Land & Maritime Demand/Supply Chains…
Today and Tomorrow

Mr. James McClugherty, SES
DSCC, Deputy Commander
Agenda

• DSCC As You Knew Us

• DSCC As You Know Us

• DSCC As You Will Know Us

• Summary
“Yesterday”

DSCC
1997 - 2002
Lead Center

Troop Support

Energy

Defense Energy Support Center
Ft Belvoir, VA

Defense Supply Center
Philadelphia, PA

Land, Maritime

Defense Supply Center
Columbus, OH

Aviation

Defense Supply Center
Richmond, VA

Defense Logistics Agency
**Commodities**
Director & Deputy

- **Business Operations**
  - Supply
  - Acquisition
  - Technical
  - Quality

- **Readiness Support**
  - WSSMs / WSPOCs
  - ESOC

- **Tailored Support Unit**
  - Long Term Contracts
  - Tailored Support Teams
  - Corporate Contracts

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**Land**
Director & Deputy

- **Business Operations**
  - Supply
  - Acquisition
  - Technical
  - Quality

- **Readiness Support**
  - WSSMs
  - ESOC

- **Tailored Support Unit**
  - Long Term Contracts
  - Tailored Support Teams
  - Corporate Contracts

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**Aerospace**
Director & Deputy

- **Business Operations**
  - Supply
  - Acquisition
  - Technical
  - Quality

- **Readiness Support**
  - WSPOCs
  - ESOC

- **Tailored Support Unit**
  - Long Term Contracts
  - Tailored Support Teams
  - Corporate Contracts

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**Maritime**
Director & Deputy

- **Business Operations**
  - Supply
  - Acquisition
  - Technical
  - Quality

- **Readiness Support**
  - WSSMs
  - ESOC

- **Tailored Support Unit**
  - Long Term Contracts
  - Tailored Support Teams
  - Corporate Contracts

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"Single Point Accountability For Outcomes"
SAMMS Attributes

• Characteristics
  – BATCH (Multiple Versions)
    • SAMMS process used daily/weekly batch programs which delayed processing at times
  – COBOL
    • SAMMS used older COBOL programming language; developed 30 years ago
    • Not a financially compliant system; SAMMS not financially compliant
  – ETC
    • Information Technology Support for SAMMS; very expensive vs. new system
## Sales/Obligations (Pre-GWOT)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Obs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY96</td>
<td>$1,838.9M</td>
<td>1,138.0M</td>
</tr>
<tr>
<td>FY97</td>
<td>$1,819.8M</td>
<td>1,334.1M</td>
</tr>
<tr>
<td>FY98</td>
<td>$1,928.4M</td>
<td>1,325.8M</td>
</tr>
<tr>
<td>FY99</td>
<td>$1,758.8M</td>
<td>1,300.2M</td>
</tr>
<tr>
<td>FY00</td>
<td>$1,844.9M</td>
<td>1,354.2M</td>
</tr>
<tr>
<td>FY01</td>
<td>$2,014.1M</td>
<td>1,475.6M</td>
</tr>
</tbody>
</table>
“Today”

Land & Maritime
2006
DSCC ICP… Organization

ICP Commander

Deputy Commander

Chief-of-Staff
Deputy Chief of Staff

Demand/Supply Chains
Detachment
Process Mgmt/Shared Services

Operationalized Units
Land & Maritime Business Profile

Sales Trend
- FY02 $2.3B
- FY05 $3.1B
- FY06 (proj) $3.2B

Scope of Business
- 8.2M requisitions/yr
- 525K contracts/yr
- 2M NSNs
- 1.3K+ weapon systems
- 25K+ customers
- 6K+ suppliers

Sales by Supply Chain
- Land $1.4B
- Maritime $1.7B
- Aviation $0.6B*

Sales Trend
- FY02 $2.3B
- FY05 $3.1B
- FY06 (proj) $3.2B

Foreign Military Sales
- Sales: $240M
- Supporting 90 nations

Our People
- 2500+ civilians
- 43 active duty
- 32 reserve

Performance
Transformation
Culture
L&M Personnel

- Land Demand Chain  151
- Land Supply Chain  482
- Maritime Demand Chain  101
- Maritime Supply Chain  973
- Process Management  690

2397

* Columbus Aviation Detachment: 220
BSM Program
Primary Components

- Order Fulfillment
- Procurement
- Financial Management
- Tech Quality

DPACS Suite
- Solicit
- Award
- Report

manugistics
- Demand Planning
- Supply Planning
- Collaborate

BW and Crystal Reports
BSM Attributes

• Characteristics
  – Real Time
  – Enterprise System – Covers all Supply Chains
  – Fully integrated across all functional process areas
  – Financially compliant
  – Integration of multiple COTS products (SAP, MANU)
Customer Operations: CRM Cell Demand Chains

Supplier Operations: BSM Supply Chains

Defined by DoDAAC

Defined by NSNs

Land

Maritime

Columbus

Richmond

*DSCC

*DSCP

Columbus

*DSR

*DSCP

Columbus

Maritime

Columbus

Aviation

Performance

Transformation

Culture
DSCC Supply Chains

**Land**
- Wheeled Vehicles
- Tracked Vehicles
- Batteries
- Nuts & Washers
- Converters

**Maritime**
- Valves/Hardware
- Fluid Handling
- Electronics
- Bearings
- Motors
- Packing/Gaskets
BSM Organization Model

Maritime & Land
Demand and Supply Chains

Customer Operations
- CRM Cells/Support Teams
- Item Planning Teams
- Customer Support

Supplier Operations
- Integrated Supply Teams
- Strategic Material Sourcing Group
- Supplier Support

Detachments (DSCP/R)

Keep Focus on Accountability for planning customer’s requirements

Keep Focus on Accountability for obtaining customer’s requirements
Supply Chain NSN Distribution

**Land Supply Chain (NSNs)**
- Total = 364,861
  - Columbus = 166,809
  - Richmond = 14,608
  - Philadelphia = 183,444

**NOTE:** Land Items Dominated by Col and Philly

**Maritime Supply Chain (NSNs)**
- Total = 1,668,043
  - Columbus = 1,185,830
  - Richmond = 255,068
  - Philadelphia = 227,145

**NOTE:** Columbus Items Heavily Influenced by Electronics

**Aviation Supply Chain (NSNs)**
- Total = 1,230,587
  - Columbus = 328,420
  - Richmond = 600,981
  - Philadelphia = 301,186

**NOTE:** Heavy Aviation Presence at All Three Locations
Supply Chain Annual Demand Value Distribution

<table>
<thead>
<tr>
<th>Supply Chain (ADV)</th>
<th>Columbus</th>
<th>Richmond</th>
<th>Philadelphia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Supply Chain (ADV)</td>
<td>$1,491M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime Supply Chain (ADV)</td>
<td>$1,223M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation Supply Chain (ADV)</td>
<td>$2,845M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Land Supply Chain (ADV)**
  - Total = $1,491M
  - Columbus = $1,196M
  - Richmond = $186M
  - Philadelphia = $108M

- **Maritime Supply Chain (ADV)**
  - Total = $1,223M
  - Columbus = $806M
  - Richmond = $324M
  - Philadelphia = $94M

- **Aviation Supply Chain (ADV)**
  - Total = $2,845M
  - Columbus = $423M
  - Richmond = $1,814M
  - Philadelphia = $608M
BSM Organization

Maritime / Land

Customer Operations
- Customer Touch
- Expedites
- Backorders
- Forecasting
- Order Mgmt.

Supplier Operations
- Touch points
- Accountability
- Agility
- Customer Priorities
- Communication

Learning/Growing With New Structure
“Tomorrow”

Land & Maritime
Post - 2007
BSM Program
Primary Components

- Order Fulfillment
- Procurement
- Financial Management
- Tech Quality

DPACS Suite
- Solicit
- Award
- Report

manugistics
- Demand Planning
- Supply Planning
- Collaborate

BW and Crystal Reports

E-Procurement replacement
# Supply Chain NSN Distribution

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<th>Supply Chain</th>
<th>NSNs</th>
<th>Total</th>
<th>Post-DRAC</th>
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<tr>
<td>Land Supply Chain (NSNs)</td>
<td></td>
<td>361,325</td>
<td>365,061</td>
</tr>
<tr>
<td></td>
<td>(Pre-BRAC)</td>
<td>(Pre-BRAC)</td>
<td>(DLR’s - 3,736)</td>
</tr>
<tr>
<td>Maritime Supply Chain (NSNs)</td>
<td>Total: 1,652,751</td>
<td>1,661,194</td>
<td>1,661,194</td>
</tr>
<tr>
<td></td>
<td>(Pre-BRAC)</td>
<td>(Pre-BRAC)</td>
<td>(Pre-BRAC)</td>
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<tr>
<td></td>
<td>(DLR’s - 8,443)</td>
<td>(Post-BRAC)</td>
<td>(Post-BRAC)</td>
</tr>
<tr>
<td>Aviation Supply Chain (NSNs)</td>
<td>Total: 1,220,458</td>
<td>1,247,711</td>
<td>1,247,711</td>
</tr>
<tr>
<td></td>
<td>(Pre-BRAC)</td>
<td>(Pre-BRAC)</td>
<td>(Pre-BRAC)</td>
</tr>
<tr>
<td></td>
<td>(DLR’s - 27,253)</td>
<td>(Post-BRAC)</td>
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## Supply Chain Annual Demand Value Distribution

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<td><strong>Total</strong></td>
<td>$1,017M (Pre-BRAC)</td>
<td>$1,323M (Pre-BRAC)</td>
<td>$2.648M (Pre-BRAC)</td>
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<td>$3.4B (DLRs - $3.425B)</td>
<td>$2.1B (DLRs - $0.679B)</td>
<td>$13.3B (DLRs - $13.269B)</td>
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BRAC 05
Implementation
Future DoD Enterprise Responsibilities
(DLRs/NIMS/Supply, Storage, Distribution)
BSM Organization Model

Maritime & Land Demand and Supply Chains

Customer Operations
- CRM Cells/Support Teams
- Item Planning Teams
- Customer Support

Supplier Operations
- Integrated Supply Teams
- Strategic Material Sourcing Group
- Supplier Support

Integrated Supply Teams
- IS T's
- Detachments DLRs

Customer Operations
- Keep Focus on Accountability for planning customer's requirements

Supplier Operations
- Keep Focus on Accountability for obtaining customer's requirements

Forward Cells
- Detachments SS&D

DLA Detachments
L&M Personnel

- Land Demand Chain: 151
- Land Supply Chain: 482
- Maritime Demand Chain: 101
- Maritime Supply Chain: 973
- Process Management: 690

Total: 2397

*Columbus Aviation Detachment: 220*
BSM Program
Primary COTS Components

- Order Fulfillment
- Procurement
- Financial Management

Web Access to
Manugistics

View Only or Full Collab

Sole Source and Long Term Contracts

SAP

Exceptions
DLASupply Planner
Vendor Supply Planner

Supply Planning
Solicit
Award

Demand Planning

Solicit
Award
Report

Vendors
Supply Chain Partners

Customer requirements
Summary
### Yesterday

- Lead Centers
- Land/Maritime/Aerospace/Commodities
- Physical Site
- Single Point Accountability
- COBOL/BATCH/SAMMS/DPACs

### Today

- Demand/Supply Chain
- Land & Maritime plus DLA Detachments
- DLA Enterprise
- Customer Facing
- SAP/MANU/DPACs

### Tomorrow

- Demand/Supply Chain
- Land & Maritime plus DLA Dets plus Service, Dets
- DoD Enterprise
- Customer Facing/Supplier Facing
- SAP/MANU/E-Procurement
## Yesterday…Today…Tomorrow

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Today</th>
<th>Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Non-Critical Consumables</td>
<td>• All Consumables</td>
<td>• Consumables &amp; DLRs</td>
</tr>
<tr>
<td>• Single Item Contracts</td>
<td>• LTCs/Corporate Contracts/SSA’s/SCAs/PVs</td>
<td>• PBLs/TVR, VMI, SSA’s / SCAs</td>
</tr>
<tr>
<td>• GWOT Funding</td>
<td>• Budget/Supplemental/”Bridge” Supplemental</td>
<td>• Declining Budgets ??</td>
</tr>
<tr>
<td>• Wholesale</td>
<td>• Wholesale</td>
<td>• Wholesale &amp; Retail</td>
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