



Strategic Plan 2000...DLA 21



Why Change?





Why Change?



1990	1993	1996	1999
Functional Stovepipes	Integrated commodity business unit	Weapons systems management	Supply chain management
Low bid	Best value, long term contracts	Best value, long term contracts	Corporate contracts
Inventory in DLA warehouses	Direct Vendor Delivery (DVD)	DVD, just-in-time inventory	DVD, vendor managed inventory
Paper	Electronic commerce	DLA EMALL	DoD EMALL
1970's business systems	Government programmers	Gov't modified COTS	Evolution to COTS
CONUS based wholesaler	Worldwide	Forward presence	Forward presence & forward deployed
Organic workforce		Core/non-core study	Competitive sourcing
Mainframe systems	PC based stand alone	PC/midtier integration	Web based applications
Stovepipe business processes	Business Process Reengineering with infusion of EC/EDI	Hybrid	Integrated business processes
Military Specifications	Spec busting	Commercial item descriptions	Broad commercial applications

Management of Supplies



Management of Relationships

Change has always been a positive part of DLA



The DLA Story:

The Value Proposition

“...to ensure warfighters are never logistically unprepared!”

83% of Requisitions

90% of Repair Parts

100% of Fuel & Package Petroleum

100% of Clothing/ Medical/Food

100% of Distribution

DoD's Contract Manager



1997-1999: Great Years for DLA



Joint Meritorious Unit Awards

- ★ 11/95-1/98:
 - DCMD International, CAS to Forward Deployed Forces
- ★ 11/95-1/98: DLA Europe, Logistical Support to Operations JOINT ENDEAVOR/GUARD
- ★ 11/96-2/99: Defense Logistics Agency, Business Process Reengineering and Support to Forward Deployed Military Forces

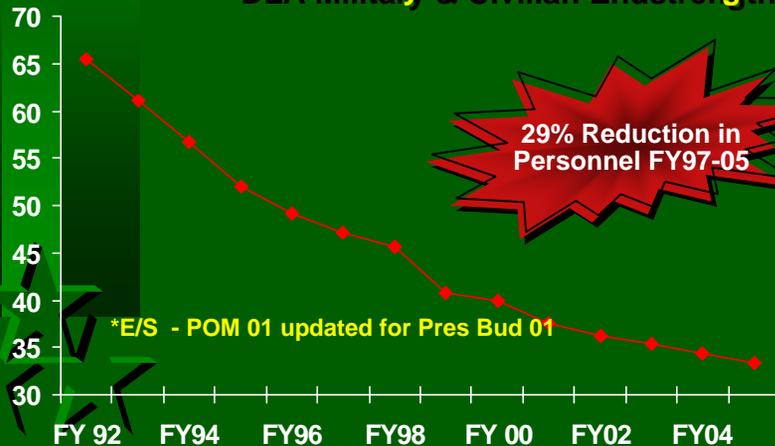


54 Hammer Awards

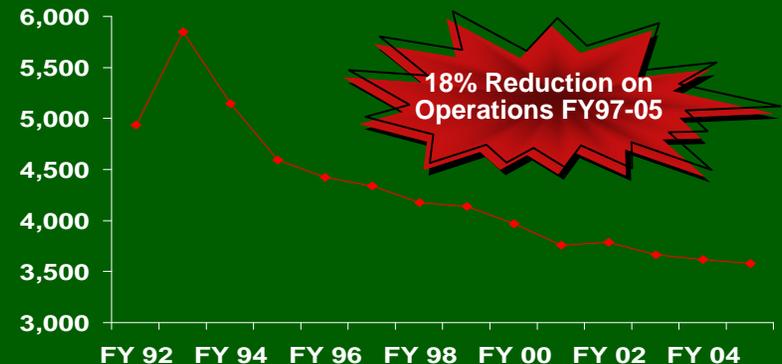
- 40 from 1996-98
- 5 in 1999

15 Reinvention Labs

DLA Military & Civilian Endstrength



DLA Operations Costs Constant FY92 \$M





The "Leader" For Today May Not Be The "Leader" Tomorrow

- ▶▶▶ If You Are On Top, You Are The Underdog
- ▶▶▶ Retailing Example



- ▶▶▶ Montgomery Ward - 30's And 40's
- ▶▶▶ Sears - 50's And 60's
- ▶▶▶ K-Mart - 70's And 80's
- ▶▶▶ Wal-Mart - 90's
- ▶▶▶ ? - 00's



**Why Change?
History shows us why!**



What Are the Warfighter Needs?



World-wide time definite delivery



Assured, real time logistical information

- ★ Situational awareness
- ★ Web based; secure
- ★ Planning, modeling, simulation capability
- ★ Single site
- ★ AIT



Single point of contact for customer service



Logistics response; not inventory

- ★ Surge capacity
- ★ Strategic packaging
- ★ No backorders
- ★ Electronic commerce
- ★ Acquisition agility



Smaller logistics footprint

- ★ Reach back/pulse capability
- ★ Quickly deployable
- ★ Forward presence



Less cost for support & services



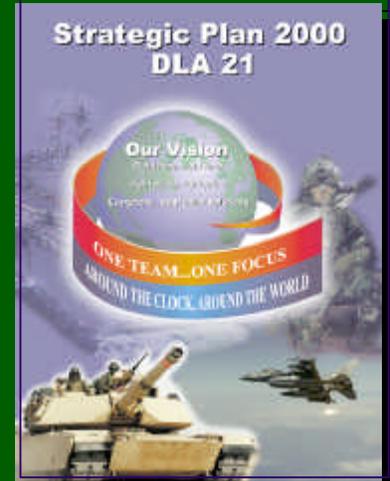
Quality products



Confidence in delivery of right items, right time, right place, right price, every time



Strategic Plan 2000... DLA 21



Our Vision
Right Item, Right Time, Right
Place, Right Price, Every
Time...Best Value Solutions for
America's Warfighters

Our Strategic Goals:

1. Consistently provide responsive, best value supplies and services to our customers.
2. Reduce costs--improve efficiency--increase effectiveness
3. Ensure our workforce is enabled to deliver and sustain world class performance.

Our Values

1. People
2. Service
3. Excellence
4. Integrity
5. Innovation

Our Core Competencies

1. Customer Knowledge
2. Logistics Information Management
3. Integrated Combat Logistics Solutions
4. Rapid Worldwide Response
5. Single Face to Industry

But There's More





Strategic Plan 2000...DLA21 “High Payoff Areas”



**Right Item, Right Time, Right Place, Right Price, Every Time...
Best Value Solutions for America's Warfighters**



Strategic Plan 2000...DLA21 “High Payoff Areas”

Business Systems Modernization

- ✓ Enterprise Resource Planning
- ✓ Replace legacy systems with robust COTS
- ✓ Shift to commercial practices
- ✓ Virtual applications
- ✓ Technology insertion

Strategic Sourcing

- ✓ Shift to commercial practices
- ✓ Prime Vendor, VPV, DVD
- ✓ Best value sourcing
- ✓ Acquisition Reform
- ✓ Strategic supplier alliances
- ✓ Supply chain solutions
- ✓ Corporate, long term contract

Customer Knowledge /Focus

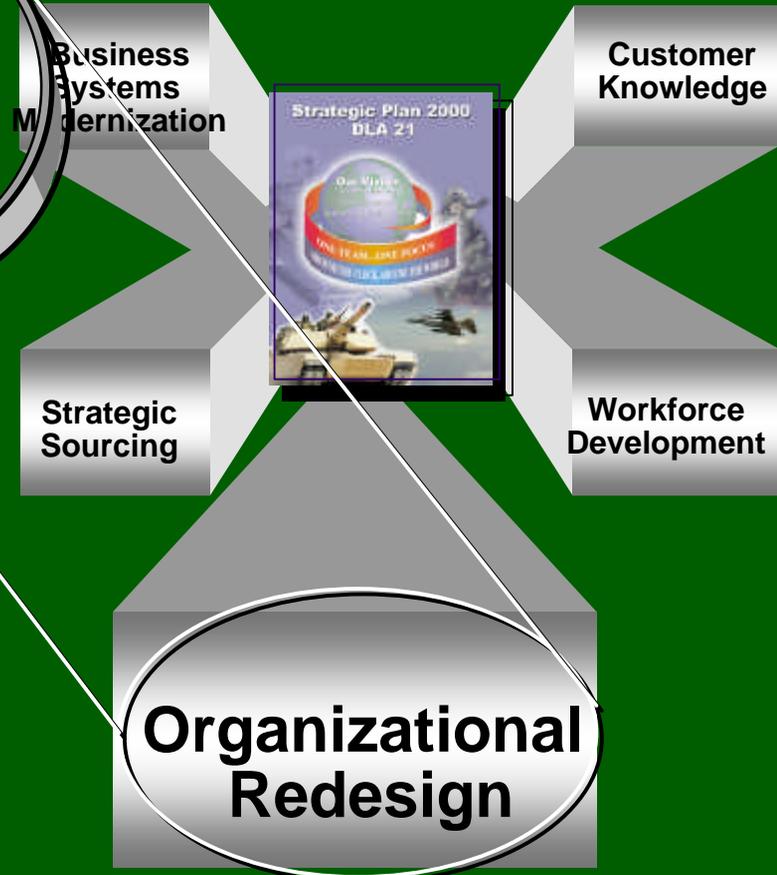
- ✓ Forward presence
- ✓ Partnership
- ✓ On-site Reps
- ✓ Lead Centers
- ✓ Virtual Call Center
- ✓ Tailored support
- ✓ Stock Positioning
- ✓ Single point of contact

Organization Redesign

- ✓ Restructure for logistics transformation
- ✓ Virtual Enterprise
- ✓ Focus on supply chain mgt
- ✓ Information is a commodity
- ✓ Business process driven

Workforce Development

- ✓ Recruitment, retention, training
- ✓ Training for multi-skilled personnel
- ✓ Knowledge management
- ✓ Teaming





DLA 21 Steering Group

RADM Chamberlin	Deputy Director
RADM Archer	Deputy Director
Mr. Thurber	Corporate Administration
COL Stormer	Comptroller
Mr. Baird	General Counsel
CAPT Case	Chief Information Office
Dr. Bailey	Document Automation & Production Service
Mr. Jones	DLSC
Mr. Brunk	DCMC
Col Kozak	Director's Staff Group
CAPT Boyd	Director's Staff Group

4 Feb 99
First Meeting

14 Jul 99
Group Report
Due Date

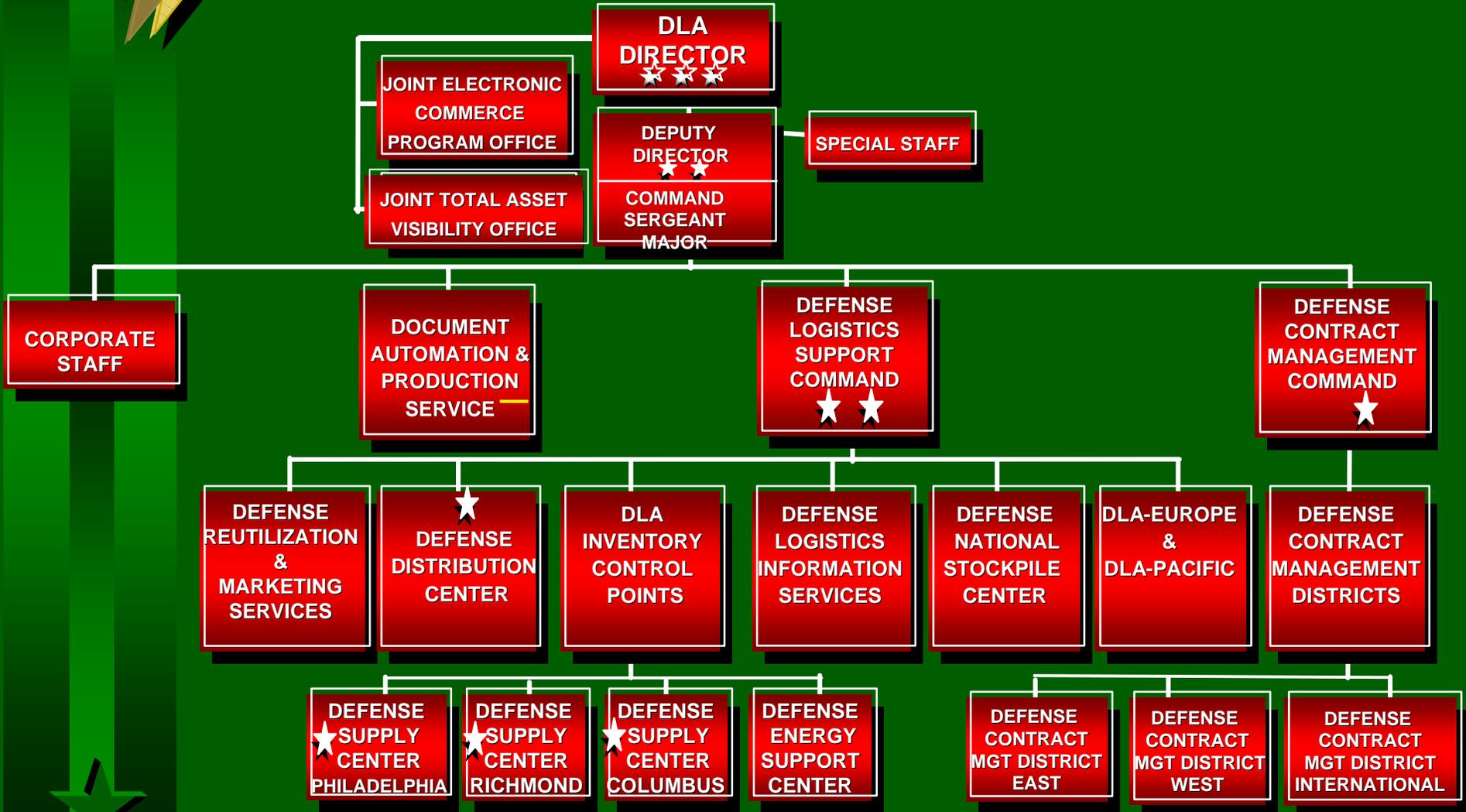
9 Feb 00
Results
Announced

Planned

Actual



DLA Today Organized for Yesterday's Business



Assessment



Assessment...Current Organization

- Holding company vs enterprise
- Decision-making processes disjointed
- HQ and field relationships not clear
- Information technology fragmented...not synchronized
- Business integration & resource optimization not achieved
- Customer interface and readiness divided
- Weak organizational supply chain orientation
- Too many handoffs add no value
- Not prepared for business systems modernization
- Resources are stovepiped

Bottom Line

Must be more agile, focused and harmonized to remain relevant & perform supply chain management functions in 21st Century.



DLA 21 Precepts

Not a Downsizing
Exercise

- ✓ Support to the warfighter is our focus
- ✓ Information both a DLA commodity and an enabler
- ✓ “Owner” of a corporate capability held accountable to the whole corporation for effective support to the whole Agency
- ✓ “Virtual” defined.....
 - ✓ Resources/FTEs remain on local command rolls and payroll. Evaluation follows chain of command
 - ✓ Personnel remain in local union
 - ✓ Professional direction (policy and operational guidelines) provided by corporate office
- ✓ We are committed to business systems modernization
- ✓ Those required, by program or regulation, to have direct access to the Director, will continue to have access, regardless of organization placement.

Think Corporate!



Management and Process changes HQ Roles

- ★ Corporate plans and strategies
- ★ Interface with OSD & Congress
- ★ Resourcing plan and obtain resources
- ★ Corporate standards for business processes
- ★ Develop & monitor metrics...match expectations with corporate standards
- ★ Build POM & business plan
- ★ Establish standards and metrics with field activities
- ★ Tie initiatives to strategy/expectations
- ★ Technical, operational, and systems architecture
- ★ Manage SES cadre as corporate assets
- ★ Establish Corporate Board for corporate mission issues and strategy



Management and Process Changes Field Roles

- ★ Effect corporate planning & strategy
- ★ Execute to corporate standards
- ★ Maintain professional expertise & technical competence over respective market sector
- ★ Participate in corporate strategy and standards setting
- ★ Negotiate expectations with customers
- ★ Meet corporate expectations
- ★ Maintain workforce proficiencies and competence
- ★ Identify resource requirements
- ★ Prioritize & allocate resources





The Solution: DLA 21 Organization ...a logical evolution

★ ★ ★ DIRECTOR CSM
VICE DIRECTOR (DV) EXECUTIVE DIRECTOR (DE)

Special Staff

DLA Support Services (DSS) J1/2

★ Defense Contract Management Command

★ ★ Logistics Operations J3/J4

Information Operations (J-6)

Financial Operations (J-8)



Ground & Sea Sys (DSCC) ★

Aviation Sys (DSCR) ★

Troop & General (DSCP) ★

Energy (DESC)

Distribution (DDC) ★

Reutil & Mkting (DRMS)

Stockpile (DNSC)

DLA EUR/PAC

DCMC not addressed



Alignment of HQ Leadership to DLA 21

★ ★ ★ DIRECTOR (a) CSM	
VICE DIRECTOR (DV)	EXECUTIVE DIRECTOR (DE)

LTG Glisson (MG Thompson*)
CSM Turner
Mr. Thurber

**RADM Archer
(BG Gonczy*)**

Special Staff

**DLA Support Services
(DSS) J1/2**

Mr. Baird
Mr. Alderman
Mr. Hillin
Ms. Eaton
Ms. Chaddick

Dr. Bailey
Ms. Creek

★ ★ ★ Logistics Operations J3/J4

Information Operations (J-6)

Financial Operations (J-8)

RADM Stone (RADM Priest*)
Mr. Lotts
Mr. Baillie
Ms. Gallo
Mr. Kenny
Ms. Pettibone
Mr. Bergmann

Ms. Arnette
Ms. De Vincentis
Ms. Knott
Ms. Johnson
Mr. Egan

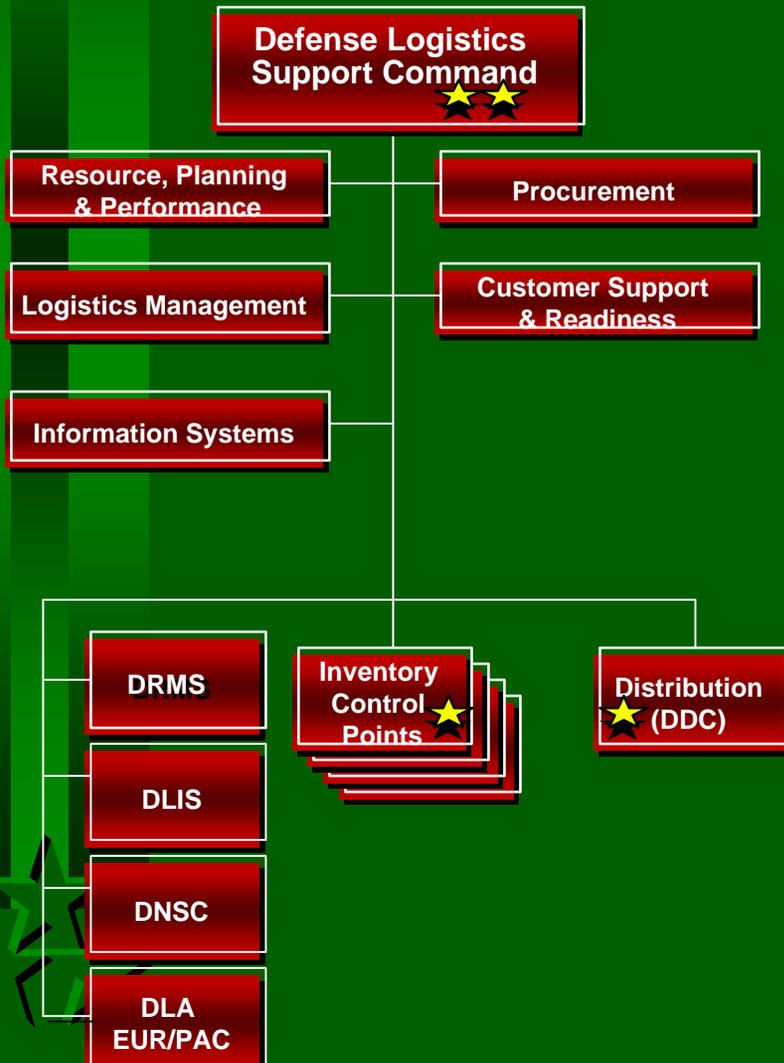
Dr. Furiga
Mr. Miller

* Mobilization Augmentee

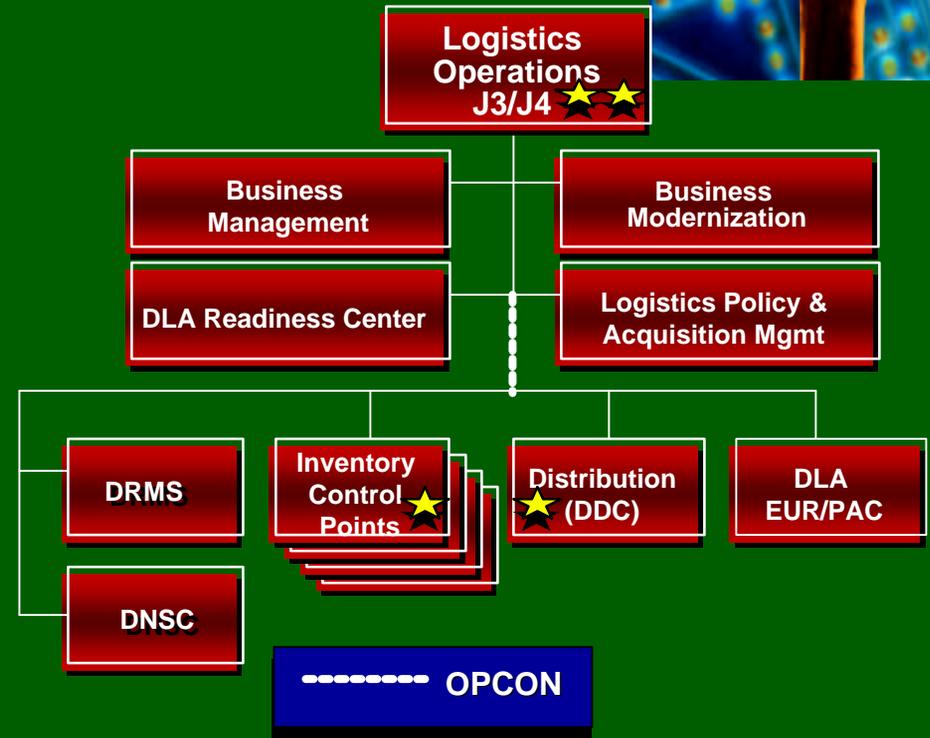


Logistics Operations

TODAY



DLA 21





DLA 21 - Logistics Operations Tenets

- ✓ Future of DLSC as a command is based on DCMC decision
- ✓ Focus on Logistic Business/Supply Chain Management/
Business Modernization
- ✓ Retain requirements determination and execution
- ✓ Corporate provider for performance measurement
- ✓ DLA Readiness Center to link readiness elements & customer interface ...single face to customer
- ✓ DEUR/PAC responsible for DLA capability, tasking, mission execution and performance in their respective theaters....

All DLA personnel in those theaters are to advise/inform DEUR/PAC of their mission and any role change.





Changes



Move Defense Logistics Information Service (DLIS) to Information Operations



Establish DLA Readiness Center by combining CAI & DLSC-C



Internal Review and DORRA move to Business Management



Move physical distribution from Defense National Stockpile Center (DNSC) to Defense Distribution Center (DDC).



Move DLSC Information Office to Information Operations



Standup Business Modernization



DLA 21 Logistics Operations

**Under
Construction**

A-76

**Logistics
Policy &
Acquisition
Mgmt**

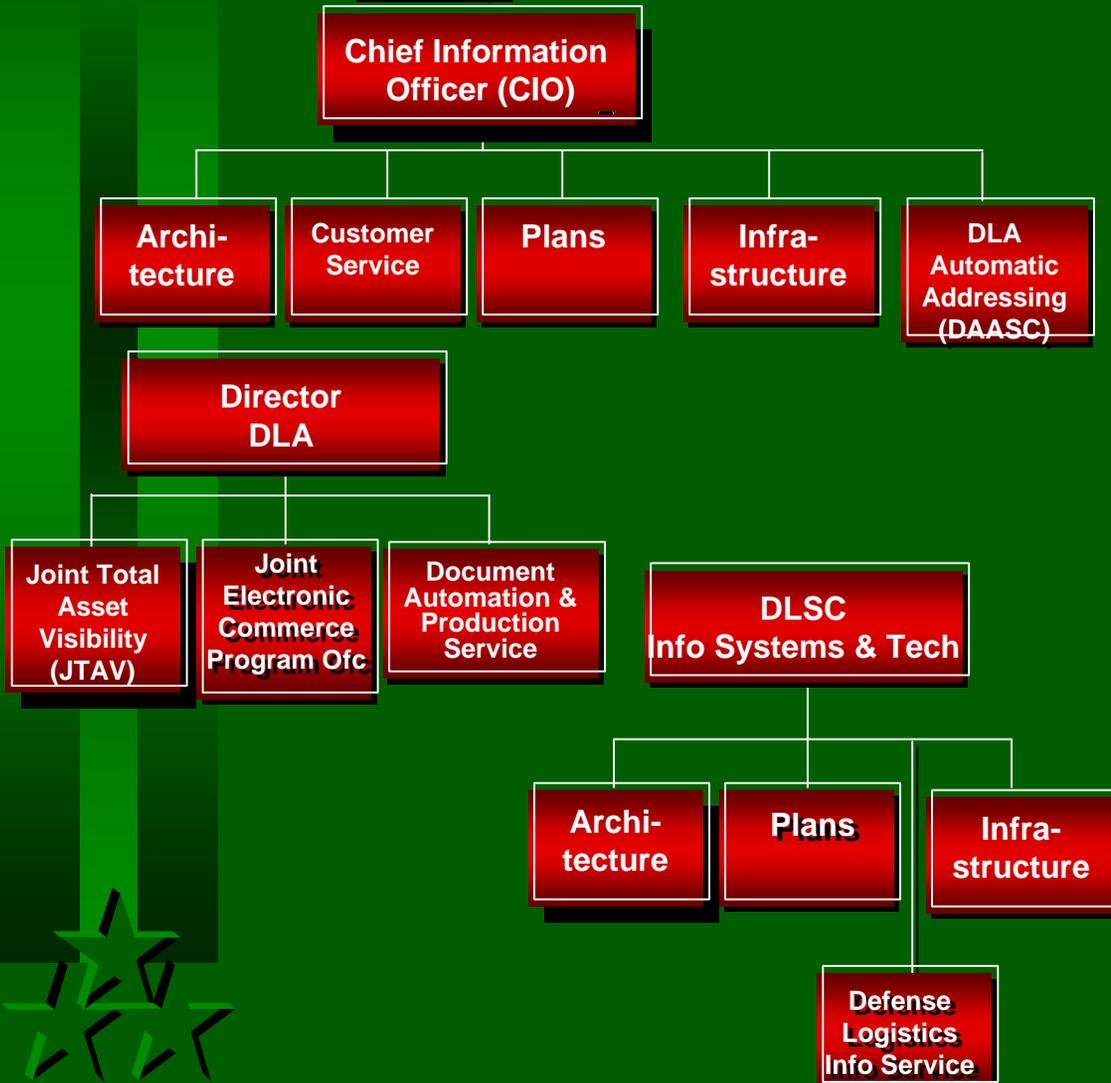
**Business
Modernization**

**DLA
Readiness
Center**

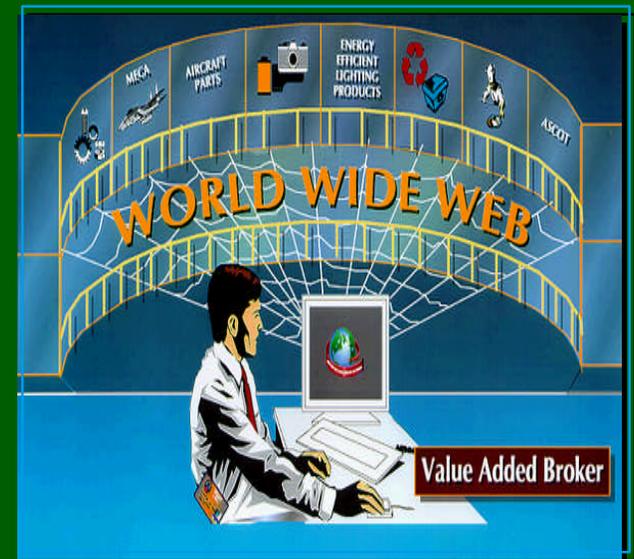
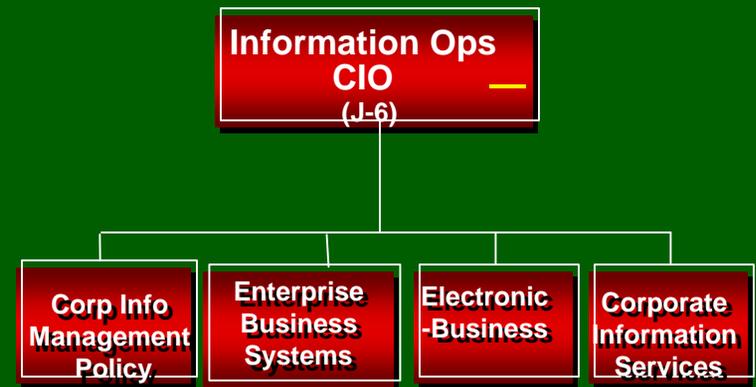


Information Operations

Today



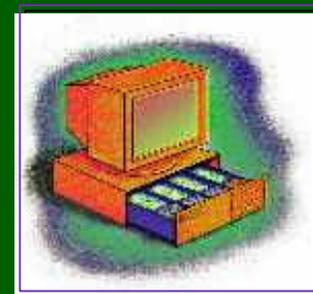
DLA 21



Tenets



- ✓ Information Technology is a corporate asset
- ✓ Technical, operational, systems architecture to discipline actions
- ✓ Management of procurement of corporate hardware & software enabling for configuration management
 - ✓ Centralize IT funding
- ✓ Create environment for Business Systems Modernization
- ✓ Enable virtual enterprise applications
- ✓ Focus on corporate knowledge management
- ✓ Establish PEO/PM for information systems
- ✓ Drive framework & responsibility for DoD Integrated Data Environment
- ✓ Link information services & business process organizations to focus on e-business process & solutions





Changes

- ✓ **DLSC-I transfers to Information Operations**
- ✓ **DPAS/FAS/BSM/LCM/project/program management teams transfer to Enterprise Business Systems**
- ✓ **DLSC Field IT and DSIO report virtually to Corporate Info Services**
- ✓ **JECPO/JTAV/DAPS/DLIS/DAASC are placed under E-Business**
- ✓ **Requirements determination/POM and execution personnel combined to form Business Office**
- ✓ **Establish CIO Compliance under Corporate Info Management Policy**
- ✓ **Realign Critical Infrastructure Protection under Information Assurance under Corporate Info Management Policy**



DLA 21 Information Operations

Information Ops
(J-6)



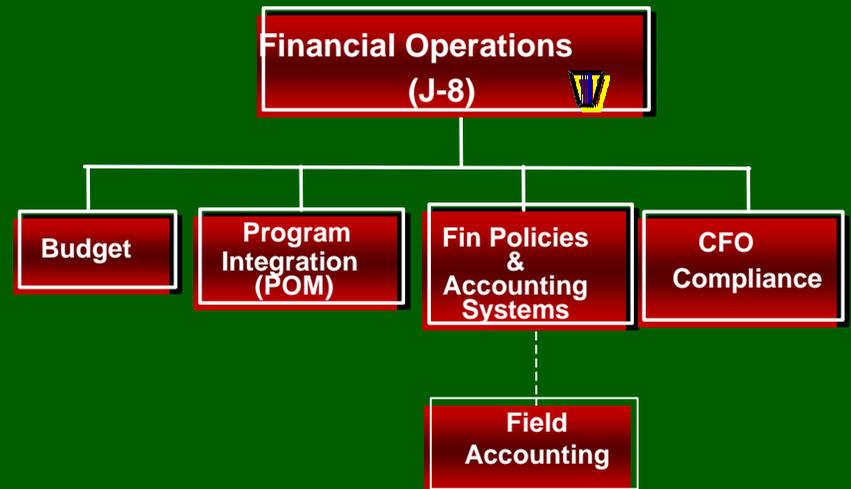
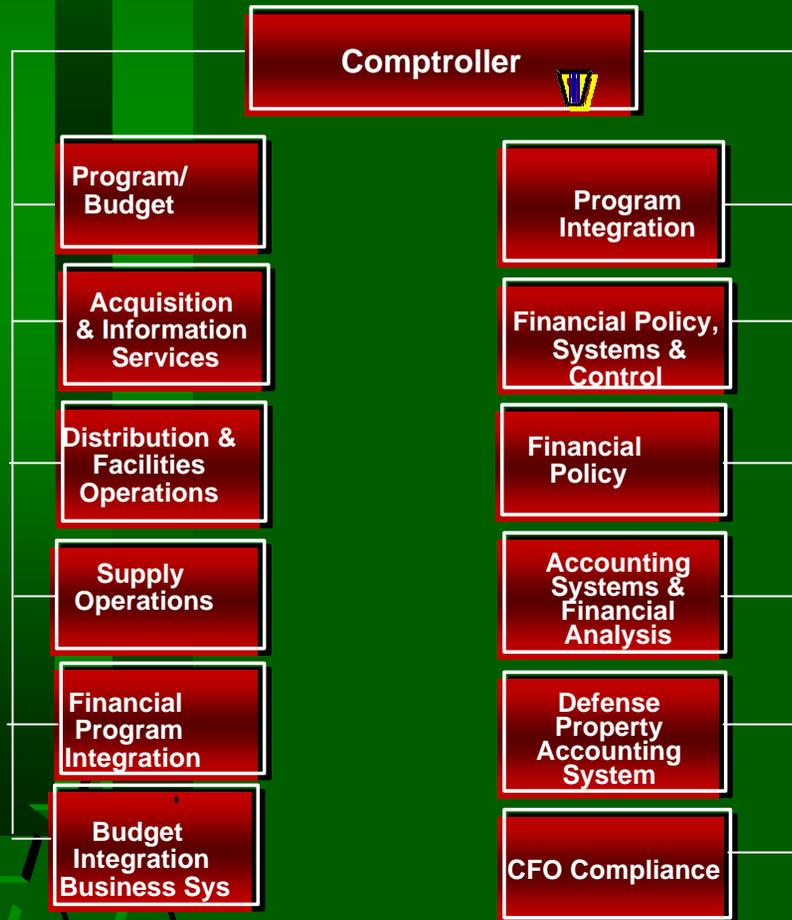
Will eventually be integrated
into an organization
consisting of fewer than
current 5 boxes



DLA 21 Financial Operations

Today

DLA 21



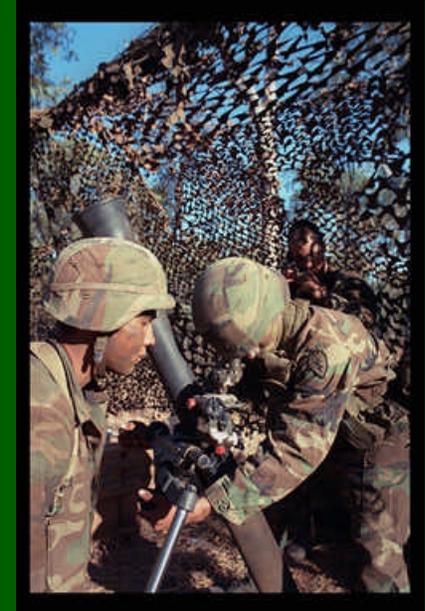


DLA 21 - Financial Operations Tenets

- ✓ Financial standards set by FO
- ✓ Field commander retains accountability for requirements submission (to DLSC and FO) and execution
- ✓ Financial guidance provided directly to field
- ✓ Logistics Operations/Information Operations/ DLA Support Services identify POM requirements to FO

In Work:

- ✓ FO Working POM mechanics: developing POM/budget flow chart





Changes

- ✓ HQ personnel involved in accounting and reimbursable workload (CAAB, DASC-F, DCMC-B, DLSC-B) transfer to FO
- ✓ Field personnel involved in accounting will report virtually to FO
- ✓ DSS/DLSC/Information Operations retain Business Office and personnel to work POM development, budget and execution only





Command/Staff

Today



DLA 21





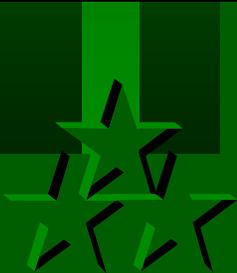
Command/Staff

Tenets

- ✔ Virtual approach to support services
- ✔ Consolidates like functions
- ✔ Enables field commanders to focus on core missions vice base operating support
- ✔ Corporate Communications ...single corporate voice!

Changes

- ✔ Disestablishes Corporate Administration. Functions transfer to Logistics Operations, DLA Support Services, Information Operations and Financial Operations
- ✔ Migrates DLA Administrative Support Center to DLA Support Services





Bottom Line Benefits

Strengthens warfighter support

- ✓ Single face to the customer
- ✓ Recognizes differences and dependencies of supply chains

Enables virtual enterprise by leveraging corporate capabilities

- ✓ Information Services
- ✓ Finance/Accounting
- ✓ Support Services

Achieves true business integration

- ✓ Focuses resources on supply chain management and information technology

Combines like functions

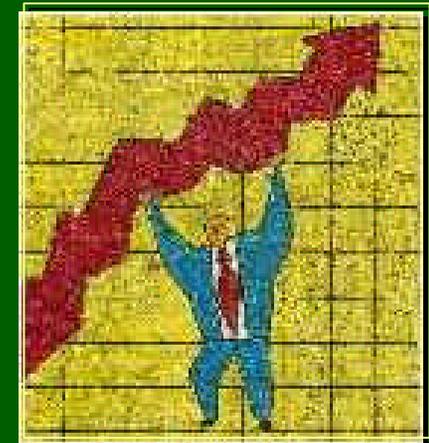
- ✓ Customer service and readiness support
- ✓ Information Technology

Improves command, control and communication

Capitalizes on use of information technology and attains synergy

- ✓ Aligns Agency for Business Systems Modernization and corporate focus
- ✓ Positions to be DoD integrated data environment/E-business leader

Postures Agency for achieving logistics transformation





Moving to the DLA 21 Organization Implementation Plan

- ✓ Vice Director and Executive Director Lead Implementation...Process owners execute
- ✓ Weekly in-process reviews (IPRs) to the Corporate Board
- ✓ Build concept of operations
- ✓ Identify personnel to new construct (in accordance with personnel rules and entitlements)...transfer of function
- ✓ Issue General Orders
- ✓ Assign and transfer “as-is-where-is”
- ✓ Modify & classify position descriptions performance standards, & individual development plans
- ✓ Effect personnel actions



Complete Implementation by July 29, 2000



Timeline

January

February

March

April

June

July

11 12 13

18 19 20 24 25

1 18 28

1 5 30 31

3 17 1 15 30

30

Obtain DLA-21 approval

Est Corp Board

Select Ldrshp
IPR to Director

Brief EMT

Brief: A&M DDP DoD

Brief AT&L on cncpt

Brief Union

Brief: DUSD(L&R) USD(C) DoD CIO Inform Congress

Issue Press Release

Develop Recommended CONOPS describing results of Feb 1 action

Publish Instructions on how to develop CONOPS

Establish Protocol Brief Workforce

Obtain Aprvl of CONOPS

Identify Personnel to new concept

Negotiate Impact & Implementation with Union

Obtain OSD approval for changes in SES PDs

Dev Military rating chains

Assign & Transfer "as is-where is"

Issue Draft G.O.'s est new org entities

Modify/Classify PDs (mil & civ)/Perf Stds/IDPs/documentation

Effect "To Be" Organization/ Position Structure in DCPDS

Effect Personnel Actions

Each Org briefs implementation

Complete Civ actions prior to DCPDS cut-off of 7/29

Modify mailing/distribution lists

Repack HQC where feasible





Summary

- ★ Greater results require greater changes
- ★ The success of our military forces on the 21st Century battlefield depends on us. Our legacy will be DLA 21
- ★ If we're not on the right track, we'll be history!

Don't know all the answers
but asking the right questions!
Must change!





Any Questions?

