

# Dimensions

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## From DLA's Hall of Fame to Strategic Plan 2000

# Completing the circle

**M**ore than a year ago, in the February/March 1998 edition of *Dimensions Magazine*, I talked about the new DLA Strategic Plan—our road map to the future. Teaming together, leadership and work force, we have followed that road map—with perhaps a few minor variations along the way—and have arrived at many places we aimed to be. In this issue of *Dimensions*, we talk about the new enhanced version of the DLA Strategic Plan. Earlier this summer, the DLA senior leadership met in several Strategic Planning Summit sessions, and the results are discussed beginning on page 8.

Our Strategic Plan involves the long-range objectives for the Agency, and incorporates five pillars to help us achieve our vision of the future. These five pillars are Business Systems Modernization, Strategic Sourcing, Customer Knowledge/Focus, Work force Development, and Organizational Redesign. We call the new plan DLA 21, for it will be our new road map into the 21st century. You'll hear more about DLA 21 in the coming months, and you should receive a copy of the new Strategic Plan by the end of this year.

In this issue of *Dimensions*, we also highlight one of the five pillars: Business Systems Modernization. BSM is a strategy to ensure that DLA's mission-critical legacy systems are replaced with an expanded enterprise computing environment and commercial-off-the-shelf (COTS) software packages. We will begin to re-engineer our logistics processes to reflect best commercial practices through BSM's new enterprise systems architecture. The *Dimensions* coverage

on pages 4 through 7 is only the beginning. You will see more and more about BSM in the coming months as a communications campaign kicks into gear. BSM will involve some major corporate changes that affect almost all of the DLA

work force, our customers, and all of our stakeholders, and we will work hard to keep you informed every step of the way.

In addition to the future as envisioned in the DLA Strategic Plan and its BSM pillar, you can also read about the present and the tremendous support that DLA-ers have given in Kosovo, as well as assistance to the victims of the massive earthquake in Turkey. The dedication of our great DLA work force is built on the contributions of our predecessors, and some of them are honored in our article about the DLA Hall of Fame. They complete the circle: those DLA-ers who make such a difference today, those whose vision and foresight take us into the 21st century, and those who laid the groundwork for us—the pioneers of the past. I'm proud to be associated with all of them!



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***"The dedication of our great DLA work force is built on the contributions of our predecessors, and some of them are honored in our article about the DLA Hall of Fame."***

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*Henry J. Blission*

# **New strategy will ensure that DLA achieves its Logistics Transformation**

by Vicki Christensen  
DLSC-I

**A**s we approach the 21st century, DLA's existing logistics systems—such as the Standard Automated Materiel Management System (SAMMS)—need to follow a new blueprint—one that matches new information technology with the organizational structures, concepts, and business practices needed to successfully attain DLA's strategic goals. This new blueprint is DLA's "Business Systems Modernization" (BSM) strategy, a plan which will enable DLA to achieve not only its long-range business objectives, but also support improved military readiness, through the accessibility and velocity of logistics information—the Joint Vision 2010 concept of Focused Logistics.

The BSM strategy's first focus is to replace DLA's primary materiel management systems, SAMMS and the Defense Integrated Subsistence Management System (DISMS), with an expanded enterprise computing environment and commercial off the shelf (COTS) software packages. Although SAMMS and DISMS will be the first systems to be replaced, DLA's other legacy systems won't be far behind. The BSM strategy, over the course of several years, will result in a new agency-wide computing architecture, which will enable DLA to re-engineer its logistics processes to reflect best commercial business practices. It will also contribute to improved military readiness by implementing a more interoperable, shared data environment.

"The changing nature of customers' needs, how business is conducted today for the warfighter, and the actual needs of the warfighter mandate that we have a system that can respond to those changes. Right now

we are not as agile as we need to be," said Rear Adm. Bob Chamberlin, former DLA deputy director.

### **The Origins of SAMMS**

SAMMS was established in the late 1960s and early 1970s in an age of hardware constraints, memory limitations and relatively slow processing speed. It was a time when punch cards were the media used for input and printed reports were the only available form of output. Although the system is archaic by today's technology standards, it provided an effective, efficient environment for its time.

"Although SAMMS has served DLA and the military services well for many years, it has become an out-moded system based on old business practices and obsolete technology," said Mae DeVincentis, DLA executive director for Information Systems and Technology. "Additionally, it has become increasingly expensive to operate and maintain due to excessive downtime, high operating costs, cumbersome system modification processes and poor performance."

Because of the diverse commodity management requirements at each individual Inventory Control Point (ICP), the system evolved to consist of six ICP-specific versions. The system, which is programmed in COBOL with a myriad of non-database files, was further divided to provide six functional subsystems to support asset management, requirements determination, acquisition management, technical, logistics, and financial management.

In an age where relational databases and decision support environments allow users cost effective, quick turn-around information, DLA's analysis found that SAMMS will not enable us to meet the future needs of the DLA work force, military services and the warfighting commanders-in-chief.

***The BSM strategy, over the course of several years, will result in a new agency-wide computing architecture, which will enable DLA to re-engineer its logistics processes to reflect best commercial business practices. It will also contribute to improved military readiness by implementing a more interoperable, shared data environment.***

This latest DLA effort to eliminate outdated or legacy systems is consistent with other Agency initiatives to better manage the information that effective logistics operating depends on. In December 1991, DLA was assigned the responsibility for managing DoD's wholesale supply distribution system, which included the military services' supply depots. It soon became apparent that the variety of computer systems supporting the depots had to be replaced with a single system. Hence, DLA developed the DoD Distribution System. DSS became fully operation at the end of September 1998. The system, which currently supports 20 distribution depots, replaced seven redundant systems and has resulted in life-cycle benefits projected at \$500 million through fiscal 2008.

In March 1996, the Secretary of Defense's Report to the President and the Congress called DSS "the flagship of the logistics modernization effort in terms of management and results."

In another standardization effort, the Immediate Improvement Initiative succeeded in fielding three mid-tier applications, DPACS (DLA Pre-Award Contracting System), CTOL (Cataloging Tools On-Line) and AIMS (Automated Inventory Manager Support System), developed at individual centers, for use by all ICPs.

The BSM strategy is unlike the previous "SAMMS Modernization" efforts pursued by DLA. Historically, when a change was needed to SAMMS, the internal programming staff would make the modifications by actually changing the system code in each of the functional areas served by the system. Furthermore, analysis found the turn-around time between concept inception and deployment was far too lengthy, due to the need to write requirements in detail, write the supporting code, test the system and train the users before the Agency could go into production with any IT change.

During the 1970s and 1980s, DLA

was like many other large corporations. Individuals wrote their own code and maintained their own legacy systems. However, during the early 1990s, significant changes were afoot in the software industry. Enterprise Resource Planning (ERP) systems, Supply Chain Management Systems and tailored logistics software were being marketed, deployed and critiqued.

Over the past five years, many Fortune 500 companies have worked significant improvements in the various software packages in use. Industry giants have embarked on legacy system replacement projects and have published and shared their lessons learned.

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***"Only a fundamental change in the way we do business, coupled with a suite of software that supports those changes, can keep DLA competitive, relevant and strong into the next century."***

**—Rear Adm. Bob Chamberlin, former DLA deputy director**

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Along the way, they have also helped refine the actual code and business practices embedded in the software. As they discover better, faster and cheaper ways of doing business, they pass those business practice changes on to the software providers, who then change the supporting system to accommodate the new practices.

DLA, as a user of the software, will share in the improvements made by other users without footing the entire bill for software development,

testing, training and maintenance.

## **The Work of the ICPs has Changed**

Traditionally, ICPs accomplished their mission by ensuring adequate supplies were available for any contingency, anywhere in the world. They accomplished this by storing massive amounts of supplies in various depots located throughout the world. Throughout the Cold War, DLA took on the daunting task of ensuring readiness by stockpiling spare parts, clothing, food, medical supplies and general industrial items. In spite of the Agency's best efforts, however, critical items were often on backorder while low demand or no demand items often accumulated in our warehouses.

In the early 1990s, DLA began an aggressive campaign to change the way it did business. The Agency began shifting to commercial business practices. Prime Vendor, Vendor Express, Third Party Logistics, Virtual Prime Vendor and E-Mall all changed the nature of the business from stockpiling supplies just in case the customer needed them to having a commercial contractor store products and deliver them to the customer just when the customer needs them. In order to accomplish these shifting business practices, DLA made incremental changes in the SAMMS environment, sometimes on a daily basis.

As DLA moves further from "managing supplies" and becomes a broker of information and "manager of suppliers," the supporting systems, like SAMMS and DISMS, must change too. "It should ultimately result in significantly lowering our operating costs because our inventories will be smaller and we will have much better information about them," said Jeff Jones, DLA Defense Logistics Support Command deputy commander.

## **Our Employees Have Changed**

Another change in DLA has been among the work force. Over the last



The BSM Steering Group meets at least monthly, demonstrating the senior leadership commitment to achieving the BSM vision. (Left to right) Frank Lotts (DSCR), Pete Runfola (DLSC-P), Susan Chadick (GC), standing Mark Brown (KPMG), Rich Cromley (DSCP), Phyllis Campbell (DDC), Steve Bennett (DSCC), John Behrendt (DLIS).

10 years, technology at the desktop has improved dramatically. Most ICP employees now have a Pentium II processor at the desktop with access to a robust suite of software.

Point and click technology has removed the burden of remembering various program function keys and combinations. Drag and drop has made editing easy; spell check and calendars ease the burden on clerical staff; and the use of e-mail hastens decisions and information exchange throughout the entire Agency. The work force is sophisticated in their understanding and familiarity with desktop technology, bringing a competency that positions them for a new, more sophisticated enterprise wide system.

### **SAMMS Hasn't Changed**

While others have moved out to adopt commercial off the shelf software and best business practices, DLA has cautiously taken a "wait and see" posture. During that time SAMMS has continued to grow old and frail. As the Year 2000 approaches, the Agency has worked diligently to ensure all date sensitive code is Y2K compliant.

But the system is much older than other legacy systems in use in private industry. To change SAMMS to a database management system that operates in a flexible, efficient manner would cost millions of dollars and take years. And DLA would still be left with a legacy system that only the Agency uses, putting the entire cost of development, testing and maintenance on DLA and its customers.

"Continuing to make incremental changes to SAMMS would improve the system but wouldn't bring about the core changes in business practices that are necessary," said Chamberlin. "Only a fundamental change in the way we do business, coupled with a suite of software that supports those changes, can keep DLA competitive, relevant and strong into the next century."

### **The BSM Steering Group**

<b>George Allen</b>	DSCP Deputy Commander
<b>Frederick Baillie</b>	DLSC Resource & Planning
<b>Steven Bennett</b>	DSCC Deputy Commander
<b>Phyllis Campbell</b>	DDC Deputy Commander
<b>Susan Chadick</b>	DLA General Counsel
<b>Mae DeVincentis</b>	DLSC IS/IT
<b>Linda Furiga</b>	DLA Comptroller
<b>Deborah Greger</b>	DLIS, Logistics Initiatives
<b>Jeffrey Jones</b>	DLSC Deputy Commander
<b>William Kenny</b>	DLSC Procurement
<b>Frank Lotts</b>	DSCR Deputy Commander
<b>Carla von Bernewitz</b>	DLA Chief Information Officer
<b>Capt. Patrick Flanagan</b>	Customer Support
<b>Brad Bergmann</b>	Logistics Management

# Business Systems Modernization: The road to developing a strategy

by Vicki Christensen  
DLSC-I

**L**ast July, the Defense Logistics Agency formed the Business Systems Modernization Steering Group, consisting of senior leaders from the field, Defense Logistics Support Command, and Headquarters DLA and chaired by the DLA Deputy Director Rear Adm. Bob Chamberlin.

The steering group, with the help of KPMG LLP, spent several months considering alternative solutions to the question of how to proceed with enterprise-wide information technology.

In view of its focus on implementing best commercial practices, the steering group has elected to base its business systems modernization information technology solution set on Commercial Off The Shelf products.

"We're bringing in business processes and system support that have been tried and proven in the competitive environment," said Jeff Jones, DLSC deputy commander. "The marketplace has built these systems for competitive purposes, and that's the key ingredient that we're going to have with the system."

The products are available from General Services Administration Information Technology schedules through competitive government acquisitions. Both the products and the associated services will be purchased, to the maximum extent advantageous, by using the schedules as acquisition instruments. Specific licensing and implementation requirements will be specified in negotiated task/work orders against the schedules.

"We're not trying to define in great technical detail what our requirements are and then build that system from spec," said Jones. "We're basically taking what somebody else's experience has found, and we're importing that into DLA. It's completely the reverse process from what we're used to doing."

## The Road Ahead

It is anticipated that by fiscal 2005, DLA will make significant strides in replacing all of its major mission-critical legacy business applications with commercial alternatives.

Using the commercial systems, combined with a move to commercial practices, should result in efficiency that is noticeable to both customers and employees. For instance, at Defense Supply Center Richmond, the new system will help eliminate many manual processes.

"Today a customer sends me an order and if I don't think it's coded properly, the first thing I do in many cases is to reject that order back to the customer," said Frank Lotts, DSCR deputy commander. "With today's technology, I can now go into an interactive mode with the customer to make sure the order is correct."

Employees should also see the same kinds of improvements.

"I think they're going to be astounded," said Carla von Bernewitz, DLA chief information officer. "They will see more seamless business processes across our commodities than we can possibly manage today. We will be able to give them more information to help them do their jobs."

George Allen, Defense Supply Center Philadelphia deputy commander agreed.

"You'll provide enough information at the desktop so that the employee can make rational decisions on a variety of functional specialties," he said. "We will broaden the scope of work performed by every individual employee, and we'll probably raise the caliber of employees who work with us over the long term."

In moving DLA toward the future, the DLSC vision is to be a virtual logistics enterprise, consisting of several geographically separate, but operationally joined, centers that manage relationships with suppliers. Lead Centers have been designated based on the type of items managed. These Centers manage inventory, foster industry partnerships and support appropriate item methodologies within the virtual logistics enterprise. These visions can only be achieved by the application of modern information technology across the Agency.

IT will serve as the vehicle to provide the required visibility into global inventories and manufacturing capabilities, while increasing the speed and effectiveness of communications and facilitating the integration between supplies and customers.

Ultimately, this BSM strategy will result in a new corporate computing architecture which will enable DLA to reengineer its logistics processes to reflect best commercial business practices. Above all, the BSM initiative demonstrates DLA's commitment to the Department of Defense to significantly improve the IT position for the entire warfighter community.

"World class performance is the goal," said Jones, "and that's what we'll deliver."

# DLA's Strategic Plan focuses on Agency's direction for 21st century

by Christine Born  
DLA Public Affairs

**D**LA has a new, updated Strategic Plan. DLA Senior Leaders met on June 28 for the third and final session of DLA's Strategic Planning Summit at Fort Belvoir, Va. They discussed and reviewed the Agency's mission, vision, values, core competencies, and corporate goals and objectives.

The Strategic Plan is an enhancement of the current DLA 1998 Strategic Plan and involves the long-range objectives for the Agency. Designated DLA 21, the new plan incorporates five pillars - or enablers—to help achieve DLA's vision of the future and should be ready for distribution by the end of fiscal 1999. Those five pillars are:

- ◆ Business Systems Modernization
- ◆ Strategic Sourcing
- ◆ Customer Knowledge/Focus
- ◆ Work force Development
- ◆ Organizational Redesign

The most noticeable changes to the Strategic Plan include a new, more concise vision statement, two new core competencies, deletion of three current core competencies, the addition of a DLA Customer Bill of Rights (*see page 13*) and realignment and modification of the existing five goals and 29 objectives into three goals and nine objectives.

"We tried to retain the continuity of the original strategic plan," said Joanne Barreca, chief of Planning for Corporate Administration's Plans and Operations. "The Executive Planning Team took the five goals from the 1998 plan and incorporated them into three. They built on what we had and redefined them, and used lessons learned to develop the new goals."



## Strategic Summit Planning Group

(Front row, left to right) Rear Adm. Bob Chamberlin, Lt. Gen. Henry T. Glisson, Maj. Gen. Timothy Malishenko, Rear Adm. David Keller, Rear Adm. Daniel Stone. (Middle row, left to right) Linda Furiga, Carla von Bernewitz, Sgt. Maj. Randy Taft, Christine Gallo and Scottie Knott. (Back row, left to right) Marshall Bailey, Phil Porter, Bruce Baird and Tom Brunk.

Barreca said the Executive Planning Team decided to change the mission and vision statements to make them more concise and to ensure that everyone in DLA could see themselves in the statements no matter where they work in DLA.

DLA Director Lt. Gen. Henry T. Glisson said, "The challenge of moving into the new millennium is to stay ahead of changes around us. This Strategic Plan will allow us to do that."

The team reviewed the current core competencies and kept three of them. They then merged and renamed the others for a total of five. The two new core competencies—Customer

Knowledge/Focus and Logistics Information Management—more accurately describe the direction the Agency is planning on taking in the 21st century.

DLA's core competencies are defined as "The unique combination of skills, processes, technologies and knowledge bases at which we excel."

"We didn't change any of the values," Barreca said. "That's good because it's important to have basic values to the Agency that are solid and long lasting. Values should remain consistent."

For the strategic goals, the team rewrote them using a broader perspec-

tive. The goals from the previous plan were more specific and detailed, Barreca said.

“We wanted everyone to be able to relate to the plan,” she said. “which is why they rewrote the goals so that everyone could better relate their jobs to them.”

The plan will be distributed across DLA by a variety of methods. One is to use chain teaching, where the executives brief the senior staff, who then brief their staffs. Eventually the plan trickles down to everyone in DLA. Other methods will include posting on the DLA web site [www.hq.dla.mil](http://www.hq.dla.mil) and

featured articles in DLA publications.

The components of the Strategic Plan include the following:

- ◆ DLA Mission Statement
- ◆ DLA Vision Statement
- ◆ Core Competencies
- ◆ Goals and Objectives
- ◆ DLA Customer Bill of Rights

## ***DLA Strategic Plan 2000***

### **DLA Mission Statement**

*Provide best value logistics and contract management support to America's armed forces in peace and war...Around the clock, around the world*

### **Vision Statement**

*Right Item, Right Time, Right Place, Right Price. Every time...Best value solutions for America's warfighters.*

### **Core Competencies**

#### **Customer Knowledge**

Customer Knowledge is the ability to comprehend in detail the customer's static and dynamic requirements and expectations in a continually changing organizational and operational environment. This is coupled with the ability to empower the customer through direct access to knowledge about DLA products and services.

#### **Logistics Information Management**

Logistics Information Management is the application of information technology to the management of logistics in support of the Agency's business operations.

#### **Integrated Combat Logistics Solutions**

Integrated Combat Logistics Solutions are remedies to complex logistics problems, coordinated among the Services and across DoD to meet combat support requirements, whether in peace or war.

#### **Rapid Worldwide Response**

Rapid Worldwide Response is the capability to respond and provide increased, specialized logistics services and contract administration to support routine and emergency operations - ranging from war and full scale military engagements to peacekeeping missions, humanitarian assistance, and relief efforts for natural or human disasters.

### **Single Face To Industry**

Single Face to Industry means a single government voice for contracting, whether in award of multi-year prime vendor contracts to effect unit cost savings across the Department or in contract administration to protect public interests, encourage contractor self-governance, and stimulate continuous performance improvement.

### **Goals**

#### **Goal 1**

Consistently Provide Responsive, Best Value Supplies and Services to Our Customers

##### **Objective 1.1**

Meet Customer Expectations of Quality, Timeliness, Information and Performance

##### **Objective 1.2**

Team with Business Partners to Achieve Customer Results

#### **Goal 2**

Reduce Costs—Improve Efficiency—Increase Effectiveness

##### **Objective 2.1**

Achieve Performance Cost Commitments

##### **Objective 2.2**

Serve as a Catalyst for the Revolution in Business Affairs and Acquisition Reform

##### **Objective 2.3**

Implement Commercial Business Based Systems and Practices

##### **Objective 2.4**

Achieve Integrity and Security of DLA Information and Infrastructure.

#### **Goal 3**

Ensure Our Work force is Enabled to Deliver and Sustain World Class Performance

##### **Objective 3.1**

Invest in the Work force to Ensure We Have the Knowledge-based Skills and Tools to Succeed

##### **Objective 3.2**

Implement a Long-Range Strategy to Sustain Work force.

##### **Objective 3.3**

Build and foster a Positive Work Environment.

# DLA's future and Focused Logistics

by Retired Army Lt. Gen. Robert M. Elton  
CEO, MTL Services International, Inc.

For over ten years, Elton has served as the Chairman and Chief Executive Officer of MTL Services International, a Virginia-based small business specializing in performance improvement, strategic and performance planning, and quality management training and consulting.

**EDITOR'S NOTE:** The thoughts in this article were delivered in a presentation by Elton to the Defense Logistics Agency senior leaders at DLA's Senior Leadership Conference, Fort Bragg, N.C., Dec. 3-5, 1998. The new DLA Strategic Plan follows many of the guidelines set forth in Elton's analysis of Focused Logistics.

The opportunity to speak to the senior leaders of one of the major Department of Defense Agencies is a rare privilege, especially at a time when they face new challenges and transformation that will enable them to respond to the imperative of "Focused Logistics" as stated in Joint Vision 2010.

My charge is to provide a clear example how the future state of the Defense Logistics Agency can be accelerated through use of the management criteria of the President's Quality Award. The criteria of the PQA are in fact the criteria of the Malcolm Baldrige National Quality Award, which is being used successfully to shape the management processes in private industry. These criteria are all-embracing and fit well with organizations that are more competitive, more responsive, continuously changing and improving.

## Focused Logistics

The Joint Chiefs of Staff define Focused Logistics as:

*"The fusion of Information, Logistics & Acquisition, and Transportation technologies to provide rapid crisis response, track and shift assets while en route, and deliver tailored logistics packages and sustainment directly at the strategic, operational, and tactical levels of operations."*

The security threats to the U.S. are much different today than during the Cold War. Behind those who deal directly with these new threats is DLA. To meet the challenge of *Focused Logistics*, DLA must position itself in the frontal lobe of the commander on the ground and move needed logistics precisely and in time. Several major changes have been made over the past ten years that enabled DLA to respond in the Gulf War, Haiti, Somalia, and Bosnia with a much-improved precision. But how can DLA improve to the position of dominance in the business of logistics?

## Systems Leadership

The leaders of DLA are responding with the design and development of ever more accurate and comprehensive systems. These answers tell us that leaders in the 21st century must think in terms of systems and know how to lead systems. DLA's task is to build its competencies so that it can achieve the desired imperative—*Focused Logistics*.

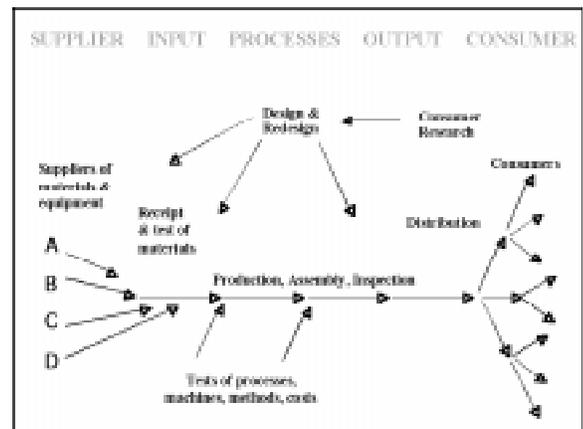
To achieve *Focused Logistics*, I have highlighted

three major systems—either currently designed and being improved, or yet to be developed.

To better understand how I see DLA's future, I will share a story from private industry.

In 1984, John F. Welch, Jr. became chief executive of General Electric. He looked to the future and saw that doing business as GE had done in the past would bring the giant to her knees. GE had become layered with bureaucracy that was stifling initiative. They were not focused. They needed a vision of the future that showed them to be more competitive, more responsive, and continuously improving. His vision was a simple imperative: all of the GE businesses would be either number one or number two in their respective area of endeavor—or they would be sold. He made a simple three-ring diagram into which he put the company's 27 businesses. He labeled the circles High Technology, Services, and Core Products. Only 15 of the 27 businesses in 1984 went into the three rings. He challenged those outside the three rings to get in, and those inside to remain in. Today, GE has grown from \$13 billion in revenue in 1984 to more than \$300 billion in 1998, and they currently have 13 businesses, according to Robert Slater in his book, "Get Better or Get Beaten."

The point is clear. GE now had three areas of focus. Welch enabled his leaders to concentrate on their require-



ments. In a similar manner, DLA has three areas of focus: Information, Logistics & Acquisition, and Transportation. DLA has its own three-ring chart. Within these areas must be designed and developed the systems that will enable DLA to provide *Dominant Battlespace Logistics*. That's not a bad tag line, is it? GE's systems tell the supplier every time a light bulb is taken off the shelf and sold at Wal-Mart. If GE can do it, can a DLA system not tell our suppliers every time a spare or repair part is taken off the shelf by a mechanic? Total Asset Visibility may be the answer.

### Systems Definition

A system as a whole as we know it is comprised of several parts. It has a definable purpose and each part contributes to the purpose. In fact, each part of the system has its own purpose. We understand each part by seeing how it fits into the system. Total understanding comes from understanding the system's purpose, its interactions, and its interdependencies. The system is the method by which we achieve results. Without constant attention to systems, we focus on people—and we begin to exhort them and seek to motivate them.

Real improvement will come only from changing the system and its processes. This takes a well-planned, cross-functional effort led from the top, according to Peter R. Scholtes' "The Leader's Handbook." There are several of these efforts ongoing now that contribute to *Focused Logistics*. One example is the systems development work being done by DLA's Joint Total Asset Visibility Program Office.

### Deming's Systems View

The late W. Edwards Deming believed that there is a simple system that drives all work. If it is successful, it is because the parts of the system are interactive, interdependent and continuously improving.

DLA's systems are highly interac-

tive and designed to accomplish exactly the same outcome for their consumers. On occasion, the contingency that drives the DLA output may afford only limited time to design the system before it must provide what is needed.

### PQA as a system

The PQA criteria provide a framework for focusing the entire organization on customers, and the continuous improvement of Information, Logistics & Acquisition, and Transportation processes and systems. The criteria provide the organization with an effective assessment vehicle to target key performance gaps, set priorities for improvement, and introduce better ways to work with customers, suppliers, and partners. Use of the criteria within the organization requires systems thinking, analysis and performance measurement. As performance is measured, decisions are made regarding modifications and shortfalls are improved.

In short, the criteria enable leaders to lead systems.

Use of the criteria is not new in DoD. The Air Force has developed the Air Force Quality Institute with major purpose to train and evaluate organizations with the criteria, and the Air Force Inspector General has moved to embrace prevention in addition to compliance. This has also been done by the Army's Forces Command Inspector General.

The Army's Communities of Excellence Program has adopted the Baldrige/PQA criteria in its Army Performance Improvement Criteria. Each installation is encouraged to conduct an APIC-based assessment of its operations annually. The Navy was a leader in the quality effort with its Total Quality Leadership program.

DLA elements in the Defense Contract Management Command have completed self-assessment applications since 1993, and several have won the President's Quality Award.

## The PQA Criteria

- Category 1 - Leadership
- Category 2 - Strategic Planning
- Category 3 - Customer and Market Focus
- Category 4 - Information and Analysis
- Category 5 - Human Resource Focus
- Category 6 - Process Management
- Category 7 - Business Results

### The PQA Criteria

The PQA criteria are clearly a systems framework.

The Criteria have three basic elements, from top to bottom:

- ✓ **Strategy and Action Plans** — These stand as the customer and market focused organizational level requirements. They are derived from strategic planning. The strategy and action plans guide resource decisions and drive the alignment of measures for all work units.
- ✓ **System** — Comprised of the six Baldrige categories that define the organization, its operations, and its results. Categories 1-3 represent the Leadership Triad to emphasize the importance of leadership focus on the strategies and the customer. Categories 5-7 represent the Results Triad. The employees and key processes accomplish the work that yields business results. The large arrow in the center links the two triads and indicates the central relationship between category 1 and category 7.
- ✓ **Information and Analysis** — Critical to the effective management of the company and to a fact-based system for improving performance. It is the foundation

for the performance management system.

## Core Values and Concepts

These criteria have important roles in strengthening performance. They are: to help improve practices and capabilities, to facilitate sharing and communicating “best practices,” and to serve as a working tool for understanding and managing performance. The criteria help us focus on two imperatives:

- ✓ Delivery of ever-improving value to customers
- ✓ Improvement of overall organizational performance and capabilities

These criteria have been embraced by several organizations with exceptional results. Welch has taken personal leadership in creating the values and culture that has made GE one of America’s most dynamic achievers. He firmly believes in “building every mind in the organization—leave no one on the sidelines.” He has established a management institute at Crotonville, N.Y., whose sequence of courses rival the Armed Services career development education system. He personally speaks to every class, sleeves rolled up, demanding their attack of the processes that would keep GE from being better, faster, more efficient, according to Slater.

Sam Walton, Wal-Mart’s legendary founder, believed fervently that

you must communicate openly with your partners to make things improve. “The more they know, the more they’ll understand. The more they understand, the more they’ll care. Once they care, there is no stopping them,” he said.

## The DLA Challenge

DLA’s Director Army Lt. Gen. Henry T. Glisson’s challenge to all senior leaders in the Agency is to understand the criteria, bring them into the development and refinement of DLA’s management processes and build systems to achieve *Focused Logistics* of Joint Vision 2010.

DLA’s current strategic planning process started in March 1999 with an organizational Baldrige-based assessment. The Executive Committee and strategic planners are anxious to obtain feedback from managers, employees, customers, suppliers, and stakeholders. Results were analyzed and incorporated into the new Strategic Plan.

## Into the Arena

The phrase “Into the Arena.” is taken from a speech delivered by President Theodore Roosevelt. In it, he degrades the position of the carping critic and champions the man “in the arena”— the doer of deeds, the man who strives valiantly, who errs, who knows the great devotions, and in the end, the triumph of great achievements. Glisson’s challenge is to get “Into the Arena” by embracing the use

of the Baldrige Criteria. Entering the arena requires some commitments on the part of DLA’s leaders and managers:

- ✓ Commitment to lead systems and people
- ✓ Commitment to use the criteria of the PQA to assess strengths and areas for improvement
- ✓ Commitment to use the criteria to drive process and systems improvement
- ✓ Commitment to use the criteria to achieve objectives in the Strategic Plan

One way to use the criteria is through an assessment of the status of operations within the organization from all the perspectives of PQA. The assessment consists of an internally directed survey, based against the Baldrige criteria, completed by a random sampling of the members of the organization, followed by investigative interviews with key leaders, suppliers, customers, and stakeholders, and discussions with selected focus groups. All of this information is collated to evaluate processes, examine performance gaps against goals, and areas for improvement and focus of effort.

Customer, supplier and stakeholder interview input can be expanded using separate feedback surveys, appropriately designed for each group, provided to a directed sampling from each group. As an example, the customer survey focuses on the delivery of products or services, the systems that support it, and the areas in which improvement can be made, or expanded services can be developed.

Once the complete assessment is accomplished, the results feed directly into the Agency leadership and the strategic or operational planners for action and inclusion in the plan—so that strategic direction can be taken in line with the criteria. This is the path that Glisson has selected for all of DLA during the preparation for the

## Federal government results from PQA systems framework

- ✓ NASA’s JFK Space Center reduced the time to integrate Space Shuttle solid rocket boosters by 65 percent from 49 days to 17 days
- ✓ Naval Air Systems Command reduced average procurement processing time 59 percent from 147 days to 61 days
- ✓ As a result of involving soldiers in the design of its system displays, U.S. Army Tank-automotive and Armaments Research, Development and Engineering Center reported:
  - 42 percent reduction in mission completion time
  - 35 percent reduction in fuel consumption
  - 60 percent reduction in mission planning time
  - 30 percent increase in enemy kills
- ✓ Defense Contract Management Command New York realized Return on Investment cumulative savings and avoidances of \$500 million versus a District average of \$200 million

development of the new strategic plan. This is his way to lead DLA “Into the Arena.”

Another way is to conduct an assessment, develop an application, and compete for the President’s Quality Award. In doing this, the organization embraces the criteria, determines the performance gaps, uses the feedback from the expert examiners, and builds continuous improvement into all of its processes. DCMC has deployed the criteria to its subordinate elements and several have followed this path and achieved Presidential Quality Awards. Some of their operating processes have become “best-practice” models for other contracting organizations throughout the federal government.

### **What to expect**

The embodiment of *Focused Logistics* to achieve Joint Vision 2010 requires the leadership of systems that today may still be in design. As mentioned earlier, JTAV systems are crucial parts of the entire group of systems that will enable DLA to anticipate accurately, respond rapidly, deliver precisely, and sustain effectively. Use of the Baldrige criteria from the PQA will enable DLA to focus more clearly on the requirements of the customers—with “Jointness” as priority. In addition, the spin off for the developing, learning organization that is DLA, is a work force that has truly become motivated to shape and achieve the organization’s goals. They will recommend and initiate new ways to improve—by the carload. Quality will increase, cost will decrease, and cycle time will be reduced. The focus will shift from “urging people to work harder,” to developing systems that enable people to operate more effectively. The only way to really approach the goal of *Focused Logistics* is to get everyone in DLA “Into the Arena”—no one on the sidelines.

## **DLA Customer Bill of Rights**

### **What warfighters should expect and demand from DLA. What DLA will do to meet our commitment to the warfighter**

#### **1. Right Focus: DLA will perform as an integral part of the warfighting team.**

DLA will focus on warfighter needs by:

- ◆ Supporting weapons systems readiness
- ◆ Providing exceptional customer service through a network of local support representatives and easy access via 1-888-DLA-CALL
- ◆ Projecting a forward presence in-theater through the DLA Contingency Support Team performance of logistics support and services and contingency contract administration
- ◆ Improving customer satisfaction by listening to the customer and making necessary changes in materiel management, contract management, and support services business processes

#### **2. Right Time: DLA will provide fast and reliable support to the warfighter.**

DLA will be responsive to customer requirements by:

- ◆ Improving Logistics Response Time continuously
- ◆ Making great support arrangements like Direct Vendor Delivery contracts
- ◆ Providing tailored logistics support like Premium and Dedicated Truck delivery systems
- ◆ Filling backorders quickly.

#### **3. Right Product: DLA will provide the right items and services to the warfighter.**

DLA will meet customer requirements by:

- ◆ Ensuring product quality and conformance with customer specifications
- ◆ Making sure the right items are available to the customer
- ◆ Minimizing and correcting discrepancies and their impact on the customer

#### **4. Right Price: DLA will provide best value products and services**

DLA will serve the warfighter economically by:

- ◆ Reducing infrastructure and its impact on customer price
- ◆ Minimizing customer price change
- ◆ Using excess and reusing disposal assets
- ◆ Buying smartly

#### **5. Right Measures: DLA will use customer driven measures of success.**

DLA will measure success in customer terms by:

- ◆ Reviewing programs against corporate customer goals and operational objectives
- ◆ Using measures preferred by the customer
- ◆ Contracting for the right level of performance in services.

# DLA winning millennium bug battle

## *All 86 standard systems repaired and Y2K certified*

By Paul Stone  
American Forces Press Service

**I**t's probably one of the biggest battles DoD has fought in its war against Y2K, but the millennium bug will not stop the Defense Logistics Agency from delivering whatever, whenever and wherever supplies are needed when 1999 becomes 2000.

That's the assessment from Carla von Bernewitz, DLA chief information officer and Y2K program manager. And that's good news for service members. For as von Bernewitz pointed out, DLA's complex worldwide supply, distribution, logistics and acquisition systems are responsible for delivering nearly every item service members use, whether for combat readiness, emergency preparedness or just day-to-day operations. From food to fuel, from clothing to construction materials, from buttons to bolts and badly needed spare parts, it's all there in the DLA system.

The Year 2000 problem, nicknamed "Y2K" and the "millennium bug," refers to a past computer industry practice of programming years with just two digits — 1999 would be "99." The shorthand means some computer systems and equipment on Jan. 1, 2000, might read "00" as "1900." The error could generate inaccurate data or even cause systems to shut down. Systems that won't handle the year change correctly must be fixed or replaced; those that will work correctly are called Y2K-compliant.

Von Bernewitz said DLA's early jump on the Y2K problem back in 1995, combined with the Agency's top to bottom emphasis on solving any potential Y2K glitches, have resulted in an Agency that will be prepared to do business come the Year 2000. The magnitude of the effort is evident in just a few examples of the challenges DLA faced in its battle with Y2K.

DLA uses 86 standard systems, and for example, just one, the Standard Automated Materiel Management System, contains 30 million lines of coding that had to be checked.

- ✓ Some systems are more than 30 years old, making them difficult to fix or repair with automated Y2K repair technology.
- ✓ DLA does business with more than 5,000 vendors.
- ✓ The Agency has offices, depots and supply centers in all 50 states and in Europe and the Pacific region.
- ✓ The Agency interfaces with all the service branches, right down to the unit level.

Despite the complexity and depth of the Y2K challenge, von Bernewitz said, all 86 of DLA's standard systems have been repaired and certified as Y2K-compliant. The last to be certified, the Electronic Commerce Mall, is also one of DLA's newest initiatives. Begun in 1998, the "E-Mall," as it is known, allows customers right down to the individual units to order supplies over the Internet simply by using a government credit card or standard requisitioning procedures.

The critical need for DLA's systems to function properly into the Year 2000 is a large reason it was a central player in DoD's largest Y2K test ever, conducted from May through July in Fairfax, Va. That test, involving all the services, DLA and logistics systems spread out over 22 locations, was designed specifically to ensure that Year 2000 problems do not prevent delivery of supplies to the troops. DoD plans to release results of the test by the end of July.

The Agency even has a "Y2K War Room" filled with complex charts and graphs, all of which depict both the depth of the Y2K challenge and the progress to date.

In addition to the supplies that service members can see and touch, DLA, through the Defense Energy Support Center, also assesses the readiness of electrical power to all U.S. installations. DLA has already assessed all 220 utility companies that serve installations and will continue to track their progress throughout the year.

"Right now there's not an identifiable problem with utility companies, but there are some that haven't been rated 100 percent compliant," von Bernewitz said. DLA is working with Department of Energy, the National Energy Reliability Council and the president's Year 2000 Conversion Council to monitor the progress.

DLA's Y2K compliance is critical not just because it supplies more than 4 million items to the services, but also because DoD has long been out of the business of maintaining huge warehouses of stockpiled items. Instead, much of what the services order is on an "as-needed" basis through what is known at the Prime Vendor program.

Von Bernewitz explained that Prime Vendor allows DLA to contract with one full-service distributor of commercial products, such as for certain food supplies, instead of with individual vendors. The vendor, under a long-term contract, provides all material in a product line to major or regional customers on a "just-in-time" basis, eliminating the need for stockpiles. DLA currently has 58 vendors in the program.

Von Bernewitz said extensive Y2K testing is ongoing with those in the Prime Vendor program. "These vendor

tests are not simulations," she emphasized. "They are tests in which we are passing information into their systems and back again."

She said that even if DLA cannot guarantee the Y2K compliance of all the more than 5,000 vendors it has assessed, that still will not hinder operations. "We have a whole range of options, such as accelerating deliveries," she said.

"For example, let's say there's a critical part that's delivered in an increment of 100 each quarter, and we look and see we have 50 on hand and the next delivery is in September. We might up that order to 200 because we're not confident the vendor would be able to deliver come Jan 1, 2000."

Von Bernewitz said DLA also can provide customers with alternative sources for products and already has a computer model in place that matches alternative parts for specific repair needs.

Indeed, contingency planning and testing has been a large part of DLA's Y2K efforts. The three megacenters running the Agency's systems have back-up power supplies. Critical DLA personnel have been provided cellular phones to use in case standard phone service is temporarily

interrupted. The contingency plans list has detailed information about DLA operations, including specific points of contact, as well work, home phone and FAX numbers — anything and everything that will allow DLA customers to continue getting what they need, when they need it.

Although she's confident DLA's systems and contingency plans are in good shape to handle any glitches the millennium bug might still pose, von Bernewitz is still concerned the awareness level of the Y2K problem has reached down far enough.

"Everybody who's working on this has been committed to making sure everything works," she said. "But it's the end user who has to be there on January 1 to work the contingency plans if something fails. By then, Y2K is no longer a technical problem. It's the end users and their ability to implement contingency plans. I don't have a comfort level that everyone understands that yet."

She emphasized that all DLA customers need to be prepared for system failures, Y2K or otherwise. "Systems can fail because of a lightning strike as easily as they can from a Y2K problem. We all have to understand and be able to implement contingency plans at any time."

## ***DLA certifies last mission critical system***

**C**arla von Bernewitz, Defense Logistics Agency chief information officer, signed DLA's last Y2K certification of a mission critical system, the Defense Fuel Automated Management System, on Aug. 20. The system was certified for implementation in June 1999. The CIO's signature concludes the certification process established at DLA. DFAMS, one of DLA's 33 mission critical systems, manages procurement, inventory control, distribution and financial management of bulk fuel and petroleum products.

To fix potential problems, programmers changed the system's dates to read four digits rather than two. Using checklists, DLA checked all the dates in the application, the operating system, the software running within the system, and interfaces to internal and external systems for Y2K certification.

During a time machine test, the system runs through a series of test problems with critical Y2K dates to ensure no errors were generated. Once



Carla von Bernewitz, Defense Logistics Agency chief information officer, signs DLA's last Y2K certification of a mission critical system.

the system is tested, a DLA senior executive certifies it as being Y2K compliant. Once a system has been certified as compliant and implemented into production, DLA employees monitor it to make sure that no one loads any new software onto the system. If new software affecting

dates is loaded, the system would need to be recertified.

"DLA is working closely with our customers to keep their supplies flowing," said von Bernewitz. "We will be able to deliver whatever, whenever and wherever supplies are needed when 1999 becomes 2000."

# DLA creates its own Time Machine

by David Zeppieri  
DLSC-I

**W**hen H. G. Wells wrote “The Time Machine” in 1895, he envisioned building a device that would magically transport people to the future and back. In 1998, the Defense Logistics Agency, faced with testing many thousands of Year 2000 changes, began preparations to build a different sort of time machine—one that could transport information into the future.

Starting in January, using these information time machines, DLA has been conducting two types of Y2K tests: individual (or stand-alone time machine) tests of its major mission critical applications and cooperative tests with the military services to ensure the uninterrupted flow of critical materiel to the warfighter.

Since Y2K testing began, not a single, significant Y2K-related problem has been uncovered in any of the DLA Time Machine or Inter Agency Y2K tests, said DLA Chief Information Officer Carla von Bernewitz.

## The Y2K Problem

The majority of Y2K problems stem from computer systems programmed to read and calculate the year as a two-digit number. Until recently this has not been a problem because the systems—often referred to as legacy—were able to assume “19” was always the first two digits of the year. As the 21st century approached, this assumption began to cause problems. For example, a date that should have been 2000 often wound up being processed as 1900.

The Y2K problem is not restricted to any one functional area with DLA. DLA uses computer systems to support all of its critical business functions including financial, personnel, contracting, and logistics management. Examples of possible Y2K problems include computation of requirements forecasting and stratification or miscalculating military and civilian entitlement benefits. In addition, Y2K problems can affect DLA’s inventories of devices with microchips embedded in their assemblies, many of which are spare parts for weapon systems.

Y2K Time Machine testing follows the same general methodology used when testing any new or repaired computer program, except that it is necessary to test as if every element involved were situated in the future. This was compounded by the fact that DLA’s mission critical computer applications run concurrently on mainframe computers at three Defense Information Systems Agency (DISA) Mega Centers, as well as on multiple smaller computers and PCs spread across the country.

## Planning Stages

Almost all of DoD’s mainframe computers operate using systems software compatible with IBM mainframe computers. Most data centers have more than 100 systems software products supplied by a variety of different manufacturers. They range from operating systems to additional software products that control access to the system and keep track of the thousands of magnetic tapes that store the hundreds of thousands of files used by the applications and systems software.

All of these elements have some kind of “date” information associated with them that needs to be looked at for susceptibility to failure, and, if needed, repaired or upgraded to be Y2K compliant. This date, known as the timestamp, is a combination of the time and the current date and is vital to the operation of a mainframe computer. The timestamp is used to synchronize multiple remote and local computers, to determine when a file was created or updated, to inform operations staff and users when specific events occurred, and to make decisions directing the correction and restoration of files that have been corrupted due to a program or system malfunction.

DLA needed time machines in Columbus, Ohio, Ogden, Utah, and Mechanicsburg, Pa. Each of these facilities had to be configured, according to the unique applications that would be tested there. Preparations for establishing DLA’s Time Machines began in July 1998 and were completed by the end of the year, but testing will not be completed until late in December. Most of the operational planning and control for DLA’s Y2K testing was assigned to DLA Systems Design Center (DSDC), Columbus, Ohio, with Dennis Cherney, the original DLA Test Director, leading the effort.

The DISA Defense Mega Center in Columbus (DMCC) is where most of DLA’s production processing is run. Building the DMCC time machine configurations required buying and leasing mainframe central processors, disk storage, magnetic tape storage/handling “silos,” and thousands of additional magnetic tapes. A tape silo can store up to 6,000 individual tapes and contains several tape transport units for use when a specific tape is requested.

DMCC now houses four separate mainframe Time Machine test ‘domains.’ A dedicated mainframe domain is created by isolating a portion of a computer’s processing, memory, and storage resources so that they can operate as if they comprised a totally independent, stand-alone computer.

“Cherney was the driving force in all aspects of the technical activities that went into preparing for these tests and was supported by a team of professionals and contrac-

tors that worked around the clock to bring it all together,” von Bernewitz said. “All involved in DLA’s IT management agree they did an outstanding job.”

## **Inter Agency Logistics End to End Y2K Testing Preparations**

DLA’s Y2K testing managers had planned for and approached the testing much the same as if they were about to go into battle. Even though confident of success, they had also prepared a number of back-up, fall-back, work-around, and other scenarios to recover from unforeseen problems ranging from utter failure to incidents of less severity.

Preparing the applications software for Logistics End to End testing meant ensuring that all of the computer programs and all the supporting control files were accurately identified, gathered together in one place, and updated. The preparation of the files and databases that were to be used in the testing was a huge task, compounded by the fact that DLA’s production files are stored in three different places: online disk, tape silos, and tape libraries.

After identifying where all the systems were, the testers created a full duplicate set of all of the actual production data files that were going to be used in the tests. In order for the testing to be valid, all of these files had to be synchronized with respect to their timestamps and extracted at the same time. This meant that no production processing could take place while the file extraction (called “file dumps”) took place.

In order to ensure that this very critical step was processed correctly, it was necessary to cease production processing and, essentially, shut down the DMCC while the file dumps were taking place. The DMCC was closed over the Presidents Day weekend in February to create the production test data files. Over 10,000 magnetic tapes were

needed to store all the information for the Y2K tests.

The preparations for LOGE2E testing began early in January and continued until the first LOGE2E test began, on May 25.

## **LOGE2E Testing**

LOGE2E testing consisted of four test ‘events’: a Baseline test, fiscal year crossover, calendar year rollover, and a separate test event to ensure that the applications recognized that 2000 is a leap year and correctly process information dated on February 29, 2000.

LOGE2E Testing wound up becoming the largest simultaneous test event ever executed. Between the services and DLA, the testing involved 44 systems with over 200 million lines of code running on fully synchronized time machines. Over 1,000 people from 22 sites participated in some aspect of preparing for or executing these tests.

The LOGE2E test results were incredible—only three minor Y2K anomalies were found among all the material tested.

“Two decisions made a long time ago are fundamental to the success of this testing,” said Dave Zeppieri, named to succeed Dennis Cherney as DLA’s Y2K Test Director upon his retirement in May. “Those are the assignment of a dedicated and talented team of people to carry it out and the approach to planning that was adopted and supported at all levels of management in DLA.”

According to von Bernewitz, Zeppieri has had a different set of problems to overcome in keeping Y2K testing on target and ensuring that all the necessary internal and external participants are on board and following the same script. “Other key elements in this success include the degree and quality of planning that took place before and during testing and is still a critical aspect of the whole Y2K process,” von Bernewitz said.

DLA made Y2K a top priority, she said. The Y2K plans established a process that was designed to be flexible, elastic and, ultimately, reliable. From the beginning, the planners recognized the consequences of underestimating the cost or the complexity of the solution to a problem which, at the time, had no reliable Y2K metrics associated with it.

The lynchpin of the Y2K management process is constant, iterative discussions that examine the actions taken by both implementers and management, the decisions that are being contemplated as well as those that have been made, and the measures that are reported.

Thanks to the success of the testing, this New Year’s Eve will hopefully be a day off for those DLA professionals working Y2K.

### **Elements of a Time Machine Environment**

- ◆ Computer hardware and systems software Y2K compliant and identical to normal production
- ◆ All aspects of the communications infrastructure are Y2K compliant and operational in production mode
- ◆ All applications software, including executive software and Commercial Off-The-Shelf (COTS), must be Y2K compliant and set up for normal production processing
- ◆ All systems files, database tables, and application data files must be Y2K compliant and resident on the computer
- ◆ Timestamp—a combination of time and the current date—set in the future—beyond 1999

## Staring down disaster:

# District has plan to combat Y2K problem

By Charles Hurley  
Defense Contract Management District  
East

**B**y now most people have heard about the year 2000, or Y2K computer problem. Newspapers, magazines, and thousands of web sites publish information about the Y2K issue, also known as "the millennium bug," on a daily basis. Depending on the source, predictions are being made ranging from no disruptions to mass and naturally there are also predictions that vary between the two extremes.

The Y2K problem involves the inability of computer systems to properly recognize the year 2000. The problem is a result of computer systems originally designed to recognize two digit dates such as 86 or 98 as 1986 or 1998. In order to conserve memory, computer system designers coded years in two digit formats. Thus, on December 31, 1999, at 11:59 p.m., when the year 2000 arrives, many older, non-Y2K compliant computer systems will recognize "00" as the year 1900, or some other erroneous date, instead of the year 2000.

Although the fix is a relatively simple one, addressing the Y2K problem in a comprehensive manner is a major managerial and administrative effort.

There are two basic approaches to correcting non-Y2K compliant computer systems. The first approach involves redesigning computer systems to accommodate all four digits of the year.

The second approach involves

installing software that directs the computer systems to recognize "00" as the year 2000. The Defense Contract Management Command intends to use a combination of these two approaches to address the Y2K problem.

For quite a while now, DCMC has been planning and working on the Y2K issue. The command has published a Y2K Management Plan and Y2K Business Continuity and Contingency Plan, both of which are posted on the DCMC home page at [www.dcmc.hq.dla.mil](http://www.dcmc.hq.dla.mil). Those plans call for a comprehensive effort to system-



**Debugging:** The extent of the problem of Y2K remediation is illustrated by the F-16 which alone has 86 systems that must be tested and checked for compliance.

atically identify and correct all mission critical computer systems used by DCMC.

All DCMC internal computer systems, including hardware, software and databases have been identified, prioritized and targeted for review and correction based on risk to successful accomplishments. DCMC has also adopted a systematic approach to the problem by identifying correcting, and testing Y2K fixes. The Y2K Contin-

gency Plan describes how DCMC will work around any disruptions that may arise as a result of Y2K problems or failures.

DCMDE personnel are encouraged to review both of these plans. The Defense Contract Management District East and its Contract Administrative Officers will play a major role in the Y2K effort. Information and management systems personnel are working closely with DCMC Headquarters to identify, correct, and test, as necessary, all mission critical DCMC internal computer systems. DCMDE CAOs are responsible for

assisting in the identification of computer systems they interact with while conducting business.

Since many DCMC personnel are located in remote, non-DOD facilities, this will be an important element of the plan. DCMC Headquarters tasking memorandums 99-106 and 99-112, required CAOs to assess the Y2K impact at contractor and host facilities by the end of April 1999.

Meantime, DCMC Headquarters recently

conducted five Y2K assessment-training sessions during March 1999 in Boston, New York, Atlanta, Baltimore, and Dayton, Ohio, for DCMDE CAO personnel tasked with performing these assessments.

# DISC disestablished; commodities responsibilities transferred to DSCP

**A**s a result of the 1995 Base Realignment and Closure Commission's decision, the Defense Industrial Supply Center was disestablished effective July 2. Materiel management responsibilities for DISC's assigned commodities were transferred to the Defense Supply Center Philadelphia, and the DISC organization responsible for these commodities—the General and Industrial Directorate—was absorbed by DSCP effective July 3.

The BRAC decision also resulted in a DISC work force reduction of about 50 percent. Final DSCP G&I personnel figures will be less than 1,000.

Nick Ranalli, the DISC administrator, said, "As we case the colors of the Defense Industrial Supply Center, each of you should hold your head high and be proud of the selfless service you provided our

fighting men and women.

"You have provided America's warfighter with a constant flow of critical items 24 hours a day, seven days a week, for over 37 years through your dedication, professionalism, and spirit. Nothing ever diminished your spirit and dedication."

DISC's history is almost as old as the Defense Logistics Agency. On Jan. 1, 1962, the Defense Supply Agency, DLA's original name, began operations with eight supply centers.



Philadelphia's Mayor Ed Rendell presents DISC Administrator Nick Ranalli with the Philadelphia Bowl—the highest honor that you can receive from the city.



Nick Ranalli rolls up the DISC flag with the unit streamers. Tech. Sgt. Jude Hebert (left), holds the flag, and next to him is Rear Adm. David Keller, then the Defense Logistics Support Command commander.

DISC was one of those centers and opened for business under that name on April 1, 1962.

In its first year of operation, DISC had net sales of \$107 million. In 1998, net sales were \$922 million, with 5.3 million orders.

The 1.2 million general and industrial items purchased by DISC are used in the repair and maintenance of numerous key weapons systems including combat aircraft, missile systems, naval vessels and ground vehicles for all branches of the services.

Air Force Col. George T. O'Neal, director, General and Industrial directorate, said "DISC has embraced, developed and implemented world-class business practices designed to provide supply chain management and integrated logistics solutions for our customers."

DLA Director Lt. Gen. Henry T. Glisson said, "Today is a time to reflect with tremendous pride on the long-standing tradition of unsurpassed achievement, innovation, customer support, and commitment which will forever remain as its legacy."

Merchandise handled by DISC includes items ranging from nuts, bolts and washers, minerals and precious metals to wood products, imaging and information equipment, material handling equipment, food service equipment and marine safety and fire fighting equipment.