Enabling Logistics Transformation
...through Enterprise Resource Planning (ERP)

Mr. David J. Falvey
Program Executive Officer
Defense Logistics Agency
DLA’s Transformed Business Model

- Connected To Warfighter Demand
  - BRAC
  - DLA Forward

- Single Point of Accountability
  - DLA Commands

- Standard Processes & Systems
  - Enterprise Business System

- Customized Solution
  - PBL
  - Delivery
  - Stock

- Low Cost - Value
  - Cost Reductions
  - Rates

USTC / DPO

CARRIERS

VENDORS
Strategic Thrusts → ERP objectives

- **Extend the Enterprise**
  - Extend enterprise processes, capabilities, and effects deeper into customer and supplier operations
  - Leverage BRAC to enhance Services business operations

- **Connect Warfighter Demand and Supply**
  - Improve forecast accuracy through collaboration
  - Improve supplier performance and reduce delivery time to the customer through collaborative supply planning and strategic material sourcing

- **Deliver Supply Chain Excellence**
  - Empower and develop the workforce with improved tools and information
  - Implement outcome-oriented performance measures that optimize the cost-to-serve
Benefits Achieved to Date...

- **Warfighter-focused Improvements**
  - Reduced Logistics Response Time
  - Sustained Supply Availability during wartime operations
  - Improved customer order notifications
  - Introduced demand plan accuracy as key performance metric

- **Operational Excellence**
  - Reduced cost recovery rate
  - Enabled $500M reductions
  - Implemented Sales & Operations Planning (S&OP)
  - Achieved 99.7% system availability … single ERP instance

- **Compliance**
  - Complied with all DoD Global Information Grid standards
  - Complied with FFMIA requirements
  - Provided 100% supply chain interoperability with services
  - Complied with applicable Joint Task Force (JTF) Global Network Operations (GNO) security requirements

- **Key Figures**
  - $18B Business operating in single ERP
  - 5.2M items of supply
  - 11000+ Global Users
  - Agency - Wide focus as an Enterprise
  - Managed as major acquisition program