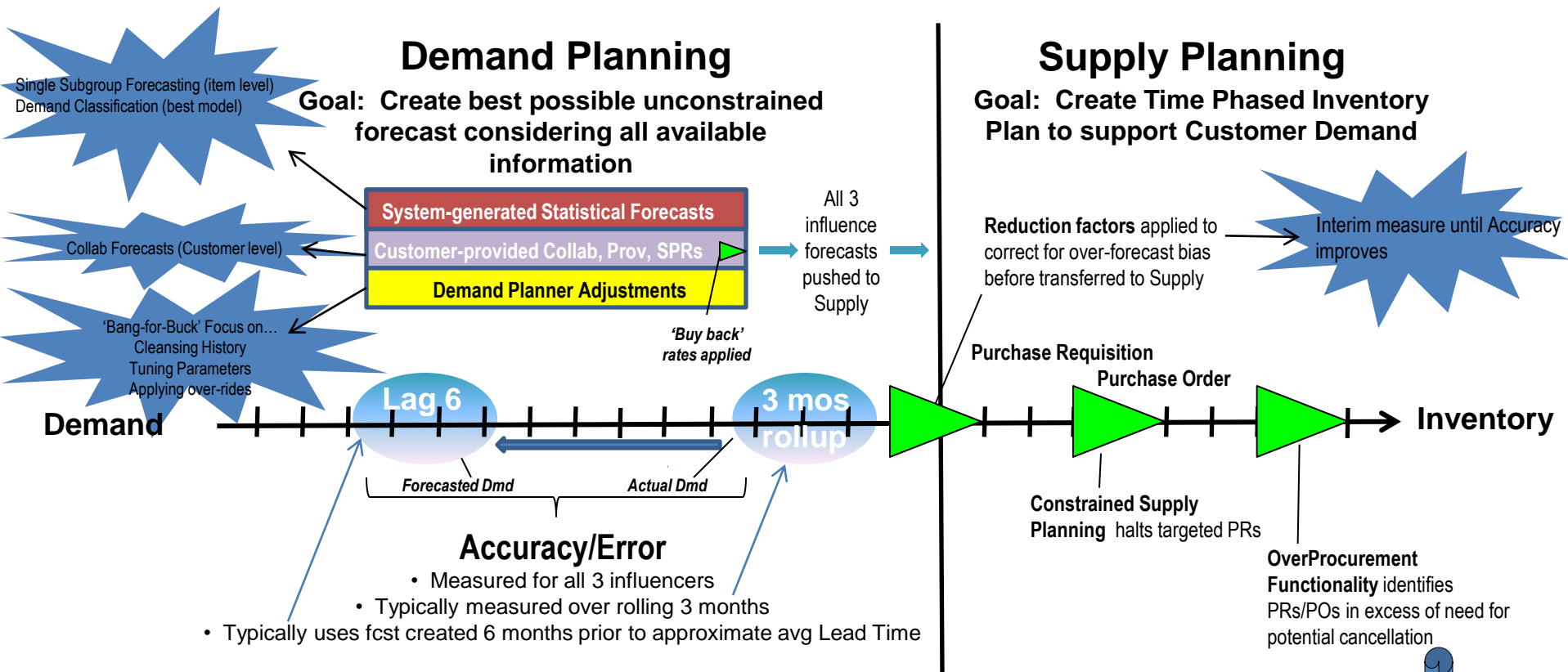
## Demand Management & Collaboration

Ms Karyn Rodgers

17 November, 2010



# Demand/Supply Planning Construct

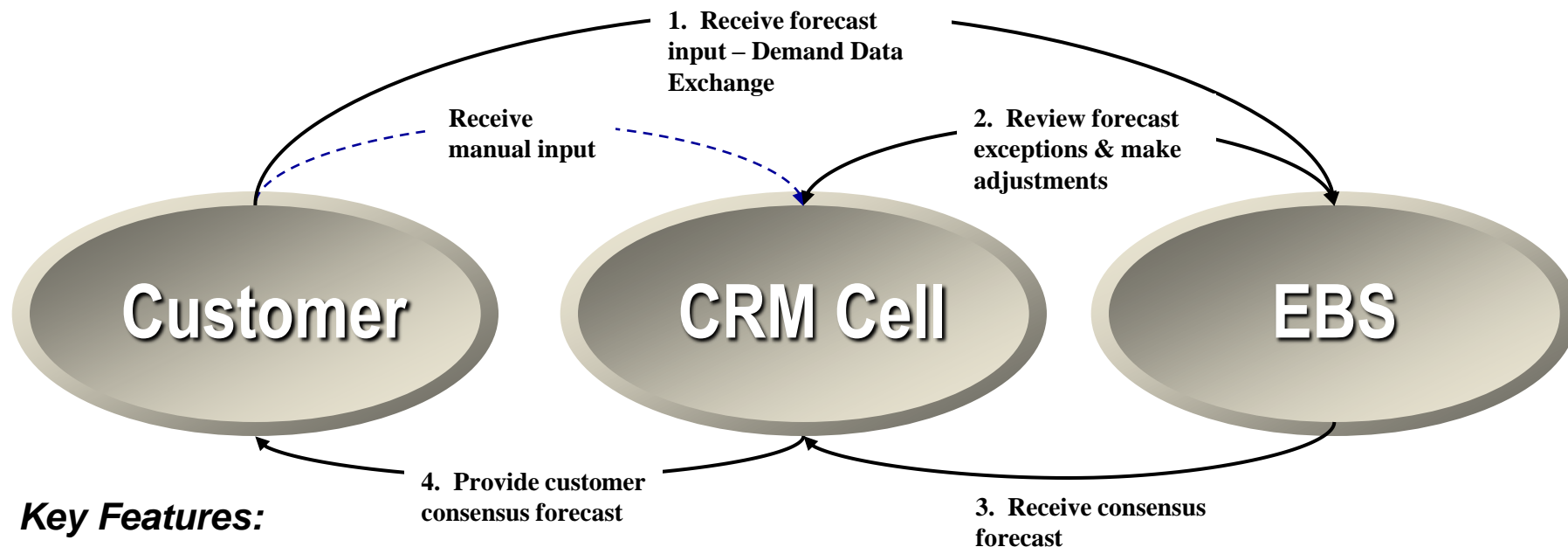


**Issue:** Concern with propensity for, and causes of, Over-forecasting in EBS

**Resolution:** Improvement actions underway focusing on both People and Parameter settings (and appropriate balance of the two)



# Customer Collaboration



## Key Features:

- Demand Planners add collaborative intelligence from customers and adjust statistical forecasts for DFUs
  - Collaborative customers submit requirements electronically and do not submit SPRs
- Collaborative DFUs are assigned to CRM Cells

## Collaboration Scale:

- ~39K DFUs
- 99 Customers participating
  - Actively on-boarding others





# Customer Benefits

- Customer requirements best met when demand plan accuracy reflects the most accurate time-based demand signals
- As forecast performance improves, opportunity to achieve Attainment to Plan & improved Perfect Order Fulfillment (POF) increases
- Allows increased support of the “right” inventory and decreases overall inventory cost (optimizes cost to serve)
- Improves Customer Service as unfilled orders are reduced

**Customer/DLA Collaboration is Essential to Improving Forecast Accuracy**



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## DLA Land and Maritime Initiatives

Mr. Don Schulze

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# FUNDAMENTALS OF DLA MRAP SUPPORT

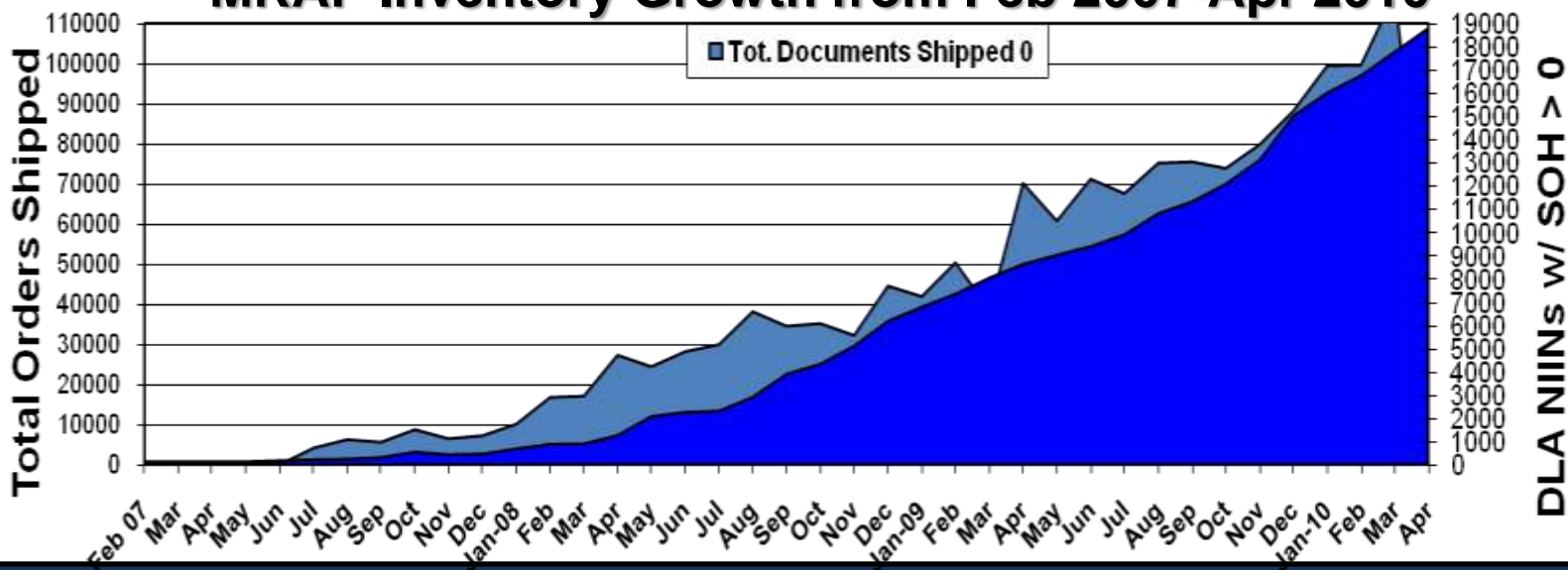
## What has made DLA support successful?

- Joint Program Office funding (~\$1B+)
- Rapid NSN assignment (DLIS MRAP Tiger Team)
- Obtaining forecasts & rapid inventory build
- Monitoring non-mission capable parts and readiness
- Building stock locations for SWA support (DDKS & DDKA)
- Close coordination with JPO, TACOM, LOGCOM and DLA

### TODAY's Highlights

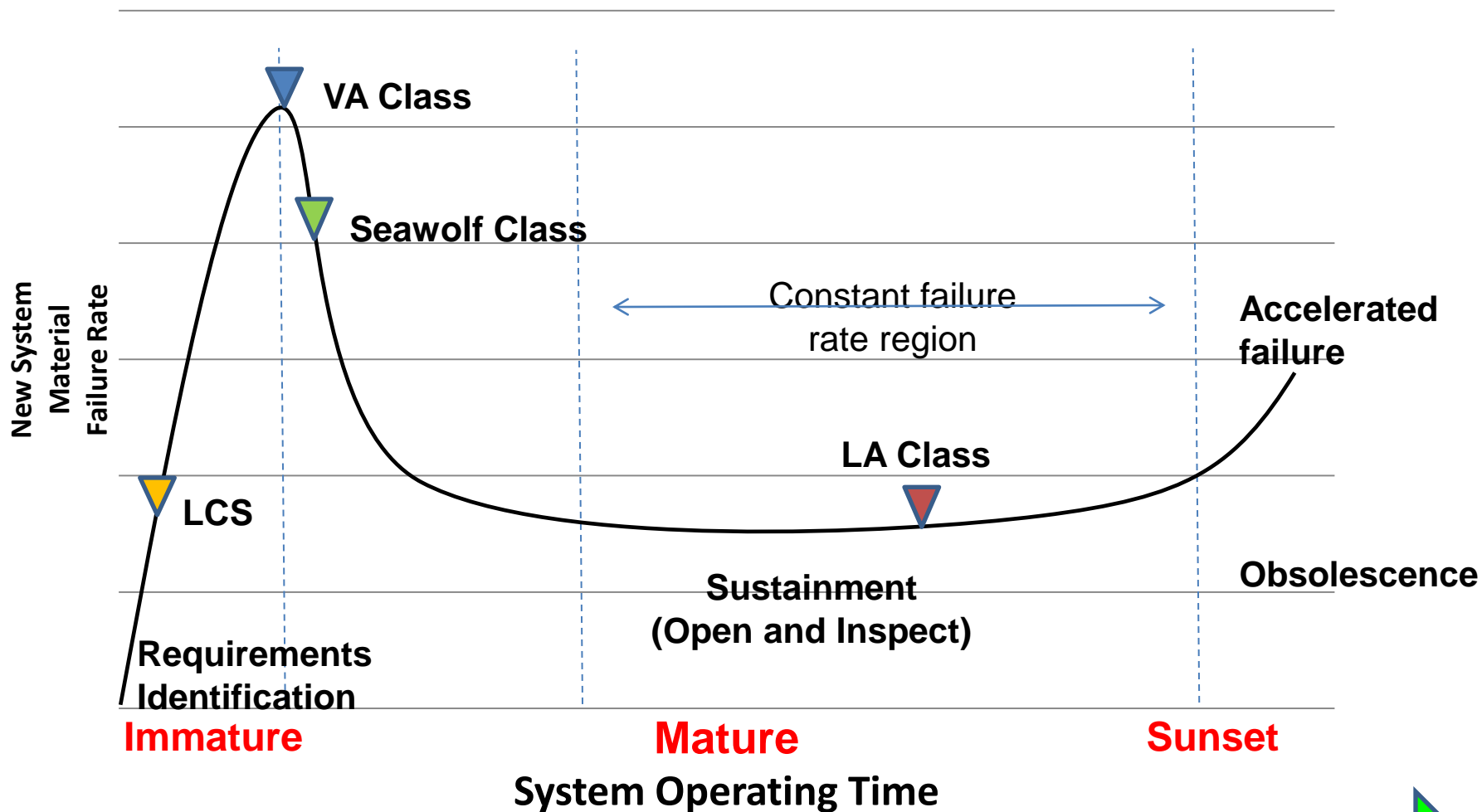
- Readiness averages 95% (Fleet)
- Weekly MRAP sales average \$12M
- ~\$422M DLA inventory value
- E-Buys avg 3-9 days for NMC parts

## MRAP Inventory Growth from Feb 2007-Apr 2010





# Navy (sample) Life Cycle Planning



Infuse Requirements

Larger Base/Known Requirements

**Life Cycle Support Through Partnership**



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## DLA Support to the AF Industrial Warfighter

Colonel Jeff Meserve  
Chief, AF Customer Facing Division  
Customer Operations Directorate  
DLA Aviation

17 November, 2010

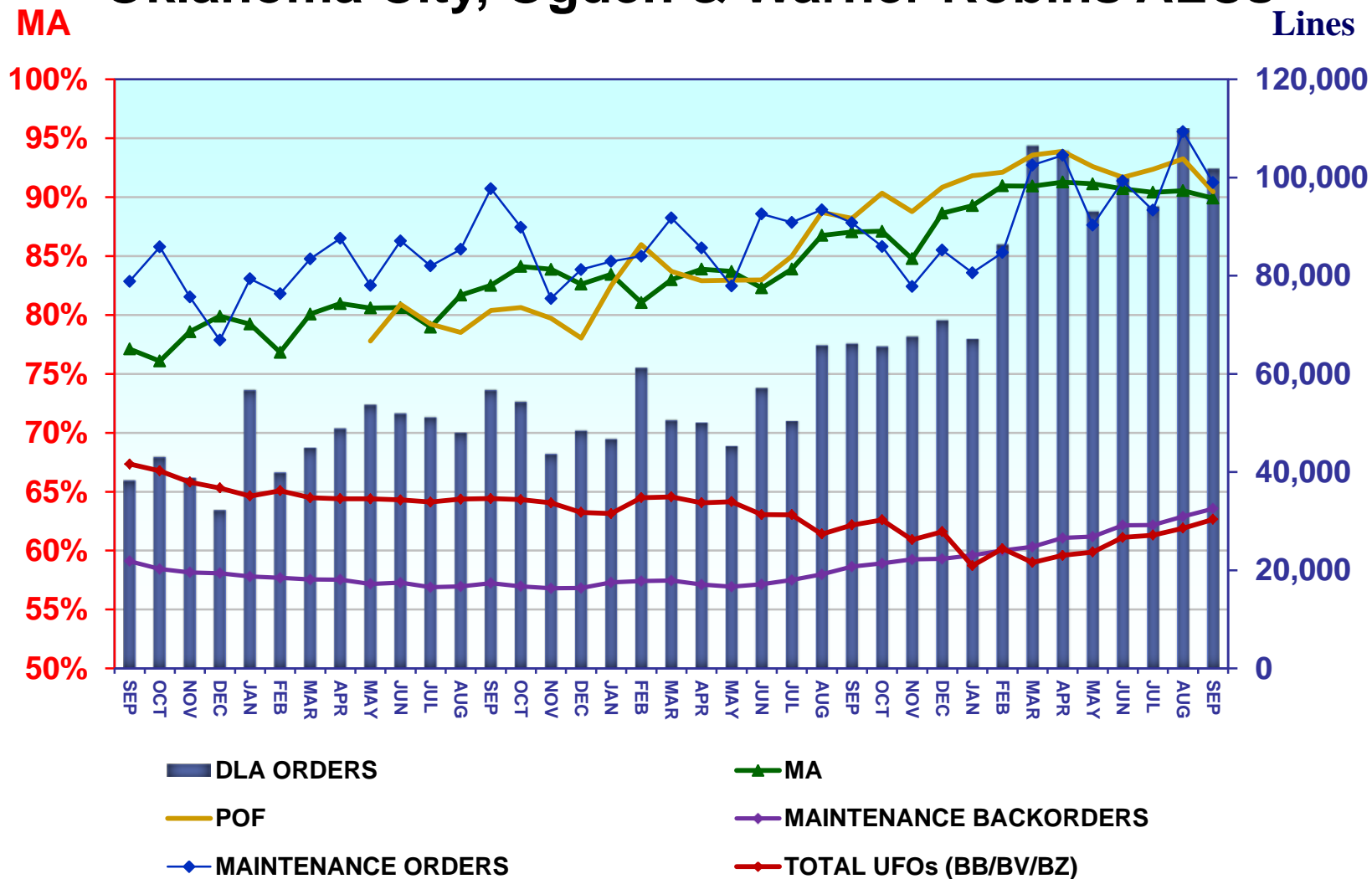


# Overview

- DLA Performance for AF Industrial
- DLA Enterprise Improvements



# Industrial Performance Rollup Oklahoma City, Ogden & Warner Robins ALCs



Source: Monthly Aviation Demand Chain Data Pull From F067, Fusion Portal and COPA



# Enterprise Improvements

- **Procurement**

- DLA Tiger Team focused on AF Industrial Support
- Process Management

- **Distribution**

- Two local delivery RIEs (Sep & Oct 10)
- AMTS replacement sys w/ DSS Local Delivery Module
- Alignment of DD, SSC & Maintenance Operating hours

- **Inventory Management Team**

- Enable “split quantities”:
- Enhanced MICAP sourcing
- Stock positioning from DD to SSC to improve CWT (a.k.a., heavy hitters)





# Enterprise Improvements (cont)

- **Metrics**

- Over last 12 months DLA & AFGLSC have collaborated to develop & align metrics
- Partnership continuing & currently developing additional customer-focused metrics to better gauge Industrial supply chain support



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