



Defense Logistics Agency

STRATEGIC PLAN
FY07 - FY13



**THE SOURCE BEHIND THE FORCE...
THE WARFIGHTER'S LOGISTICS
COMBAT SUPPORT AGENCY**



DIRECTOR'S MESSAGE

ROBERT T. DAIL
LIEUTENANT GENERAL, USA
DIRECTOR

TO ALL MEMBERS OF
THE DEFENSE LOGISTICS AGENCY
AND OUR LOGISTICS PARTNERS

DLA's ability to deliver American warfighters the right logistics solution in every transaction requires more than successful management of the Department's wholesale supplies and suppliers. It requires supply chain excellence.

Our military's ability to generate and sustain combat readiness indefinitely, anywhere on the globe, requires that DLA-managed materiel flow seamlessly and as needed from the nation's industrial base to where it is ultimately used. It requires a joint logistics capability that optimizes warfighter support above all else. As the only Logistics Combat Support Agency, DLA has a pivotal leadership role in delivering this capability across the Department.

To fulfill this mission, DLA must build on its wholesaler excellence. It must leverage the capabilities being delivered in the agency's transformational initiatives, such as BRAC 2005 and the just-completed Business Systems Modernization (BSM) Program – an end-to-end Enterprise Resource Planning capability managing all of DLA's 5.2 million hardware and troop support items.

This Strategic Plan retains and enhances the well-crafted strategies and objectives refined by DLA leadership over many years. However, the plan clearly documents and commits the agency's resources and energy to the realization of three new strategic thrusts, each designed to move the agency beyond its traditional wholesaler responsibilities. They are:

- ▶ **Extend the Enterprise** – In the future, DLA resources will geographically align with supported activities far more than today. While agency Supply and Distribution Centers will remain activity hubs, DLA employees,

inventories, and logistics capabilities will be located forward, beyond traditional agency borders to capitalize on best value opportunities to improve warfighter readiness.

- ▶ **Connect Warfighter Demand with Supply** – DLA will transform DoD's demand planning capabilities and the processing of demand signals throughout the supply chain. Building on the agency's recent evolution from managing supplies to managing suppliers, DLA will establish and manage seamless business process links between the services' materiel requirements and the source of their materiel – the American industrial base.
- ▶ **Deliver Supply Chain Excellence** – Recognizing that warfighter support diminishes if a supply chain sub-optimizes or fails to perform, DLA will forge end-to-end logistics solutions that strike the targeted balance between effectiveness, agility, reliability, speed, visibility, and cost. DLA stewardship responsibilities extend beyond the agency to effective and efficient logistics processes for the entire DoD enterprise. In every case, DLA will exercise responsible leadership by proactively collaborating with national supply chain partners in developing solutions that best support the warfighter.

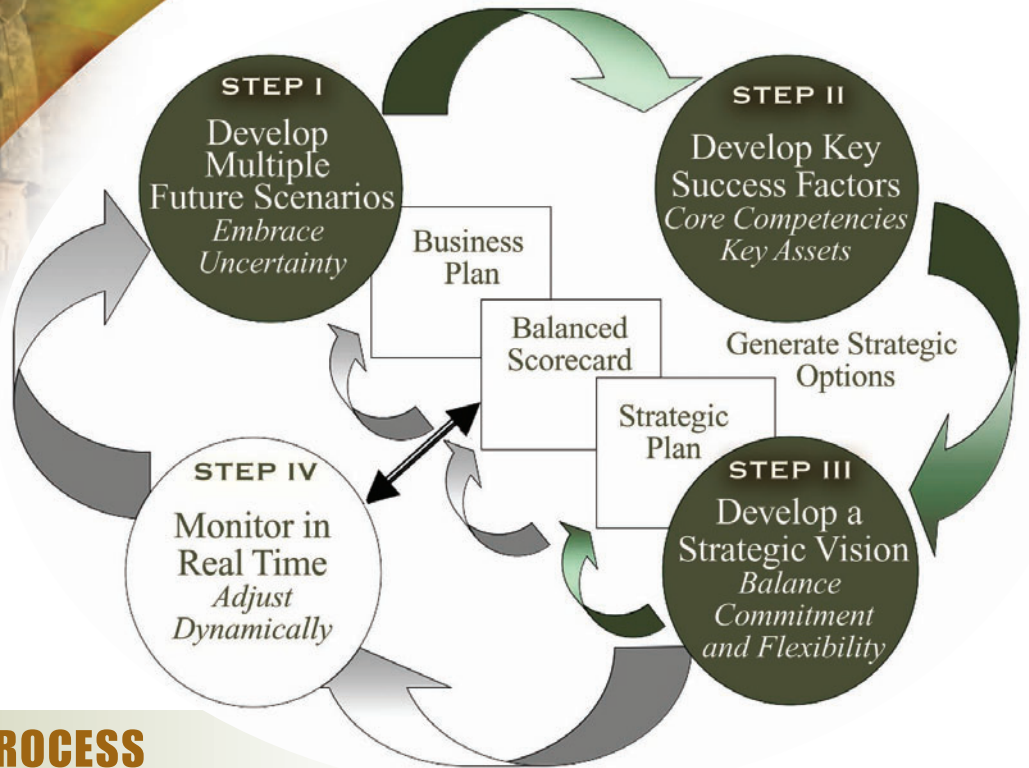
Having correct metrics drive business activity is essential to successful mission execution. To that end, it is a top DLA priority to adopt warfighter performance outcome metrics as the agency's key measures of success. Finally, DLA is committed to deliver improved warfighter outcomes without "growing the agency." Rather, DLA will develop its workforce to meet the changing dynamics of best business practices and the needs of the Force.

WARFIGHTER SUPPORT

STEWARDSHIP

GROWTH AND DEVELOPMENT

LEADERSHIP



THE PLANNING PROCESS

CAPABILITIES REQUIRED FOR FUTURE SUCCESS

STRATEGIC RELATIONSHIPS

Customer Relationship Management
Partner Alliance Development & Management

JOINT, INTEGRATED, & AGILE SUPPORT

Agile Logistics Response
End-to-End Supply Chain Integration
Joint Interoperability

BUSINESS ENHANCEMENT

Business Intelligence
Business Development
Venture Research & Investment

ORGANIZATIONAL LEVERAGE

Policy & Legislative Acumen & Influence
Information Dominance
Capability Leveraging
Talent Optimization
Financial Flexibility & Stewardship



MISSION

To Provide Best Value Integrated Logistics Solutions to America's Armed Forces and Other Designated Customers. . . in Peace and in War . . . Around the Clock, Around the World

VISION

Extending the Enterprise Forward to Meet the Needs of the Warfighter

**RIGHT ITEM, RIGHT SERVICE, RIGHT PLACE,
RIGHT PRICE, RIGHT TIME. . . EVERY TIME**

VALUES

SERVICE. . . Our commitment to warfighter success

PEOPLE. . . Our greatest resource

EXCELLENCE. . . Quality in everything we do

INNOVATION. . . Preparing to meet future needs

TRUST. . . Our standard in every relationship

GOALS

GOAL 1: Maximize warfighter potential by extending the Enterprise to provide worldwide response and integrated, best value supplies and services consistently to our customers.

GOAL 2: Continuously improve DLA performance through the development of better processes and business arrangements that reduce cost, increase logistics capabilities, and link customer demands with our supply chains.

GOAL 3: Ensure a diverse, enabled, empowered, and motivated workforce that delivers and sustains supply chain excellence.

GOAL 4: Manage DLA resources for best customer value.



GOAL 1

WARFIGHTER

**MAXIMIZE WARFIGHTER POTENTIAL BY
EXTENDING THE ENTERPRISE TO PROVIDE WORLDWIDE
RESPONSE AND INTEGRATED, BEST VALUE SUPPLIES
AND SERVICES CONSISTENTLY TO OUR CUSTOMERS.**

As a Combat Support Agency, DLA's mission is to provide logistics support to the warfighter. DLA's first and most important goal concerns the outcome for our customer. The strategies and objectives under this goal communicate how DLA will improve customer service and the level of service we have targeted to deliver. DLA aims for logistics excellence.

STRATEGIES/OBJECTIVES

Strategy C1 – Extend competencies and capabilities closer to the warfighters.

Objectives

- C1a – Align personnel, organizational responsibilities, and capabilities to support warfighter needs (e.g., Forward/Deployable Distribution) by FY13. (J-3/4)
- C1b – Engage in Retail Integration Strategy planning for service operational/tactical sites in FY08 through FY13. (J-3/4)
- C1c – Implement the Retail Integration Strategy at service industrial sites, achieving savings and efficiencies in personnel, space, and inventory as required by Base Realignment and Closure (BRAC) law, no later than the end of FY11. (J-3/4)
- C1d – Implement an integrated new Depot Level Repairable (DLR) procurement and consumable item management process supporting all service requirements by FY11. (J-7, J-3/4)
- C1e – Deploy DLA personnel forward to the service industrial/Major Command sites to work jointly to establish effective transformation efforts and readiness processes by FY11. (J-3/4)

GOAL 1

- C1f – Complete the redesign of DLA's CONUS distribution network by creating multiple CONUS support regions, each with a Strategic Distribution Platform (SDP) and one or more Forward Distribution Points (FDP) by FY11. (J-3/4)
- C1g – Effectively manage BRAC-directed privatization for tires, packaged petroleum, and chemicals to achieve assigned goals by FY11. (J-7)

Strategy C2 – Actively engage the warfighters to better understand their needs and meet their requirements.

Objectives

- C2a – Strengthen effective strategic partnerships with the warfighter by FY07. (J-3/4)
- C2b – Provide value-added logistics products and services (e.g., kitting, integrated services, etc.) by FY11. (J-3/4)
- C2c – Translate customer needs into actionable solutions and develop identified capabilities needed to meet warfighter requirements by FY08. (J-3/4)
- C2d – Expand performance-based agreements with the military services to support the BRAC decision to transfer the procurement management of Depot Level Repairables to DLA by the end of FY07. (J-3/4, J-7)
- C2e – Insert and enhance disposal operations content into the curricula of all the services' logistics schools by the end of FY08. (DRMS)
- C2f – Improve percentage of reutilization of condition code A (serviceable-issuable without qualification) property to 30% by the end of FY13. (DRMS)





GOAL

2

INTERNAL PROCESS

CONTINUOUSLY IMPROVE DLA PERFORMANCE THROUGH THE DEVELOPMENT OF BETTER PROCESSES AND BUSINESS ARRANGEMENTS THAT REDUCE COST, INCREASE LOGISTICS CAPABILITIES, AND LINK CUSTOMER DEMANDS WITH OUR SUPPLY CHAINS.

This internal process goal results in strategies for improved market knowledge, customer and supplier accessibility, and collaboration. Supply chain management practices provide the set of tools to manage our internal processes. Our focus on supply chain management and information technology (IT) investment objectives provides the supporting performance targets to achieve this goal.

STRATEGIES/OBJECTIVES

Strategy IP1 – Align demand and supply chain capabilities within the supply chain management model to better support the warfighters and their weapons systems.

Objectives

IP1a – Develop and implement a comprehensive weapons systems logistics support strategy by FY12 to align supply and demand decision-making processes. (J-3/4)

IP1b – Complete the Depot Level Repairable procurement and related support functions transfer from the military services to DLA by FY11. (J-7, J-3/4)

GOAL 2

Strategy IP2 – Leverage industry capabilities to provide world-class support to the warfighter at the lowest possible cost.

Objectives

- IP2a – Develop and implement 20 strategic arrangements (i.e., Supply Chain Alliances, Performance-Based Logistics partnerships, and joint DLA/military service contract actions) between FY07 and FY11. (J-7)
- IP2b – Support implementation of the Defense Transportation Coordination Initiative and associated business process improvements by FY09. (J-3/4)
- IP2c – Utilize business partnerships to deliver comprehensive disposal services, to include reuse of excess property, to support the forward deployed warfighter through FY13. (DRMS)

Strategy IP3 – Adopt, institutionalize, and continuously improve best business practices to improve quality and speed and to reduce cycle time and costs, while maintaining the integrity of the procurement process.

Objectives

- IP3a – Reduce costs through public/private competitions maintaining equal or better mission performance by FY13. (J-7)
- IP3b – Utilize continuous process improvement methodologies to reengineer internal processes through FY13. (all J codes and field activities)
- IP3c – Establish a common approach to encouraging and empowering innovation throughout DLA, resulting in new business models and/or improved business practices that can be deployed across the Enterprise through FY13. (all J codes and field activities)
- IP3d – Develop a program for continuous product and reliability improvements as a follow-on to reengineering efforts by FY11. (J-3/4)
- IP3e – Implement Lean/Six Sigma to reengineer BRAC-associated processes in order to achieve projected goals in reduced cycle time, costs, and quality by FY08. (J-3/4)
- IP3f – Fuse DLA information systems with logistics and operational systems belonging to the services, Combatant Commanders, customers, partners, and the industrial base to provide data in standard formats from shared authoritative sources to achieve a Common Operating Picture (COP) by FY10. (J-6)
- IP3g – Maintain and enhance acquisition oversight programs to ensure integrity throughout the acquisition process through FY13. (J-7)

GOAL 2

Strategy IP4 – Achieve world-class supply chain performance completing DLA’s transition from wholesale to end-to-end supply chain management excellence.

Objectives

- IP4a – Achieve and maintain Operational/Process Transactional excellence through FY13. (J-3/4)
- IP4b – Link demand and supply using the Sales and Operations Planning (S&OP), Supply Chain Integration (SCI), and Demand collaboration processes through FY13. (J-3/4, J-7)
- IP4c – Fully implement the responsibilities associated with DoD’s Executive Agent designations for assigned supply classes by FY12. (J-3/4)
- IP4d – Seek Supply/Sourcing Process Owner (SPO) designation. (J-3/4, J-5, J-7)

Strategy IP5 – Design, implement, and sustain a best value enterprise IT environment.

Objectives

- IP5a – Proactively influence DoD and commercial sector IT-related deliberations/priorities and optimize utilization of emerging commercial and public sector IT capabilities to help DLA enhance and further transform its business processes through FY13. (J-6)
- IP5b – Extend and enhance the Enterprise Resource Planning (ERP) system introduced via the Business Systems Modernization (BSM) program, in response to business requirements such as enterprise operational accounting, energy supply chain management, enterprise procurement, and BRAC, resulting in a single integrated enterprise business system by the end of FY10. (J-6)
- IP5c – Sustain a secure operating data environment for DLA systems, networks, and web sites by: ensuring 95% of DLA systems are certified and accredited in accordance with DoD policy; ensuring 100% of Joint Task Force - Global Network Operations (JTF-GNO) taskings are completed on schedule; and implementing the full requirements of DoD Directive Manual 8570.1-M, *IA Training, Certification and Workforce Management Policy*, at DLA by the end of FY10. (J-6)



GOAL 2

- IP5d – Partner with United States Transportation Command (USTRANSCOM) to converge DLA's Integrated Data Environment (IDE) and USTRANSCOM's Global Transportation Network (GTN) by the end of FY09. (J-6)
- IP5e – Install a Depot Level Reparable procurement IT solution for DLA Procurement Management detachments at the military services' sites by FY10. (J-6, J-7)
- IP5f – Develop and implement standard sets of IT capabilities for use by DLA personnel that are forward-deployed with the warfighter and/or collocated with DLA customers. (J-6)

Strategy IP6 – Improve management of DLA's current and future real property.

Objectives

- IP6a – Optimize DLA's existing infrastructure to enhance operational efficiencies by FY13. (DES)
- IP6b – Provide capabilities assessment of DLA infrastructure by FY08. (DES)
- IP6c – Program for full funding of maintenance, restoration, modernization, operation, and disposal of existing and forecasted infrastructure by FY13. (DES)

Strategy IP7 – Implement processes and procedures to support requirements for green procurement.

Objectives

- IP7a – Partner with military services on two pilot studies demonstrating the use of DLA products and services to meet customer Environmental Management System objectives by FY09. (DES)
- IP7b – Assist customers in meeting environmental objectives by achieving a 25% increase in offerings of products and services by FY11. (J-3/4, DES)





GOAL

3

LEARNING AND GROWTH

**ENSURE A DIVERSE, ENABLED, EMPOWERED, AND
MOTIVATED WORKFORCE THAT DELIVERS AND
SUSTAINS SUPPLY CHAIN EXCELLENCE.**

DLA's success depends on its human capital. This goal focuses on the strategic management of our human capital. Our workforce must be properly staffed, possess the right competencies, and use knowledge-based skills for DLA to successfully perform its mission. DLA must nurture and sustain a high-performing workforce, ensuring that no skill gaps exist in our mission critical occupations. This goal encompasses investing in the workforce and implementing a strategy to retain and sustain a highly skilled and competent workforce. We foster a positive work experience by promoting equal opportunity, providing and maintaining a safe work environment, fostering self-respect, valuing individual and team contributions, and taking pride in our workforce diversity.

STRATEGIES/OBJECTIVES

Strategy LG1 – Acquire, develop, and retain world-class supply chain expertise through a comprehensive talent management program.

Objectives

- LG1a – Implement a comprehensive capability management program - to include competency modeling and gap analysis - focused on Business Systems Modernization occupations by FY07 and on other key occupations by FY09. (J-1, J-6)
- LG1b – Establish a workforce analysis process to guide recruitment strategies by FY08. (J-1)
- LG1c – Design and implement an expanded leadership capability program that identifies, develops, and enhances diverse, well-qualified talent for current and future logistics excellence by FY07. (J-1)
- LG1d – Prepare the DLA workforce for implementation of the National Security Personnel System (NSPS) by FY08. (J-1)

GOAL 3

Strategy LG2 – Attain and sustain a corporate culture that meets the needs of the warfighter through logistics excellence.

Objectives

- LG2a – Design and implement initiatives that address improvement opportunities revealed by the employee attitude and perceptions surveys by FY08. (J-1)
- LG2b – Design and develop solutions based on analysis of results of the administration of the Multi-Source Feedback tool to improve leadership performance by FY07. (J-1)
- LG2c – Improve the capacity to change throughout the Enterprise by developing and implementing a practical change management toolkit and revised change management policy by FY07. (J-1)
- LG2d – Develop an enterprise approach to action planning to improve corporate culture by FY07. (J-1)

Strategy LG3 – Provide a quality work environment that optimizes employee performance.

Objectives

- LG3a – Align agency human capital processes to support extension of the Enterprise closer to the warfighters by FY08. (J-1)
- LG3b – Evaluate the diversity of employee participation in recognition and development programs to identify gaps and develop action plans by FY08. (DO, J-1)
- LG3c – Enhance recruitment and retention efforts to improve overall Hispanic representation by FY08. (J-1, DO)
- LG3d – Surpass the DLA goal of 3% representation of people with targeted disabilities within our workforce through enhancement of recruitment and retention efforts by FY13. (DO, J-1)
- LG3e – Reduce lost work days 75% from the 2002 baseline by FY09. (DES)





GOAL

4

STEWARDSHIP

MANAGE DLA RESOURCES FOR BEST CUSTOMER VALUE.

Focusing on the financial goal will sustain the strong financial discipline required to ensure effective financial planning and management in DLA. The strategies and objectives associated with this goal allow DLA to provide best value to DLA customers. Accurate forecasts strengthen DLA's ability to project and support requirements and plan for the resources needed. Better supply chain cost decisions result in better management of our resources. DLA's ability to demonstrate audit readiness in FY09 will provide assurance to DLA management and stakeholders that our financial management systems produce relevant, reliable, and timely information.

STRATEGIES/OBJECTIVES

Strategy F1 – Resource DLA's operational strategies.

Objectives

F1a – Develop and recommend strategies for adapting DLA's financial management to support the addition of new product lines/services by the end of FY07. (J-8)

F1b – Program 100% of the initiatives that support strategic plan objectives in the Program Objectives Memorandum for each Future Year Defense Program (FYDP). (J-8)

Strategy F2 – Minimize total supply chain costs.

Objectives

F2a – Decrease DLA's non-energy cost recovery rate, based on the cost of operations, to 11.9% by FY13. (J-8)

F2b – Ensure DLA's energy non-product cost per barrel will not exceed \$10.26 by FY13. (J-8)

F2c – Ensure DLA's distribution composite unit cost rate will not exceed \$24.55 per line by FY13. (J-8)

Strategy F3 – Demonstrate stewardship and foster stakeholder trust.

Objective

F3a – Develop and implement the automated systems, business processes, and controls needed to comply with federal accounting and system requirements, and demonstrate that DLA is ready for an audit of its financial statements by FY09. (J-8, J-6)

DLA INITIATIVES MATRIX TO DoD FOCUSED LOGISTICS (FL) JOINT FUNCTIONAL CONCEPT

DLA INITIATIVE	FL CHALLENGE AREAS	FL CAPABILITIES
Base Realignment and Closure (BRAC)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across services
Business Systems Modernization (BSM)	Agile Sustainment; Joint Deployment/Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
Business Systems Modernization - Energy (BSM-E)	Agile Sustainment; Joint Deployment/Rapid Distribution; Joint Theater Logistics Management; Multinational Logistics; Information Fusion	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the services/DoD
Distribution Planning & Management System (DPMS)	Agile Sustainment; Joint Deployment/Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Robust infrastructure for mobility; worldwide sustainment assets; force reconstitution; integrated distribution processes
Integrated Data Environment (IDE)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Information Fusion; Joint Theater Logistics Management	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
Product Data Management Initiative (PDMI)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across services; civilian collaboration; integration of EA, CLS, and host nation support
Integrated Retail Management	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across services; civilian collaboration; integration of EA, CLS, and host nation support
Global Stock Positioning (GSP)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Robust infrastructure for mobility; worldwide sustainment assets; force reconstitution; integrated distribution processes
Executive Agent (EA)	Agile Sustainment; Joint Deployment/Rapid Distribution; Operational Engineering; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across services; civilian collaboration; integration of EA, CLS, and host nation support
Workforce Transformation (WT)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Logistics Information Fusion; Joint Theater Logistics Management	Supports all capabilities
Reutilization Modernization Program (RMP)	Agile Sustainment; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the services/DoD
Supplier Relationship Management (SRM)	Agile Sustainment; Joint Deployment/Rapid Distribution; Force Health Protection	Flexible industrial base; tailored sustainment; precision tactical resupply; interoperability across services; civilian collaboration; integration of EA, CLS, and host nation support
Customer Relationship Management (CRM)	Agile Sustainment; Joint Theater Logistics Management	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the services/DoD

ALIGNMENT TO USD (AT&L) GOALS

HIGH PERFORMING WORKFORCE

- LG1 Acquire, develop, and retain world-class supply chain expertise
- LG2 Attain and sustain a corporate culture of logistics excellence
- LG3 Provide a quality work environment that optimizes employee performance

ACQUISITION EXCELLENCE

- IP2 Leverage industry capabilities
- IP3 Continuously improve business practices

FOCUSED TECHNOLOGY

- IP5 Design, implement, and sustain a best value IT environment

COST-EFFECTIVE LOGISTICS SUPPORT

- IP1 Align supply chains to better support the warfighters & their weapons systems
- IP3 Continuously improve business practices
- IP4 Achieve world-class E2E supply chain performance
- C1 Extend capabilities closer to the warfighters
- C2 Engage the warfighters to understand and meet their needs
- F1 Resource operational strategies
- F2 Minimize total supply chain costs

RELIABLE, COST-EFFECTIVE INDUSTRIAL CAPABILITIES

- IP2 Leverage industry capabilities
- F3 Demonstrate stewardship and foster stakeholder trust

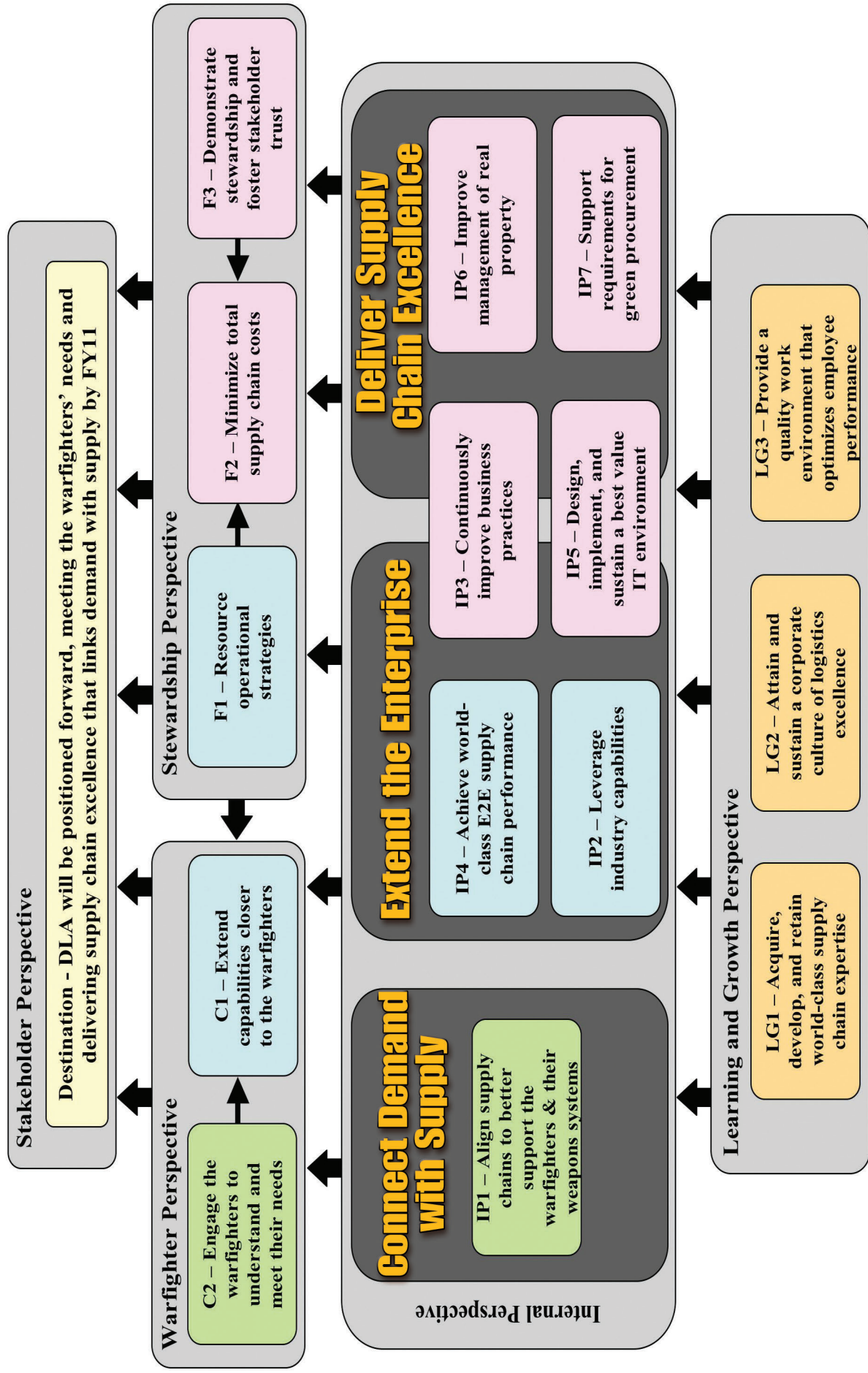
GOVERNANCE AND DECISION PROCESSES

- F3 Demonstrate stewardship and foster stakeholder trust
- IP3 Continuously improve business practices
- IP5 Design, implement, and sustain a best value IT environment

EFFECTIVE AND EFFICIENT INSTALLATIONS

- IP6 Improve management of real property
- IP7 Support requirements for green procurement

BALANCED SCORECARD STRATEGY MAP



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