Combat Support in an End-to-End Supply Chain

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Director’s Guidance 2009

**AT&L Vision...**

*Drive the capability to defeat any adversary on any battlefield...*

**AT&L Logistics Roadmap...**

*Providing globally responsive, operationally precise, and cost-effective logistics capabilities to support America’s Warfighters...*

**DUSD L&MR Mission...**

*Provide responsive cost effective support to ensure readiness and sustainability for the total force across the spectrum of military operations.*

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**Our Vision/Goals**

*DLA Director's 2009 Guidance*

- Warfighter Support Enhancements
- Stewardship Improvements
- Business Process Refinements
- Workforce Development

**DLA's Mission...**

*Supporting the Warfighter... Supply Chain Excellence*

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*Doing what is right for the Armed Forces and DoD...*
22 Initiatives Centered on 4 Strategic Focus Areas

- **Warfighter Support Enhancements**
  - Expanding Afghanistan Support
  - Supporting Iraqi Reset
- **Stewardship Improvements**
  - Identifying Prudent Cost Reductions
  - Enterprise Risk Management
- **Business Process Refinements**
  - Assessing EBS Performance and Potential
  - Improving Demand/Supply Planning & Supply Chain Alignment
- **Workforce Development**
  - Enterprise-wide Employee Survey
  - Enhancing Support & Capabilities of Forward Support Personnel
Warfighter Support: USTRANSCOM / DLA
Northern Distribution Network (NDN) Update

• OEF Logistics Routes:
  – Commercial supply chain
  – All host nation trucking
  – ~30,000 containers per year

• OEF Logistics Challenges:
  – Border delays
  – Weather
  – Road conditions
  – Attacks
  – Economic impacts:
    • Central Asia
    • Pakistan

• Northern Distribution Network (NDN):
  – Expanding OEF sustainment alternatives, options include Russia, Caucasus, and Central Asian States into Northern Afghanistan
  – Close collaboration with our supply chain managers, USTRANSCOM and USCENTCOM to synchronize distribution
Warfighter Support:  
Personnel/Equipment Resets from Iraq Theater

- **Objectives:**
  - Determine Iraq retrograde requirements
  - Support the disposal process

- **Status:**
  - Presidential timeline drives drawdown of forces
  - MNF-I planning focused on processes to support conditions-based execution
  - Retrograde and disposal requirements in development

- **Expected Impact on DLA:**
  - Potential adjustments in demand and supply planning
  - Retrograde timeline may impact depot workload
  - Significant increase in disposal support requirements
Strategy: Pursue logistics economies and efficiencies that enhance Warfighter support effectiveness

Three Recommendations:
- Depot Level Reparable (DLR) Procurement Management, including Consumable Item Transfer
- Supply, Storage and Distribution (SS&D) Management Reconfiguration
- Commodity Management Privatization
  - Tires (Aviation/Land), Packaged Petrochemicals, Oils, Lubricants (POLs), and Compressed Gasses

Agency Benefit: Catalyst for supply chain integration in DoD and for DLA’s transformation from wholesale support to integrated supply chain provider
Warfighter Support: Renewable and Alternative Energy Solutions

• **Renewable Power Initiatives:**
  – Initiated Photovoltaic (PV) procurement – supports DLA R&D
    Hydrogen Fuel Cell forklifts – San Joaquin
  – Spearhead on-site renewable power generation pilot in New Jersey

• **Leveraging Inter-service R & D Cooperation:**
  – Partnering with Army on bio-waste pilot for use at forward ops bases
  – Partnering with Navy to acquire algae fuel for certification and
    approval for future jet fuel requirements

• **Orchestrated Alaska Synthetic Fuel Industry Conference**

• **Pursuing AT&L authority to ensure synchronization of DoD efforts**
• Cross-Agency group reviewed/prioritized DLA’s largest projects and initiatives

• Purpose:
  – Focus on highest priorities/Warfighter needs
  – Resources applied to most important projects
  – Eliminate duplication of effort
  – Identify cost savings

• Outcome:
  – Identification & analysis of 116 top projects/initiatives, ranked:
    • High (69)
    • Medium (25)
    • Low (1)
    • Terminate (11)
    • Re-evaluate/Restructure (10)
Stewardship Improvements: Identify Prudent Cost Reductions

• Identify cost reduction opportunities during Program Budget Review (PBR11)
  – Continuous Process Improvement (CPI)
  – Reduce initiatives/projects
  – Reduce physical infrastructure
  – Increase commodity privatization

• To Date:
  – Identified costs for Top Projects and Initiatives
  – Identified CPI Reductions for Supply Chains and wedged funds for implementation
  – Deferred physical infrastructure reductions to PBR 12, pending outcome of Next Generation Distribution Network
Stewardship Improvements: Enhanced Information Assurance

- Ensured business capabilities preserved while responding to DoD systems security directives/guidelines
- Improved situational awareness of networks, systems, and applications
- Enhanced capability to protect/defend the DLA enterprise and its links to DoD’s Global Information Grid
- Heightened IA training/awareness for full workforce
Business Process Refinements: Assessing DLA’s Business Performance

• **Enterprise Business System (EBS):**
  – Commercial-off-the-shelf system
  – Replaced legacy, COBAL material management systems
  – Provided improved usability and system response time
  – Fully functional July 2007

• **Post Implementation Assessment:**
  – Performing independent, comprehensive review of system
  – Identifying performance gaps & potential improvements
  – Roadmap for continuous business process improvement
  – Targeted completion date: May 2009
Business Process Refinements: Demand/Supply Planning and Alignment with Customers and Suppliers

• **Strategy:**
  – Improve alignment of supply chains with customers and strategic suppliers
  – Improved outcomes of demand and supply planning efforts

• **Focus Areas – Supply Planning:**
  – Attainment To Plan (ATP)
  – Demand Planning Accuracy (DPA)

• **Recent Accomplishments:**
  – DPA Summit 23-24 February
  – Stand up, staffing and funding of “What If” emulation environment
  – ATP training @ Defense Supply Centers Richmond, Philadelphia and Columbus
Business Process Refinements:
Enhance DLA's Ability to Manage Engineering Support Processes with the Military Services

• Improve the Service/DLA engineering support process in the following three areas:
  – Triggering & timing
  – Cycle time
  – Funding

• Recent Accomplishments:
  – Hosted initial Service/DLA summit
  – Chartered three CPI teams with Service/DLA leadership & participation
  – Established standard reporting & communication process for teams
  – Teams have developed improved process flows

• Upcoming Key Events:
  • April 2009 Summit to approve implementation of recommendations
Workforce Development: Replenishment

• **Workforce Planning**
  – Enterprise competency based forecasting method
  – Budget cycle integration
  – Skills gaps identification

• **Gap Closure Actions**
  – Recruitment
    • Corporate Intern Program (79 in 2001, 827 in 2009)
    • Ensuring diversity
  – Workforce Development
    • Executives identified to manage health of their career fields and forecast workforce requirements
We Support our Warfighters by Providing the Means to Take the Fight to the Enemy and Win

Every DLA Employee, from the Factory Floor to the Board Room...

...Provides the Difference to ensure Mission Success

DEFENSE LOGISTICS AGENCY
SUPPORTING MISSION SUCCESS