



# Land & Maritime Supply Chain Rollout



## “Building Relationships for Freedom”



**Mr. James McClaugherty**  
**DSCC, Deputy Commander**



# Agenda

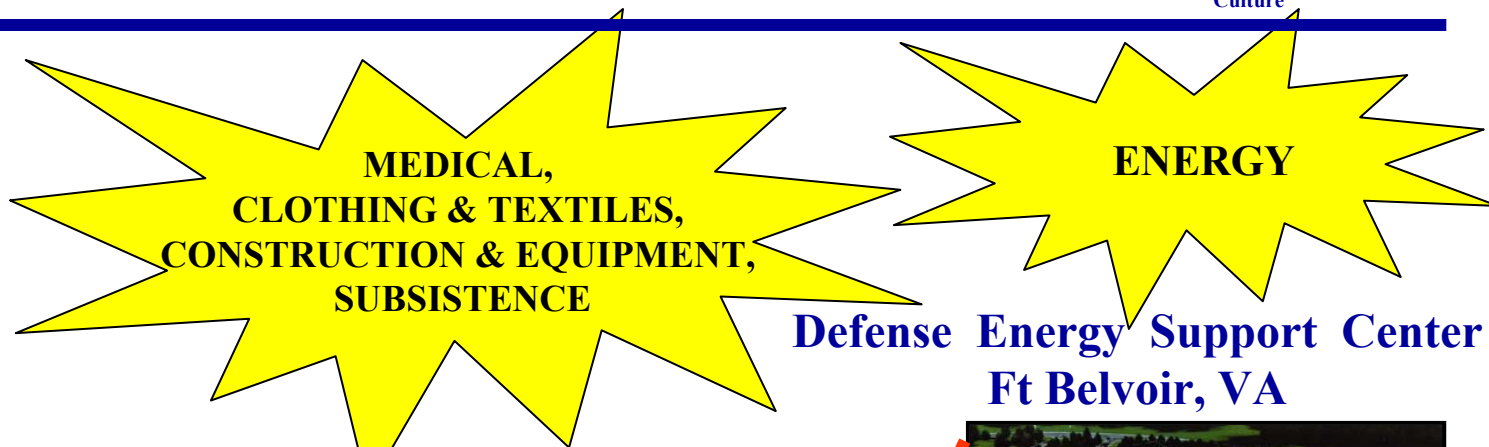
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- **DSCC at a Glance**
- **Transformation at DSCC**
- **Business Systems Modernization (BSM)**
- **Customer Relationship Management (CRM)**
- **Supplier Relationship Management (SRM)**
- **Conference Highlights**



# Supply Chain Alignment



**Defense Supply Center  
Philadelphia, PA**



**Defense Logistics Agency**



**Defense Supply Center  
Columbus, OH**



**Defense Supply Center  
Richmond, VA**



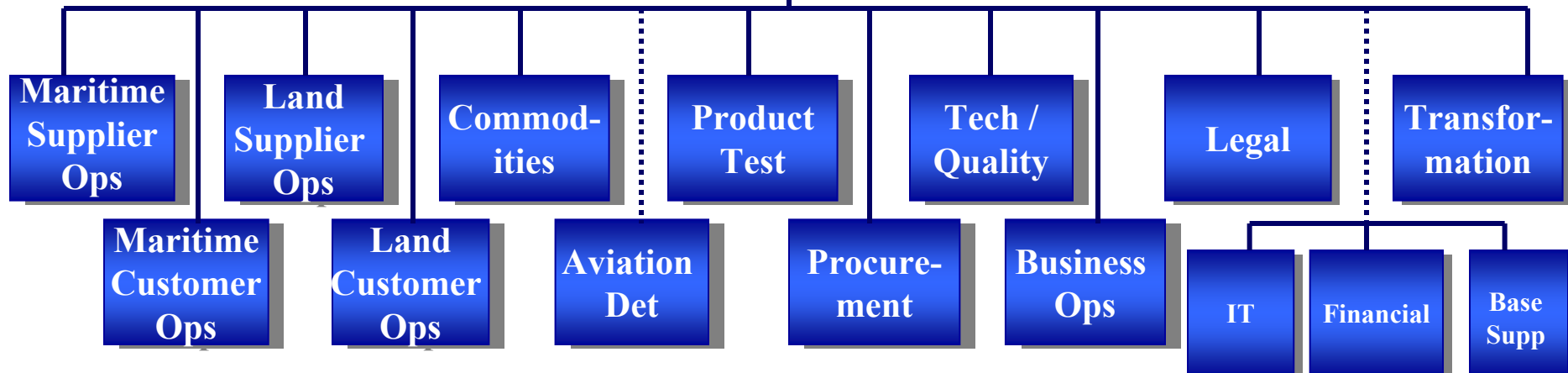
# DSCC Organization



★ RDML Charles M. Lilli  
Commander



James M. McClaugherty  
Deputy Commander





# DSCC Personnel



<b>Land Supply Chain</b>	<b>239</b>
<b>Land Demand Chain</b>	<b>67</b>
<b>Maritime Supply Chain</b>	<b>592</b>
<b>Maritime Demand Chain</b>	<b>60</b>
<b>Aviation Detachment</b>	<b>209</b>
<b>Support Functions</b>	<b>1,409</b>
<b>Total</b>	<b>2,576</b>

**Total Installation Population Equals 5,900**



# DSCC - Business Profile



**FY 02 Sales/Services: \$2.3B**  
**FY 03 Sales/Services: \$2.7B**  
**FY 04 Sales/Services: \$2.8B**  
**FY 05 Sales/Services (proj): \$2.8B**

- **Land: \$0.9B**
- **Aviation: \$0.6B**
- **Maritime: \$0.2B**
- **Commodities: \$1.1B**

## Foreign Military Sales

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

## Scope of Business

- **6 Million Requisitions per Year**
- **633,000 Contracts Per Year**
- **1.6 Million NSNs**
- **5.1M Annual Receipts and Issues**
- **1,333 Weapon Systems**
- **25,326 Customers**
- **6,170 Suppliers**

## People

- **2,240 Civilians**
- **43 Active Duty Military**
- **21 Reserve Military**

**Commander In Chiefs Installation Excellence  
Award Winner 1990, 1992, 1996, 2001 & 2004**





# Workload Statistics

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- **633,400 Award Actions**
- **97.4% of Actions are Under \$25K**
  - **Average Award Value of \$3,842**
- **Most Solicitations are Competitive**
  - **88% of Dollars**
  - **85% of Actions**
- **Award Processes are Highly Automated**
  - **89% of Awards were Automated**



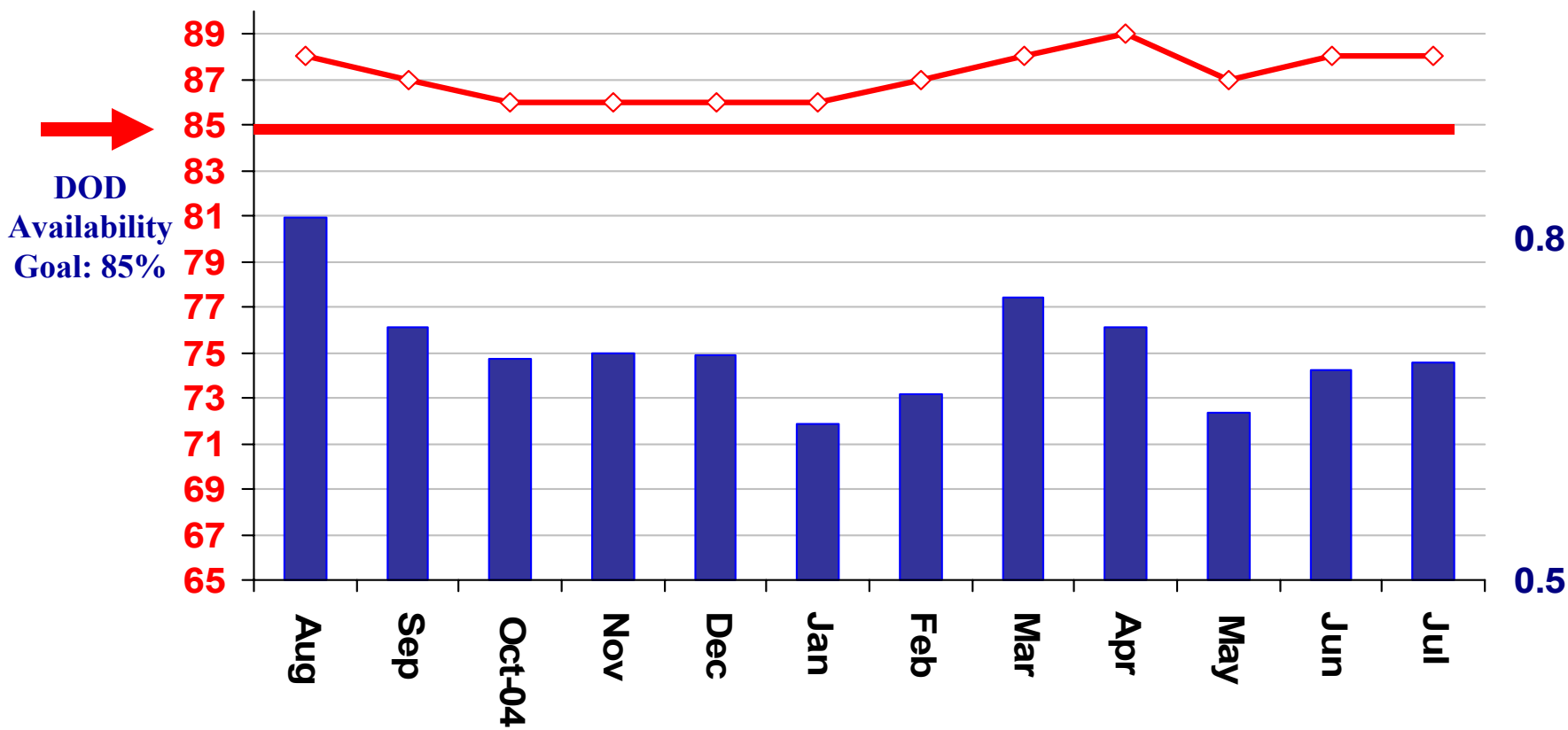
# Materiel Availability



## Land & Maritime Supply Chain Total

Percent

Net Demands (M)





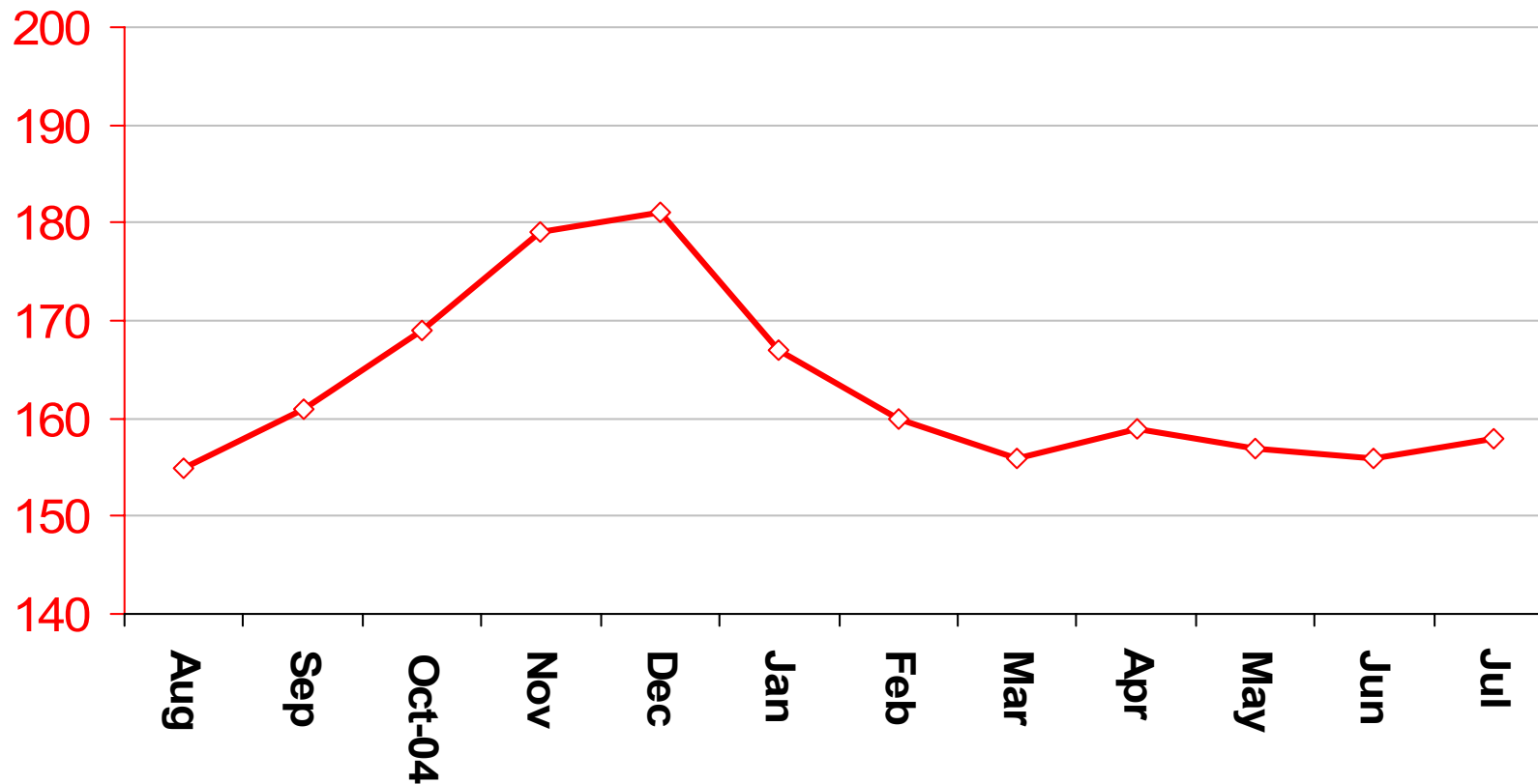


# Backorders



## Land & Maritime Supply Chain Total

Thousands



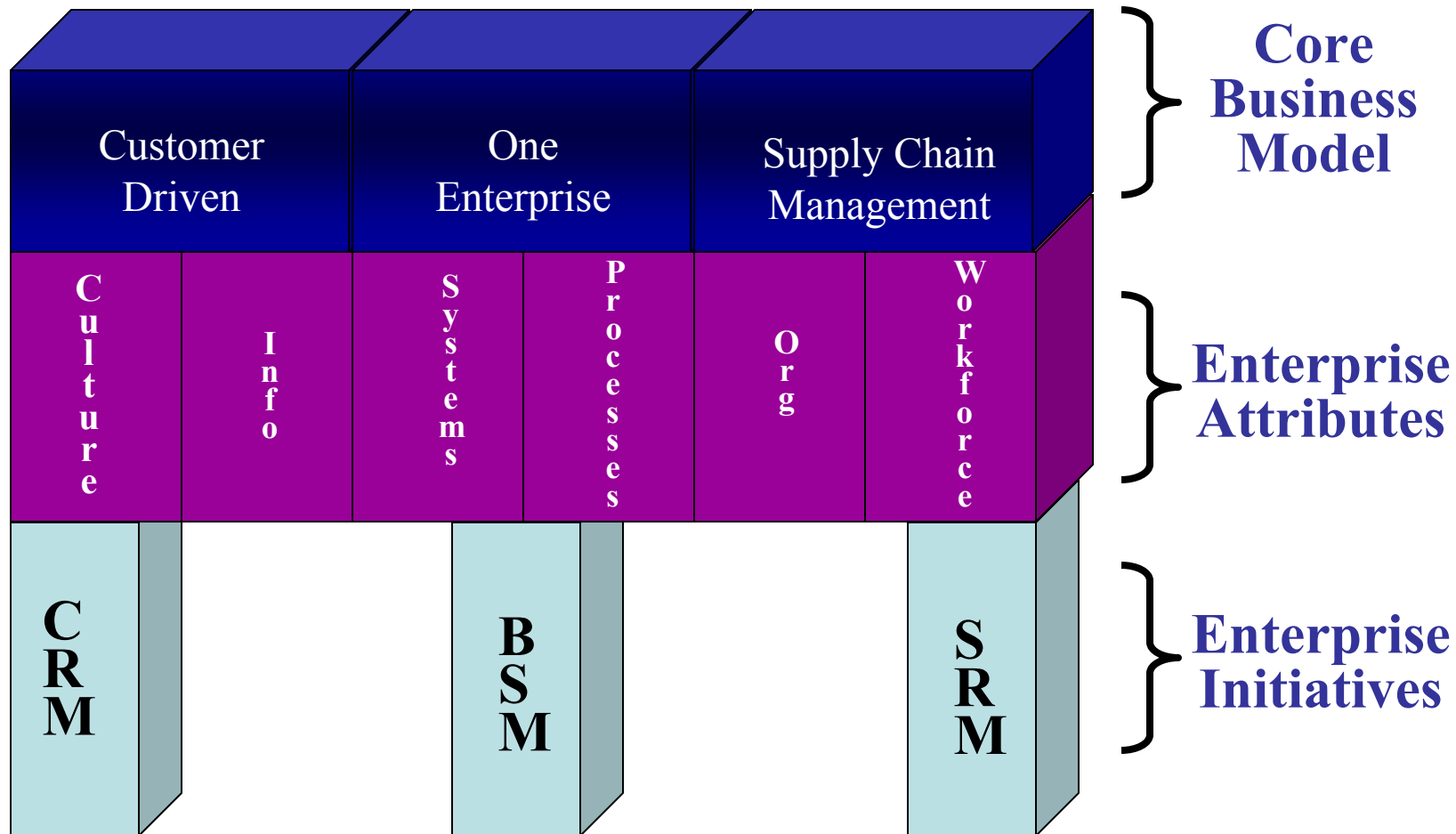
The background of the slide features a faded American flag with stars and stripes, and a silhouette of a crowd of people at the bottom. The text is centered over the flag.

# **Transformation at DSCC**



# Transformation

## Our View from 100,000 Feet





# Demand & Supply Chains

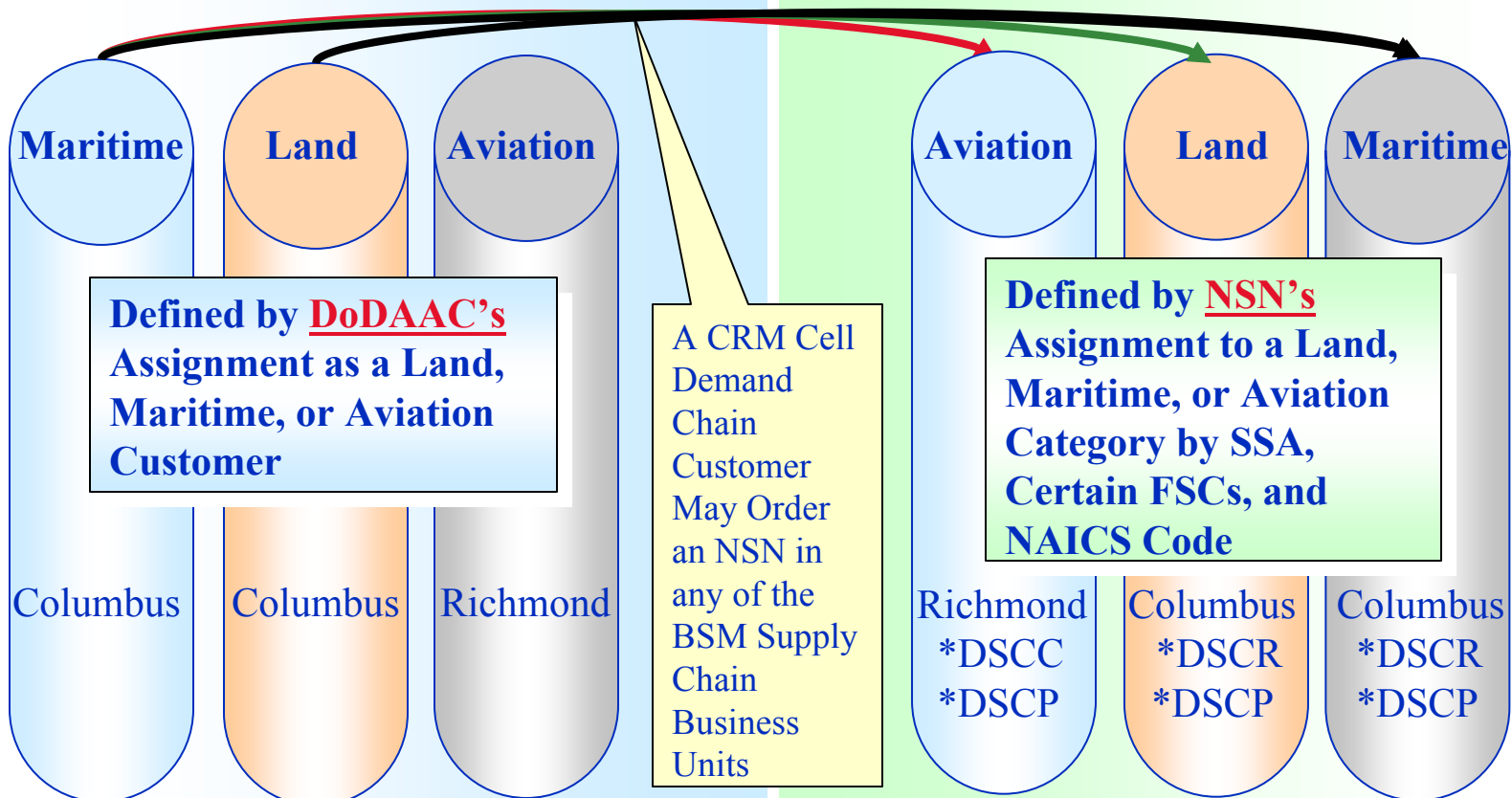


**Demand Chain  
(Left Side)**

**Supply Chain  
(Right Side)**

**Customer Operations:  
CRM Cell “Demand” Chains**

**Supplier Operations:  
BSM Supply Chains**



\* Detachments



# DSCC Supply Chains



## Land



- Wheeled Vehicles

- Tracked Vehicles



- Batteries



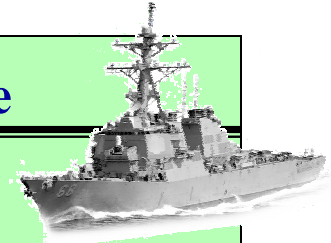
- Nuts & Washers



- Converters



## Maritime



- Valves/Hardware



- Fluid Handling



- Electronics



- Bearings



- Motors



- Packing/Gaskets

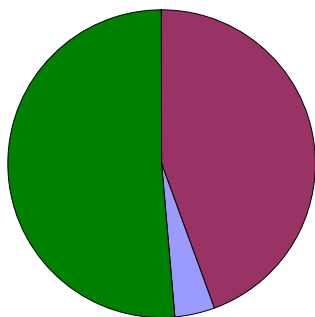




# Supply Chain NSN Distribution



## Land Supply Chain (NSNs)



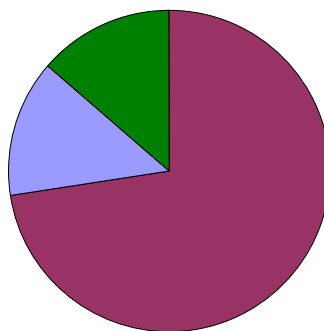
**Total = 349,342**

**Columbus = 155,182**

**Richmond = 14,642**

**Philadelphia = 179,518**

## Maritime Supply Chain (NSNs)



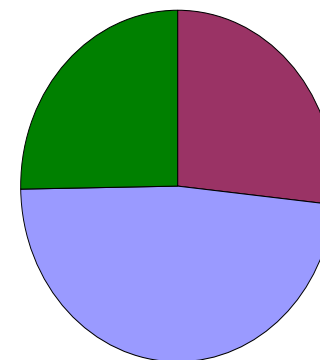
**Total = 1,494,599**

**Columbus = 1,083,845**

**Richmond = 206,134**

**Philadelphia = 204,620**

## Aviation Supply Chain (NSNs)



**Total = 1,189,615**

**Columbus = 317,599**

**Richmond = 571,305**

**Philadelphia = 300,711**



**Columbus**



**Richmond**



**Philadelphia**



# Business Systems Modernization (BSM)

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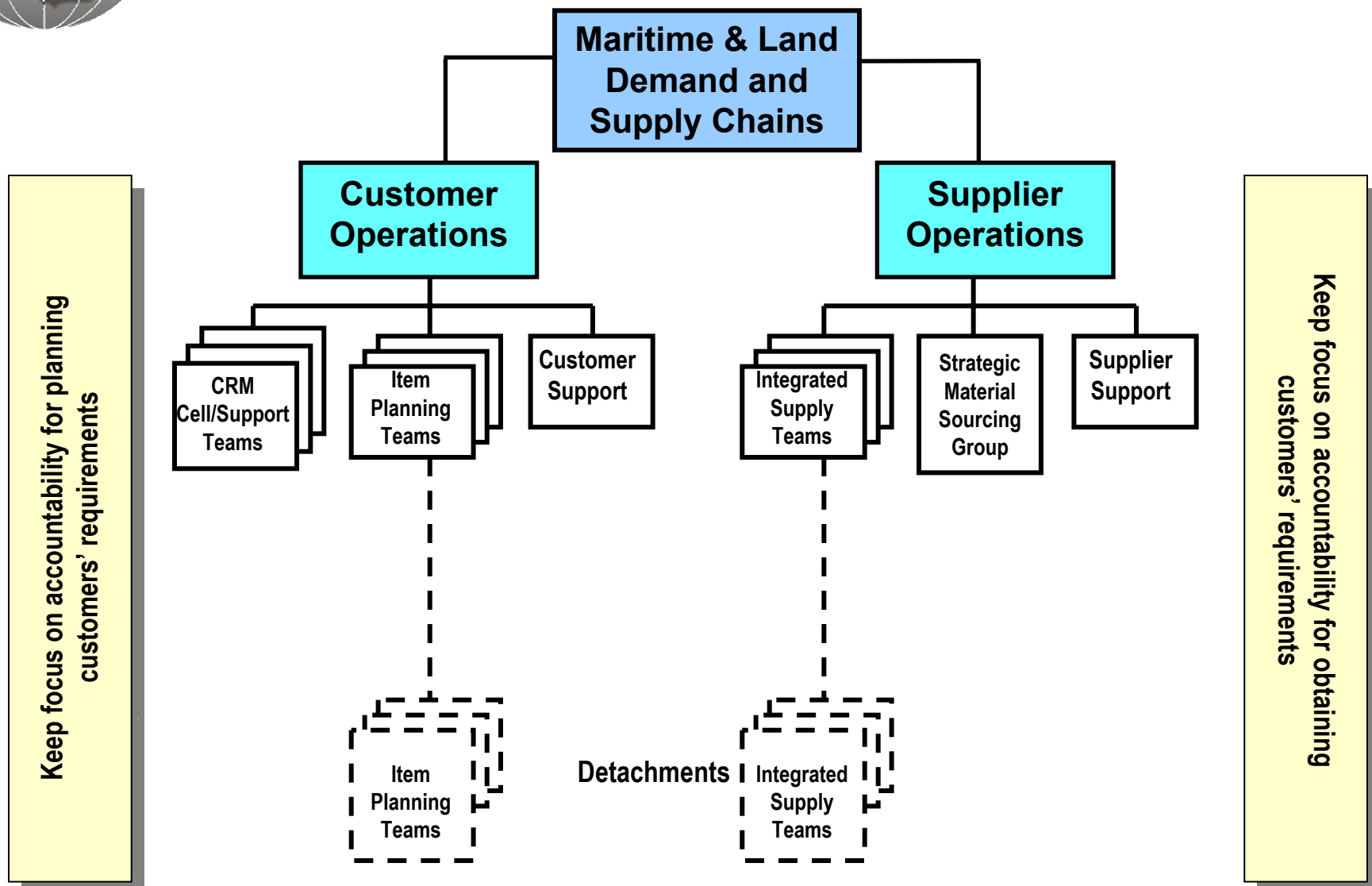
## **BSM is:**

- **Major Transformation Effort--Creation of an Enterprise, Massive Change For Workforce**
- **Incorporating Best Practices via Commercial-Off-The-Shelf (COTS) Based Tools**
- **Replacement of Our 30-Year-Old Materiel Management Systems ... and Our Processes Which were Embedded in Those Systems**
- **The Core of DLA's Enterprise Architecture**





# BSM Organization Model

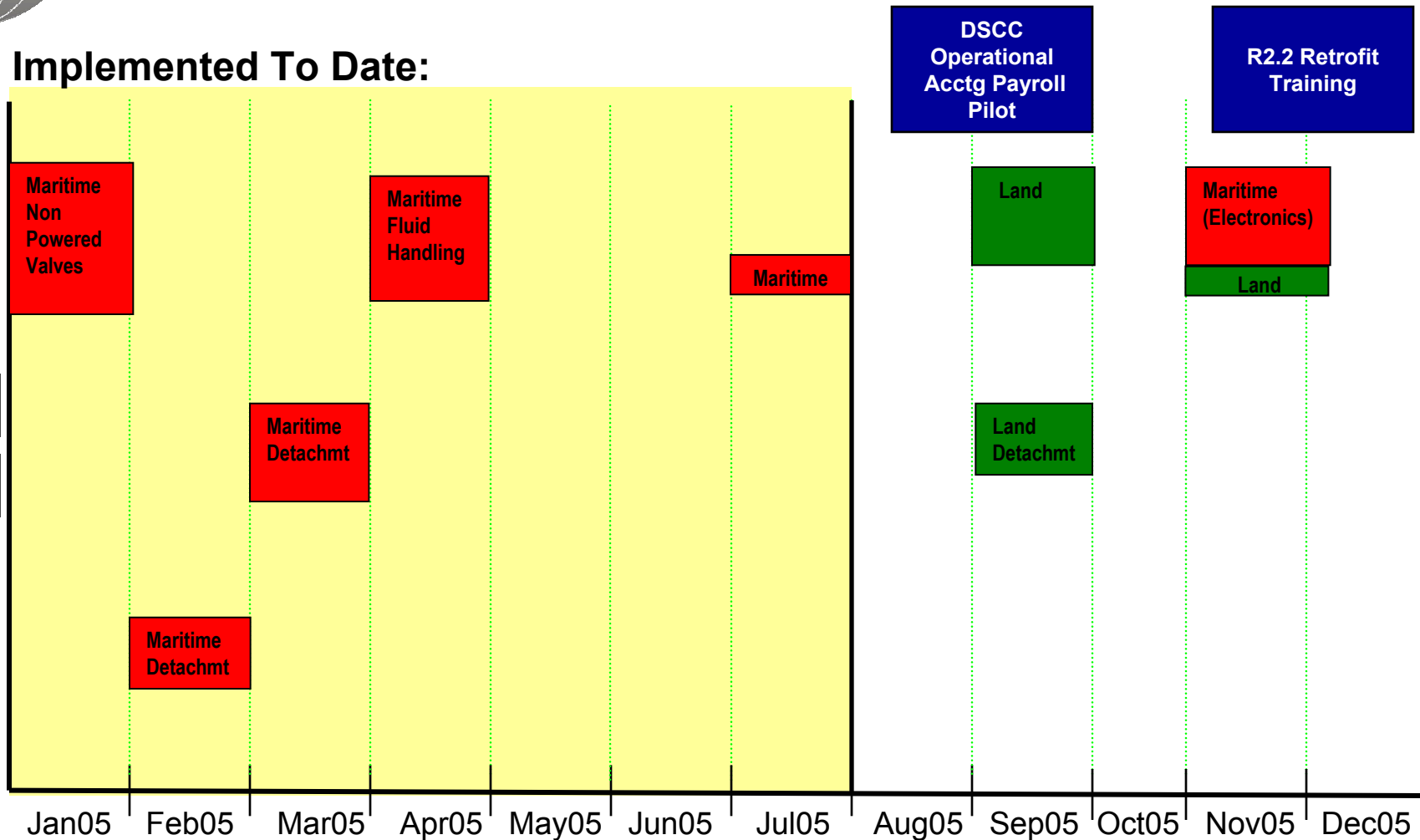




# Supply Chain Rollouts Through Dec 05



## Implemented To Date:



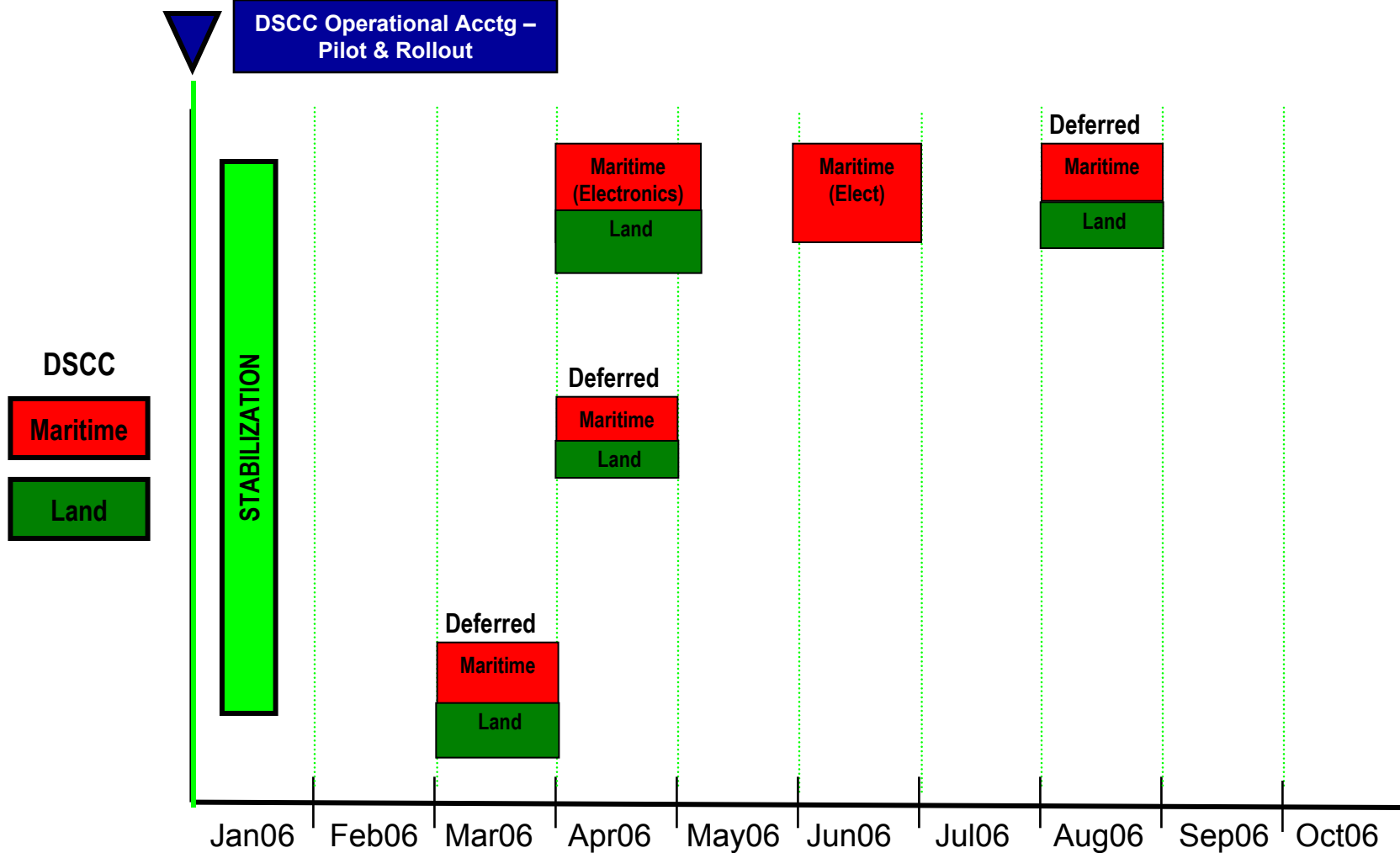


# Supply Chain Rollouts From Jan 06 – Sep 06



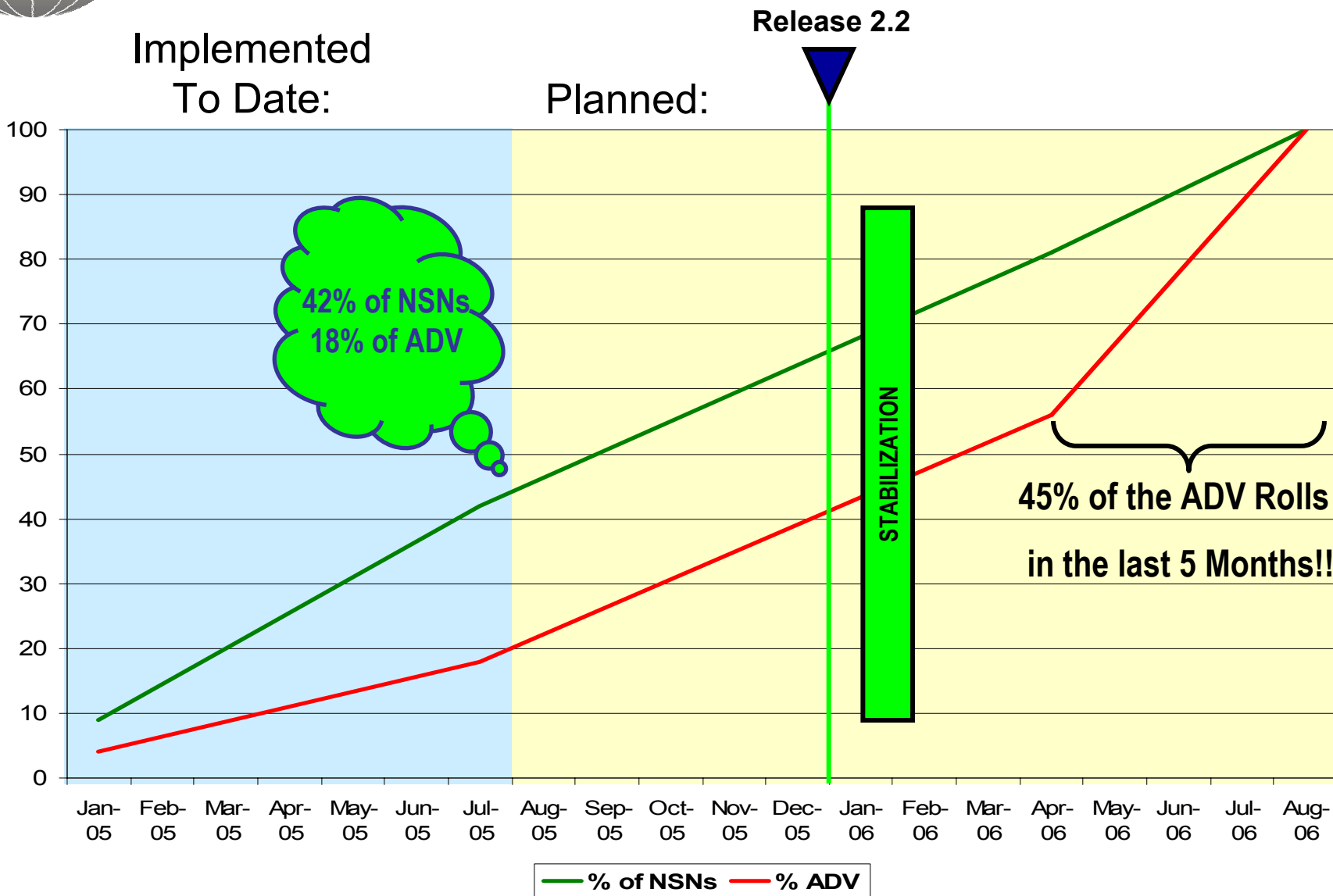
Release 2.2

DSCC Operational Acctg –  
Pilot & Rollout





# BSM Rollouts Hardware Supply Chains





# Customer Relationship Management (CRM)



**Customer Relationship Management**  
*CRM...It's about the customer!*

**Industry/  
Commercial**

*"CRM is the bundling of customer strategy and processes, supported by the relevant software, for the purpose of improving customer loyalty and, eventually, corporate profitability."*

**"Customer  
Loyalty"**

**Increase  
Corporate  
Profitability**

**DLA**

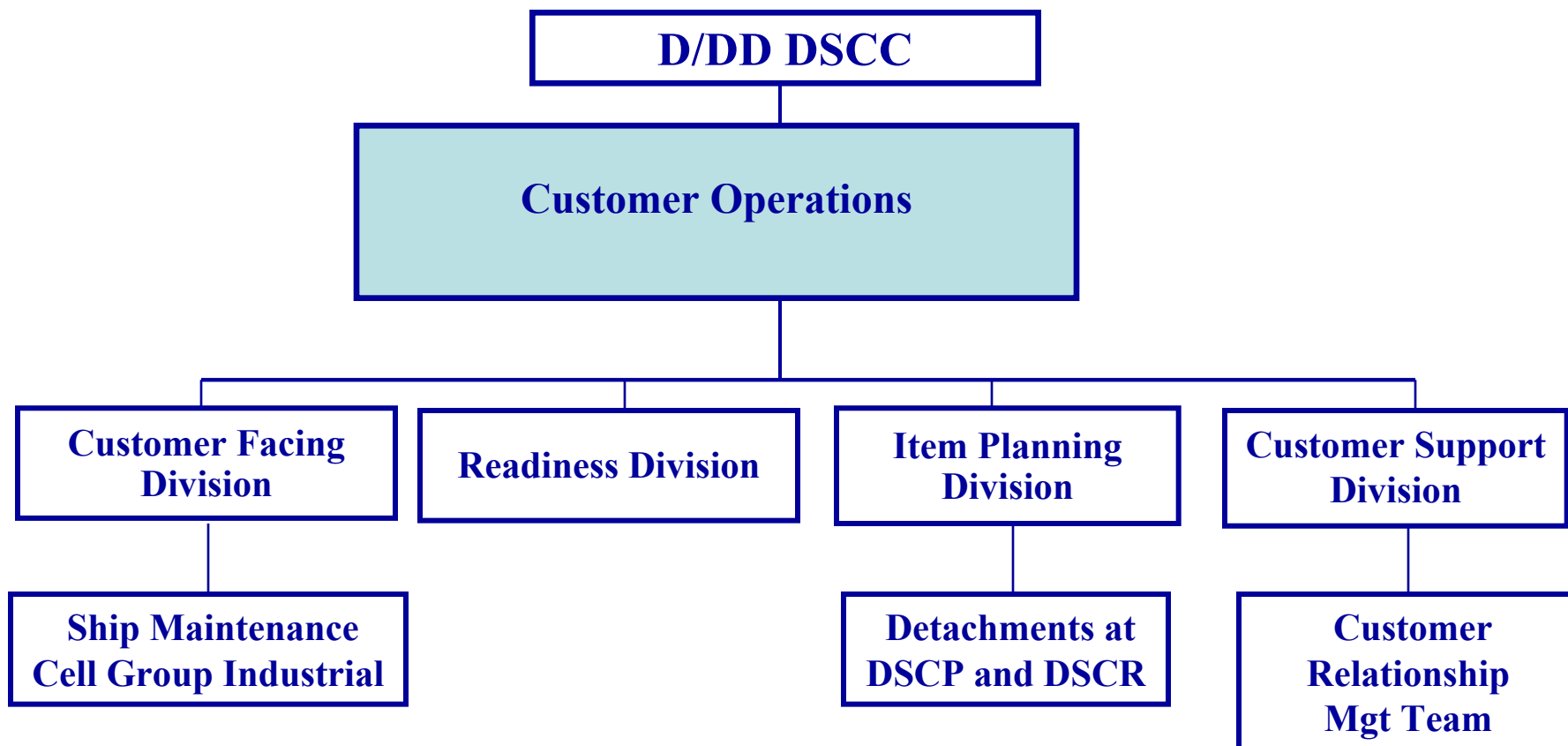
*"A customer focused strategy comprised of people, processes, and tools for setting and meeting mutual expectations that optimize value for both the customer and DLA."*

**"Customer  
Focus"**

**Increase  
Customer  
Readiness**

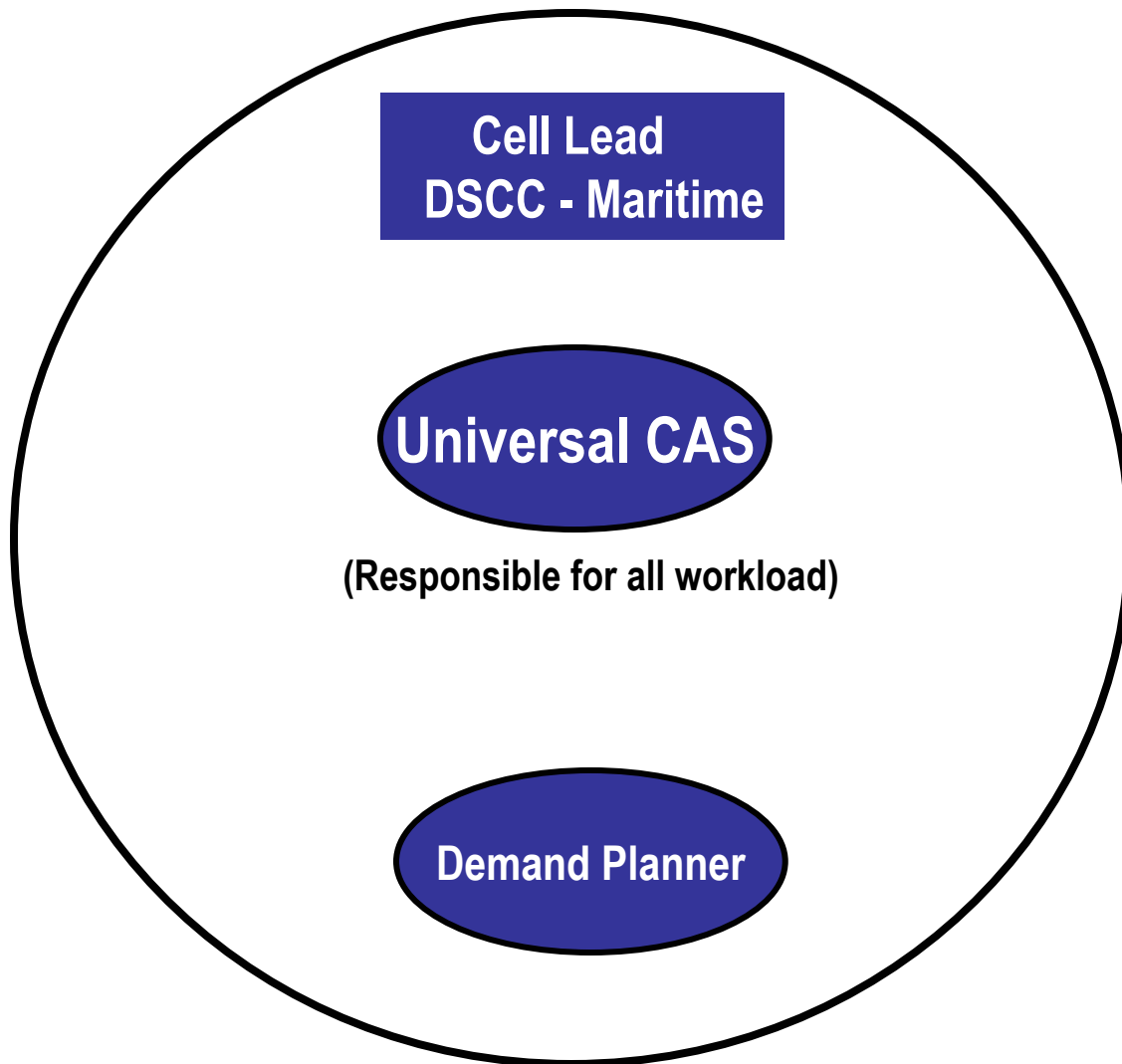


# Demand Chain Structure





# Ship Maintenance Cell Group Industrial



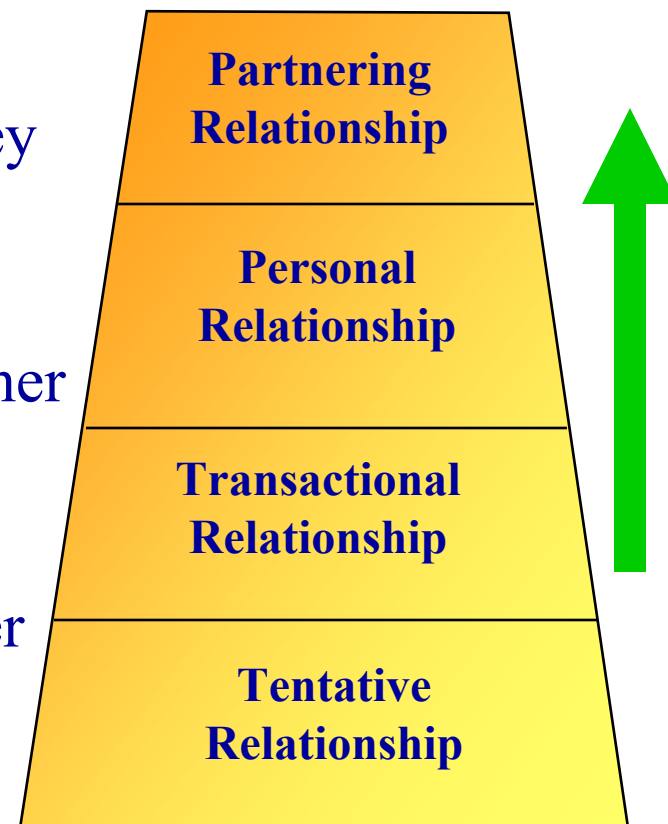




# Supplier Relationship Management (SRM)



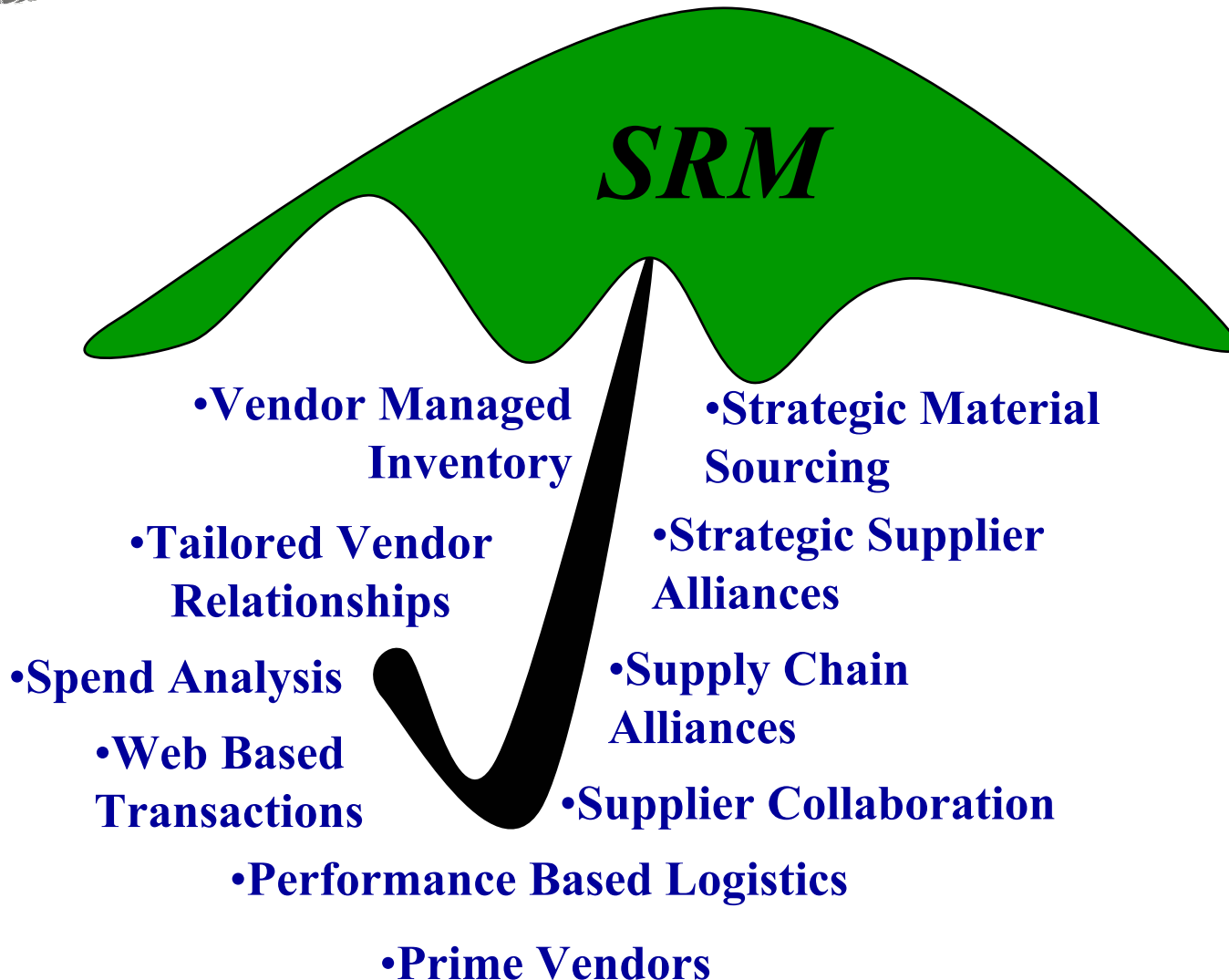
1. Shift from Managing Supplies to Managing Supplier Relationships
2. Build Appropriate Partnerships with Key Suppliers
3. Create Competitive Advantage by Bringing New, Better and More Customer Centric Solutions to Market
4. Evaluate and Manage Supplier Capabilities to Meet DLA and Customer Objectives
5. Better Monitoring of Supplier Relationship



**Bottom Line – DLA / SRM is Working to Increase Support to the War-fighter.**

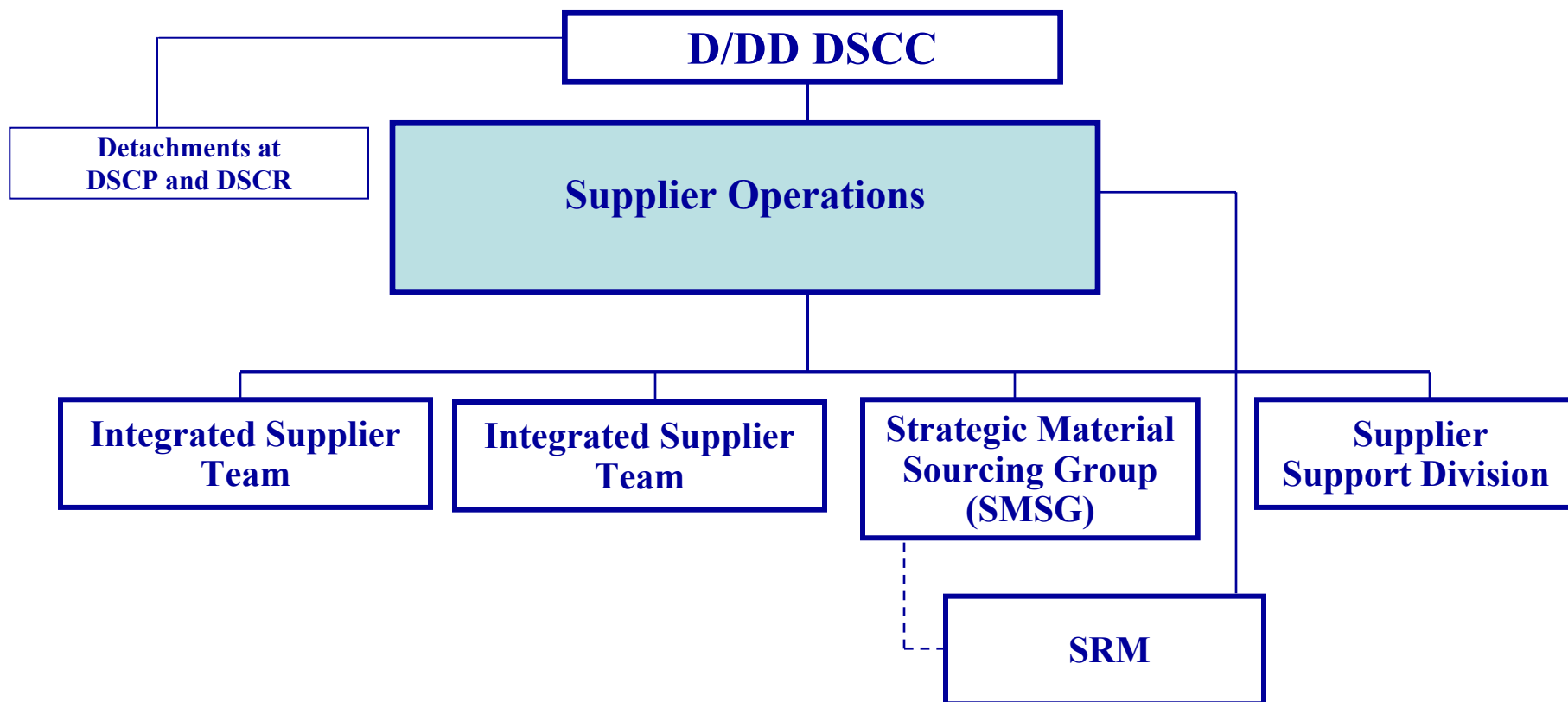


# DLA's SRM Portfolio





# Supply Chain Structure





# Why SRM?



- **Dilemma: FY06 Program Quantity Increases From 7500 to 11,220**
- **Results (NSNs):**

<u>Supply Chain</u>	<u>Black</u>	<u>Red</u>	<u>Orange</u>	<u>Percentage</u>
Land	49	219	76	32%
Maritime	25	132	40	19%
C&E	1	15	10	3%
Aviation	9	44	9	6%

**Black – Existing Backorders or Out-of-Stock Within 30 Days**

**Red – Backorders Expected With 31-60 Days**

**Orange – Backorders Expected Within 61-90 Days**

**Can Only Solve with Agile, Strong Relationships!**



# Visit Our Breakout Sessions

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- **DoD EMALL Demonstration/Overview**
- **Distribution Planning & Management System (DPMS) Demonstration**
- **DFAS – Your Financial Partner @ Work**
- **Radio Frequency Identification (RFID)**
- **DCMA Mission & Functions**



# Visit Our Breakout Sessions

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- **DSCC Small Business Program**
  - Sourcing Initiatives
  - Overview of Automated Acq Programs/Systems
- **Land Supply Chain**
  - Overview
  - Contract Award & Administration
- **Maritime Supply Chain**
  - Overview
  - Contract Award & Administration



# Exhibits / Booths

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- **16 Government Exhibition Booths**
- **56 Contractor Exhibition Booths**
- **Contract Buyer & Admin Networking Room**
- **Great Speakers**
- **Recognition For Excellence Award Ceremony**
- **Main Reception in Batelle Hall**
- ***Meet the Leaders Crosstalk***
  - **We Need Your Questions**





# Summary



- **The BSM Transition is in Full Swing**
- **Rollout of the Land & Maritime Supply Chains is a Major Step in the BSM Process**
- **CRM Further Heightens Our Focus on Increasing Customer Readiness**
- **SRM is a Major Component of BSM, and This Conference is a Great SRM Tool**
- **It All Comes Down to “Building Relationships for Freedom” and Supporting the Warfighter**