



DEFENSE LOGISTICS AGENCY



STRATEGIC PLAN
2015 - 2022



DEFENSE LOGISTICS AGENCY

Director's Intent

Our nation has a powerful military force, capable of swiftly responding to today's and tomorrow's challenges at a moment's notice across the globe. To be ready, our Soldiers, Marines, Sailors and Airmen rely on the men and women of the Defense Logistics Agency to accomplish their mission. We have a proud history of getting the right support to the right place at the right time for more than five decades. Through continued collaboration, innovation and smart investments, we'll continue to be the standard-bearer for joint logistics and acquisition – delivering world-class support to the Warfighter. Through this strategic plan, DLA builds upon these strengths, honors its commitments, and sets a course for future success.

Our mission is straightforward:

Provide effective and efficient global solutions to Warfighters and our other valued customers.

Our vision is clear:

Deliver the right solution on time, every time.

We will realize this vision through five goals:

- ***Warfighter First - Make promises and keep them***
- ***People and Culture - Valued team members; resilient and ready for the challenge***
- ***Strategic Engagement - Better outcomes through teamwork***
- ***Financial Stewardship - Affordable solutions and continued accountability***
- ***Process Excellence - Always improving; finding smarter ways to do things***

Our values define who we are, how we act, and how we treat one another:

Integrity, Resiliency, Diversity, Innovation, Accountability, Excellence

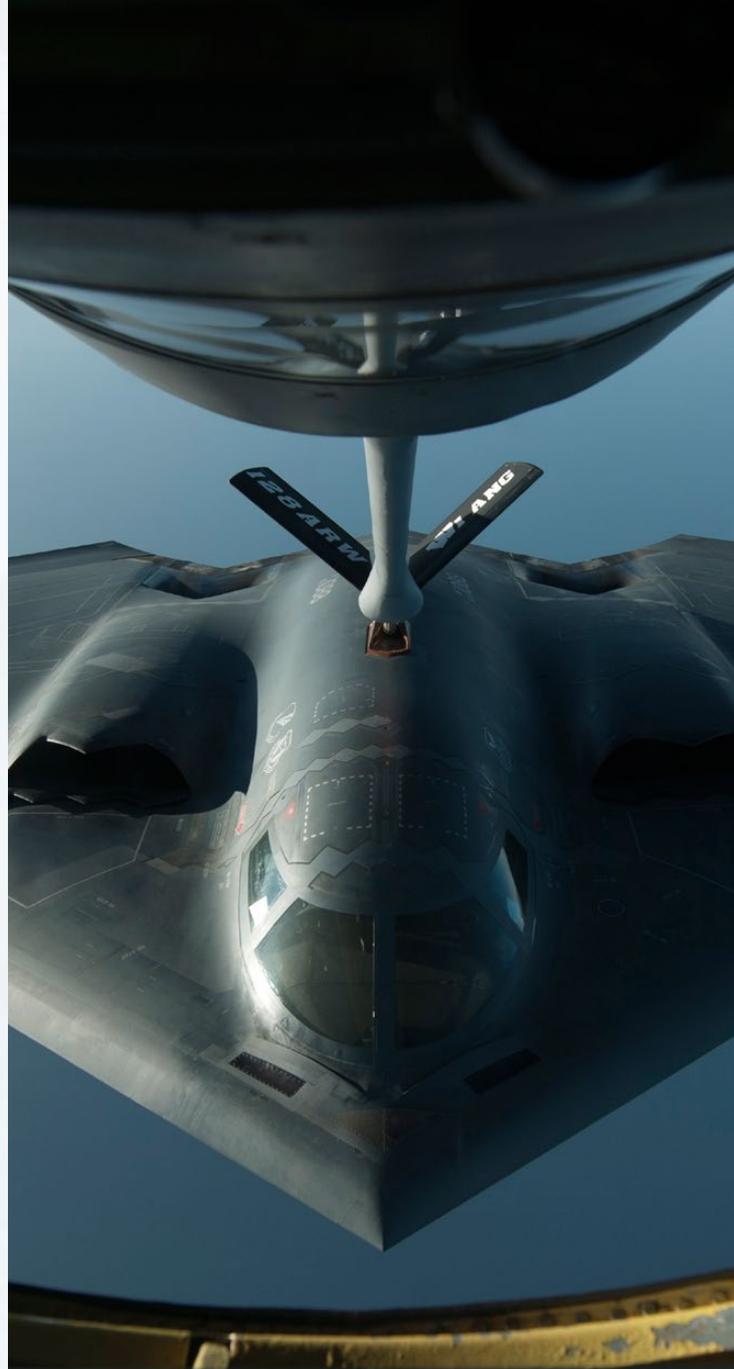
Execution of this strategic plan is supported by my annual director's guidance – helping leaders translate words into action and measure our progress. With this solid foundation, an agile, professional workforce, and a constant desire to improve our support to the Warfighter around the world, we will continue to be the best – America's Combat Logistics Support Agency.



Lt Gen Andy Busch
Director
Defense Logistics Agency

Table of Contents

STRATEGIC PLANNING INFLUENCES AND PROCESS	2
STRATEGY	4
Mission	4
Vision	5
Values	5
GOALS AND OBJECTIVES	6
GOAL AREA 1: WARFIGHTER FIRST	6
GOAL AREA 2: PEOPLE AND CULTURE	8
GOAL AREA 3: STRATEGIC ENGAGEMENT	10
GOAL AREA 4: FINANCIAL STEWARDSHIP	12
GOAL AREA 5: PROCESS EXCELLENCE	14
PERFORMANCE MANAGEMENT AND MEASUREMENT	16
DIRECTOR'S CALL TO ACTION	17



STRATEGIC PLANNING INFLUENCES AND PROCESS

As America's Combat Logistics Support Agency, the Defense Logistics Agency (DLA) provides the Army, Marine Corps, Navy, Air Force, federal and state agencies, and international partners with the full spectrum of innovative logistics, acquisition, and technical solutions. DLA's most daunting challenges are often encountered in support of our warfighting customers. As the Warfighter's combat logistics support provider, we must sustain Warfighters in an era of complex, dynamic, competing, and often urgent needs.

The current budget climate presents a challenge in balancing national priorities and fiscal realities, and leaves little margin to absorb unnecessary risks. We empower our workforce with the tools, funding, training, and other resources to enable their success. We foster an organizational culture that supports high levels of performance and quality at the individual and enterprise levels. We partner with industry to proactively leverage best practices, new technology, and other innovations to forecast and meet emergent demands. Our determined focus on process excellence delivers quantitative and qualitative results that are repeatable and, most importantly, measurable. Our financial processes and costs are transparent and well-documented, enabling our customers to participate with us to produce and benefit from cost savings.

DLA provides premier customer service and continues to enhance and strengthen our enduring relationships with the Military Services and Combatant Commands. We work tirelessly to further reinforce our close collaboration with U.S. Transportation Command (USTRANSCOM) and industry partners. Our strength is working as a team on end-to-end processes to ensure that integrated solutions are safe, secure, and efficient. We will capture opportunities to work with our partners earlier and more closely to integrate life-cycle efficiencies into the design, acquisition, and long-term sustainment of major programs.

We will focus on strengthening and optimizing our supply chains. Even though our support to the Nuclear Enterprise crosses multiple supply chains and functions, here too we will excel. It is a good example of where we must be vigilant in our end-to-end process planning, precise in execution, and committed to partnering with the Military Services and U.S. Strategic Command (USSTRATCOM) to ensure we maintain and improve our performance while leveraging technology and processes to advance efficiencies. We will address areas where the Nuclear Enterprise is underserved.

Strategic planning is about change. It is an iterative process that identifies where an organization must focus (mission), where it must be in the future (vision), and how it intends to get there (goals and objectives). To develop an actionable strategic plan, we followed industry best practices that included:

- Completing an analysis of the environmental factors (e.g., policy, budgetary, regulatory, workforce, etc.) that impact DLA, our customers, and our stakeholders
- Analyzing relevant policy, plans, directives, and guidance that establish critical priorities for the Agency to ensure we are aligned with the Department, its leadership, and our partners
- Interviewing our customers, stakeholders, and leadership to identify strengths, weaknesses, current challenges, and future expectations
- Developing an overview of our strengths, weaknesses, opportunities, and threats from which to frame our strategic agenda for action
- Working as a cohesive team to identify where we can lean forward to obtain significant improvements in operations.





STRATEGY

MISSION

Provide effective and efficient global solutions to Warfighters and our other valued customers

Just as the American Warfighter's mission is to protect our Nation's security interests, DLA's mission is to serve the Warfighter in that effort. Our Soldiers, Marines, Sailors, Airmen, and teammates serve around the world, and DLA is right beside them providing global, full-spectrum logistics support in the most austere environments. We provide food, clothing, medical supplies, fuel, consumable items, and repair parts to our Military Services. When our Soldiers, Marines, Sailors, and Airmen are supplied, fueled, nourished, moved, or healed, DLA plays a vital role.

We supported deployed Warfighters in every major conflict and contingency operation over the past

five decades, from Vietnam to Iraq, Afghanistan, and Liberia. Our forward-deployed organizations in Europe, Africa, Southwest Asia, and the Pacific as well as our in-theater, on-the-ground support teams ensure Warfighters know we are with them. We are highly deployable and always ready to meet Warfighters' requirements.

Our support extends beyond the Department of Defense (DoD) to other federal civil agencies including, but not limited to, the Department of Homeland Security (DHS), the Department of State (DoS), the Department of Energy (DoE), and the General Services Administration (GSA), as well as designated state and local customers. We are recognized for our responsiveness in providing assistance in diverse crises such as the Hurricane Sandy relief effort in 2012 and the Ebola outbreak in Western Africa during 2014.





VISION

Delivering the right solution on time, every time

Our vision describes our desired end state; to achieve it, we pledge to increase agility, responsiveness, innovation, and program integration. DLA's ability to anticipate and overcome logistical obstacles translates into our customers' increasing ability to realize mission success.

We support our Warfighters with a broad range of logistics and supply chain capabilities, ensuring that our customers receive what they need, when they need it. We incorporate and implement industry best practices. We support our Warfighters through our forward presence with the customer, our broad range of responsibilities across DoD supply chains, our capabilities in closing logistics seams and gaps, our strength in aggregating data to aid in decision making, and our deep expertise in achieving transformation.

To realize our vision, we understand that as a logistics leader and steward of the Department's resources, we must manage costs, maintain supply chains, sustain the industrial base, and integrate with industry. We will examine our end-to-end processes with our partners to identify process excellence opportunities to remove barriers and achieve precise execution, fiscal responsibility, and service-level accountability.

Through early and meaningful engagement with our partners, we will balance the requirements and trade-offs that might be necessary to develop the right solutions. These solutions will incorporate customer materiel needs, timelines, and performance assurance as well as DoD's interests in cost, infrastructure, and the defense industrial base.

VALUES

Integrity, Resiliency, Diversity, Innovation, Accountability, Excellence

Our values provide the foundation for all of the actions we take and the decisions we make in support of our customers, stakeholders, workforce, and partners:

- **Integrity:** Honest and trustworthy, we follow through on what we promise.
- **Resiliency and Diversity:** Flexible, responsive, recoverable, and able to quickly adapt to changing business environments while achieving outstanding results. Composed of people from varied backgrounds. We celebrate and leverage our differences to deliver innovative and effective outcomes.
- **Innovation:** We pioneer new ideas, devices, and methods. Working with each other, customers, and stakeholders to provide solutions that are unique and creative.
- **Accountability:** Obligated and willing to accept responsibility. We are accountable to DoD and our customers, just as our workforce is accountable to the DLA mission to provide effective and efficient global solutions to Warfighters and our other valued customers.
- **Excellence:** Extremely high quality. We take pride in providing first-class solutions on time, every time.

GOALS AND OBJECTIVES

The five goal areas represent the foundational catalysts we believe are necessary and relevant to realize our vision. These goals complement our mission as well as represent our commitment to ensuring our agility and responsiveness to the current and emerging needs and expectations of Warfighters and our other valued customers and stakeholders. Achieving these goals requires us to explore innovative opportunities and seize these opportunities to constantly improve our operations and service delivery. Our five goal areas are:

• *Warfighter First*

• *People and Culture*

• *Strategic Engagement*

• *Financial Stewardship*

• *Process Excellence*

GOAL AREA 1: WARFIGHTER FIRST

Deliver innovative and responsive solutions to Warfighters first, DoD components, and our other valued customers

DLA's top priority is Warfighter support. The current threat environment is complex, and we must be a trusted and responsive partner to the Warfighter as well as one that is able to anticipate changing and future needs. We will ensure our organization's goals, processes, and performance are innovative, responsive, and synchronized with the current and future needs of the Warfighters, DoD components, other mission partners, and stakeholders.

Objective 1: Anticipate, assess, and meet current and future Warfighter requirements

Warfighter requirements change at a moment's notice. It is imperative that DLA rapidly senses and responds to these changes with innovative solutions and optimum support for all classes of supply. This includes linking DLA capabilities, such as materiel availability to support Warfighter readiness, with

contingency planning and with Combatant Commanders' Theater Posture Plans. We will work with our customers to understand their current requirements and anticipate future needs to ensure the right materiel is available to support their varied mission sets.

Success for this objective: More accurate demand forecasts, stock levels and positioning, paired with a rapid response to emergent requirements, which ultimately contribute to improved mission readiness for the Military Services and Combatant Commanders.

Objective 2: Partner with program managers for major acquisition systems to lower lifecycle costs

To provide more efficient and effective Warfighter support, we will strengthen our partnerships with program managers early in the acquisition process for Major Defense Acquisition Programs (MDAPs). Collaboratively, we will identify critical program support requirements and potential decreased lifecycle costs, and align our resources accordingly. This early involvement will foster improved transparency and lead to reduced lifecycle support costs.

Success for this objective: A valued partner integrated into the planning and execution of programmatic logistics solutions. Establish a comprehensive engagement process, with the top five Military Services designated MDAPs, that enables DLA to create options for program managers to reduce lifecycle logistics costs.



Objective 3: Identify and manage supply system risks (execute and sustain our mission)

There are significant risks in our current environment – operational, cybersecurity, terrorism, and counterfeiting – that pose severe challenges to our supply chains at any given time. It is imperative that we analyze, assess, and address these key risk areas across our supply chains. We will foster an internal environment where reporting and addressing operational risks such as cyber threats and counterfeit/irregular parts is encouraged and valued. That same attention must extend to our supplier base, where we must be astute in vendor relationship management to ensure our private sector partners protect our materiel and data integrity to effectively support the Warfighter.

Success for this objective: Implement a more comprehensive program to identify risks, detect counterfeit and nonconforming materiel, and establish secure systems to avoid or mitigate potential disruptions to logistics support and ensure the continuity of essential functions and operations.

Objective 4: Leverage DLA's Research and Development (R&D) program to infuse innovation into our solutions

We will identify and prioritize innovative R&D solutions based on our customers' priorities. Understanding disruptive technologies and exploring potential game-changing innovations and other logistics R&D opportunities to support the Warfighter is a critical aspect of the solution. Early exploration and investment in emerging technologies will produce enhanced capabilities for our customers. For example, implementation of robotic technologies, automation in Distribution operations, and 3D printing of hard-to-source and long-lead-time parts will enhance logistics support capabilities and produce more reliable, cost-effective solutions. These innovations will remove barriers to the use of commercial technology, reduce response times, and ensure investments link directly to enhanced Warfighter support. Since industry R&D labs



often generate viable prototypes, we will explore their innovations and invite them to demonstrate their capability-development efforts. Our R&D program will produce innovative logistics solutions that are more reliable, agile, and cost-effective.

Success for this objective: Rapid and seamless migration of logistics R&D investments into operational solutions.

Objective 5: Develop and implement a Whole of Government strategy aligned to DoD

While the Military Services and Combatant Commands remain our primary support focus, DLA possesses the core competencies to positively influence the outcome of Whole of Government response efforts and operations. This can be accomplished with no degradation of support to our DoD customers. We will achieve this through proactive, strategic engagement with federal agencies and organizations to optimize DLA's ability to respond to domestic and international emergencies, natural disasters, and humanitarian relief efforts. Enhanced engagements with existing Defense Support of Civil Authorities (DSCA) partners and departments and agencies linked to diplomatic initiatives (DoS, U.S. Agency for International Development (USAID), foreign military sales) are a

GOALS AND OBJECTIVES

priority. Opportunities also exist to support federal, state, and local government agencies and organizations associated with homeland defense and emergency response missions.

Potential partners have vital readiness or contingency requirements that could benefit from DLA's competencies and services. To achieve this objective, a structured approach to identify and evaluate potential partnerships is essential. This approach considers mission alignment, costs, and risks, as well as the suitability of our expertise, capabilities, and limitations.

Success for this objective: A comprehensive, transparent, business case-like analysis that facilitates a thorough assessment of Whole of Government requirements or requests. Key to this analysis is ensuring DLA's ability to effectively support Whole of Government entities without any degradation of support to the Military Services and Combatant Commanders.



GOAL AREA 2: PEOPLE AND CULTURE

Hire, develop, and retain a high-performing, valued, resilient, and accountable workforce that delivers sustained mission excellence

DLA has always been a high-performing organization, and our workforce is our greatest asset. To further increase performance, we will use innovative approaches to attract and retain mission-focused people. We will foster an environment that unlocks the full potential of our workforce, enabling them to achieve peak performance and meet future challenges. To accomplish this, we will continue to attract and hire highly-talented individuals, further develop their competencies and resilience, and cultivate and retain the next generation of diverse leaders and workforce to advance DLA into the future.

The key to mission success is to continue our focus on people and culture. Our success depends on the readiness of our workforce to meet changing mission requirements in an evolving technological environment. Partnering with our labor unions to communicate and implement positive change and maintain our standing as an employer of choice is vital to an invigorated, sustained, and resilient workforce.

Objective 1: Foster an environment and organizational culture where DLA employees are valued and high-performing

We will continue to conduct and leverage our enterprisewide culture and climate surveys to determine workforce satisfaction, applying our findings and measuring progress. We will continuously pursue a performance-based culture that fosters an environment in which DLA employees understand how they fit into the enterprise mission and vision, feel valued, and have rewarding career path options. DoD's new performance management system, which links individual performance appraisals with organizational mission and goals, can further strengthen our knowledge of the current employee environment and perspective. This more comprehensive understanding will lead to new solutions



and improvements to be implemented through our robust culture action plans.

Success for this objective: Stronger culture and climate survey scores that reflect effective culture action plans and increased employee satisfaction.

Objective 2: Fortify workforce resiliency

To move DLA forward, we will provide a workplace where all levels of the workforce are empowered, valued, and treated with dignity. Fortifying resiliency represents the things we do within DLA to assist members of our workforce to become more effective in their professional and personal lives. In addition to continually improving workplace safety and the security of our work environment, we will assess, identify, and implement improvements to ensure employees see themselves as valued team members and are resilient in the face of professional and personal challenges. We will institutionalize the capability to actively engage, support, and solicit the feedback of our workforce. Moreover, we will provide a resiliency toolkit to ensure the workforce receives and benefits from the resources and training offered.

Success for this objective: Improved workforce resiliency and employee engagement.

Objective 3: Strengthen workforce competencies

To prepare for the emerging mission environment, it is critical to identify and implement new strategies to expand workforce competencies that build a strong bench. We will continue to develop and maintain a high-performing workforce with the technical capabilities necessary to lead DLA into the future. We will define the critical competencies needed to meet emerging

demands and institute a training development program with associated resources to further professionalize our workforce.

Success for this objective: A workforce that demonstrates the competencies needed to meet current mission requirements and is engaged in professional development to meet future challenges.

Objective 4: Refresh the hiring process with improved candidate assessments

To adapt to a changing strategic environment and take advantage of future opportunities, it is important to continue to attract and hire top talent. To continue to strengthen and grow our high-performing talent pool, we will refresh our hiring process and improve our competitive selection process with more robust candidate assessment strategies.

Success for this objective: A more transparent and balanced hiring process with greater employee satisfaction.

Objective 5: Bolster leader competencies to effectively lead in a rapidly changing work environment

It is essential that DLA's leadership effectively leads an increasingly diverse, modern workforce. Our leaders must unlock the full potential of a workforce with diverse backgrounds, experiences, and perspectives, in a modern and technologically advanced workplace. We will assess and improve our current leadership model and leadership competencies to cultivate leaders who are prepared to effectively manage in this future environment.

Success for this objective: Leaders demonstrating success through mission performance and inspiring greater confidence and productivity in the workforce.

GOALS AND OBJECTIVES

Objective 6: Develop and implement a framework for effective succession management for key positions

We will implement a succession planning process to adapt to the changing strategic environment and generational shifts within the workforce and leadership ranks. It is critical to prepare our workforce and emerging leaders for new roles and responsibilities. We will identify and assess key leadership positions and skillsets most critical to short- and long-term success. To ensure smooth transitions and reduce the risk of leadership gaps, we will identify and rationalize our professional and leadership development activities into a coherent succession management framework for leaders to apply to key positions.

Success for this objective: Effective succession management processes to ensure a sufficient and robust talent pipeline for key leadership positions.

GOAL AREA 3: STRATEGIC ENGAGEMENT

Engage industry and other partners in the delivery of effective and affordable solutions

Strong relationships with external partners are vital to achieve DLA's mission. We are, and will continue to be, focused on developing innovative business relationships with our industry and DoD partners. We need to engage more closely with industry providers of support and materiel and the DoD components that receive them to anticipate and meet the demands of the diverse and constantly changing circumstances our Warfighters face. As the relationships with our partners deepen, we will become

more knowledgeable about their strengths, challenges, and priorities. Through this knowledge, we will make more informed decisions in the development and delivery of the right solutions for our Warfighters. Increased communication and collaboration will benefit DLA, our industry partners, DoD, and, above all, Warfighters.

Objective 1: Collaborate with providers to incentivize productivity and innovation, eliminate unproductive business processes, and address industrial base vulnerabilities

DLA and our partners share many common goals and, even when we do not, there are opportunities for mutually beneficial collaboration. Our providers can best serve us if they have more information about our needs and demands, just as we can better target and tailor providers and contracts when we have information about production costs, schedules, processes, specializations, and limitations. We will work with industry providers to understand cost drivers, make contract execution easier, and find more efficient and effective production and acquisition methods. To do this, we will establish a routine communication strategy, understand legal constraints, improve the acceptance and inspection process, better structure contracts, reduce time to award, engage with industry and Government partners to address their concerns and leverage their knowledge, engage in information sharing, and improve support both before and after contract award.

Success for this objective: Streamlined contract processes, increased dialogue, and improved relationships and performance with DLA partners and providers.





Objective 2: Align DLA processes and initiatives with evolving DoD business objectives

DLA, together with our partners in DoD, will accomplish more and better serve Warfighters by working together, rather than separately. Through increased collaboration with our partners in DoD and within the defense industrial base, we will proactively execute our mission. We will support our leadership by identifying opportunities for DLA to enhance its support to the Department and ensure representation of DLA's interests within DoD and DoD's interests in the Whole of Government. This will result in increased efficiencies, reduced costs, greater sourcing opportunities, and reduction of sole-source items.

Success for this objective: A prominent role in federal strategic sourcing initiatives; an expanded role in, and repeatable process for, lifecycle planning; increased access to data rights; and legislative recommendations to ease legal, regulatory, and financial restrictions on DLA.

Objective 3: Incentivize productivity and innovation through performance-based acquisition (PBA) methods and arrangements

Warfighter operations have changed in the new millennium. DLA is with Warfighters in more places than ever before and needs new tools and processes to adapt. We will explore what we and our partners can produce today as well as what we will be capable of producing in the future. We will leverage industry agility, competition, and innovation to take advantage of commercial integrated logistics support arrangements. DLA's use of PBA methods through competition increases access to innovative and high-quality products at reduced costs.

Success for this objective: A standard procedure to identify and pursue opportunities to implement strategic Performance-Based Logistics (PBL) contracts and the review of existing contracts and relationships to leverage PBA features that are aligned with our business objectives.

GOALS AND OBJECTIVES

Objective 4: Enable innovative acquisition through an aligned and secure end-to-end information technology (IT) architecture and analytical tools

An aligned, end-to-end IT architecture improves visibility and transparency, making it easier to see opportunities for expanded collaboration and partnership. Greater data sharing allows industry partners to anticipate our future demands and allows us to better anticipate our customers' future needs. Greater transparency into the supply chain allows for improved decision making, avoidance of unacceptable risk, and predictable results. We will identify emerging technologies and determine which bring the greatest benefit to DLA and our customers. We will leverage state-of-the-market technologies to continually grow our acquisition analytics. Expected benefits of these initiatives are: improved and targeted capital expenditures, more efficient production control planning, established sub-tier arrangements to support DLA contracts, and a more stable workforce for our suppliers; higher fill rates, reduced capital expenditures, less waste, and more predictable warfighter support for our customers; and improved demand planning, more accurate forecasting of total lifecycle costs, increased competition, more precise requirements and customized contracts, better contract performance, and improved initial fielding sustainment for DLA.

Success for this objective: A process to identify and leverage emerging technologies, application of state-of-the-market tools for supply chain management, and a supply chain that is more responsive, transparent, and accessible to industry and our customers.

GOAL AREA 4: FINANCIAL STEWARDSHIP

Deliver effective and affordable solutions

Support to the Warfighter is our top priority. We will acquire new capabilities and eliminate non-value-added processes to optimize Warfighter readiness, meet future threats, and reduce their total equipment and system ownership costs. We will aggressively drive costs out of operations and materiel acquisitions to ensure an agile capability that can surge as needed to provide global military and humanitarian support.

Accountability is the foundation of good stewardship. We are steadfast in maintaining our financial commitments to our customers while ensuring value, efficiency, and effectiveness in every program. We will partner with our customers to improve pricing transparency and to collaboratively develop solutions to minimize costs. We will offer more discrete and flexible pricing





options to allow customers to select the type of service and performance that best meets their mission and affordability needs. After reaching audit readiness, we will sustain auditability.

Objective 1: Develop and implement a flexible strategy that positions DLA to provide logistics excellence in the future

As DoD resources diminish, DLA must adapt by developing innovative solutions that will enhance our existing exemplary service to our customers while using less money. We will collaborate with the Military Services to better understand their evolving requirements and chart a path to advance our capabilities. By working with private industry, we will explore best-of-breed logistics solutions and technology innovations to continually improve all facets of DLA business lines and processes. Concurrently, we will identify prudent cost-reduction strategies to optimize efficiency and effectiveness without compromising Warfighter support.

Success for this objective: Disciplined approaches to define and fund future readiness requirements and capabilities.

Objective 2: Collaborate with our customers on enhanced capability to reduce costs and increase transparency

We are committed to process excellence, improved financial predictability, and delivery of acquisition best practices. Our mission partners and stakeholders rely on DLA to bring together the programmatic, acquisition, and logistics communities to ensure we deliver affordable, end-to-end solutions. Through our Service cost summits, we will build customer trust by providing more discrete, DLA cost-driver visibility. We will provide industry comparisons and cost visibility to all factors that affect our annual price changes. We will also highlight targets of opportunity for collaborative process improvement, which

should result in significant cost reductions to the Warfighter without mission degradation.

Success for this objective: Ongoing, open dialogue with customers about cost and opportunities for cost reduction.

Objective 3: Develop flexible pricing options and automated processes

DLA must provide pricing strategies that allow the customer to obtain the support they need while remaining within their fiscal constraints. We will develop flexible pricing models for core supply, distribution, and disposition functions to give customers the performance they need at the right price. For example, instead of a fixed priced rate for transportation regardless of speed or method, pricing options would allow for rates directly commensurate to the level of service, performance, or speed requested.

Success for this objective: Flexible pricing models that accommodate varying levels of service, performance, and speed.

Objective 4: Reduce overall DLA operation and materiel costs

We will continue to seek ways to reduce the cost of doing business. This includes better leveraging acquisition tools, such as increased competition, to obtain the lowest possible materiel prices, as well as adopting a culture of continuous process excellence in all facets of the business. DLA is improving its acquisition processes by focusing on what things “should cost” and by developing smarter solutions that provide more affordable, value-added logistics support to Warfighters. DLA will continue to look for opportunities to improve the efficiency and effectiveness of day-to-day operations, such as re-engineering processes related to improving demand planning, reducing acquisition lead times to minimize

GOALS AND OBJECTIVES

inventory investments and holding costs, reducing infrastructure requirements by streamlining DLA Distribution and Disposition Services processes, and optimizing the DoD distribution network.

Success for this objective: Reduced operation and materiel costs through ongoing and future CPI initiatives while ensuring the continued effectiveness of ongoing operations.

Objective 5: Sustain auditability

DLA will assert full financial statement audit readiness in FY 15. We will implement audit deficiency corrective actions to allow audit sustainability and enhance our customers' confidence in the accuracy of the numbers we produce on their behalf. We will streamline and standardize processes, to the greatest extent possible, to reduce Agency and audit-related costs. We will establish and resource an audit response and sustainment organization to enable annual achievement of a positive audit opinion from an Independent Public Accountant.

Success for this objective: Ongoing positive audit opinions.

GOAL AREA 5: PROCESS EXCELLENCE

Achieve Enterprise process excellence

DLA will optimize processes to obtain the most effective and efficient outcome. We will obtain this goal through rigorous examination of end-to-end, core, and enabling processes coupled with the use of continuous process improvement tools. The teams will be composed of individuals from diverse functional backgrounds to ensure we optimize, standardize, and implement process improvements as well as sustain auditability. We will

achieve process excellence by requiring every level of leadership to evaluate, manage, and seek to improve the processes within their scope of responsibility. We will systematically reassess and implement process innovation to reduce costs, increase speed, improve quality, and become a more agile organization. This will be accomplished, as appropriate, within each organization and at the enterprise level. Through our governance structure, DLA will enable, prioritize, and integrate process innovation. Tools such as templates, training, and communication and change management activities will be employed to make it easier for the workforce to do its job, assist leaders with data for decision-making, communicate the reason for change, encourage acceptance of new processes, and foster an environment of continuous process improvement.

Process excellence encourages simplification, improves performance, and helps DLA better achieve the outcomes Warfighters expect. At its essence, process excellence moves beyond the success of achieving and sustaining a positive financial statement audit and optimizes process change to bring forth the most effective and efficient outcomes in support of Warfighters, the Whole of Government, and our Nation.

Objective 1: Leverage enterprise process governance construct

Process excellence uses the Supply Chain Integration (SCI) Council as a supporting governance forum for the Alignment Group and the Executive Board. This council will standardize and integrate the organization's process improvement activities to ensure systemic issues are addressed. The governance process supports institutional examination and innovation of systemic issues that can lead to significant process improvement to achieve Agency goals in support of the customer.

DoD provided an end-to-end business process integration framework to drive alignment and improve business operations. The SCI Council representatives will identify and inventory the ongoing process activities in which staff are currently engaged,



encourage process initiatives and the use of continuous process improvement tools, and reward innovation.

Success for this objective: Development and institutionalization of the authorities, roles and responsibilities, policies, sponsorship, leadership, and ownership of process activities and visibility of ongoing initiatives.

Objective 2: Implement and integrate end-to-end process management to optimize enterprise initiatives

We will analyze and develop process management solutions by consolidation, standardization, and integration throughout the total DoD supply chain. The DLA end-to-end business streams are: Procure to Pay (P2P), Plan to Stock (P2S), Order to Cash (O2C), Hire to Retire (H2R), Acquire to Retire (A2R), and Budget to Execute (B2E). These processes form the connection between the customer-facing and supplier-facing sides of the organization. Each process initiative will have a specific timeline to conduct data baselining, improvement, documentation, and communication activities. In addition, we will employ process tools, templates, and guides for use by all DLA staff. We will identify training and change management activities to enhance understanding and motivate the workforce to bring new and exciting ideas into practice. We will engage customers and stakeholders to gain insight and feedback. We will integrate R&D initiatives seamlessly into our processes and encourage the sharing of ideas and best practices.

Success for this objective: Savings, cost avoidance, and improved Warfighter support through a portfolio of process improvements and innovations.

Objective 3: Implement Enterprise Process Management to maximize efficient, effective, and auditable processes

We will implement proven, repeatable processes and strategies to provide effective, efficient support as well as sustain



auditability. As a team, we will develop a best practice method to measure the effectiveness of our core and enabling process areas, ensuring standard measurement by process owners and enterprise business cycle owners. The measures will include end-to-end metrics, and we will ensure that risk assessment and Managers' Internal Controls Programs are integrated with the process and business cycle measures.

Success for this objective: Full and current process documentation and measures for operational processes, determination of key operational controls, and continuous process improvement to ensure process excellence.

Objective 4: Develop, monitor, and sustain activities to enable culture change

To improve adoption of new and updated processes, we will use the industry best practices of communication, change management, and training materials to accompany each process initiative. We will also obtain feedback from the workforce to refresh our end-to-end processes and the techniques and materials used to implement them.

Success for this objective: A culture that embraces continuous improvement and individuals who understand their role in enterprisewide operations and DoD logistics objectives.

PERFORMANCE MANAGEMENT AND MEASUREMENT

This plan is the first step to implement our strategy. Annually, we will direct actions through the Director's Guidance and Annual Operating Plans. An integrated strategic planning and performance management program will provide DLA leadership with vital information to measure the progress and effectiveness of our efforts as we implement this plan and strive to realize our vision. The underlying metrics will ensure we produce the necessary outputs to achieve the outcomes critical to effectively achieving our goals, while also providing the data we need to make course corrections along the way. These metrics will be tracked and evaluated by DLA's Director of Strategic Plans and Policy (J5) and presented to the senior leadership team on a recurring basis to monitor performance and drive process improvement. Additionally, we will revisit this plan on an annual basis to ensure we remain on course or to re-vector as necessary.





DIRECTOR'S CALL TO ACTION

As we look to the future, we recognize the uncertainty, risks, and challenges that we face as we go forward together to meet our mission as America's Combat Logistics Support Agency. We all know the enduring threats our country faces. We recognize the ever-evolving challenges placed upon our Department of Defense and Military Services. We understand the critical role that our Agency plays in helping our customers meet those challenges and keeping America safe and secure.

I firmly believe we are up to this challenge. We will continue to seek excellence and provide the exceptional global logistics solutions that our customers demand ... on time, every time.

I ask for your full commitment to this strategic plan. It provides our roadmap to ensure that we, the DLA team, continuously evolve and improve together to meet our mission requirements with a single resolve. It is our plan to meet the future with the commitment and capabilities that we need to provide the responsive, agile, and innovative support that our customers and stakeholders need and deserve.



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