Defense Supply Center, Columbus

Presentation for CSR Conference
August, 2004

Presented by:
CAPT John Roggen
Director Customer Operations
Maritime Applications Group

Presented by:
Mr. Steve Searcy
Dep Director Customer Operations
Land Applications Group
Outline

• DSCC Overview - 10 Minutes

• Maritime Lead Center - 40 Minutes

• Land Lead Center - 40 Minutes
DSCC Snapshot

Scope of Business

- 6 Million Requisitions per Year
- 655,000 Contracts Per Year
- (32.0%) 1.6 Million NSNs
- (21.8%) 5.1M Annual Receipts and Issues
- (9.2%) 1333 Weapon Systems

People

- 2270 Civilians
- 41 Active Duty Military
- 29 Reserve Military

Foreign Military Sales

- Sales: $243.7M
- Shipments: 187,329
- Supporting 90 Nations

FY 02 Sales/Services: $2.32B
FY 03 Sales/Services: $2.72B
FY 04 Projection: $2.83B

- Commodities: $ 1.0B
FY 04 Customer Profile Thru May

By Requisitions

- Marines: 165,477 (3.7%)
- Coast Guard: 21,283 (0.5%)
- Oth DoD: 53,658 (1.2%)
- Civ Agencies: 29,783 (0.7%)
- Navy: 722,727 (16.0%)
- Air Force: 600,198 (13.3%)
- Army: 2,789,701 (61.9%)

By Sales

- FMS: $171.4M (8.6%)
- Marines: $100.2M (5.0%)
- Navy: $507.7M (25.5%)
- Oth DoD: $24.6M (1.2%)
- Coast Guard: $8.8M (0.4%)
- Army: $737.8M (37.1%)
- Civ Agencies: $8.2M (0.4%)
- Air Force: $433.3M (21.8%)

Total Sales: $2.0B
Total Requisitions: 4.5M
DLA Weapon System
NSN Workload

Land
- 56%
- 40%
- 4%

Maritime
- 72%
- 14%

Aviation
- 45%
- 31%
- 24%
**Performance**

**Supply Availability**

FY03 / 04 Goal: 89.0%

**Weapon Systems Above Goal**

FY03 / 04 Goal: 95%

**Backorders**

FY04 Goal - 73,700
FY03 Goal - 76,100

**Backorders > 180 Days**

FY04 Goal: 7,300
FY03 Goal: 10,400
Performance (cont)

Logistics Response Time
FY04 Goal - 5.2 Days
FY03 Goal - 4.8 Days

Manual Processing Time
FY04 Goal - 40.0 Days
FY03 Goal - 58.4 Days

PR Processing Time
FY04 Goal - 10 Days
FY03 Goal - 14 Days

Shift To Commercial Practices
FY04 Goal - 65.0%
FY03 Goal - 64.7%
Our Reason for Being

Weapon Systems Support Management
Maritime - Lead Center
Weapon Systems
Supported

Total Number

<table>
<thead>
<tr>
<th>Level</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>Total Maritime Weapon Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nimitz Class CVNs &amp; AC Launch &amp; Recovery</td>
<td>LA, Ohio, &amp; Seawolf Class Submarines</td>
<td>NATO Sea Sparrow</td>
<td>359</td>
</tr>
<tr>
<td></td>
<td>L C A C'</td>
<td>Ticonderoga Class CGs &amp; Arleigh Burke Class DDGs</td>
<td>Airborne MCM's</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LCAC'</td>
<td></td>
<td>25 mm Gun Systems</td>
<td>Submarine Antennas</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>43</td>
<td>303</td>
<td></td>
</tr>
</tbody>
</table>

Total Number: 359
<table>
<thead>
<tr>
<th>Level A</th>
<th>Level B</th>
<th>Level C</th>
</tr>
</thead>
<tbody>
<tr>
<td>F/A-18E/F</td>
<td>F-117A</td>
<td>MH-60</td>
</tr>
<tr>
<td># of Total System</td>
<td>59</td>
<td>63</td>
</tr>
<tr>
<td># of Army System</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td># of Air Force Systems</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td># of Navy Systems</td>
<td>18</td>
<td>17</td>
</tr>
</tbody>
</table>

371 Weapon Systems Supported
Commodity Systems Supported

Electronic Warfare Suite
- Radios, Radars, Satellite Communication Systems, Air Defense Systems
- 20 Level A Marine Corps And Army Systems

Missile Systems
- Minuteman
- Peacekeeper
- Air Launch Cruise Missile
- Sidewinder

362 Army Systems
515 Navy Systems
308 Air Force Systems
218 Marine Corps Systems

Total... 1,403 Systems

Level A Systems....... 116
Level B Systems....... 197
Level C Systems...... 1,091
<table>
<thead>
<tr>
<th>Level</th>
<th>Weapon Systems Supported</th>
<th>Total Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>HEMTT</td>
<td>23</td>
</tr>
<tr>
<td>B</td>
<td>M1 TANK</td>
<td>8</td>
</tr>
<tr>
<td>C</td>
<td>M9 ACE</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>WOLVERINE</td>
<td>448</td>
</tr>
<tr>
<td></td>
<td>HET</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>AVENGER</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td><strong>Total Land Weapon Systems</strong></td>
<td><strong>551</strong></td>
</tr>
</tbody>
</table>
Maritime Overview

- Support to Customers
- Maritime Organization Transformation
- Collaborative Demand Planning Concept Demo
- Support Initiatives
- Electronics Transition Under BSM
## Maritime Systems

### Level A

<table>
<thead>
<tr>
<th>WSDC</th>
<th>Navy Level A Weapon Systems</th>
<th>SA</th>
<th>BO</th>
<th>WSSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>02N</td>
<td>STRATEGIC WEAPONS SYSTEMS (95% Goal)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>21N</td>
<td>NUCLEAR REACTORS PROGRAM (95% Goal)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>23N</td>
<td>SHIP, OHIO CLASS SSBN (TRIDENT) (90% Goal)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>82N</td>
<td>CATAPULT/ARRESTING GEAR</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>EXN</td>
<td>LOS ANGELES CLASS (SSN 688)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>EZN</td>
<td>TICONDEROGA CLASS (CG 47)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J AN</td>
<td>NIMITZ CLASS CVN</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J DN</td>
<td>ARLEIGH BURKE, CLASS DDG</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J GN</td>
<td>SEAWOLF CLASS SSN</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J UN</td>
<td>OSPREY CLASS MHC</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J XN</td>
<td>AVENGER CLASS MCM</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>YNN</td>
<td>ANTI-TERRORISM/ FORCE PROTECTION</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>YJ N</td>
<td>VIRGINIA CLASS SUBMARINE (SSN 774)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
</tbody>
</table>

- 96% SA/BO blocks green since Apr 03
- Only 6 WSDCs any red \(\text{(AT/FP only SA repeat)}\)

### Level B & C

<table>
<thead>
<tr>
<th>WSDC</th>
<th>Navy Level B and C Weapon Systems</th>
<th>SA</th>
<th>BO</th>
<th>WSSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>22N</td>
<td>AN/SQQ-32 MINE HUNTING SONAR SET</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>A2N</td>
<td>TORPEDO, MK - 48</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>CMN</td>
<td>TORPEDO, ADCAP 48</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>EDN</td>
<td>LANDING CRAFT AIR CUSHION (LCAC)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>96N</td>
<td>ENGINE, MARINE GAS TURBINE LM-2500</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>99N</td>
<td>MISSILE SYSTEM, AEGIS SURFACE (SMS) MK7</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>A1N</td>
<td>CLOSE IN WEAPON SYSTEM (CIWS-PHALANX)</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>AAN</td>
<td>COUNTERMEASURE SET, AN/SLQ-32</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>TAN</td>
<td>501K17 GAS TURBINE SYSTEMS</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>TBN</td>
<td>501K34 GAS TURBINE SYSTEMS</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>TCN</td>
<td>ISOTTA FRASCHINI DIESEL SYSTEMS</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>TMN</td>
<td>AIRBORN MINE COUNTERMEASURE SYSTEMS</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
</tbody>
</table>

- AT/FP flyer kit bags major degrader...resolved
- Intensified minesweeper BO focus
- NRP SA green for 26 consecutive months
21N Supply Availability

Source: WSSP F-112 Report

<table>
<thead>
<tr>
<th></th>
<th>Jun-03</th>
<th>Jul-03</th>
<th>Aug-03</th>
<th>Sep-03</th>
<th>Oct-03</th>
<th>Nov-03</th>
<th>Dec-03</th>
<th>Jan-04</th>
<th>Feb-04</th>
<th>Mar-04</th>
<th>Apr-04</th>
<th>May-04</th>
<th>Jun-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLA</td>
<td>97.59%</td>
<td>97.52%</td>
<td>97.77%</td>
<td>96.89%</td>
<td>97.47%</td>
<td>97.51%</td>
<td>97.09%</td>
<td>97.73%</td>
<td>97.28%</td>
<td>96.50%</td>
<td>97.15%</td>
<td>97.15%</td>
<td>97.58%</td>
</tr>
<tr>
<td>DSCC SA</td>
<td>97.45%</td>
<td>97.43%</td>
<td>97.64%</td>
<td>95.61%</td>
<td>96.39%</td>
<td>97.30%</td>
<td>96.38%</td>
<td>97.59%</td>
<td>96.40%</td>
<td>96.12%</td>
<td>96.91%</td>
<td>96.90%</td>
<td>96.75%</td>
</tr>
<tr>
<td>DSCR SA</td>
<td>97.67%</td>
<td>96.28%</td>
<td>98.25%</td>
<td>98.13%</td>
<td>98.76%</td>
<td>98.22%</td>
<td>98.30%</td>
<td>98.40%</td>
<td>98.71%</td>
<td>98.47%</td>
<td>98.34%</td>
<td>98.03%</td>
<td>98.46%</td>
</tr>
<tr>
<td>DSCP SA</td>
<td>97.68%</td>
<td>97.96%</td>
<td>97.74%</td>
<td>97.49%</td>
<td>98.06%</td>
<td>97.50%</td>
<td>97.40%</td>
<td>97.67%</td>
<td>97.65%</td>
<td>96.31%</td>
<td>97.03%</td>
<td>97.11%</td>
<td>98.12%</td>
</tr>
<tr>
<td>BSM SA</td>
<td>95.58%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

26 months above 95%
What’s Going On:
- USS Ohio (SSGN 726) ERO/Conversion Nov’02-Nov’05
- USS Michigan (SSGN 727) ERO/Conversion Mar’04-Oct’06
- USS Houston (SSN 713) RAV Aug’04-Nov’04
- USS Carl Vinson (CVN 70) Oct’03-Sep’04

Problems/Issues:
- DLA responsiveness to Shipyard’s FRP requirements

Our Engagement:
- Representation on Shipyard Material Process Team and Corporate Material Process Action Team
- Shipyard Backorder reduction initiative has resulted in 33% reduction in total backorders to date
What’s Going On:

- USS Montpelier (SSN-765) DMF
  Jul’04 – Jul’05
- USS Norfolk (SSN-714) ERO
  Oct’02 – Oct’04
- USS Providence (SSN-714) ERO
  Jan’04 – May’05
- New CSR Assignment/Supply Officer rotation

Problems/Issues:

- ASDS RAV Support

Our Engagement:

- Representation on Shipyard Material Process Team and Corporate Material Process Action Team
- Universal CAS assigned to support PNSY as part of BSM Release 2.0
- Weekly identification of ASDS Requirements submitted to each of the ICPs by the CSR
What’s Going On:

• USS Buffalo (SSN-715) ERO  
  Jun’02 – Sep’04
• USS Chicago (SSN-721)  
  DSRA  Feb’04 – Aug’04
• USS Bremerton (SSN-698)  
  ERO  Mar’04 – May’06

Problems/Issues:

• Shipyard banking requirements for USS Santa Fe (SSN-763) three month IDD due to funding shortage

Our Engagement:

• Researching the possibility of redistributing assets to DDPH to support USS Santa Fe requirements that will be dropped in October.
• Representation on Shipyard Material Process Team and Corporate Material Process Action Team
• Universal CAS assigned to support PHNSY as part of BSM Release 2.0
• Shipyard Backorder reduction initiative has resulted in 43% reduction in
What’s Going On:

- USS Florida (SSBN-728) ERO Aug’03 - Apr’06
- USS Boise (SSN-764) DMP Jan’04 - Feb’05
- USS Roosevelt (CVN-71) DPI Feb’04 – Dec’04
- VADM Lippert visit Aug’04

Problems/Issues:

- DLA and Navy E-Mall policy reconciliation

Our Engagement:

- Representation on Shipyard Material Process Team and Corporate Material Process Action Team
- Universal CAS assigned to support NNSY as part of BSM Release 2.0
- Multiple LTC initiatives on going including Insulation IPV
- Collaborative Demand Planning Concept Demo
- Shipyard Backorder reduction initiative has resulted in 15% reduction in net backorders
What’s Going On:

• Regularly scheduled Trident Refit Availabilities

Problems/Issues:

• Internal System problems resulting from conversion of BSM items to 9B/3B Cog
• Suffixing and ESD problems on BSM NSNs

Our Engagement:

• BSM Release 2.0 capabilities expected to provide resolution to suffixing and ESD related problems
• Backorder reduction initiative has resulted in 23% reduction in total backorders to date
• Monthly teleconference held with customer to discuss TRIPER Hotlist NSNs and other supply support issues
• Collaborative Demand Planning Concept Demo
What’s Going On:
• USS Ohio (SSGN 726) ERO/Conversion Nov’02-Nov’05
• USS Michigan (SSGN 727) ERO/Conversion Mar’04-Oct’06
• Regularly scheduled Trident Refit Availabilities

Problems/Issues:
• Supply support for submarine deck shoes from DSCP

Our Engagement:
• Working with WSPOC to improve support for deck shoe NSNs
• Backorder reduction initiative has resulted in 12% reduction in net backorders to date
• Monthly teleconference held with customer to discuss Top Twenty NSNs and other supply support issues
• Collaborative Demand Planning Concept Demo
What’s Going On:

- USS Blue Ridge (LCC-19) -- Drydocking

Problems/Issues:

- Supply support for top degraders for USS Blue Ridge (WSPOCs/expeditor working lists – kudos from customer on support to date)

Our Engagement:

- WSPOCs working outstanding requisition listing submitted by SRF
- CAS/ Legacy Expeditor assigned to support SRF Yokosuka.
- Backorder reduction initiative has resulted in 45% reduction in total backorders to date
Maritime Overview

• Support to Customers

✓ Maritime Organization Transformation

• Collaborative Demand Planning Concept Demo

• Support Initiatives

• Electronics Transition Under BSM
Maritime Customer Operations
BSM Release 2.0

Director: CAPT John Roggen

Deputy: CDR Tim Varvel

NRP and Submarine Customer Facing Division (QMA)
  Attach Submarine Cell Group Operational (688, 726, 774) (QMAA)
    Trident Submarine Cell Group (QMAB)

Ship & FMS Customer Facing Division (QMB)
  Ship Maintenance Cell Group Industrial (QMBA)
  Surface Cell Group Operational (QMBA)
  Army/Navy FMS Cell (QMBC)
  Other Navy cell (QMBD)
  Navy Installation Other Support Team (QMBE)

Readiness Division (QMR)
  21N (NRP)
  YNN (Anti-Terror Force Protection) (QMRA)
  JUN (Osprey MHC)
  JXN (Aveng MCM)
  EZN, JDN (QMRA)

Item Planning Division (QMI)
  Maritime Electronics IPT (QMIA)
  NRP and Maritime Valves/Hardware IPT (QMIB)
  Maritime Fluid Handling IPT (QMIB)
  Maritime IPT DSCR Detachment
  Maritime IPT DSCP Detachment
  Aviation IPT DSCC Detachment (QMID)

Customer Support Division (QMC)
  Customer Analysis Team (QMCA)
  Readiness and PBL Team (QMCC)
  CRM Team (QMCC)
NRP and Submarine Customer Facing
Division Chief
Don Schulze*

Attack Submarine Cell

QMAA
Chief  Diane Michel *
CAS-9  Kathy Oberst
GS-11  Rob Foltz-ESOC
DP-11  Wendell Tucker

Trident Submarine Cell

QMAB
Chief  Shawn Cody *
CAS-12  Yvonne Mattison-Pardon
DP-11  Christy Beaver
DP-11  Milan Pozderac

*Multi-Hatted
Maritime Customer Operations

Item Planning Division Chief
Don Schulze*

NRP and Maritime Valves/Hardware IPT
QMIB
Chief LCDR Nicholson *
DP-11 Denise Jackson
PDM Eloise Prentiss

Maritime Fluid Handling IPT
QMIC
Chief Phil Ludwig*
DP-11 Brenda Martin

*Multi-Hatted
• Industrial Cells in Maritime/Land Customer Operations will be staffed by Maritime Universal CASs Aug 04

• All CASs in Ship Maintenance Cell -- initially (1) CAS-12, (1) CAS-11, and (1) CAS-9 - will be Universal CASs

• Until January 05, two CASs assigned to “Navy Other” Cell will be Universal CASs in support of two Land CRM Cells

• Training will be provided as soon as available
Role of CRM Cell
Supervisor of CRM Cell

• CRM Cell:
  - Primary entry and exit point for all customer issues
  - Ensures that customer issues get to the right place in enterprise for resolution
  - Reactive and proactive in nature – gathers intelligence and shares with enterprise to effect improved support
  - Helps educate customer about DLA
Universal CAS Definition

• Completes all duties regardless of supply chain
• Responds to customer-initiated requests
• Performs proactive backorder reduction efforts
• Handles all automated workflow requirements
• R1 CAS knowledge limited to one Class of Supply
• R2, Universal CAS handles all Classes of Supply
Example of Matrixed CAS

D/DD DSCP

Medical Customer Operations Directorate
Director / Deputy Director Customer Operations

Fixed Agency
Customer Facing Division

Field Agency/Deployment Cell-INST

Operating Forces Support Team

Other Customer Facing Division

Other Medical Customers Cell-INST

Other & FMS Support Team

Installation Support Team

Responsible to customer - e.g., follows up with customer

Performs work - e.g., receives workflow for Medical item

Ops Forces Customer orders a Medical item (Troop Support)

D / DD DSCC

Maritime Customer Operations Directorate
Director Customer Operations

Ship & FMS Customer Facing Division

Ship Maintenance Cell Group Industrial-Ind

Surface Cell Group Operational-OF

Army/Navy FMS Cell-FMS

Other Navy Cell-Other

Navy Installation and Other Support Team

Key

Univers

Matrix

SST

Example of Matrixed CAS
Examples of Universal CAS

**D/DD DSCP**

- Fixed Agency Customer Facing Division
  - Field Agency/Deployment Cell-INST
    - Operating Forces Support Team
  - Medical Customer Operations Directorate
    - Director / Deputy Director Customer Operations
- Other Customer Facing Division
  - Other Medical Customers Cell-INST
    - Other & FMS Support Team
    - Installation Support Team

**D/DD DSCC**

- Ship & FMS Customer Facing Division
  - Ship Maintenance Cell Group Industrial-Ind
  - Surface Cell Group Operational-OF
  - Army/Navy FMS Cell-FMS
  - Other Navy Cell-Other
  - Navy Installation and Other Support Team

---

Key:
- **Univer**
- **Matrix**
- **SST**

---

Industrial Customer orders a Clothing item

Responsible to customer - e.g., follows up with customer

Performs work - e.g., receives workflow for Medical item
The Road Ahead

• Staffing of Left Side Organizations
  – Numbers
  – Timing

• Military Billets and Placement
  – Expertise vs. Customer Facing
  – Numbers

• Civilian Deputy Position
  – 2nd Quarter FY 05
Maritime Overview

- Support to Customers
- Maritime Organization Transformation
- Collaborative Demand Planning Concept Demo
- Support Initiatives
- Electronics Transition Under BSM
Business Processes Transformation

Today
Significance
- Decentralized systems
- Batch processing
- Limited customer input
- Decentralized approach to business rules
- Multiple voices to the customer
- Multiple voices to the supplier

Tomorrow
- Single integrated system
- Near real-time updates
- Customer collaborative demand planning
- Standardized business rules
- One voice to the customer
- One voice to suppliers

- Reduced cost
- Faster receipt of items
- Lower costs and improved agility to support FRP
- Consistent responses across Enterprise
- Improved customer support
- Improved supplier relationships
In BSM, several methods of customer collaboration will be available to planners:

- **Normal Collaboration**: Customers submit demand intelligence via e-mail, fax, and telephone

- **SPR Collaboration**: Special Program Requirement (SPR) data transmitted electronically by a customer

- **Manugistics Collaboration**: The NetWorks Collaborate Module is the most preferred option, and will be available for specific, configured customers and items
Requirements
Forecasting

• Manugistics: New collaborative demand planning tool
• Increased focus on low demand readiness drivers
• Reduce investment in the wrong items: lowers cost to customer
• Concept Demo is...Concept Demo
• Feb 04 will be prototype for system-to-system collaboration (DDE)

<table>
<thead>
<tr>
<th>Customer</th>
<th>Collab NSNs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norfolk Naval Ship Yard</td>
<td>267</td>
</tr>
<tr>
<td>NADEP NI - LM2500</td>
<td>89</td>
</tr>
<tr>
<td>IMF PACNORWEST</td>
<td>653</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
</tr>
</tbody>
</table>

28% improvement over computer generated forecasts through Apr 04.

Window of Opportunity to Support FRP

* Demand Forecasting Unit (DFU) : Demand Data exchange (DDE)
Collab-Lite Issues

• **System access**
  - Too slow/unresponsive
    - Initial system issues resolved
    - Excel spreadsheet tool
  - Process too cumbersome

• **Customer concerns**
  - Labor intensive
  - Availability of data on which to base forecasts
  - Shipyard “Too far to the right” in the process

Long Term Goal: System-To-System Interface

Ongoing discussions with NAVSEA (e.g. SUBMEPP, IPA, etc.), NAVICP-M and other organizations.
The Next Steps

- **Jan 05-Sep 06: Phased Rollout of 4M NSNs Into BSM**
  - Incremental Addition To Collaborative NSNs
  - Customer Feedback On Collaborative Population

- **Feb 05: BSM Release 2.1.2**
  - Initial System-To-System Capability
  - Improved User Interface
The Road Ahead

• JUL/AUG Collab Suspended ISO R2.0 Cutover

• Continue Manual Collab with Concept Demo Partners UFN

• NAM/CAM/DCO Working with NAVICP-M and NAVSEA on System-to System Collab Process via Demand Data Exchange (DDE)

• Navy has Data/Tools for Aircraft Carrier and Submarine Requirements Forecasting
Maritime Overview

- Support to Customers
- Maritime Organization Transformation
- Collaborative Demand Planning Concept Demo
- Support Initiatives
- Electronics Transition Under BSM
## Initiatives

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Description/Objective(s)</th>
<th>Progress</th>
</tr>
</thead>
</table>
| **Performance Based Logistics (PBLs)**          | • Leverage buying power
• DLA as source of supply to service Product Support Integrator (PSI)/ PBL Contractor
• DLA as supply chain integrator               | • Teaming with NAVICP PMs
• Planning teams engaged for: ASDS, Virginia Class, LCS |  
| **Strategic Supplier Alliances (SSAs) & Long-Term Contracts** | • Partnering with suppliers to enhance relationships and stimulate production
• Support sole source spares
• Cost controls
• Production Lead Time reduction               | • Dresser Rand: Sep 2001
• Warren Pump: Jul 1st 2004
• Additional SSA agreements targeted for FY05 |  
| **CASREPS Buy Policy**                          | • Investment in low demand readiness drivers                                            | • Investment paid off: 86% DOLVAL bought again
• Readiness Impact: 15% of items subsequent CASREP
• Implementing enterprise-wide                  |
**Initiatives (Cont)**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Description/Objective(s)</th>
<th>Progress</th>
</tr>
</thead>
</table>
| **Selected Item Management (SIM) Project** | • Review the Selected Item Management/ Demand based items for which customer has a zero on hand balance  
• Ensure our stocking posture supports supply effectiveness goals | • Lead TYCOM POCs established  
• Results: Identification of major readiness degraders/TYCOM validation of SIM listing          |
| **Buy Arounds**                  | • Obtaining data from customers to determine cause of buy around and means to prevent future buy around.                                                                                                             | • Obtained data from PMO  
• Awaiting data from IMF PACNORWEST                                                             |
| **BSM Demand Collaboration**     | • Concept Demo involved NNSY, TRF Kings Bay and TRF PACNORWEST  
• Customer/DLA interaction through Manugistics Collaborate-Lite                                           | • 28% improved accuracy for 3 customers  
• Reviewing concept of System-to-System collaboration in Jan 05                                  |
Maritime Overview

- Support to Customers
- Maritime Organization Transformation
- Collaborative Demand Planning Concept Demo

Support Initiatives

- Electronics Transition Under BSM
• Electronics (S9E) Commodities Directorate
  - Approximately 470 Personnel
  - Approximately 800,000 Items
• Nov 05 Rollout: 287,000 Items
• Apr 06 Rollout: 246,000 Items
• Jun 06 Rollout: 278,000 Items
• Approximately Jun 06: Commodities Directorate Disestablished
• Commodities Left Side Functions Transfer to Land DCO
Maritime Summary

- Fully Engaged with BSM R2.0
- Support of Navy Initiatives (FRP)
- Focused on Fleet Readiness and Customer Service
- Prepared for Commodities Migration of S9E NSNs
- Forecasting Future Requirements

Constantly Improving Production and Service to Support the Warfighter!
Land Lead Center

Presented by:
Mr. Steve Searcy
Dep Director Customer Operations
Land Overview

• Support to Customers
• Land Organization Transformation
• Support Initiatives
• Special Topics
  - DVD In-Transit Visibility (ITV)
  - Emergency Supply Operations Center (ESOC)
  - Automotive Prime Vendor-Worldwide (APV-W)
  - NAPA Basic Ordering Agreement (BOA)
Engagement & Strategy Development

Continuous Engagement... Right People... Right Level
13 August - Ground GWOT Update - UNCLASSIFIED

- OIF 2
- OIF V
- OEF VI

Pre-Deployment:
- III Corps
- 2/1st ID
- 2/25th ID
- 30th/39th Inf BDE
- 1st CAV
- 3/2 ID
- 81 SAB
- 1/1st AD
- 4/1st AD
- 2 LCR

Deployed:
- I MEF (+) 1/1 ID
- II MEF - 2 Mar Regs
- 3rd ACR
- NG 29th BDE

Post-Deployment:
- V Corps
- 2/82nd ABN
- 4th ID
- 3rd ACR
- 2nd LCR
- 101st ABN
- 1st AD
- 10th MNT
- 173 ABN BDE
- 53 SIB/76 SIB

- 3ID RESET
- 2/2 ID to IRAQ

FORSCOM SOLDIER MOVEMENT NO# s

- 2,700 PAX
- 6,700 PAX
- 15,000 PAX
- 23,000 PAX
- 36,000 PAX
- 7,200 PAX
- 8,600 PAX

- FY-05

RESET OIF 1
Land Systems Performance

Source: F067, Hardware - (SA, Backorders, & Demands) Weapon Systems (529- USA/USMC Land Weapon System Designator Codes (WSDCs)
Land Systems Performance
Backorders

B/O Lines
(Thousands)

Stocked and Non
Stocked

35.4% (Nov 03 - Jul 04)

18.5% (Nov 03 - Jul 04)

B/O Lines
(Thousands)

B/Os > 180
Days

39.2% (Apr 02 - Jul 04)

Source: F067, Hardware - (SA, Backorders, & Demands) Weapon Systems (529- USA/USMC Land Weapon System Designator Codes (WSDCs)
Land GWOT & STF Demands

Fill Rate (FY-04)

| Source: F067, Hardware – (SA, Backorders, & Demands) Weapon Systems (529- USA/USMC Land Weapon System Designator Codes (WSDCs) Based on JCS Project Codes and RFF, 02Z. | GWO T | 96.98 % |
| | STF | 94.63 % |
| | Total | 96.39 % |

Supply Availability
Dual Pronged Approach

Business Drivers Tailored

- High Frequency Demands
- Fast Moving NSNs
- Surging Demands
- Seasonal Hardware

TACOM/FORSCOM Forecasts

- Armor Investment
- Wheeled Vehicle Investment
- HMMWV Suspension Parts

Tailored Logistics Strategies to Meet Surging Demand
- Hot Weather Investments
## Detailed Monthly Readiness Reviews & Analysis

### LAND LEVEL A WEAPONS SYSTEMS

<table>
<thead>
<tr>
<th>WSDC</th>
<th>Land Level A Weapon System</th>
<th>SA</th>
<th>BO</th>
<th>Readiness</th>
<th>WSSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>23A</td>
<td>HOWITZER, M-109A6, PALADIN</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>Y</td>
</tr>
<tr>
<td>35A</td>
<td>HOWITZER, 155MM, M-198</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>36A</td>
<td>TANK, ABRAMS M1A1</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>Y</td>
</tr>
<tr>
<td>37A</td>
<td>FIGHTING VEHICLE SYS. BRADLEY (BFVS)</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>G</td>
</tr>
<tr>
<td>39A</td>
<td>MISSILE, PATRIOT</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>Y</td>
</tr>
<tr>
<td>62A</td>
<td>MULTIPLE LAUNCH ROCKET SYSTEM (MLRS)</td>
<td>G</td>
<td>R</td>
<td>G</td>
<td>Y</td>
</tr>
<tr>
<td>64A</td>
<td>MISSILE, AGM-114 (HELLFIRE)</td>
<td>G</td>
<td>R</td>
<td>NA</td>
<td>G</td>
</tr>
<tr>
<td>72A</td>
<td>TRUCK, HEAVY EXPANDED MOBILITY TACTICAL (HEMTT)</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>Y</td>
</tr>
<tr>
<td>80A</td>
<td>TRUCK, VEHICLE SYSTEM, 1 1/4 TON (HMMWV)</td>
<td>G</td>
<td>R</td>
<td>G</td>
<td>Y</td>
</tr>
<tr>
<td>94A</td>
<td>ABRAMS M1 ENGINE</td>
<td>G</td>
<td>G</td>
<td>NA</td>
<td>G</td>
</tr>
<tr>
<td>VMA</td>
<td>MISSILE, VEHICLE MOUNTED FIM-92A STINGER (AVENGER)</td>
<td>G</td>
<td>G</td>
<td>R</td>
<td>Y</td>
</tr>
<tr>
<td>XEA</td>
<td>TRUCK, FAMILY OF MEDIUM TACTICLE VEHICLE (FMTV)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
</tbody>
</table>

### LAND LEVEL A VEHICLES

<table>
<thead>
<tr>
<th>WSDC</th>
<th>Land Level A Vehicle System</th>
<th>SA</th>
<th>BO</th>
<th>Readiness</th>
<th>WSSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2M</td>
<td>MEDIUM TACTICAL VEHICLE REPLACEMENT</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>J VM</td>
<td>CONTAINER HANDLER, ROUGH TERRAIN</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>MCM</td>
<td>TRUCK, FORKLIFT, ROUGH TERRAIN, 6K</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>NBM</td>
<td>WATER PURIFICATION UNIT - REVERSE OSMOSIS (ROWPU)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>QEM</td>
<td>LVS POWER UNIT MK48 - AND TRAILER FAMILY</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>UKM</td>
<td>TANK, COMBAT, FT 120MM GUN (M1A1)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>VNM</td>
<td>LIGHT ARMORED VEHICLE (LAV)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>X2M</td>
<td>ASSAULT AMPHIBIOUS VEHICLE, COMMAND (AAVC-7A1)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>XYM</td>
<td>RECOVERY VEHICLE, FULL-TRACKED MEDIUM, W/E (M88A2)</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
<tr>
<td>Z2M</td>
<td>TRACTOR, RT, ARTICULATED STEERING, 10K</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>G</td>
</tr>
</tbody>
</table>
Supporting the Warfighter
HMMWV

Discussion:
- Demand level exceeds 200K for third consecutive month.
- HMMWV demand averaged 100K per month prior to OEF/OIF new average 187K
- SA strong despite demand levels and trend line is upward for the past six months.
- Existing BOs increased 3K to 33,772
- Top 20 BO NSNs account for 33% of negative impact on SA with 8,428 backorders.

On going Action:
- Unwavering focus on suspension parts
- Support HMMWV RECAP effort at RRAD.
- Develop recovery plan for nonconforming parts

70% 75% 80% 85% 90% 95% 100%
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun
50,000 100,000 150,000 200,000 250,000
DMD LINES DLA SA OPL READINESS GOAL BACKORDERS DLA Performance DMD, B/O LINES
SM A GOAL OPL READINESS BO GOAL

DM D LINES OPL READINESS GOAL
SA
Army Depot Support: ANAD

- **Trends:**
  - **Demands**
    - Up 42.7% from FY03 Levels
    - Demands Range: 4784 (Jul) - 8197 (Apr)
    - SA Range: 87.8% (Oct) - 84.2% (Dec)
  - **BOs:** Total B/Os have decreased 15.8% since Mar 04 but still up 56.7% in FY04

- **Depot Support:**
  - **Kitting Project**
    - Implemented Jun 04
  - Supports Diesel Engine Lines
  - 14 kits Established
  - Up to 350 NSNs, 700 pieces
  - $4M in Sales as of 3 Aug 04
Army Depot Support: RRAD

- **Trends:**
  - Demands
    - Up 37.8% from FY03 Levels
    - Demands Range: 3583 (Feb) - 7796 (May)
  - SA Range: 88.8% (Nov) - 83.7% (Feb)
  - BOs: Total B/Os have decreased 8.5% since May 04 but still up 4.9% in FY04

- **Depot Support:**
  - Attend Rapid Improvement Events for Lean Manufacturing
  - Support RESET production
    - HMMWV
  - Backorder Reduction Plan
**Army Depot Support: TYAD**

- **Trends:**
  - **Demands**
    - Up 65.8% from FY03 Levels
    - Demands Range: 2218 (Oct) - 6392 (Feb)
  - **SA Range**: 92.4% (Jan) - 84.0% (Jul)
    - Declined 6 months in a row
  - **BOs**: Total B/Os slightly off FY04 high of 2478

- **Depot Support:**
  - **LMP Implementation Support**
    - Material Obligation Validations
      - Didn’t flow thru LMP
  - **SA Improvement Plan**
    - Data pull on demands and BO’s
• Trends:
  - Demands
    - Up 10.5% from FY03 Levels
    - Demands Range: 2744 (Apr) - 4887 (Nov)
    - SA Range: 91.8% (Oct) - 88.5% (Dec)
  - BOs: Total B/Os have decreased 26.2% since Feb 04 but still up 57% in FY04

• Depot Support:
  - Kit development
    - M860A1 Trailer for Patriot
    - 13 other kits in process
  - Backorder Reduction Plan
• Trends:
  - Increasing demands/backorders
  - Demands - Range 1095 (Jul 03) to 3420 (Jul 04)
  - SA - High 89.4 in Sep, low 86.8 in Jul 04.
  - B/Os - Total (1322) and Net (1011) are currently at high for the year.

• Support:
  - July 04 S/A:
    LAV - 90.2%
    LSS - 91.5%
    AAV RAM - 73.56%
  - IFSG- Forecasting requirements for major programs through SPRs
• **Trends:**
  - Increasing Demands and B/Os
  - Demands - Range 737 (Oct) - 3331 (Jun)
  - SA - Range 90.6% (Mar) - 85.2% (Sep)
  - BOs - Total and Net B/Os at high point of year (1192, 889)

• **Support:**
  - July 04 S/A:
    - LAV - 90.12%
    - M198 - 98.5%
    - TPS-63 - 90%
    - LVS - 91.6%
  - IFSG- Forecasting requirements for major programs through SPRs
Land Overview

- Support to Customers

Land Organization Transformation

- Support Initiatives

- Special Topics
  - DVD In-Transit Visibility (ITV)
  - Emergency Supply Operations Center (ESOC)
  - Automotive Prime Vendor-Worldwide (APV-W)
  - NAPA Basic Ordering Agreement (BOA)
Land Customer Operations (DRAFT) Aug 2004

Director - COL Steve Bianco

Deputy Director - GS-15 Steve Searcy

Customer Facing Division
14/05
LtCol Gamber

Operating Force Support Group - Army
GS-13 Shaun McKinney
DP/CAS/PDM

Operating Force Cell Group - USMC
GS-13 Vacant *
DP/CAS/PDM

Industrial Cell Group - Army
GS-13 Dave Szczublewski
DP/CAS/PDM

Industrial Cell Group - USMC
GS-13 Dave Kramer
DP/CAS/PDM

USMC, Army, & Enterprise (Land) & Installation Support Cell
GS-13 Vacant *
DP/CAS/PDM

Transition Cell
GS-13 Vacant
DP/CAS/PDM

Readiness Division
14/05
MAJ Will Zbaeren

Ground Combat Systems Team
2 WSSMs
MAJ Kent M orhouse
Kurt Essemacher

Tactical Vehicles Team
1 WSSMs
John Dreska
Barbara Robertson

Engineer Support Systems
1 WSSMs
Susan Roberts

Air Defense/ Missile Systems
1 WSSM
Karl Sommerkamp

USMC Systems
1 WSSM
Anne Tarrant

COMM/ELEC Systems
2 WSSM
Vacant

Item Planning Division
GS-14
Vacant #

IPT Combat Vehicles GS-13
DP Vacant

IPT Wheeled Vehicles GS-13
DP Vacant

Land IPT DSCR Det GS-13
DP Vacant

Land IPT DSCP Det GS-13
DP Vacant

Customer Support Division
GS-14
Vacant #

Customer Analysis Team
GS-13 Vacant

Readiness and PBL Team
GS-13 Vacant

CRM Team
GS-13 Linda Sell

Customer Support Division
GS-14
Vacant #

Cust omer Analysis Team
GS-13 Vacant

Readiness and PBL Team
GS-13 Vacant

CRM Team
GS-13 Linda Sell

Item Planning Division
GS-14
Vacant #

IPT Combat Vehicles GS-13
DP Vacant

IPT Wheeled Vehicles GS-13
DP Vacant

Land IPT DSCR Det GS-13
DP Vacant

Land IPT DSCP Det GS-13
DP Vacant

Customer Analysis Team
GS-13 Vacant

Readiness and PBL Team
GS-13 Vacant

CRM Team
GS-13 Linda Sell

* Fill action in progress
# These two positions to be covered by GS-13 temporarily (fill in process)
Land Customer Operations
Customer Facing Division (w/Indentures)

Customer Facing Division Chief (GS-14) LtCol Jeff Gamber


Operating Force Cell Group - USMC (GS-13) JOA-Hire

Industrial Cell Group - Army (GS-13) - Dave Szczublewski

Industrial Cell Group - USMC (GS-13) - Dave Kramer

USMC Other Cell

USMC, Army, and Enterprise (Land) Other and Installation Support Team - JOA-Hire

Transition Cell Group (GS-13)

CAS - Mark Wethey

I MEF CAS (GS-12) - Roger Berto

II MEF CAS (GS-12) - CHAKLOS

III MEF CAS (GS-12) - MARFORRES CAS - VACANT

V CORPS CAS (GS-12) - VACANT

3rd ACR CAS - VACANT

3rd COSCOM CAS - VACANT

1st AD CAS - VACANT

1st COSCOM CAS - VACANT

1st CAV CAS - VACANT

25th ID CAS - VACANT

4th ID CAS - VACANT

XVIII CORPS CAS (GS-12) - Laura Barraza

ANAD CAS (GS-12) TROUT

RRAD CAS (GS-12) - MONTICUE

IOA Hire- GS-12

JOA Hire- GS-12

IOA Hire- GS-12

Tyad CAS - VACANT

ARNG/RSMS CAS - VACANT

GSC-Europe CAS - VACANT

GSC-Pacific CAS - VACANT

Janice Bryant-GS-12

Sandra Batiste-GS-11

Other USMC CAP

Misc USMC Contractors

49 Paints (Combine)

USA APS CAS - VACANT

USARPAC

8th Army

Army Contractors

Misc Army Activities CAS - VACANT

USMC, Army, Installation, Enterprise, Civil Agency and DOD Agency Support

LAND CUSTOMER OPERATIONS

LEGEND

FILLED

VACANT

HOT FILL
Weapon Systems Support Unit

Readiness Officer
MAJ Will Zbaeren

WSPOCs at DSCP & DSCR

Barb Robertson/ Sue Roberts
Kurt Essenmacher
*MAJ Moorhouse/ CW3 Poole
Anne Tarrant
John Dreska
Karl Sommerkamp

Weapon System Support Managers

HMMWV (A/M)
BFVS (A), M113 (A), S. ARMS(A/M)
M1 (A/M), M198 (A/M), M109 (A), FAASV (A), STRYKER (A), AVLB (A)
AAV (M), LAV (M), AAAV (M), MTVR (M), LVS (M), M9 ACE (A), SEE (A), RTCH (A/M), FL (M), M88 (A/M)
HEMTT (A), HETS (A), PLS (A), FMTV (A), ASV (A)
Patriot (A), TOW (A/M), Avngr (A), MLRS (A), Hellfire (A), ROWPU(A/M), TQG (A),

ENGINEER SYSTEMS
COMM ELEC SYSTEMS

*Transition Occurring

Performance Based Logistics (PBL) Action Officer
Karen Dever Blevens

NEW
Land Overview

• Support to Customers

• Land Organization Transformation

Support Initiatives

• Special Topics
  - DVD In-Transit Visibility (ITV)
  - Emergency Supply Operations Center (ESOC)
  - Automotive Prime Vendor-Worldwide (APV-W)
  - NAPA Basic Ordering Agreement (BOA)
# Land Initiatives

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Description/Objective(s)</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Based Logistics</strong></td>
<td>• Leverage Buying Power • DLA as Source of Supply to Service Product Support Integrator (PSI)/ PBL Contractor • DLA as Supply Chain Integrator</td>
<td>• Actively Teaming with PMs Co-located with TACOM, CECOM &amp; AMCOM • Planning Teams Engaged w/ FCS, M1A2 SEP, Common Ground Station, LWT-155 Howitzer (etc)</td>
</tr>
<tr>
<td><strong>Strategic Supplier Alliances</strong></td>
<td>• Partnering with Suppliers to Enhance Relationships and Stimulate Production • Support Sole Source Spares • Technical/Sourcing for Aging Systems • Reduce Material Prices</td>
<td>• AM General – Completed • OSHKOSH – Completed • UDLP – Completed • GDLS - FY05</td>
</tr>
<tr>
<td><strong>FY04 Backorder Reduction</strong></td>
<td>• Goal: Reduce DLA Stocked Backorders by 50% on Selected Land-based Weapon Systems. • Monthly VTCs with ICPs to communicate progress</td>
<td>• 46% Reduction as of 31 Mar 2004. • With Increased Demands, 20% Reduction as of 30 Jul 2004.</td>
</tr>
</tbody>
</table>
## Land Initiatives (Cont)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Description/Objective(s)</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainment Engineering/OSCR</strong></td>
<td>• DSCC Funding Sustainment Engineering Projects with TACOM</td>
<td>• TACOM Developing Business Case Analysis (BCA)- Due May 04</td>
</tr>
<tr>
<td></td>
<td>• Improve Equipment Reliability</td>
<td>• DSCC-V Management</td>
</tr>
<tr>
<td></td>
<td>• Reduce Operating Costs</td>
<td>• Go/No Go Based on Readiness/ Economic Benefits</td>
</tr>
<tr>
<td><strong>3D CAD/STEP Data Pilot Program</strong></td>
<td>• Engineer Drawing Conversion to 3D Models</td>
<td>• 16 Candidate NSNs Selected</td>
</tr>
<tr>
<td></td>
<td>• Reduce Lead Time</td>
<td>• Models Completed &amp; Validated by TACOM. Will be forwarded to DSCC.</td>
</tr>
<tr>
<td></td>
<td>• Reduce Material Cost</td>
<td>• DSCC-V Establishing Contract to Monitor Metrics for Procurement</td>
</tr>
<tr>
<td><strong>Technical Data Validation Pilot Program</strong></td>
<td>• Pre-positioning Tech Data Packages (TDPs)</td>
<td>• Activated 1 Mar 04 for 5 Weapon Systems</td>
</tr>
<tr>
<td></td>
<td>• Validate Tech Data</td>
<td>• 33 TDPs Submitted &amp; 29 Completed w/ 7.7 Day Average Response Time</td>
</tr>
<tr>
<td></td>
<td>• Reduce Lead Time (Goal: 10 Days)</td>
<td>• Expanding for All Army Systems</td>
</tr>
</tbody>
</table>

OSCR = Supply Management, Army Operating and Support Cost Reduction Program (SMA-OSCR)
Supplier Engagement

• Communicate Requirement Forecasts to Suppliers:
  - Supplier Web Page (Live 1 Feb 2004)
  - Broadcast Fax to 6,000 Cage codes Nov ‘03
  - Web Forecasting Tool, Nov 03

• Supplier Visits:
  - AM General; Jul 04
  - OSHKOSH; Jul 04
  - GDLS: Aug 04
  - Other Key Suppliers (Ongoing)

• Revised Acquisition Strategy:
  - Multiple Awards
  - Increase LTCs

Monitoring Capacity
Strategic Partners: AM General LLC, General Dynamics Land Systems, Oshkosh Truck Corp., United Defense LP

Objectives:
- Support Sole Source Spares
- EDI Processing
- Technical/Sourcing Support for Aging Systems
- Reduce Material Prices
- Improve Delivery Performance

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM General</td>
<td>FY 03</td>
</tr>
<tr>
<td>OshKosh</td>
<td>FY 04</td>
</tr>
<tr>
<td>UDLP</td>
<td>FY 05</td>
</tr>
<tr>
<td>GDLS</td>
<td></td>
</tr>
</tbody>
</table>

Improve Support via Collaboration - Suppliers
DLA - TACOM - PEOs
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Objective</th>
<th>Status</th>
</tr>
</thead>
</table>
| **Reverse Osmosis Water Purification Unit (ROWPU)** | • Weapon System-Oriented  
  - Delivery- 3, 5, 12 Days. 90% On-Time. | • Awarded Jan 2002- WATEC  
  - 2485 Active NSNs |
| **Fleet Automotive Support Initiative (FASI)**   | • Regional Customer Support - Regional CSRs  
  - Delivery- 2, 5, 10 Days. 98% On-Time. | • Awarded May 2000; SPS  
  - 1561 Active NSNs |
| **Oshkosh and AM General Competitive NSN Long Term Contract** | • Support TACOM Wheeled Vehicle Fleet, Primarily HEMTT/HMMWV  
  - Long Term Contract Support - Stock Replen. | • Projected Award:  
  - 4QTR FY04/1QTR FY05  
  - Oshkosh - 569 NSNs  
  - AM General - 813 NSNs |
| **UDLP/GDLS/GDLS-Canada Competitive NSN LTC**    | • Support Combat Vehicles,  
  Primarily: M1 Abrams, M2/M3 Bradley, M109 Paladin, LAV, M88, M113 | • Projected Award: FY05  
  - UDLP - 483 NSNs  
  - GDLS - 686 NSNs  
  - GDLS - Canada - 206 NSNs |
| **TACOM Corp Contract Support**                  | • Support TACOM Weapon Systems  
  - Long Term Contract Support  
  - Supports PM (Full Material Release) | • Projected Completion:  
  - Various Projects Awarded-FY04  
  - Other Projects - FY05 |
Land Kitting Team Process Flow

INPUTS:
- Customers
- Statement of Work (SOW)

OUTPUTS:
- Business Case Analysis (BCA)

WSSM:
- CAM CSRs
- CELL/CELL SUPPORT LEADER

Land Kitting Team

Process Flow:
- Engagement
- Development
- Requirements Determination
- Centralized Control
- Shaping Kitter Action Selection
- Customer Visits
- Centralized Control

Key: CAM CSRs

Centralized Control

Kitter Selection

Shaping Kitter Actions

Engagement

Requirements Determination

Customer Visits

Development

Shaping Kitter Actions

Customer Visits

Requirements Determination
<table>
<thead>
<tr>
<th>Subject</th>
<th>Total</th>
<th>Comp</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVIEW OF KITS TO BE PUBLISHED</td>
<td>227</td>
<td>227</td>
<td>LC Susp: 13 Aug 04 Review completed</td>
</tr>
<tr>
<td>ENGINEERING REVIEW OF KITS</td>
<td>105</td>
<td>48</td>
<td>LC Susp: 30 Dec 04</td>
</tr>
<tr>
<td>NEW KITS COMPLETED</td>
<td>2</td>
<td>2</td>
<td>Palletized Loading System (PLS)</td>
</tr>
<tr>
<td>KITS IN DEVELOPMENT PROCESS</td>
<td>3</td>
<td>0</td>
<td>-3 HETS</td>
</tr>
<tr>
<td>KIT SUGGESTIONS SUBMITTED</td>
<td>23</td>
<td>0</td>
<td>-Awaiting TACOM Approval</td>
</tr>
<tr>
<td>KIT PROJECTS WITH DDC</td>
<td>11</td>
<td>2</td>
<td>-9 in process</td>
</tr>
<tr>
<td>KITTING WEB SITE</td>
<td></td>
<td></td>
<td>-Susp: 1Oct 04</td>
</tr>
</tbody>
</table>
## Kitting Projects

### ANNISTON ARMY DEPOT PROJECT

- **Execution Phase**
- **Development of 14 Kits to Support Diesel Engine Rebuild Lines**
  - First Kits Rolled out from DDAA on 16 June 04

**Remarks:** Kitting endeavor tied to production schedule for reciprocating engine line. As of 3 Aug 04, over $4M in sales and 168 kits delivered since roll-out. Kits are built as needed, and no more than 2 days of kits in DDAA inventory.

### LAV KITTING - ALBANY, GA

- DSCC met with Maintenance Personnel in Albany
- Initial Review Required Further Research.
- Review Phase at DSCC Completed and Results Sent to Albany
- Follow-up visit to Albany in Process
- Albany Developing Statement of Work (SOW) to Define Objective.

**Remarks:** Darren Jones contacted to determine next step.
## LETTERKENNY ARMY DEPOT (LEAD)

| ✓ Overhaul Of The Patriot System |
| ✓ Contract For Engineering Support Being Developed |
| ➢ Statement Of Work Under Development: Due 8/13/04 |

**Remarks**: Statement of Work (SOW) being prepared by DSCC-LCB and will be coordinated with LEAD, the DLA-CSR, the DLA Patriot WSSM, and DSCC’s Army Industrial Customer Team.

## HMMWV PROJECT

| ✓ Change Suspension from Basic & A1 To A2 Configuration |
| ✓ Approval Expected from ESA/PM by Aug 04 |
| ✓ Kit Will Contain Approximately 62 Component NSNs |
| ➢ Contractor Must Procure Components From DLA |

**Remarks**: Project being developed/coordinated with HMMWV WSSM.
• Support to Customers

• Land Organization Transformation

• Support Initiatives

Special Topics

- DVD In-Transit Visibility (ITV)

- Emergency Supply Operations Center (ESOC)

- Automotive Prime Vendor-Worldwide (APV-W)

- NAPA Basic Ordering Agreement (BOA)
DSCC Direct Vendor Delivery (DVD)  
In Transit Visibility

• Distribution Planning and Management System (DPMS)
  - Only with vendors under DPMS
  - Only to first destinations - CONUS customers, government air and water ports, and the containerization consolidation points
  - DPMS data available through DLA DSS MRO Tracking System (http://wegal.ogden.disa.mil/mrostatus/query.html) requisition number

• DPMS Provides ITV for:
  - UPS Air and Ground
  - FEDEX Air (no ITV for FEDEX Ground)
  - Truck Shipments (only if vendor inputs carrier data in DPMS)

• Global Transportation Network (GTN)
Emergency Supply Operations Center (ESOC) Evolution

LEGACY SAR PROCESS

SAR Received From Customer ➔ SAR Input Into EARS ➔ EARs auto sends to Expeditor Queue ➔ Expeditor Performs Research ➔ Has Material Shipped? ➔ Y ➔ Notify Customer ➔ Update EARS -END

N ➔ Determine Method of Support ➔ Y ➔ Support Found ➔ N ➔ Update EARS -END

BSM SAR PROCESS

SAR Received From Customer ➔ SAR Input Into CRM Tool ➔ CRM Tool ticket routed To CAS ➔ CAS Performs Research ➔ Has Material Shipped? ➔ Y ➔ Notify Customer ➔ Update MAGIC -END

N ➔ Determine Method of Support ➔ Y ➔ Support Found ➔ N ➔ Update MAGIC -END

Expeditor’s Will Become CAS’s
Automotive Prime Vendor- Worldwide (APV-W)

- APVW is a program to provide a limited number of automotive NSNs that are currently Non-Stocked items by DLA, and CAGE and Part Numbers.
- Supplies covered include replacement parts for any Mfg’s CAGE Code listed in the contract (No Tires).
- Contractor will provide price and delivery for unpriced items within 3 days.
- Delivery times for pre-priced items to CCP are:
  - IPG 1 - 2 Days
  - IPG 2 - 5 Days

NAPA offers their entire Automotive Spare Parts Catalog.

**Terms of Contract** - OCONUS - SP0700-01-G-0001

- 20-50% Discount From List Price
- $100,000 Single Purchase Authority
- Order by Government Credit Card
- Delivery on Stocked Items approximately 5 Days to Germany & 7 Days to Italy
- Transportation charges based on the Customer’s type of transportation mode requested
NAPA - BOA (cont)

OCONUS Services NAPA Provides

- Online Inventory Searches via website
- Parts Cross-Referencing and identification
  Non-NSN & Expert Technical Advice
- Monthly Reports of Parts Purchased
- Commercial Warranty – 100 % Return Credit
- APO shipments
- Air freight & Courier shipments - UPS or DHL
- Ocean Freight shipments
- Special Ordering Process - Items not normally stocked
<table>
<thead>
<tr>
<th>Customer Programs</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive Prime Vendor – Worldwide</td>
<td>APV-W is a program to provide automotive items for military customers worldwide.</td>
</tr>
<tr>
<td>DSCC Corporate Contract/Tailored Support</td>
<td>This initiative is designed to group items by manufacturer and award one contract for all DLA managed items.</td>
</tr>
<tr>
<td>DESEX</td>
<td>Learn how to check your ideas like requisition status and stock availability over telephone 24/7.</td>
</tr>
<tr>
<td>DOD E-Mall</td>
<td>Electronic Mall</td>
</tr>
<tr>
<td>Awarded Corporate Contracts</td>
<td>Listing of Corporate Contracts. (Coverage, Vendor, Cage, Award Date etc)</td>
</tr>
</tbody>
</table>

Technical Programs

Handouts Provided With Other Important DLA/DSCC Contact Info

Land Summary

• Fully Engaged to Support GWOT and STF

• Significant Investments Made for Current and Future Operations

• Heavily Engaged with Partners:
  – Requirements Determination
  – Collaboration with Customers and Suppliers
  – Engineering Process Improvement

Constantly Improving Production and Service to Support the Warfighter!
BACKUP
Strategic Linkage

DLA
Balanced Score Card

Customer

Internal Process

Learning & Growth

Financial

B/O Reduction
CRM Implementation

LRT Reduction
SRM Implementation

OEF/OIF Lessons Learned

IDPs
Knowledge Mgmt
Cultural Host/Tenant Process

Resource BSM Strategies

Understand Customer Demand Patterns
Reduce Defective Rate
CWT Reduction
PLT Reduction
Accountability & Responsibility
Learning Organization
Strategic Personnel Plan
Cost Recovery Rate Reduction
Material Cost Reduction
MARITIME BACKUP
S9E ROLLOUT

**Jul 2005**
Aviation Supply Chain

- IV IST
  - FSCs 1400s, 5800s

- SSA IST - Aviation
  - Various FSCs including other S9E items

**September 2005**
Land Supply Chain

- S9E FSCs
  - Land SSA items only

- CMBT VEH & ARM IST
  - Land SSAs - Various FSCs

- WHEELED VEHICLE IST
  - Land SSAs - Various FSCs

**November 2005**
Maritime Supply Chain

- S9E FSCs
  - 5961
  - 5963
  - 5980

- 5930

- 5905

- 5945, 6145

- SEMICONDUCTORS IST

- SWITCHES & PA IST

- RESISTORS & MISC. IST

- RELAYS, WIRE / CABLE IST
MARITIME

* KITS
* EPPI/POPS
* 21N
* NIMS

LAND

* EPPI/POPS
* NIMS
* KITS

AVIATION DET

* KITS
* EPPI/POPS
* NUCLEAR HARDENED
* 21N
* PROM/ROM

MARITIME

* PROM / ROM
* DMS
* NUCLEAR HARDENED
* POPS/EPPI
* 21N
* NIMS

As of: 25 June 04
### Accelerated Functionality

**Jan 05 - 69K NSNs**
- Non-Deferred Items Only.
- 6,956 Deferred items will be added to a later increment.

**Fittings IST**
- FSC 4320
  - 51K NSNs (N) 35 FTE

**Marine HDW & PA IST**
- FSCs 1710, 1720, 2010, 2020, 2030, 2040, 2050, 2090, 4921, 4923
- FSCs with SSAs 1010, 1015, 1020, 1040, 1055, 1075, 1430, 1440, 1450, 2510, 2520, 2530, 2540, 2590, 2805, 2815, 2820, 2825, 2895, 2910, 2920, 2930, 2940, 2990, 3010, 3020, 3040, 3950, 4030, 4410, 4420, 4440, 4460, 4910, 4940, 5420

- 18K NSNs (N) 10 FTE

**Notes:** (N) denotes non-deferred items. (D) denotes deferred items. Quantities are rounded.

**April 05 - 174K NSNs**
- Non-Deferred Items Only.
- 36724 Deferred items including 21N will be added to a later increment.

**Fittings IST**
- FSC 4810
  - 8K NSNs (N) 15 FTE

**Power Valve & NRP IST**
- FSC 4810
  - 8K NSNs (N) 15 FTE

**FLEX HOSE & TUBE IST**
- FSC 4720
  - 33K NSNs (N) 22 FTE

**Pumps/Compressor IST**
- FSC 4310, 4320, 4330
  - 46K NSNs (N) 28 FTE

**Notes:** (N) denotes non-deferred items. (D) denotes deferred items. Quantities are rounded.

---

**As of: 25 June 04**
### Jul 05 - 307K NSNs

- **Non-Deferred Items Only.**
- 20,686 Deferred items including 21N will be added to a later increment.

<table>
<thead>
<tr>
<th>IST</th>
<th>FSCs</th>
<th>NSNs (N)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I IST</td>
<td>FSCs 2820, 2895, 3010, 3020, 4030, 4940</td>
<td>47K</td>
<td>55</td>
</tr>
<tr>
<td>II IST</td>
<td>Half of FSC 3040</td>
<td>22K</td>
<td>26</td>
</tr>
<tr>
<td>III IST</td>
<td>Half of FSC 3040</td>
<td>25K</td>
<td>30</td>
</tr>
<tr>
<td>IV IST</td>
<td>(21N) FSCs 1400s, 5800s</td>
<td>30K</td>
<td>33</td>
</tr>
<tr>
<td>SSA IST</td>
<td>- Aviation Various FSCs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FSCs 2540, 2541, SSA</td>
<td>15K</td>
<td>40</td>
</tr>
</tbody>
</table>

Notes: (N) denotes non-deferred items. (D) denotes deferred items. Quantities are rounded.

### Sep 05 - 137K NSNs

- **Non-Deferred Item Only**
- 21,212 Deferred items will be added at a later increment.

<table>
<thead>
<tr>
<th>IST</th>
<th>FSCs</th>
<th>NSNs (N)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>VEHICLE SUPPORT IST</td>
<td>FSCs 2510, 2520, 2530, 2590, 2940, 4910</td>
<td>43K</td>
<td>111</td>
</tr>
<tr>
<td>CMBT VEH &amp; ARM IST</td>
<td>FSCs 1005, 1010, 1015, 1020, 1025, 1030, 1035, 1040, 1055, 1080, SSA</td>
<td>29K</td>
<td>48</td>
</tr>
<tr>
<td>ENGINES IST</td>
<td>FSCs 1045, 1075, 1090, 1095, 2805, 2815, 2825, 2910, 2920, 2930, 2990</td>
<td>50K</td>
<td>122</td>
</tr>
</tbody>
</table>

As of: 25 June 04
### ROLLOUT (Cont)

<table>
<thead>
<tr>
<th>Date</th>
<th>NSNs</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 05</td>
<td>265K</td>
<td>- Non-Deferred Items Only</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SEMICONDUCTORS IST FSCs 5961, 5963, 5980</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RESISTORS &amp; MISC. IST FSCs 5905</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CABLE, WIRE / CABLE IST FSCs 5945, 6145</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NOTES: (N) denotes non-deferred items. (D) denotes deferred items.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quantities are rounded.</td>
</tr>
<tr>
<td>Apr 06</td>
<td>189K</td>
<td>- Non-Deferred Item Only</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONNECTORS IST FSC 5933</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MISC. IST FSCs 5999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FIRE CONTROL, FIBER OPTICS &amp; PA IST FSCs 1210, 1220, 1236, 1240, 1250,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1260, 1265, 1285, 1287, 1290, 5990, 5996, 6010, 6020, 6021, 6030, 6032, 6035,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6060, 6070, 6080, 6099, 6125, 34K NSNs (N)</td>
</tr>
<tr>
<td>Jun 06</td>
<td>285K</td>
<td>- Non-Deferred Item Only</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ANTENNA, FUSES CIRCUIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BREAKERS IST FSCs 5920, 5925, 5965, 5985</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TRANSFORMERS &amp; PA IST FSCs 5910, 5915, 5950</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TRANSFORMERS &amp; PA IST FSCs 5910, 5915, 5950</td>
</tr>
</tbody>
</table>

As of: 25 June 04
Deferred Items

- KITS: 7,223 NSNs*
- POPS: 40,776 NSNs
- EPPI: 19,106 NSNs
- NIMS: 20,142 NSNs
- PROM/ROM: 9,316 NSNs
- NUCLEAR HARD: 1,665 NSNs
- DMS: 18,864 NSNs
- 21N: 17,065 NSNs
- AAC_W: 8 NSNs

TOTAL: 134,165 NSNs **

* DOES NOT INCLUDE COMPONENTS.
**The total is greater than the number of actual deferred NSNs due to overlapping categories.
Aug 06 - 170K NSNs
- Non-Deferred and Deferred

**MICROCIRCUITS IST**
FSC 5962
52K (N) and (D) 33 FTE

**DMS IST - Various FSCs**
12K NSNs (N) and (D) 11 FTE

**DEFERRED ITEMS MOVED TO ESTABLISHED AVIATION ISTs**
Various FSCs
20K NSNs (D) 5 FTE

**DEFERRED ITEMS MOVED TO ESTABLISHED MARITIME ISTs**
Various FSCs (Non Electronic)
44K NSNs (D) 10 FTE

**DEFERRED ITEMS MOVED TO ESTABLISHED LAND ISTs**
21K NSNs (D) 8 FTE

Notes: (N) denotes non-deferred items. (D) denotes deferred items. Quantities are rounded.

As of: 25 June 04
LAND BACKUP
SCENARIO: Will Emergency Service Requests be handled differently than Routine Ones

How do emergency requests change with timelines?

Emergency Service Request comes in at the Customer Site level

- CSR receives an emergency service request
  - CSR attempts to answer the question; CSR educates customer on self-service systems
    - If CSR cannot answer question, directs customer to DDC (distribution), VCC, or CRM Cell CAS (warm transfer), and ticket is created in Magic
      - DDC, CAS, or VCC resolves issue; ensures customer is educated on self-service systems
    - DDC, CAS, or VCC closes out ticket in Magic (DDC info ICT on distribution issues)

- CAS (or VCC) receives an emergency service request, and ticket is created in Magic
Administrative Information

What: 2004 CSR Conference
Where: Williamsburg Hospitality House, 415 Richmond Road, Williamsburg, Virginia 23185.
When: Scheduled from 22-27 August 2004

DSCC Attendees (Tentative):
  Maritime: CAPT John Roggen (DCO)
  Land: Mr. Steve Searcy (DDCO)
        LtCol Jeffrey Gamber
        Shaun McKinney, Dave Szczublewski, Dave Kramer (1 Day)

FINAL BRIEF DUE TO HQS NLT:
- 13 August 2004 (Action Officer: Mr. Bob Wehner, DLA HQs)
- Total Briefing Time allocated 90 Minutes.
Land Systems Performance
Backorders

Stocked and Non Stocked

B/O Lines (Thousands)

Stacked

Non Stocked

B/O Lines (Thousands)

B/Os > 180 Days

Source: F067, Hardware - (SA, Backorders, & Demands) Weapon Systems (529- USA/USMC Land Weapon System Designator Codes (WSDCs)
FY03-FY04 Key Data

- 2249 Personnel
- 6.6M Orders Annually (38%)*
- 1.6M Items Managed (46%)*
- $2.8B Sales (30.5%)*
- 25,326 Customers
- 6,170 Suppliers

*%’s of DLA Total