Defense Logistics Agency

FY2006 - FY2013
STRATEGIC PLAN

The Warfighter's Logistics Combat Support Agency

Director's Message

To All Members of the Defense Logistics Agency and Our Logistic Partners

Rapidly changing world events have demonstrated the need to hone our strategies to counter current and potential threats from international terrorists, rising energy costs, and emerging geo-political conflicts. Logistics has been changing to meet the needs of the Global War on Terrorism, focused logistics challenges inherent in the re-shaping of the forces, and infrastructure envisioned in the Quadrennial Defense Review and the Base Realignment and Closure (BRAC) Commission decisions.

DLA, too, must continually adapt to meet the needs of the force and to build alliances with acquisition partners to deliver logistics support more efficiently and effectively. Toward our vision of providing integrated logistics solutions, DLA senior leaders developed this Strategic Plan using formal scenario planning to assess the environment and project future scenarios. We used a recognized scenario planning model to assess economic, political, technical, environmental, and social factors. We asked our customers what logistics services they needed and signed performance-based agreements with the military services. Likewise, we consulted with our acquisition partners and awarded long-term contracts to be more responsive through collaborative product solutions and direct delivery.

The resulting DLA goals and strategies in our revised Strategic Plan are crafted to build capabilities (see next page) in support of the DoD Risk Scorecard strategies. Key among those capabilities are Strategic Relationships and Joint Integrated & Agile Support.

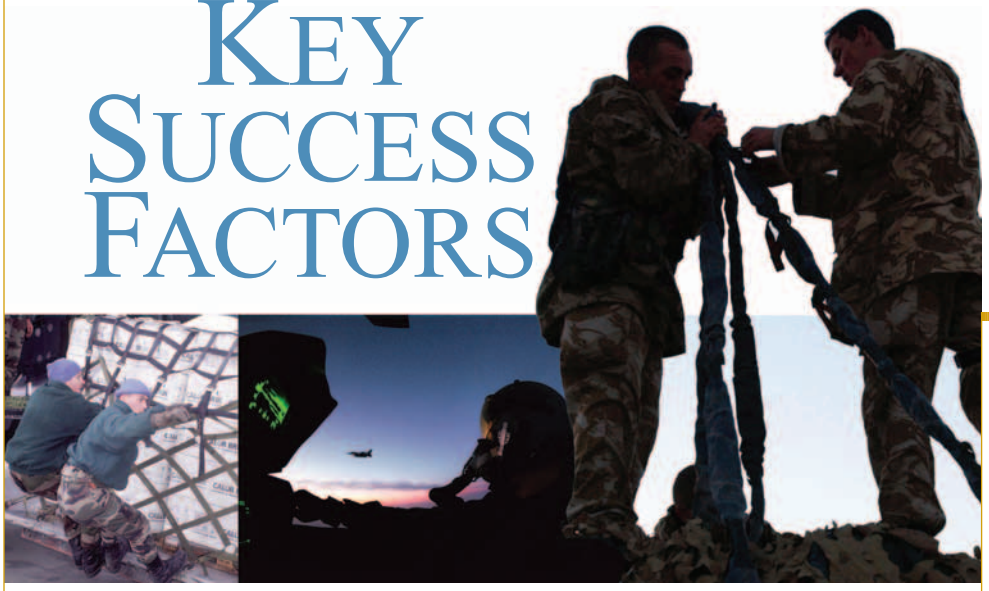
We have a rich history of collaborating toward joint solutions with such esteemed partners as: the United States Transportation Command, Defense Information Systems Agency, Defense Contract Management Agency, and the Defense Finance and Accounting Service. As DLA drives the strategies of this plan toward integrated logistics solutions, our employed methodology will be that of more cross-service and defense agency collaboration and partnerships.

Our thirteen transformation initiatives outlined in our Transformation Roadmap (http://www.dla.mil/library/DLATransRoadmap.pdf) promise opportunities for greater integration, logistics visibility, responsiveness, and efficiency. (See also the DLA Matrix to DoD Focused Logistics Joint Functional Concept Challenges Areas and Capabilities and alignment to the DoD Risk Scorecard on p. 10-11.)

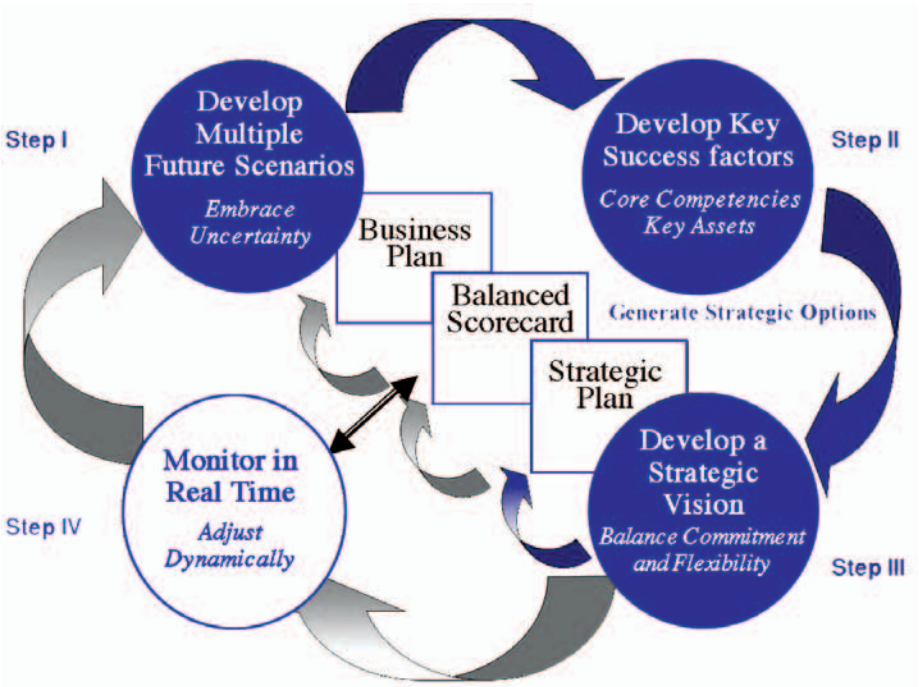
I look forward to an exciting new generation of DoD joint logistics!

Keith W. Lippert
Vice Admiral, SC, USN
Director

Key Success Factors



The Process



Capabilities Required for Future Success

Strategic Relationships

Customer Relationship Management
Partner Alliance Development & Management

Joint, Integrated & Agile Support

Agile Logistics Response
E2E Supply Chain Integration
Joint Interoperability

Business Enhancement

Business Intelligence
Business Development
Venture Research & Investment

Organizational Leverage

Policy & Legislative Acumen and Influence
Information Dominance
Capability Leveraging
Talent Optimization
Financial Flexibility & Stewardship

Defense Logistics Agency

DLA Mission

To Provide Best Value Integrated Logistics Solutions to America's Armed Forces and Other Designated Customers. . . in Peace and in War . . . Around the Clock, Around the World.

DLA Vision

Today and Tomorrow, Best Value Integrated Supply Chain Solutions. . . Meeting the Needs of the Warfighter and Their Supporters.

Right Item, Right Service, Right Place,
Right Price, Right Time. . . Every Time.

DLA Values

People. . . Our greatest resource.
Service. . . Our commitment to our customers.
Excellence. . . Quality in everything we do.
Innovation. . . Preparing to meet future needs.
Trust. . . Our standard in every relationship.

DLA Goals

Goal 1: Provide responsive, integrated, best value supplies and services consistently to our customers.
Goal 2: Develop, institute, and continuously enhance the internal processes required to deliver value-added logistics solutions to the warfighter.
Goal 3: Ensure our workforce is diverse, enabled, and empowered to deliver and sustain logistics excellence.
Goal 4: Manage DLA resources for best customer value.

GOAL 1

CUSTOMER

PROVIDE RESPONSIVE, INTEGRATED, BEST VALUE SUPPLIES AND SERVICES CONSISTENTLY TO OUR CUSTOMERS

As a Combat Support Agency, the DLA mission is to provide logistics support to the warfighter. DLA's first and most important goal concerns the outcome for our customer. The strategies and objectives under this goal communicate how DLA will improve customer service and the level of service we have targeted to deliver. DLA aims for logistics excellence.

Strategies

C1 – Engage existing and potential customers deliberately by executing a comprehensive Customer Relationship Management strategy.

C2 – Translate customer needs into actionable information to support the development of logistics solutions that maximize readiness and combat power.

C3 - Deliver consistently on customer requirements and expectations.

Objectives

C1– Implement a comprehensive Customer Relationship Management Program by FY07. (J-4)

C2 – Ensure that DLA developed integrated strategies and collaborative support plans are institutionalized in logistics operations plans by FY07. (J-4/J-3)

C3a – Evaluate and implement high return-on-investment opportunities to re-allocate customer-facing resources to target customer sites by FY07. (J-4/J-3)

C3b – Negotiate and successfully implement performance-based agreements with Combatant commanders (COCOMs) by FY07. (J-4/J-3)

DLA is focused on providing responsive, integrated, best-value supplies and services consistently to our customers, and are committed to achieving a sustained customer satisfaction rating of 90%, and fullfilling 100% of our Performance-Based Agreement terms.

GOAL 2 INTERNAL PROCESS

DEVELOP, INSTITUTE, AND CONSISTENTLY ENHANCE THE INTERNAL PROCESSES REQUIRED TO DELIVER VALUE-ADDED LOGISTICS SOLUTIONS TO THE WARFIGHTER

This internal process goal results in strategies for improved market knowledge, customer and supplier accessibility, and collaboration. Supply chain management practices provide the set of tools to manage our internal processes. Our focus on the objectives for supply chain management and information technology (IT) investments performance provide the supporting performance targets to achieve this goal.

Strategies

IP1 – Align and execute internal processes by supply chain to provide value-added logistics solutions to the warfighter.

IP2 – Leverage industry capabilities to provide world class support to the warfighter at the lowest possible cost.

IP3 – Adopt, institutionalize, and continuously improve best business practices to improve quality and speed and to reduce cycle time and costs.

IP4 – Grow the business by providing/integrating logistics services and leveraging DLA capabilities to meet warfighter requirements.

IP5 – Design, implement, and sustain a best value enterprise IT environment.

IP6 – Positively influence legislation, policy, regulations, and directives affecting DLA's logistics mission.

IP7 – Improve management of DLA's current and future real property.

IP8 – Manage customer relationships.

Objectives

IP1a – Complete the implementation of supply chain business process alignment by FY08. (J-3)

IP2a – Develop and implement 30 strategic arrangements (i.e., Supply Chain Alliances, and Performance-Based Logistics partnerships) by FY11. (J-3)

IP2b – Develop and deploy a comprehensive Supplier Relationship Management strategy by FY07 to integrate customer requirements into contractual and alliance relationships required of our suppliers. (J-3)

IP2c – Implement the Defense Transportation Coordination Initiative by FY08. (J-3)

IP3a – Reduce costs through public/private competitions maintaining equal or better mission performance by FY11. (J-3)

IP3b – Develop a program for continuous product and reliability improvements as a follow-on to reengineering efforts by FY11. (J-3)

IP3c – Implement LEAN/Six Sigma to reengineer internal processes to reduce cycle time, costs and/or variability, and/or to improve the quality of outcomes for targeted processes/value streams by FY08. (J-3)

IP3d – Implement an initial comprehensive enterprise-wide "dashboard" that leverages various sources to display timely business intelligence, including E2E logistics visibility, by the end of FY07, and refine it as related enablers mature through FY10. (J-6)

IP4a – Become DoD's Enterprise Integrated Data Environment (EIDE) lead for logistics data interoperability by FY06. (J-6)

IP4b – Pursue designation as DoD's Executive Agent for logistics information by 2006. (J-6)

IP4c – Provide value-added logistics products and services that generate increased sales (e.g., kitting, integrated services, etc.) by FY11. (J-3/J-4)

IP4d – Implement the National Inventory Management Strategy (NIMS) by FY11. (J-3)

IP5a – Define and implement a structured process to sustain awareness of, and facilitate business process utilization of, new "quick win" commercial IT capabilities by the end of FY06. (J-6)

IP5b – Complete the IT *transformational systems* portfolio. (J-6)

1. Complete the implementation of the Business Systems Modernization (BSM) solution to replace the Standard Automated Materiel Management System (SAMMS) replacement by the end of FY06. (J-6/J-3)

2. Provide a future architecture and enable engineered business processes throughout DLA through the implementation of additional complementary modernized business systems, including Customer Relationship Management, Distribution Planning and Management System, Integrated Data Environment, BSM Energy, Product Data Management Initiative, and Reutilization Modernization Program by the end of FY09. (J-6/J-3)

IP5c – Complete the IT *infrastructure modernization* portfolio. (J-6)

1. Improve operational readiness, efficiency and effectiveness while reducing IT total ownership cost by 10% through the implementation of enterprise-wide IT infrastructure initiatives by the end of FY06. (J-6)

2. Capitalize on the enterprise-wide "Operationalization" of IT at DLA to enhance performance and constrain cost through Centers of Excellence and other refinements. Balance the resultant savings with an assessment of requirements to sustain the full IT systems portfolio and resolve overall related savings of requirements by mid-FY06 for consideration in PBR 08. (J-6)

3. Create and maintain a secure operating data environment for DLA systems, networks, and web sites by ensuring 95% are certified and accredited in compliance with DoD Instruction 8500.1 Information Assurance by the end of FY06. (J-6)

IP5d – Initiate enhancement plans for logistics information executive agency in FY07 (contingent on EA designation). (J-6)

IP5e – By the end of FY09, define and initiate post-IT systems transformation and post-IT infrastructure modernization actions that will enable the next generation of DLA business processes. (This will include, but not be limited to, nearer-term efforts to enhance the deployability of the Distribution Standard System (DSS) and to commence an assessment of the possible replacement of DSS.) (J-6)

IP5f – Complete the implementation of eWorkplace as DLA's primary internal collaboration tool and knowledge repository by the end of FY07. (J-6/J-1)

IP5g – Implement EIDE by FY11. (J-6)

IP6a – Proactively engage customers/OSD/Congress. (DL/DG)

IP6b – Respond timely (as appropriate) to Congressional inquiries. (DL)

IP6c – Identify appropriate legislative proposals and submit during the annual legislative cycle. (DG)

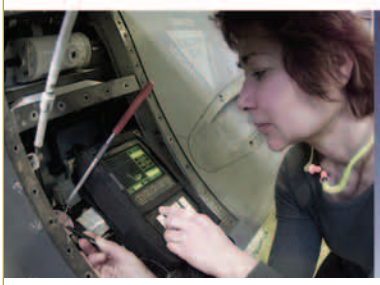
IP7a – Improve Agency facilities sustainment from 46% (FY05) to 100% by FY09. (DES-I)

IP7b – Improve facilities re-capitalization rates from 102 years (FY05) to 67 years by FY09. (DES-I)

IP8a – Partner with military services on two pilot studies demonstrating use of DLA Products and services to meet customer Environmental Management System objectives by FY09. (DES)

IP8b – Assist the customer in meeting environmental objectives by achieving a 25% increase in offerings of products and services by FY11. (DES, J-3/J-4)

IP8c – Assist the customer in meeting environmental objectives by achieving a 25% increase in the revenues of DLA environmental products and services by FY11. (DES, J-4/J-3)



GOAL 3

Learning and Growth

Ensure our workforce is diverse, enabled, and empowered to deliver and sustain logistics excellence

DLA's success depends on its human capital. This goal focuses on the strategic management of our human capital. Our workforce must be properly staffed, possess the right competencies, and use knowledge-based skills for DLA to successfully perform its mission. DLA must nurture and sustain a high-performing workforce, ensuring that no skill gaps exist in our mission-critical occupations. This goal encompasses investing in the workforce and implementing a strategy to retain and sustain a highly skilled and competent workforce. We foster a positive work experience by promoting equal opportunity, providing and maintaining a safe work environment, fostering self-respect, valuing individual and team contributions, and taking pride in our workforce diversity.

Strategies

LG1 – Deliver the proper knowledge and skills to meet DLA commitments to our customers.

LG2 – Achieve a corporate culture that has strength in mission, adaptability, consistency, and involvement.

LG3 – Provide a quality work environment.

Objectives

LG1a – Implement a comprehensive succession development program by FY09. (J-1)

LG1b – Implement an integrated automated competency assessment and learning management system for guiding DLA's training plan and budget decisions by FY09. (J-1/J-6)

LG1c – Develop and implement a performance-based recruitment strategy with defined goals and measures by FY07. (J-1).

LG1d – Develop the ability to make data-driven human capital decisions by FY08. (J-1)

LG1e – Prepare the DLA workforce for implementation of the National Security Personnel System (NSPS) by FY08. (J-1)

LG2a – Achieve the 75th percentile or better on the 12 indices of the Denison Culture Model by FY11. (J-1)

LG2b – Fully implement a multi-source feedback tool that measures leadership effectiveness in modeling the desired culture traits, as measured by the Denison Multi-Source Feedback tool by FY11. (J-1)

LG2c – Develop and adopt a common approach to change management by FY07. (J-1)

LG2d – Develop and deploy an enterprise organizational alignment capability to support transformation by FY-07). (J-1)

LG3a – Improve employee satisfaction on the Climate Survey to 85% or better by FY09. (J-1)

LG3b – Improve overall Hispanic representation from 4.6% to 10.7% by FY11. (DO/J-1)

LG3c – Achieve representation of people with targeted disabilities to 3% of DLA workforce by FY11. (DO/J-1)

LG3d – Achieve representation of all EEO groups at the mid and high grades by FY11. (DO/J-1)

LG3e – Improve safety and security, and influence workforce health and wellness by reducing lost work days 75% from the 2002 baseline; increasing certified police, fire, and emergency personnel from 48% to 90%; and, raising MWR health and wellness participation from 20% to 50% by FY09. (DES)

GOAL 4

FINANCE

MANAGE DLA RESOURCES FOR BEST CUSTOMER VALUE

Focusing on the financial goal will sustain the strong financial discipline required to ensure effective financial planning and management in DLA. The strategies and objectives associated with this goal allow DLA to provide best value to DLA customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for the resources needed. Better supply chain cost decisions result in better management of our resources. DLA's ability to demonstrate audit readiness in FY08 will provide assurance to DLA management and stakeholders that our financial management systems produce relevant, reliable, and timely information.

Strategies

F1 – Resource DLA's operational strategies.

F2 – Minimize total supply chain costs.

F3 – Demonstrate stewardship and foster stakeholder trust.

Objectives

F1a – Develop and implement program, budget and pricing strategies for supply chains by September 2008. (J-8/J-3)

F2a – Decrease DLA's non-energy cost recovery rate, based on the cost of operations to 11.9% by FY11. (J-8)

F2b – Ensure DLA's energy non-product cost per barrel will not exceed $8.93 by FY11. (J-8)

F2c – Ensure DLA's distribution composite unit cost rate will not exceed $24.65 per line by FY11. (J-8)

F2d – Program 100% of the initiatives in the Program Objectives Memorandum that support strategic plan objectives for each Future Year Defense Program (FYDP). (J-8)

F3a – Develop and implement the automated systems, business processes, and controls needed to comply with Federal accounting and system requirements, and demonstrate that DLA is ready for an audit of its financial statements by FY08. (J-8/J-6)

DLA Initiatives Matrix to DoD Focused Logistics Joint Functional Concept

Challenge Areas and Capabilities

DLA Initiative	FL Challenge Areas	FL Capabilities
Customer Relationship Management (CRM)	Agile Sustainment; Joint Theater Logistics Management	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the Services/DoD
Supplier Relationship Management (SRM)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Force Health Protection	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Business Systems Modernization (BSM)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
BSM – Energy (Business Systems Modernization Energy – BSM E)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Joint Theater Logistics Management; Multinational Logistics; Information Fusion.	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the Services/DoD
Distribution Planning & Management System (DPMS)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Robust infrastructure for mobility; world-wide sustainment assets; force reconstitution; integrated distribution processes
Integrated Data Environment (IDE)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Information Fusion; Joint Theater Logistics Management	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
National Inventory Management System (NIMS)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Product Data Management Initiative (PDMI)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Multinational Logistics	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Global Stock Positioning (GSP)	Agile Sustainment; Joint/Deployment/ Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Robust infrastructure for mobility; world-wide sustainment assets; force reconstitution; integrated distribution processes
Executive Agent (EA)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Workforce Transformation (WT)	Agile Sustainment; Joint/ Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Logistics Information Fusion; Joint Theater Logistics Management	Supports all capabilities.
Reutilization Modernization Program (RMP)	Agile Sustainment; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the services/DoD
Base Realignment and Closure (BRAC)	Agile Sustainment; Joint/ Deployment/Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services

DLA Alignment to DoD Risk Scorecard

Force Management Risk

Ensure Sustainable Military Tempo and Maintain workforce satisfaction	Shape the Force of the Future	Maintain Reasonable Force Costs	Maintain a Quality Force
LG2 – Achieve a culture strong in mission, adaptablity, consistency, and involvement			
LG3 – Provide a Quality Work Environment			

Operational Risk

Forces Employed Consistently According to Strategic Priorities?	Forces Postured to Succeed?	Forces Currently Ready?	Do We Have the Right Forces Available?
C1 – Engage Existing & Potential Customers Deliberately	C2 – Translate Customer Needs into Actionable Information	C3 – Deliver Consistently on Customer Requirements/ Expectations	

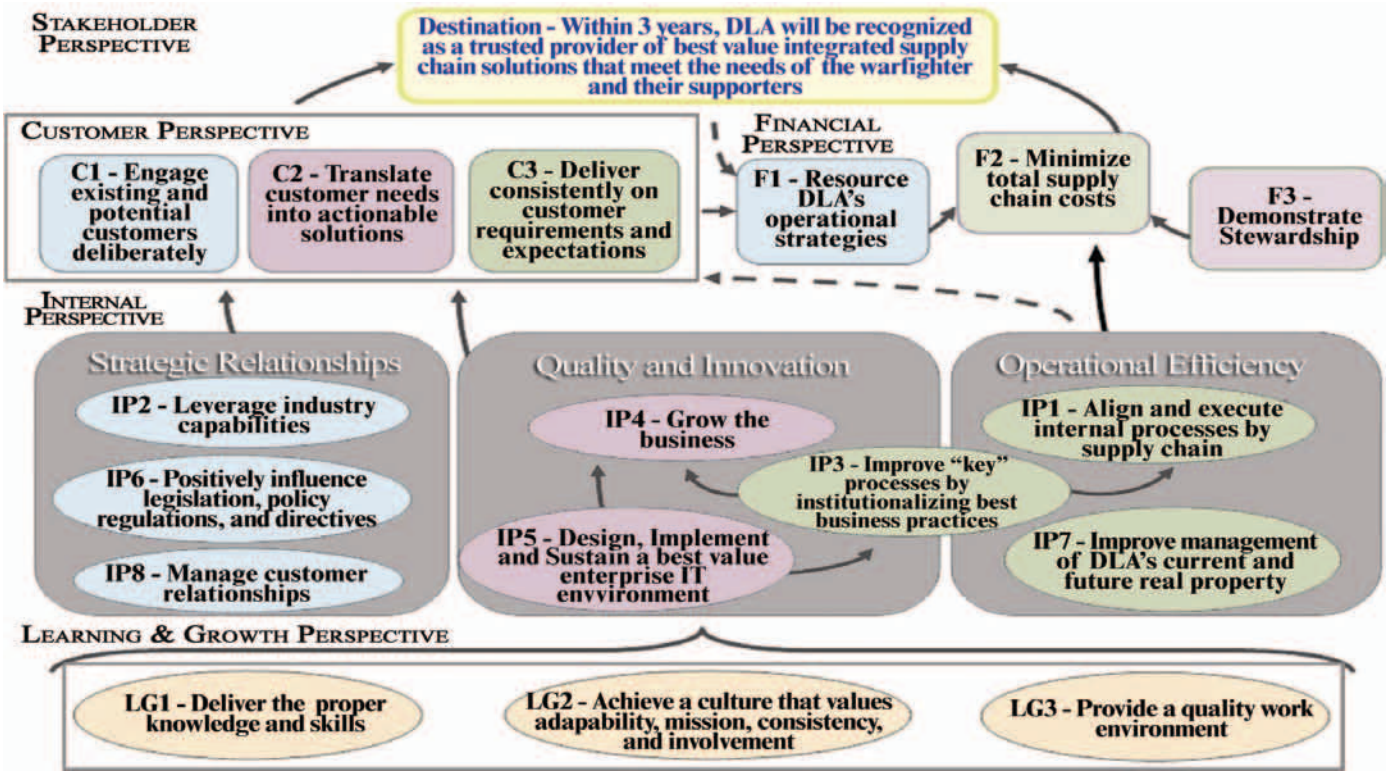
Institutional Risk

Improve Readiness and Quality of Key Facilities	Realign Support to the Warfighter	Manage Overhead & Indirect Costs	Drive Financial Management & Acquisition Excellence
IP1 – Align & Execute Internal Processes by Supply Chain	IP4 – Grow the Business	F2 – Minimize Total Supply Chain Costs	F1 – Resource DLA's Operational Strategies
	IP8 – Manage Customer Relationships	IP7 – Improve Mgmt of DLA's Current & Future Real Property	F3 – Demonstrate Stewardship
			IP2 – Leverage Industry Capabilities
			IP3 – Institutionalize Best Business Practices for Efficiency/Effectiveness

Future Challenges Risk

Define & Develop transformational Capabilities	Define Skills & Competencies for the Future	Drive Innovative Joint Operations	Develop More Effective Organizations
IP5 – Design, Implement & Sustain a best Value Enterprise IT Environment	LG1 – Deliver the Proper Knowledge & Skills		
IP6 – Positively Influence Legislation, Policy, Regs & Directives	LG2 – Achieve a culture strong in mission, adaptablity, consistency, and involvement		
IP8 – Manage Customer Relationships	LG3 – Provide a Quality Work Environment		

Balanced Scorecard Strategy Map



Defense Logistics Agency
8725 John J. Kingman Road, Suite 2651
Fort Belvoir, Virginia 22060-6221

http://www.dla.mil

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