SUPPORTING THE ARMED FORCES

1988 STRATEGIC PLAN

DEFENSE LOGISTICS AGENCY

DIRECTOR'S MESSAGE

DLA's mission is to provide quality logistics support and services to the Armed Forces. To accomplish this mission we must:

Know our customers and meet their needs.

Reward creativity and innovation in our workforce while demanding integrity and accountability.

Commit to Total Quality Management—make our processes modern and productive.

Modernize our communications, management and information systems.

Implement quality of life in the work place.

Plan for the future of the Agency.

CHARLES McCAUSLAND
Lieutenant General, USAF

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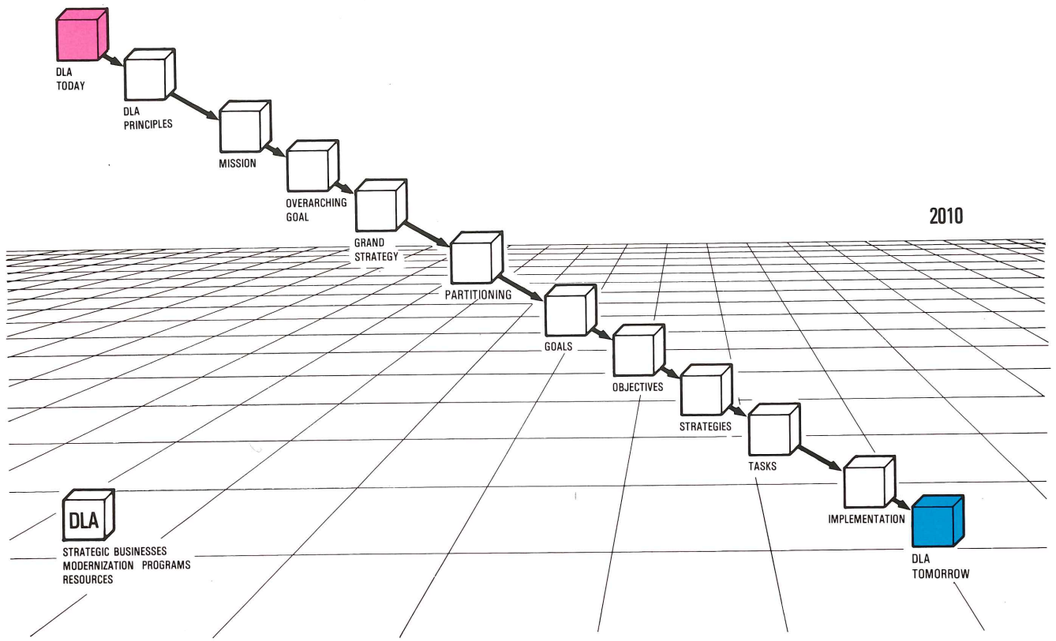
THE PROCESS OF STRATEGIC PLANNING IN DLA



DLA provides the mechanism linking customer requirements with vendor capability

INTRODUCTION

This document is the Defense Logistics Agency's plan to support the Armed Forces over the next twenty years. The plan is the result of a fundamental reassessment of the Agency's purposes, activities and structure as well as of its role in the Department of Defense logistics community.

CORE CONCEPTS

- **To meet the readiness and sustainability goals of the Commanders-in-Chief (CINCs) and Military Services**
- **To optimize preparedness to support mobilization and wartime needs**
- **To improve life-cycle logistics support to the Armed Forces**
- **To improve interface with industry**
- **To enhance continuity of operations**
- **To optimize the use of resources in the most effective and efficient manner**

The plan considers the nature of the future environment in which DLA and the DoD logistics community will operate. It provides a roadmap for continued development of improved logistics support in the future as well as the flexibility to expand support as new requirements and tasks develop. In recent years, there has been an increased focus on the value of strategic planning in the government arena. Strategic planning provides DLA with periodic opportunities to examine the future role of the Agency and to present the results of this examination to the constituencies it serves.

The plan links together the key elements of principles, mission, strategy, goals, and objectives

As one of the components of DoD, the Defense Logistics Agency has built a strategic plan that links in an integrated fashion to the plans of the Military Services.

Similarly, within DLA, the individual components of the Agency plan are linked together in an integrated manner. This linkage takes the form of a chain of logic that binds the elements of the plan together. These elements are:

- **A statement of DLA's principles, i.e., the enduring beliefs to which the organization subscribes and which provide a point of departure for the planning effort**
- **A statement of DLA's mission and a single overarching goal**
- **A grand strategy—*logistics information management***
- **A definition of the strategic businesses that the Agency comprises**
- **Goals and objectives for each strategic business and major resource employed by the Agency**
- **A picture of DLA tomorrow showing the results of implementing this strategic plan**

A detailed description of the linkages between OSD guidance, such as the Defense Guidance and Logistics 2010, and such Agency initiatives as the Strategic Plan and Conceptual Functional Requirements (CFR), is contained in the DLA publication *Functional Requirements and Automation Strategies.*

Implementation of this plan will result in a viable organization which, in order to optimally equip and support the Armed Forces of tomorrow, capitalizes on its unique position between the defense community and the industrial base. DLA will be the central resource of logistics information, mutually accessible to the DoD logistics community and the defense industrial base.

DLA has a distinct discipline—LOGISTICS

DLA TODAY

The Defense Logistics Agency is one of twelve DoD agencies whose common purpose is supporting the Armed Forces in a way that results in economies of scale and skill. Each agency possesses a critical mass of skills in its functional discipline. In DLA's case, its discipline is logistics.

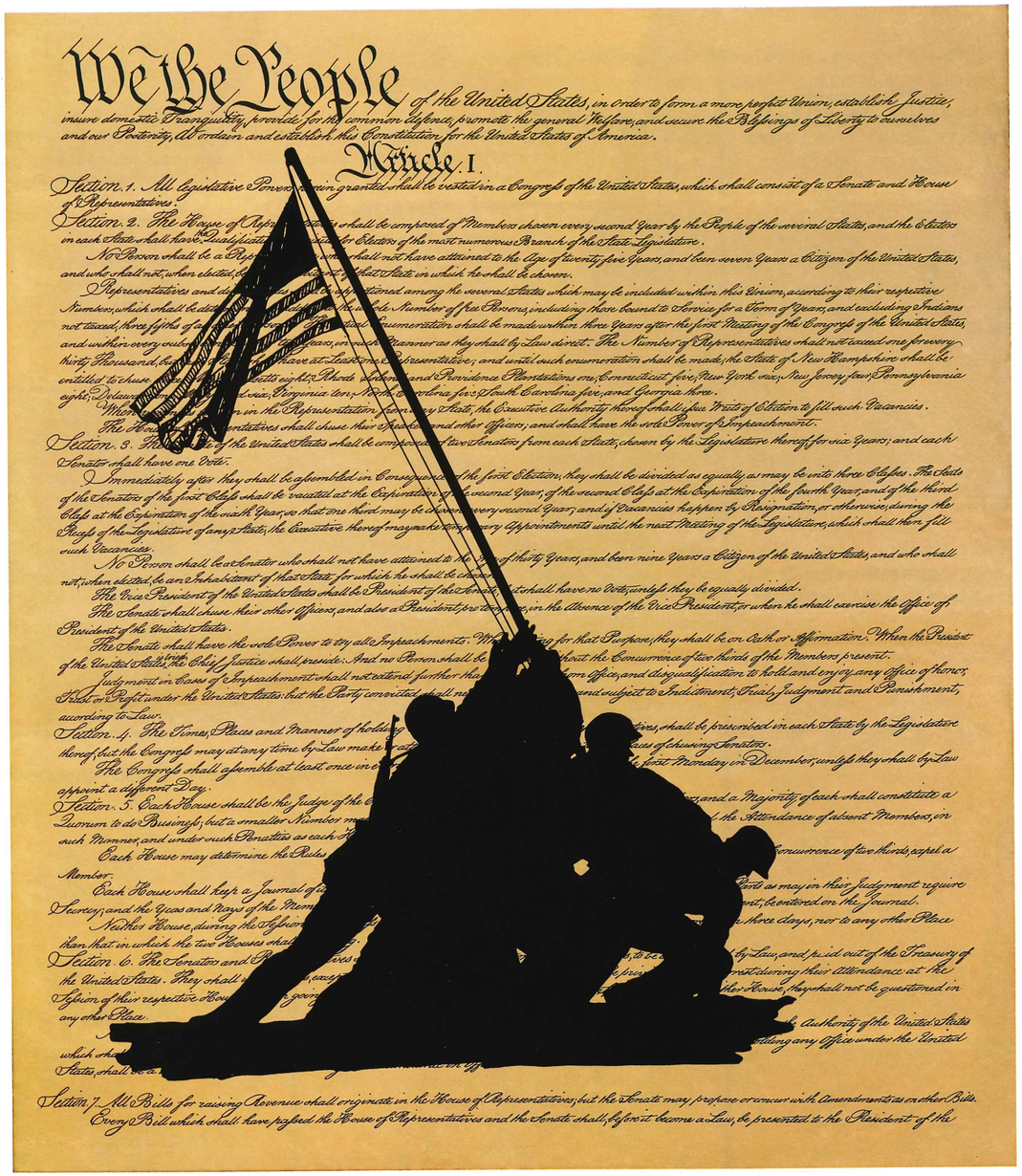
Enterprises

Because the logistics arena is multi-faceted, DLA operates a number of distinct enterprises. Were it in the private sector, the Agency would be viewed as a conglomerate. DLA's current enterprises include:

In the private sector DLA would be a conglomerate

- **acquisition, management, and distribution of over $12 billion of common items per year**
- **administration, quality control, and payment for $220 billion of contracts awarded by DoD and other departments**
- **disposal of excess personal property no longer required within the DoD community**
- **maintenance of the Federal Catalog and the Defense Integrated Data Systems**
- **operation of DoD's information clearinghouse—the Defense Technical Information Center**
- **other activities such as rebuilding machine tools and manufacturing uniforms**

These enterprises are carried out by a workforce of over 50,000 people located within all 50 states and 22 foreign countries.



We the People

PRINCIPLES

DLA's leading principle is that it must help maintain strong and healthy Armed Forces

Principles are the collective set of fundamental beliefs to which an organization subscribes. Because of their enduring nature and broad applicability, they provide a solid foundation for the development of plans and policies. The leading principle affecting DLA is that strong and healthy Armed Forces must be maintained.

A subset of principles is basic to the support of mission. These fall into two categories: logistics principles, which support the logistics services DLA provides; and management principles, which support the Agency's internal management systems and practices.

Logistics Principles

Logistics principles express the concepts by which DLA accomplishes its mission

These concepts form the basis for the development in this plan of Goals, Objectives, Strategies, and Tasks needed to achieve preparedness and sustainability while maintaining the effectiveness and efficiency required to accomplish DLA's Mission of customer support.

- **Logistics provides support to the Armed Forces during peacetime, through mobilization and in wartime.**
- **Logistics support must, first and foremost, be effective.**
- **Logistics support must be as efficient as possible to optimize the use of resources.**
- **Materiel and information should be distributed in the most effective and efficient manner.**
- **Adequate information is key to logistics efficiency and effectiveness.**

SUPPORTING THE ARMED FORCES

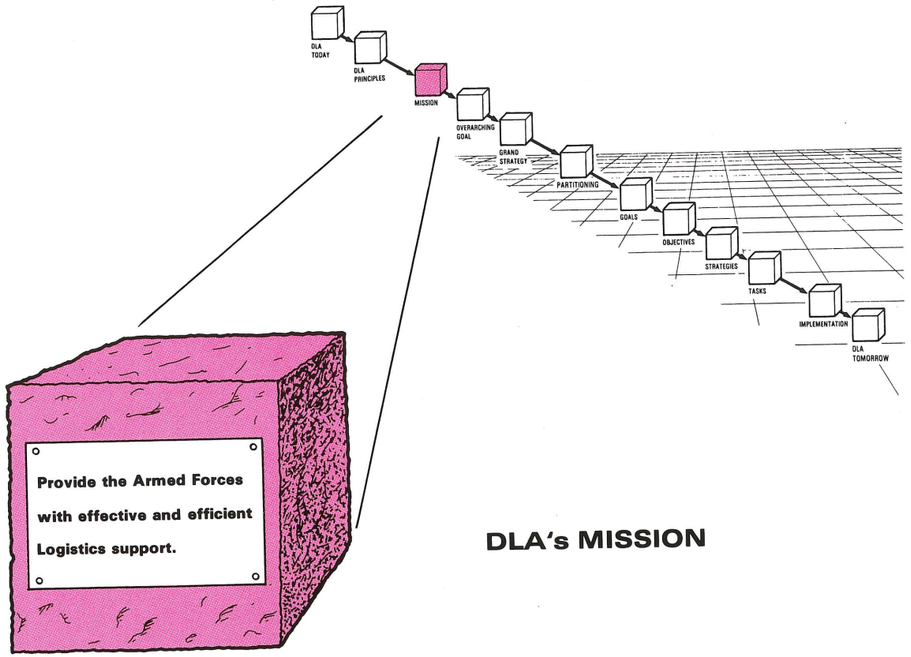
Management principles define the way in which DLA operates

Management Principles

These are the basic principles which drive the management process of the Agency and help define the way in which it operates.

- **DLA exists to support the Armed Forces.**
- **The purpose of the public sector is to do those things that the public desires the government to do or that the private sector cannot.**
- **DLA's Mission must be performed across a broad spectrum of environments worldwide, from peace through mobilization into general conflict.**
- **DLA must develop and maintain management systems which assure an optimum framework for DLA operations.**

Effective management embraces change, encourages alternative and more productive methods, engages in effective planning, monitors progress, enforces controls, and promotes the greatest possible efficiency while assuring maximum effectiveness in performing the Mission and achieving organizational Goals.



DLA's MISSION

DLA's mission is to provide the Armed Forces with effective and efficient logistics support

DLA's overarching goal is the achievement of the optimal balance of resources to provide the Armed Forces with effective and efficient logistics support

MISSION AND OVERARCHING GOAL

DLA has a hierarchy of concepts based on the principles described above. These are the mission, the overarching goal, and the grand strategy of the Agency.

MISSION

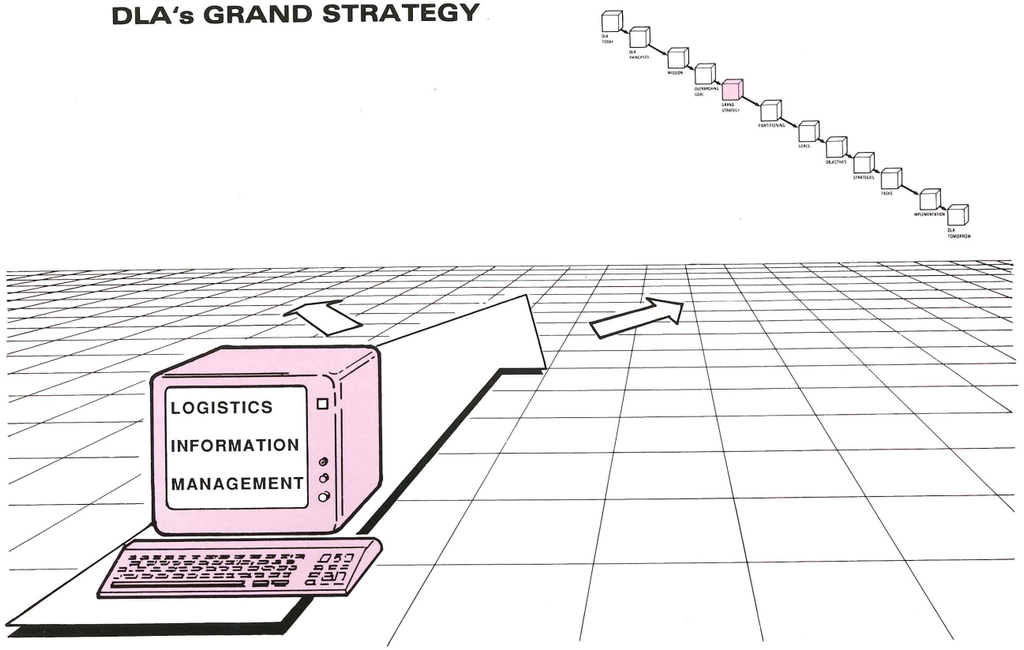
Provide the Armed Forces with effective and efficient logistics support.

The mission statement expresses DLA's reason for existence. It is a requirement, not merely a goal. The idea of DLA needing to place differing emphases on effectiveness versus efficiency under differing levels of readiness leads to the need to constantly balance resources in order to optimize the mix of services which DLA provides. This last notion leads directly to an Overarching Goal:

OVERARCHING GOAL

Achievement of the optimal balance of resources to provide effective and efficient logistics support to the Armed Forces.

DLA's GRAND STRATEGY



The grand strategy emphasizes the proactive use of information on anticipated requirements and industrial capability

GRAND STRATEGY

The key to development of a grand strategy for DLA is a careful analysis of the conditions under which DLA operates:

- **The Armed Forces have requirements for goods and services.**
- **Vendors supply these goods and services.**
- **DLA provides the intermediary mechanism by which these requirements and suppliers are linked.**
- **DLA must provide this service in a manner which ensures that the customers receive their support in the most effective and efficient manner.**
- **DLA must optimize the use of the resources available to it to carry out its functions in the most effective and efficient manner possible.**

Since the essence of these conditions is that DLA must match information about customer needs with industry capabilities, it follows that improved information handling is the optimum strategy by which DLA can improve its ability to support its customers.

Logistics Information Management involves DLA becoming a central resource for the management of defense logistics information connecting the industrial base, the distribution system, and the entire DoD logistics community. This grand strategy provides for improved service to the Armed Forces through the proactive use of information about customer consumable item needs, item availability, and industrial capabilities, thereby anticipating these needs and ensuring availability.

DLA will actively forecast requirements of its customers. It will aggressively acquire current information on the capabilities of the industrial base to meet those requirements. And it will ensure that materiel moves from industry to the customer in the most effective and efficient manner.

Under the strategy of logistics information management, the Defense Logistics Agency will become a more valuable logistics resource to the Department of Defense as the result of:

- **improving the Agency's use of information, both internally and externally;**
- **improving its information quality and utility;**
- **improving its ability to provide, aggregate and integrate information; and**
- **developing and maintaining excellence in information**

DLA will become a more valuable logistics resource to DoD

To execute this strategy, DLA will develop its organizational resources to support the achievement of a distinctive competence in information handling. This strategy will:

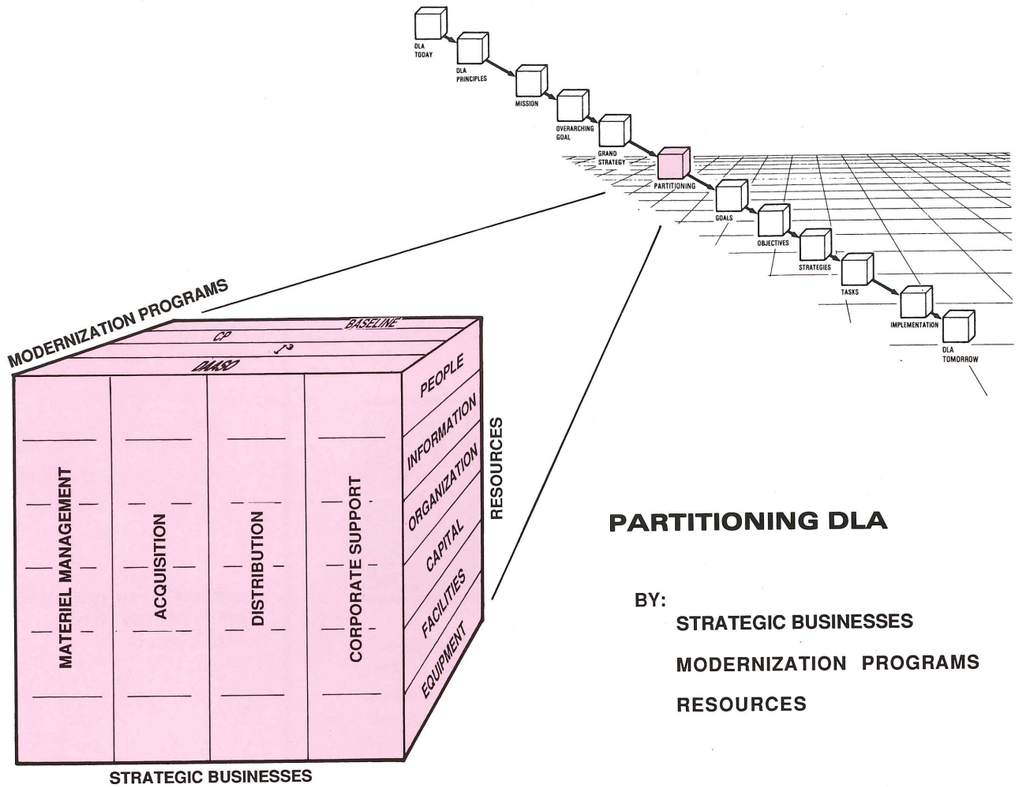
- **result in a significant change in emphasis from reactive use of operational data to the proactive use of strategic information**
- **result in a possible increase in the volume of information processed by the Agency, yet**
- **result in a decrease in facilities and overall operating costs of the Agency.**

This strategy will strengthen DLA's support to the Armed Forces

Focusing on information handling as a means of improving the materiel handling process will require greater reliance being placed upon the private sector to store and transport physical items. Advances in manufacturing technology occurring in the private sector will greatly reduce the time required to obtain products, thus increasing the importance of information planning and control.

This strategy will strengthen DLA's role of providing support to the Armed Forces. Its intent is to provide more effective support, with continued focus on the goals of readiness and sustainability. There is no reduction in DLA's materiel management responsibilities. The strategy simply recognizes that the proactive use of information will become far more important in DLA's operations.

The grand strategy will also provide decision-makers with improved capabilities to assess readiness and sustainability in order that proper support can be made available and appropriate defense strategies developed for various levels of surge.



PARTITIONING DLA

BY:

STRATEGIC BUSINESSES

MODERNIZATION PROGRAMS

RESOURCES

STRATEGIC BUSINESSES

Analysis of DLA reveals three businesses: Materiel Management, Acquisition Services, and Distribution Services

Seen from a functional, rather than an organizational standpoint, DLA consists of three strategic businesses based on various aspects of the flow of materiel and information between the defense community's vendors and customers. The management and use of logistics information provides DLA the tool to ensure the optimum effectiveness and efficiency of this flow. These strategic businesses are:

- **Materiel Management**
- **Acquisition Services**
- **Distribution Services**

In their use of logistics information, the strategic businesses complement each other. Materiel Management deals with the information available to the Agency on its customers and their requirements. Acquisition Services focuses on the body of information concerning the defense community's vendors and their capabilities. Distribution Services uses information relating to the identification, positioning, and movement of goods and services between vendors and customers.

These three strategic businesses encompass the services that the Agency provides to its customers. There is also a fourth component of the Agency, Corporate Support, which applies resources in support of internal customers. It represents those support functions common to all the strategic businesses.

Materiel Management

In the future the focus of Materiel Management will be on optimum management of customer requirements through proactive use of information

Today, Materiel Management focuses on support of the customer in the physical handling and storing of goods. Information about this activity is limited to the boundaries of DLA.

In the future, while this focus will not shift, the proactive use of logistics information will lead to a better knowledge of the customers' needs and how to satisfy them. This increased capability will provide improved provisioning policies, weapons systems support, forecasting of peacetime and wartime consumption levels, and contingency needs.

In the future Acquisition Services will focus on the proactive use of knowledge of the private sector in conjunction with the innovative use of technology

Acquisition Services

In the past, Acquisition Services has managed contracts through a highly labor- and paper-intensive set of processes. Information about this activity was limited to the boundaries of DLA, resulting in an incomplete picture of customers' needs and vendors' capabilities.

These processes are becoming increasingly computer-based through such innovations as the Electronic Contract Instrument. Information about this business activity will expand significantly to encompass more integrated data about vendor capabilities. Knowledge of surge and mobilization capabilities will become increasingly more detailed and timely. Contract administration's decision-making and problem-solving capabilities will be enhanced.

In the future Distribution Services will focus on managing movement of materiel through proactive use of information

Distribution Services

Today, distribution is accomplished through a series of depots and transportation activities coordinated in different ways by different offices. Visibility of materiel in-transit or in the hands of the customer frequently is inadequate.

In the future, DLA will, where appropriate, move materiel directly from vendors to customers. Precise knowledge about the location of all items will permit improved handling.

MODERNIZATION PROGRAMS

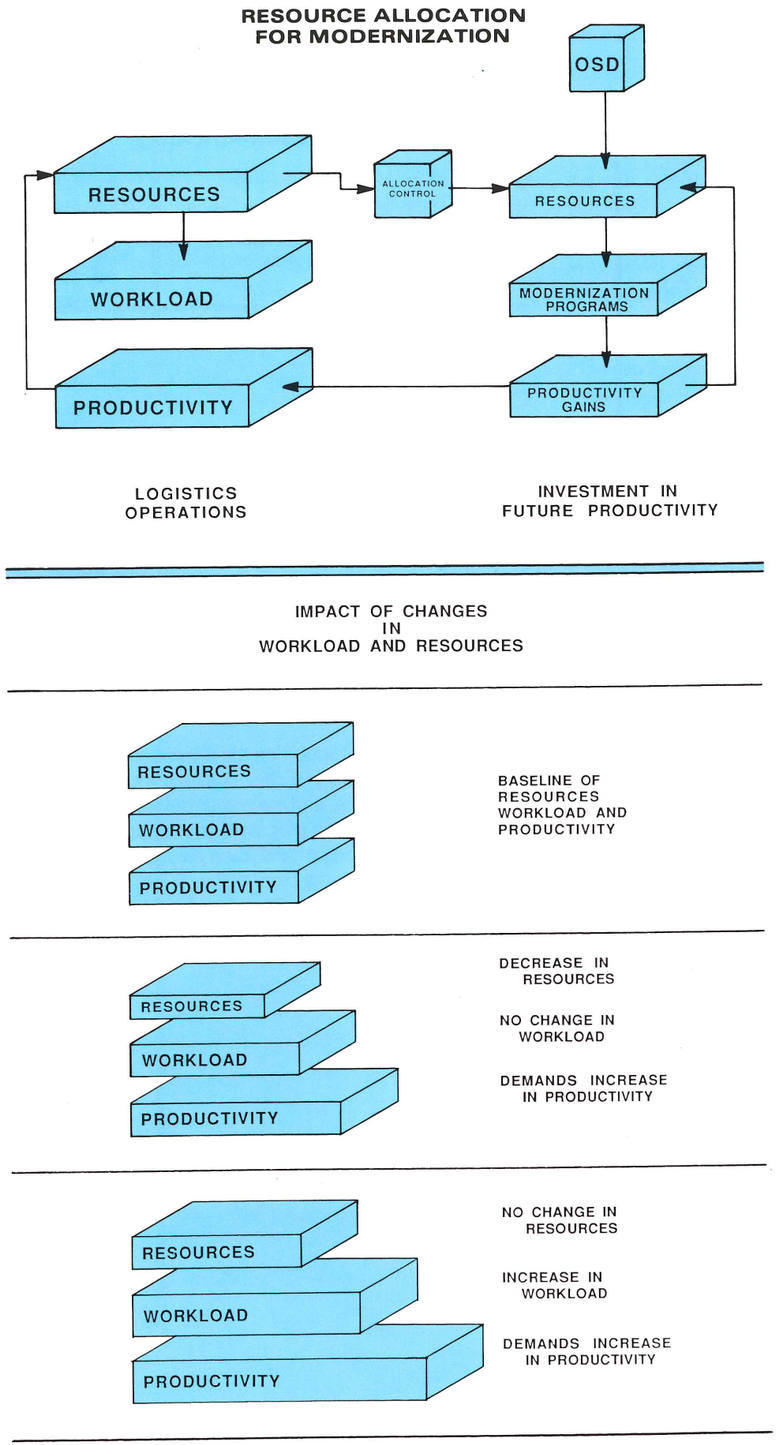
Modernization programs enhance DLA's strategic business and resource capabilities. Four major modernization programs currently are in various stages of development.

- **Standard Automated Materiel Management System (SAMMS) Immediate Improvement Initiative (I^3)**
- **Centralized Payment Initiative**
- **Defense Logistics Services Center (DLSC)**
- **Defense Automatic Addressing System Office (DAASO)**

Modernization programs enhance DLA's strategic business and resource capabilities

SAMMS I^3 takes an existing system and satisfies recently determined functional requirements through the use of technical solutions provided by the emerging technology. Centralized Payment applies the new technology in order to obtain organizational enhancements. DLSC modernization is a major software/hardware replacement program using the new technology to increase productivity and flexibility, and to incorporate functional/systems enhancements. DAASO uses technological advances in providing DoD with routing and ADP services for Defense Logistics Standard Systems (DLSS) transactions.

In addition to directly supporting the mission of the Agency, modernization programs provide the means of enhancing the resources which support strategic businesses, other programs, and even themselves. These three elements—strategic businesses, modernization programs, and resources—form a dynamic interaction in the strategic planning process. Each element supports and is supported by the other elements. The synergy produced by this relationship will be a major factor in enabling DLA to achieve its vision of the future.



DLA uses six major resources: People, Information, Organization, Capital, Facilities, and Equipment

Use of external information forms the substance of the Grand Strategy

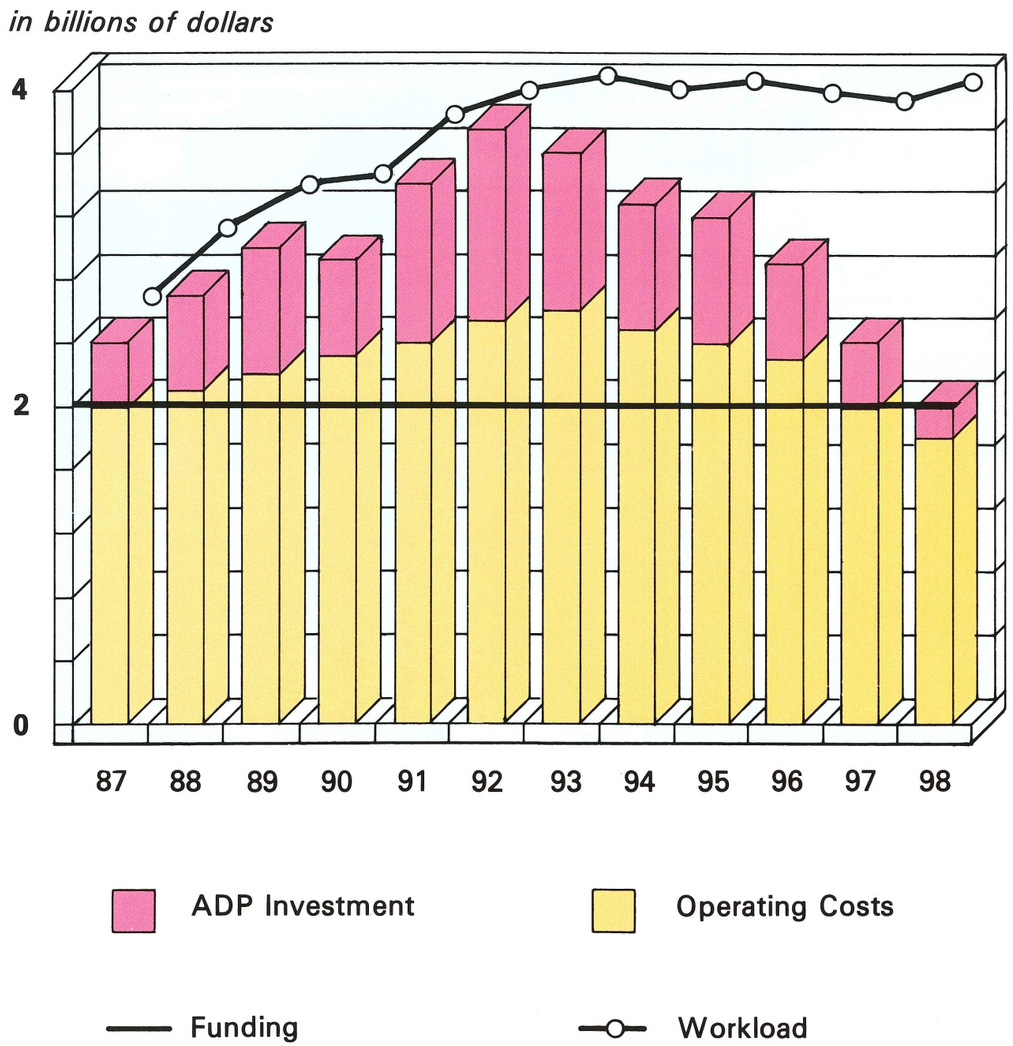
RESOURCES

While strategic businesses are dealing with the external world, the internal resources of the Agency must be managed. This is the realm of corporate support. Resources are the raw materials with which managers get things done. They cut across organizational lines and therefore provide a distinctly different perspective. Resources are secondary to the strategic businesses in that they are required in varying proportions to support each business activity. For example, managers of the facilities resource perform effective planning in order to allow the execution of each strategic business' view of the future.

- **People**
- **Information**
- **Organization**
- **Capital**
- **Facilities**
- **Equipment**

Of these six resources, only one, information, is both internal and external to the Agency. In its external form, it becomes the major tool of the strategic businesses in applying the Grand Strategy.

RESOURCE PROJECTIONS



ADP investment will allow maximization of resources

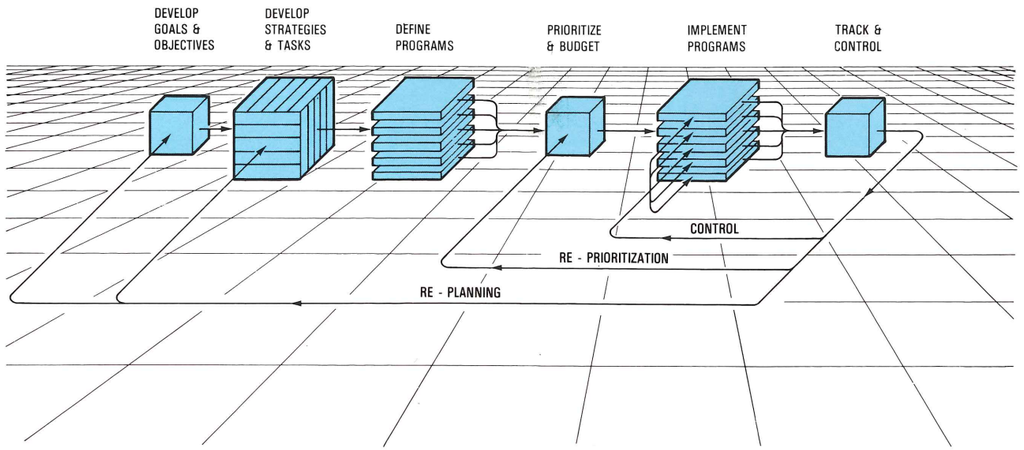
Resource Projections

The chart on page 20 shows the resource projections for the Agency out to 1998. Funding is shown as a constant compared with a projected increased workload. Yearly operating costs and ADP investment are projected against these lines.

- **Funding**
- **Workload**
- **Operating Costs**
- **ADP Investment**

Given an increased workload together with aging facilities and equipment, operating costs must be expected to rise. During this same period, increasingly constrained budgets must be expected. Although ADP investment initially will increase total costs, in the long term, the productivity gains which accrue from this investment will enable the Agency to provide increased and improved services with fewer resources.

DLA PLANNING, PROGRAMMING AND BUDGETING CYCLE



Progress in implementing the plan will be tracked with greater visibility

Developing Goals and Objectives, Strategies and Tasks

Implementing the plan will be linked to existing budgeting systems

IMPLEMENTATION

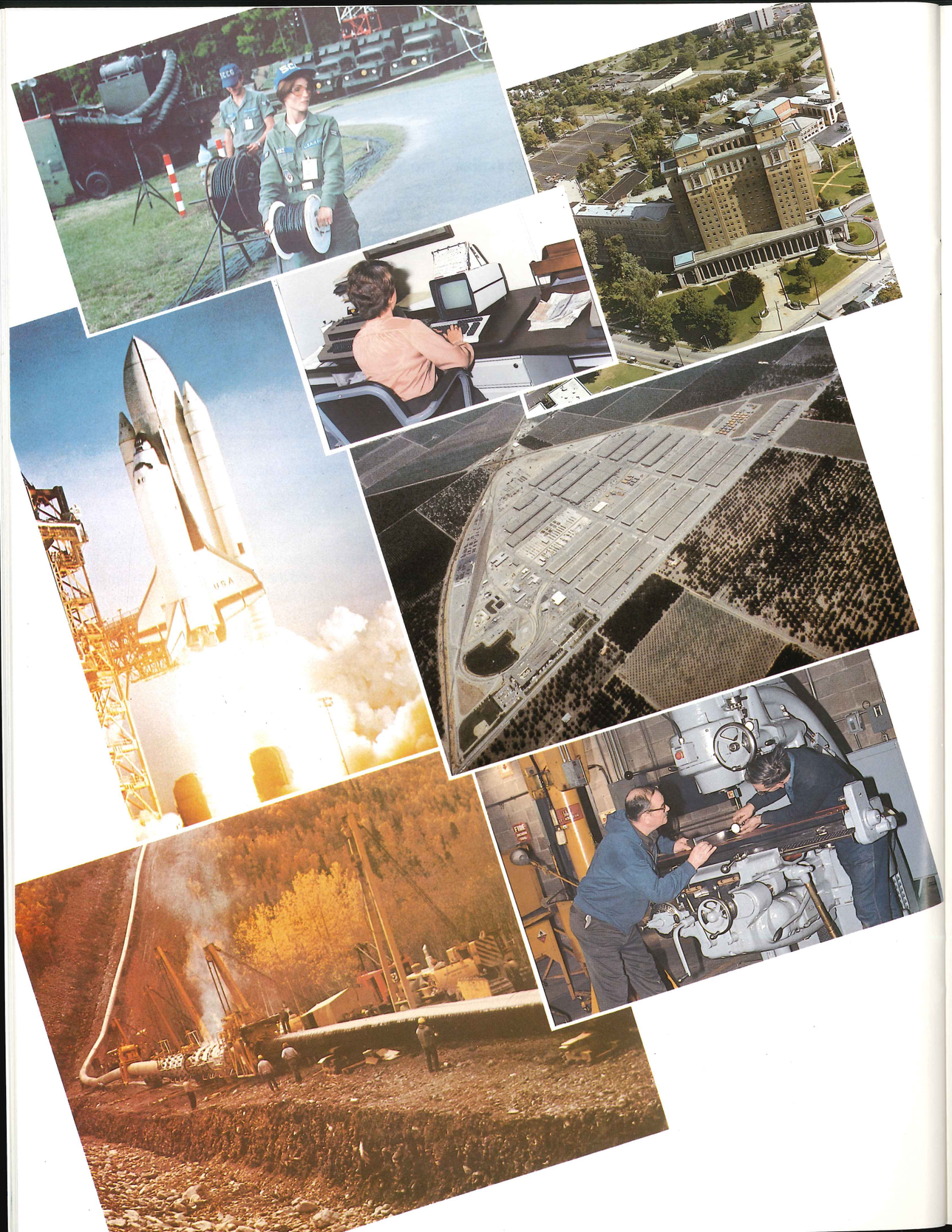
This plan articulates a specific direction in which the Defense Logistics Agency will move. Subordinate plans, including the Conceptual Functional Requirements and other systems modernization program documents reflect this direction. DLA intends to take the following steps both to implement this plan and to institutionalize the planning process.

Develop Goals and Objectives, Strategies and Tasks

Agency Goals and Objectives are contained in the Appendix to this document. Strategies and Tasks are found in Volume Two, *Implementation,* of the Supporting Documents. Whereas Goals and Objectives will be revised in concert with the regular review of the Strategic Plan itself, Strategies and Tasks will form a living document which is constantly evolving as milestones are met and new milestones set.

New Control, Tracking and Feedback System

The progress of the individual tasks to implement this plan will be tracked and controlled with a new management system. It will track tasks by planned/actual schedule and planned/actual resource expenditure. Individual managers will be accountable for the performance of tasks. Also, the resources expended on tasks can be aggregated, as in a spreadsheet, to show the true cost of higher level strategies and objectives.



DLA TOMORROW

Purpose

DLA aims at optimized life-cycle logistics support of the Armed Forces

The concept of operations for DLA in this plan has five basic goals:

- **Achievement of readiness and sustainability goals of the Commanders-in-Chief (CINCs) and Military Services.**
- **Optimized preparedness in support of mobilization and wartime needs.**
- **Improved life-cycle logistics support of mobilization and wartime needs.**
- **Improved interface with industry.**
- **Enhanced continuity of operations.**

The focus will be on improvements in the use of logistics information, the distribution of materiel, and the provision of logistics services such as contract administration. This focus will be sharpened through the development of innovative data systems, the tailoring of appropriate physical plant facilities, and the establishment of personnel organizations which reflect the changing needs of the Agency.

Environmental Advances

Environmental advances will provide DLA with the means to excel

Continuing advances in many areas must be incorporated in DLA's strategic planning.

- **Technology**
- **Standards**
- **Production**
- **Quality**
- **Market**
- **Personnel**

Technology is providing major breakthroughs in telecommunications, the use of distributed databases, and decision support systems. The Agency must maintain currency with developing standards in industry, the Defense Department, and the Bureau of Standards in order to obtain full Electronic Data Interchange (EDI) with industry.

From the new standards and advances in telecommunications and database technologies flow improvements in production timing, location, and control as well as new quality techniques for measuring management processes. For those items for which wholesale stockage for readiness or sustainability is not critical, the Agency can use such advances to optimize the use of commercial markets and commercial inventories. This explosion of technology will require new skills of the workforce, causing retraining and a restructuring of present organizational patterns.

Structuring for the Future

The environmental advances noted above will result in organizational, procedural, and resourcing changes within the Agency.

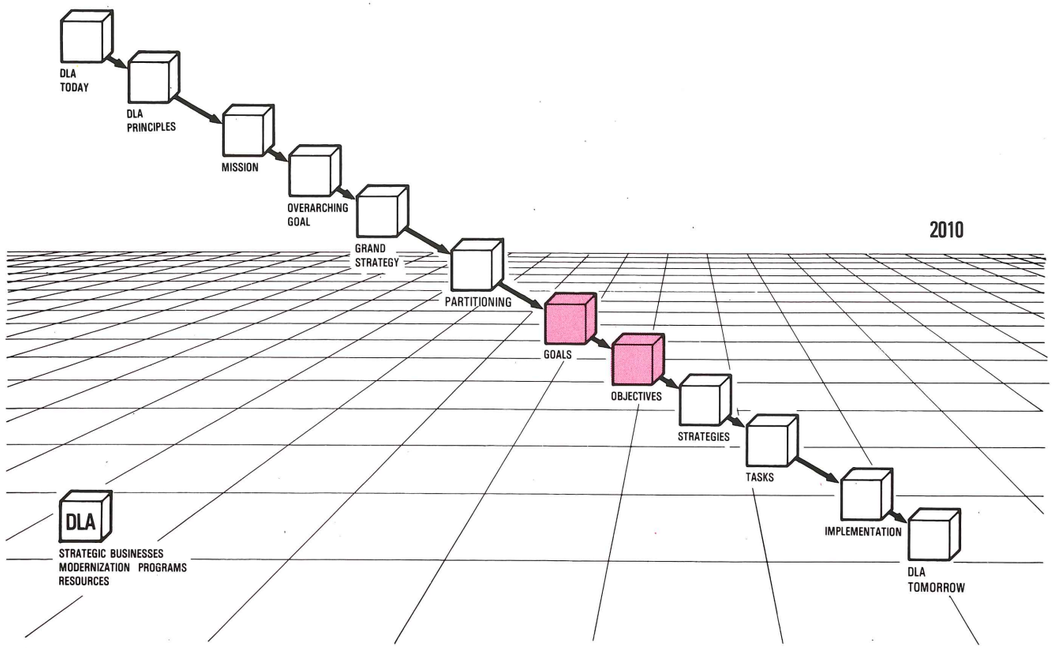
Environmental changes will cause organizational, procedural, and resourcing changes in DLA

- **Geographic limitations will diminish because of the new interaction allowed by enhanced electronic connectivity.**
- **The vendor base will expand through increased ability to identify potential sources.**
- **Materiel redistribution will minimize storage and transportation because of heightened item visibility and availability of item descriptions.**
- **Administrative leadtime for procurement will shrink as the matching of assets with requirements is optimized.**
- **Cyclical monitoring of processes in production monitoring will replace monitoring of products.**
- **Workforce employment will shift its emphasis in the planning-doing-checking cycle from the extensive "doing" of today to "planning" and "checking."**

Major modernization programs are already underway

Major modernization programs are already underway in such areas as systems modernization with the baseline document, the Conceptual Functional Requirements (CFR); the Standard Automated Materiel Management System (SAMMS) Immediate Improvement Initiative (I^3); and the Centralized Payment (CP) initiative.These will be major tools in using this process of change to build the DLA of tomorrow.

THE PROCESS OF STRATEGIC PLANNING IN DLA



DLA's goals are dimensioned by resource

DLA's objectives support goals in both the strategic business and corporate support areas

GOALS AND OBJECTIVES

This section details the Goals and Objectives of the Defense Logistics Agency. Goals for DLA have been developed by resource area. Using the resource dimension to provide DLA's highest level, Goals, is appropriate since it is resources which managers use to support the strategic business plans and Agency programs.

Objectives are, by definition, quantifiable and attainable within finite time periods. Since they have implications for an entire resource covering all businesses and corporate support, they are dimensioned by resource. However, the quantifiable elements for an Objective may vary from one business to the next and among the corporate support elements. Thus, the Objectives also have Strategic Businesses as a dimension.

The Agency's Goals are:

- **Achievement of the optimum productivity of all personnel.**
- **Achievement of the optimum utility of information.**
- **Achievement of the optimum organizational frameworks for moving the organization in the desired common direction.**
- **Achievement of the optimum investment in circulating capital and the optimum return from expenditure and allocation of operating funds.**
- **Achievement of optimum facilities to match the needs of the Agency.**
- **Achievement of an optimum investment in equipment, with the minimum expenditure and the maximum ability to accomplish the mission.**

The information resource provides the goal under which strategic businesses use the grand strategy, logistics information management, as a tool

Goal and Objectives by Strategic Businesses

INFORMATION Goal: Achievement of the optimum utility of information (Grand Strategy).

Materiel Management

Materiel Management focuses on customer requirements

MATERIEL MANAGEMENT OBJECTIVE 1: Obtain sufficient essential materiel to meet readiness and sustainability requirements for the full spectrum of operating scenarios.

MATERIEL MANAGEMENT OBJECTIVE 2: Improve knowledge of customer requirements.

MATERIEL MANAGEMENT OBJECTIVE 3: Achieve a weapons systems support capability which meets the Military Services' availability goals.

MATERIEL MANAGEMENT OBJECTIVE 4: Meet customers' needs at the lowest cost.

MATERIEL MANAGEMENT OBJECTIVE 5: Improve the quality of materiel and processes.

MATERIEL MANAGEMENT OBJECTIVE 6: Maximize the reutilization and transfer of DoD excess property, to offset potential DoD and Federal Agency procurement costs.

MATERIEL MANAGEMENT OBJECTIVE 7: Preclude military and technology sensitive items from entering the civilian marketplace.

Acquisition Services

Acquisition Services represents DLA and its customers with private industry

ACQUISITION SERVICES OBJECTIVE 1: Achievement of modernized information systems and procedures to ensure timeliness, accuracy, and effectiveness of all acquisition services.

ACQUISITION SERVICES OBJECTIVE 2: Achievement of the necessary level of participation with the Armed Forces and OSD to develop and implement initiatives for Total Quality Management and to improve reliability and maintainability.

ACQUISITION SERVICES OBJECTIVE 3: Achievement of systems and procedures capable of supporting contingency, surge, and mobilization requirements. Improved industrial preparedness assessments and capabilities.

Distribution Services

Distribution Services connects the customer with the vendor in the movement of materiel

DISTRIBUTION SERVICES OBJECTIVE 1: Improve transportation management to reduce response time and control materiel flow.

DISTRIBUTION SERVICES OBJECTIVE 2: Reduce the cost and improve the effectiveness of the physical distribution system.

DISTRIBUTION SERVICES OBJECTIVE 3: Optimize transportation costs and minimize movement of goods.

Resource objectives result from the needs of strategic business plans and form the corporate support base

Goals and Objectives by Resource

Since resources are defined as the raw materials with which business managers get things done, these goals and objectives are the result of the combined future plans of the strategic businesses and form the heart of corporate support.

People

The people resource must provide timely and innovative support to changing personnel needs

DESCRIPTION OF THE PEOPLE RESOURCE: Personnel, skills, training, career management, hiring, and motivational systems for adding value to the skill base.

PEOPLE Goal: Achievement of the optimum productivity of all personnel.

PEOPLE OBJECTIVE 1: Achievement of a climate with incentives to attain the highest level of employee motivation for carrying out their Tasks and supporting the Mission, Goals, and Objectives of the Agency.

PEOPLE OBJECTIVE 2: Achievement of improved personnel management in DLA through automation of labor-intensive processes; simplification of personnel processes; increased flexibility and authority of managers to take actions needed to manage people; and increased management participation in personnel policy development.

PEOPLE OBJECTIVE 3: Achievement of broadening DLA personnel management from processing/ regulating to comprehensive Human Resources Management so that managerial/mission needs rather than procedural concerns will dominate.

Information

The information resource must optimize support within the Agency as well as being a tool of the strategic businesses

DESCRIPTION OF THE INFORMATION RESOURCE: Information is data that can be used to make required or useful decisions and to perform required or useful tasks.

INFORMATION Goal: Achievement of the optimum utility of information.

INFORMATION OBJECTIVE 1: Maximization of the use of information in managing resources.

INFORMATION OBJECTIVE 2: Within 15 years, maximize integration of data and data sharing.

INFORMATION OBJECTIVE 3: Within 10 years, decrease the time it requires to acquire and develop ADP systems.

INFORMATION OBJECTIVE 4: Achievement of a better understanding of the costs/benefits of logistics processes and functions.

INFORMATION OBJECTIVE 5: Expansion of electronic interchange and integration within DoD and industry.

INFORMATION OBJECTIVE 6: Maximize efficient use of information in DoD and industry.

Organization

The organization resource must optimize a changing organizational profile

DESCRIPTION OF THE ORGANIZATION RESOURCE: The Organization Resource consists of the following interacting components: structure, strategy, systems, style, staff, skills and superordinate Goals.

ORGANIZATION Goal: Achievement of the optimum organizational frameworks for matching structure with mission.

ORGANIZATION OBJECTIVE 1: Achievement of a clear organization management system which provides flexibility, a strong sense of continuity, stability, process control of organization change, clear and effective direction, and reflects a commitment to individual and organizational excellence and quality.

ORGANIZATION OBJECTIVE 2: Achievement of development and refinement of evaluation and assessment processes which consider the multiple dimensions of organization alternatives and provide rational bases for structural relationships that reflect integration, effective command and control, balanced authority and responsibility, and an appropriate distribution of tasks between public, private, commercial, and academic organizations.

ORGANIZATION OBJECTIVE 3: Achievement of optimum target structures for the functions, business activities, and programs of the Agency, with the understanding that such structures will be continually refined to reflect changes in technology, the external environment, internal processes and relationships, and which can be applied to current issues as one means of evaluating possible solutions.

Capital

The capital resource must pursue innovative ways of providing maximum effectiveness for minimum cost

DESCRIPTION OF THE CAPITAL RESOURCE: The Capital Resource consists of revolving funds (stock funds and industrial funds), investment (capital equipment, military construction, and family housing), and operating funds, including research and development. Investment and operating funds come to the Agency in the form of budget authority, including reimbursements, which for the most part can be obligated only in a specific fiscal year.

CAPITAL Goal: Achievement of the most effective use of capital for current operations in support of readiness and sustainability of the Armed Forces, balanced by adequate investment for future productive operations.

CAPITAL OBJECTIVE 1: Achievement of ability to identify, justify, and obtain capital resources needed to provide continuing support to the Armed Forces.

CAPITAL OBJECTIVE 2: Allocation of resources to DLA functions at the most efficient/least cost level needed to fulfill Mission requirements.

CAPITAL OBJECTIVE 3: Achievement of visibility of resources throughout the Agency, with both accurate and timely information available to managers.

Facilities

The facilities resource must optimize responsiveness to future changes in Agency requirements

DESCRIPTION OF THE FACILITIES RESOURCE: The Facilities Resource includes real property and improvements. It is to Equipment, what real property is to personal property. Facilities include everything that would normally be left behind in a move. Buildings, wiring and permanent fixtures are examples of Facilities.

FACILITIES Goal: Achievement of the optimum facilities that fit the needs of the Agency.

FACILITIES OBJECTIVE 1: Achievement of zero lag time between a facility's need and the availability of the facility for the intended purpose and to accommodate new technologies.

FACILITIES OBJECTIVE 2: Achievement of the minimum overall cost of facilities that is consistent with Agency Mission, Goals, and Objectives.

FACILITIES OBJECTIVE 3: Achievement of the most efficient utilization of existing facilities capacity.

Equipment

The equipment resource must be sensitive to rapidly changing technologies

DESCRIPTION OF THE EQUIPMENT RESOURCE: The Equipment Resource includes any physical items that would be transferred from one site to another in a move. Examples of equipment would include furniture, materiel handling equipment, industrial plant equipment, administrative supplies, computer equipment, office equipment, vehicles, tools, and maintenance equipment.

EQUIPMENT Goal: Achievement of an optimum investment in equipment needed to accomplish the Mission.

EQUIPMENT OBJECTIVE 1: Within 10 years achievement of optimum use of technologies appropriate to the requirements of the tasks.