



Director, Defense Logistics Agency
8725 John J. Kingman Road
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Director's Intent

The Defense Logistics Agency is the Nation's Logistics Combat Support Agency. We deliver logistics support to the Warfighter and meet any challenge, anywhere in the world. Last year, we sharpened our focus on three FY26 priorities: **Set the Globe, Set the Agency, and Set Supply Chains**. As we enter Fiscal Year 2027, we will build on this momentum—**consolidating gains and accelerating progress** towards our enduring transformation in support of the Nation's Warfighters, and prioritize Setting the Agency, Setting Supply Chains, and Setting the Globe.

This is a transformation of necessity, driven by a convergence of geopolitical instability, the relentless pace of current military operations, and critical fiscal realities. We are currently sustaining our Warfighters in active, high-tempo operations across multiple theaters even as we prepare to confront near-peer adversaries in contested logistics environments. To meet the future, we must embrace our operating principles of **Speed, Effectiveness, Efficiency, and Competition**, recognizing that mission execution and fiscal discipline are inseparable. We must fundamentally shift our enterprise approach from legacy processes to high-impact business and mission performance, ensuring that every resource we manage directly translates into the readiness, agility, and logistics support our Armed Forces need to match the speed of today's battlespace.

Advancing transformation requires thoughtful coordination and sequencing of multiple efforts across years of execution. To do this, we will sharpen our culture of continuous improvement and assessment to support the Warfighter in a complex logistics environment. Our four strategic imperatives—**People, Precision, Posture, and Partnerships**—remain the pillars supporting our efforts.

The foundation for today's mission space is clear: **a unified and flexible digital backbone** connecting the DLA workforce and external stakeholders. Transforming into a digital **AI-powered organization** is the key to unlocking end-to-end supply chain visibility, enabling predictive analytics, and empowering our people to best serve the Warfighter. Achieving this requires modern digital tools and redesigned core processes that eliminate analog breaks, accelerate cycle times, and deliver consistency across the enterprise. This is a multi-year effort that will strengthen DLA's unmatched ability to sustain the Warfighter anywhere in the world.

Two years ago, we transitioned from organizing the Agency's strategy around lines of effort (LOE) to the Objectives and Key Results (OKR) framework to drive meaningful and measurable action on our greatest priorities. During last year's implementation, we used OKRs to strengthen our focus, strategic alignment, and performance accountability across all levels of DLA. For FY27 we will align our OKRs across six mutually reinforcing focus areas that will collectively form DLA's unified, flexible, and connected digital backbone:

- **Foundation:** DLA will collect and generate data once and use it across Agency-wide systems, rather than building use-case-specific data sets. This requires us to establish an **Authoritative Data Environment** to serve as the foundation of our digital infrastructure.



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This enterprise capability will enable the workforce with trusted, governed, discoverable, and interoperable data managed as strategic products with clearly assigned owners, standardization, transparent lineage, measurable quality, and policy-enabled access.

- **Decisiveness:** We will implement **Improved Decision-Making** through governance architecture that combines speed and effectiveness to advance high-quality enterprise decisions at a 'just right' cadence, with leadership-driven priority focus, resource trade-offs, and accountability for best mission outcomes.
- **Workflows:** DLA will reimagine core business processes with embedded AI systems. To achieve this, we will **Integrate** our **Business Processes** by reengineering and consolidating workflows, eliminating "analog breaks", and maximizing the potential of our digital environment. This will be the functional application of our digital transformation, moving away from manual processes where possible and anchoring human judgment where it is most important to improve the overall mission cycle.
- **Outcome:** We will **Optimize** our **Supply Chain Performance** to generate improved logistics outcomes for the Military Services and Combatant Commands. This focus represents our benchmark for success and the outcome of our collective efforts across the fiscal year to implement a digital backbone that will provide the architecture for the Agency's future operating model.
- **Talent:** We will ensure DLA has developed the talent necessary for our transformation by **Digitally Empowering** our **Workforce** with the skills, data access, AI-enabled tools, and organizational authority needed to operate collaboratively, adapt continuously, and make informed decisions at the lowest level and at the speed of mission.
- **Accountability:** We will **Achieve** an **Unmodified Opinion** to DLA's Working Capital Fund in FY27, establishing the accountability and traceability of funds necessary to support the Department's priority to pass an audit in 2028. Our efforts in this space will streamline our budget and reinforce our discipline as fiscal stewards of the Department's logistics services.

This focus area-based transformation will be carried out while we continue resource-intensive efforts crucial to the Agency's success that we highlighted in FY26. Our governance and sequencing efforts for FY27 will account for our ongoing actions to integrate the Global Resilience Initiative (GRI) across the Combatant Commands and Military Services, while ensuring DLA has the capacity and capability to sustain Joint Campaigning across all warfighting domains. The Procurement for Public Sector (PPS) initiative also remains a priority. This multi-year deployment of a modernized, integrated procurement platform will enforce regulatory standards, enable agility, accelerate acquisition speed and precision, and ensure the reliability of DLA's global supply chain.

These are not independent efforts. They represent the *interdependent* nature of the tasks before us, and none can succeed in isolation. Investments in governance enhance data management.



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Stronger data accelerates process integration. A digitally empowered workforce amplifies the impact of AI-enabled systems. These capabilities form the digital foundation required to support the Warfighter and our continued support for GRI, Joint Campaigning, and PPS strengthen our global reach and partnerships. Leader discussions for FY27 have prioritized internal modernization efforts even as the Agency delivers on its mission across the globe.

Coordination across these interdependent lines of effort requires integration of short- and long-term planning for requirements and execution. This year we adopted a 'Rolling Horizons' planning framework for multi-year efforts occurring within the Strategic Plan to augment the Annual Guidance. We will refine these planning cycles in FY27 to ensure continuity and reach beyond the current five-year Strategic Plan.

The road ahead will be demanding. It will require us to aggressively break down silos, embrace innovation, and make decisive, data-driven choices. It will require discipline, patience, and a shared commitment to the mission. I know that our team will meet this moment. We have the right people and the right momentum already underway to deliver this transformation and accomplish our mission. Now is the time to seize this opportunity, consolidate our hard-won gains, and accelerate our progress as we write DLA's next chapter.

Warfighter Always!

MARK T. SIMERLY
LTG, USA
DLA Director



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Toward Our Digital Backbone in FY27

Our long-term strategy is built on a foundation of integration and interdependence. This year of execution represents the commencement of our efforts to transition and scale transformative digital capabilities across the Agency. **Establishing the Agency's unified, flexible, and connected digital backbone** will guide our efforts throughout Horizon 2 (2027-2030). The FY27 Agency OKRs categorized underneath **Set the Agency** and **Set Supply Chains** represent the primary strategic focus of the Agency for this fiscal year as part of Horizon 2. They are designed to be ambitious, measurable, and focused. However, these OKRs only reflect the initial injects into a continuous assessment model that will regularly calibrate the direction and scope of our execution across the fiscal year. This will ensure that our OKRs remain relevant and impactful to current operational realities regardless of changes in the environment.

The initiatives under **Set the Globe** reflect the Agency's enduring efforts to ensure that the Nation's Warfighters remain lethal, resilient, and continuously sustained where and when they require it. Like our FY27 key results, we will identify opportunities for further refinement, especially as we identify specific enterprise outcomes for accomplishment this fiscal year.

FY27 Obj	Build the foundation for a unified and flexible digital backbone connecting the DLA workforce and external stakeholders.		DLA's Enduring Efforts
	SET THE AGENCY	SET SUPPLY CHAINS	
FY27 Agency Key Results	- Foundation: Establish the modern data foundation required to enable cross-platform (SAP, Google, ServiceNow) agentic AI workflows and natural language prompting for real-time, trusted insights by leveraging the unified data fabric as data domains and products continuously scale. - Decisiveness: Accelerate enterprise decision velocity and quality by implementing a DLA Decision Architecture to clarify decision authority, establish time-bound decision cycles, empower high-integrity decisions at the lowest competent level, and require governance forums to use authoritative, real-time data to drive robust, integration-focused decision making by January 1, 2027. - Talent: Build the foundation of a more digitally empowered workforce by identifying AI/digital training needs down to the work unit level by January 1, 2027. - Accountability: Achieve positive audit results for inventory, Fund Balance with Treasury, receivables/payables for Working Capital Fund to ensure DoW achieves an unmodified opinion in FY27.	- Outcome: Enable Joint Force readiness by delivering critical sustainment and services — Disposition, Distribution, CLI, CLII, CLIII, CLIV, CLVIII, CLIX — at the speed of relevance. Performance is defined by DLA's operational and industrial Customer Response Time and attainment of Service NMCS targets. - Workflows: Identify, validate, and prioritize the E2E business process gaps and have a plan for resolving or mitigating by January 1, 2027.	- Global Resilience Initiative: A strategic effort designed to mitigate Defense Industrial Base risks by generating steady demand signals and forward-positioning critical materiel globally. It aims to eliminate sustainment "risk debt" and provide credible deterrence by ensuring the Joint Force can be supported during the first 135 days of a protracted, large-scale conflict. - Joint Campaigning: Sustain a combat-ready, warfighting posture by fully integrating DLA's multi-echelon Command and Control (C2) and logistics capabilities into the joint exercise ecosystem, ensuring seamless support to the Combatant Commands at the pace of conflict. - Procurement for Public Sector (PPS): Modernize and unify DLA's acquisition environment by deploying an integrated procurement platform that enforces regulatory standards, accelerates buying actions, and strengthens the reliability of the agency's global supply chain.

Legend

- People: Expand recruiting sources, improve training
- Precision: Strengthen digital interoperability and develop AI-powered solutions.
- Posture: Develop resource strategies for capital-intensive wartime inventory.
- Partnerships: Expand Industrial Base partnerships to increase access to capability.



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Operationalizing Our Strategy

The successful execution of our FY27 OKRs requires a dual-pronged approach:

- **Consolidating Gains:** Securing the foundational improvements we have made, scaling successful pilot programs, institutionalizing new operational workflows, ending programs that do not add value to the Agency, and ensuring that our workforce has the training and resources required to sustain these new capabilities.
- **Accelerating Progress:** We cannot afford to move at the speed of legacy bureaucracy. We must rapidly deploy our unified digital backbone, tearing down data silos and implementing the predictive analytics necessary to outpace our adversaries in a contested logistics environment. Achieving this pace also depends on strengthening the transparency and consistency of our internal signals and actions, ensuring that enterprise decisions support stable, reliable execution across the supply chain.

Every organization is critical to this strategy's success. This will require a disciplined and integrated approach to develop, execute, and assess OKRs at all levels of the agency. To spearhead this effort, the Agency Transformation Center (ATC) has been established to synchronize our enterprise modernization, drive functional business process re-engineering, and implement the digital backbone of our future operating model. The ATC will ensure alignment across the Agency by working through current governance to integrate DLA Directorates, Major Subordinate Commands, and Chief of Staff Portfolio efforts in support of the Agency's FY27 OKRs. Centralized orchestration, executed in a decentralized manner, will jump-start the changes in our operations, leveraging dedicated personnel from across the enterprise.

All DLA organizations will align their FY27 OKRs and budget requests with this guidance. Organization-level OKRs must be directly traceable to the Agency-level Key Results. This ensures that our efforts are synchronized and focused on our shared priorities. All organizations will document and manage the progress of their OKRs in DLA Vector, the designated enterprise tool, and through established governance forums.

The connection between your organization's execution and our Agency's mission success cannot be overstated. Every action we take, every process we improve, and every key result we achieve contributes to our collective goal of providing world-class logistics support to the Warfighter.