



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DLA Enterprise Business Model

28 March 2012

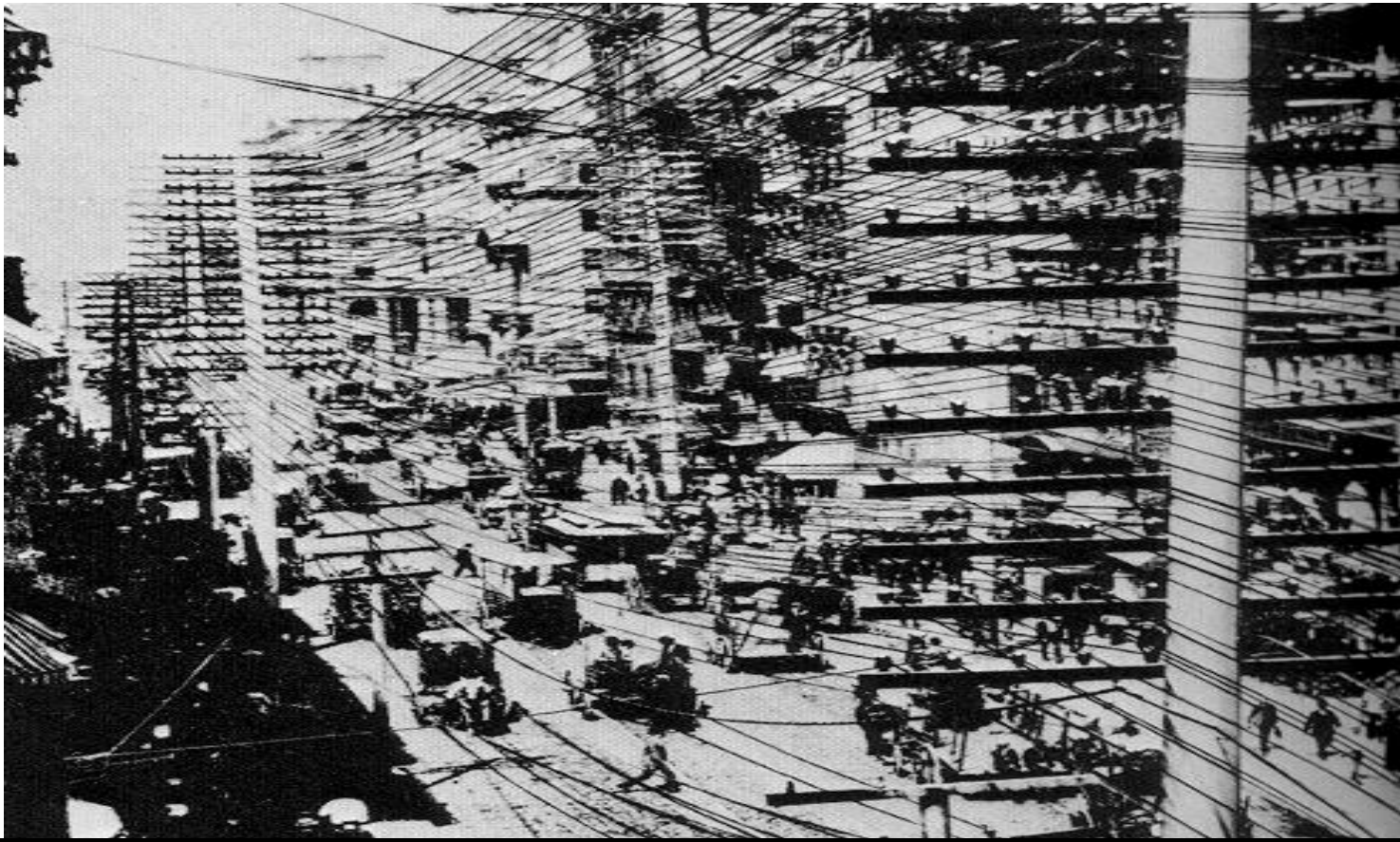
WARFIGHTER SUPPORT

STEWARDSHIP EXCELLENCE

WORKFORCE DEVELOPMENT



Telecommunications Circa 1912

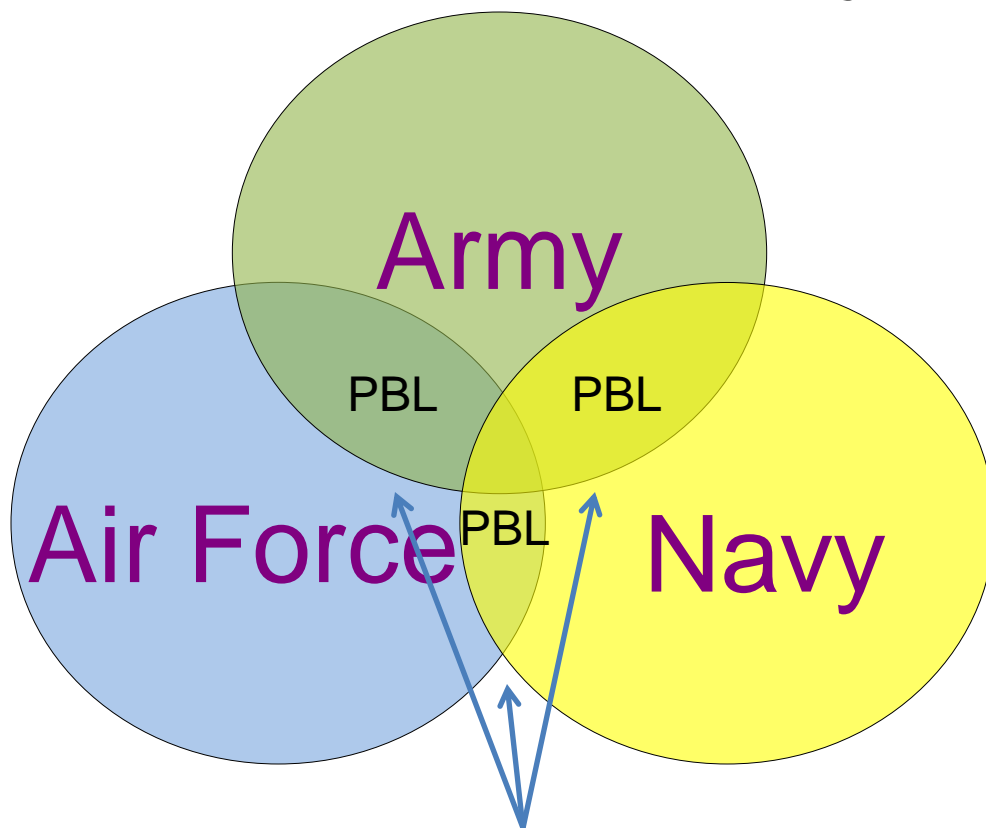


While the introduction of the telephone improved communications, multiple phone companies utilized separate lines and systems. AT&T was able to rationalize the business model, **reducing cost** and improving performance.



Adopt an Enterprise Approach

Leverage One Supply Chain, One Set of Rules, One Business Model, and One Overarching Public Private Partnership



- Rationalize the Business Structure
- Leverage economies of scale & scope
- Garner efficiencies associated with one standard business process & one supply chain
- Move from PBL 1.0 (separate efforts) to PBL 2.0 (enterprise PBL structures that span DoD)

Industry has consistently stated that DoD can save 10 to 20% by migrating to a joint PBL structure, while providing better availability and reliability



Recent Developments on APU Pilot

- VADM Harnitchek New Director of DLA
 - Briefed JLB on effort
 - Got head nods if BCA and ROM prove to be a good deal
 - Had Enterprise TLS effort briefed at Executive Board on Feb 1
 - Told EB, “This one is personally important to me.”
 - Directed Logistics Reassignment not be part of the pilot
 - Wants PBLs institutionalized in DLA
 - Wants the PLFA to own the execution not HQ
 - Directed Aviation to own this one and assign “an “A” team player to lead this. Someone with significant experience in this type of contracting”



Bottom Line

- Enterprise PBL Model offers significant savings to the Department
- DLA Personnel have expertise in PBL contracting
- DLA along with the services contracting personnel can and should be part of the Enterprise PBL
- Need to optimally utilize existing resources for the total requirement across the Department
 - Accelerate PBL negotiations and implementation