



Maritime Supply Chain Breakout Session

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August 30-31, 2005



Agenda

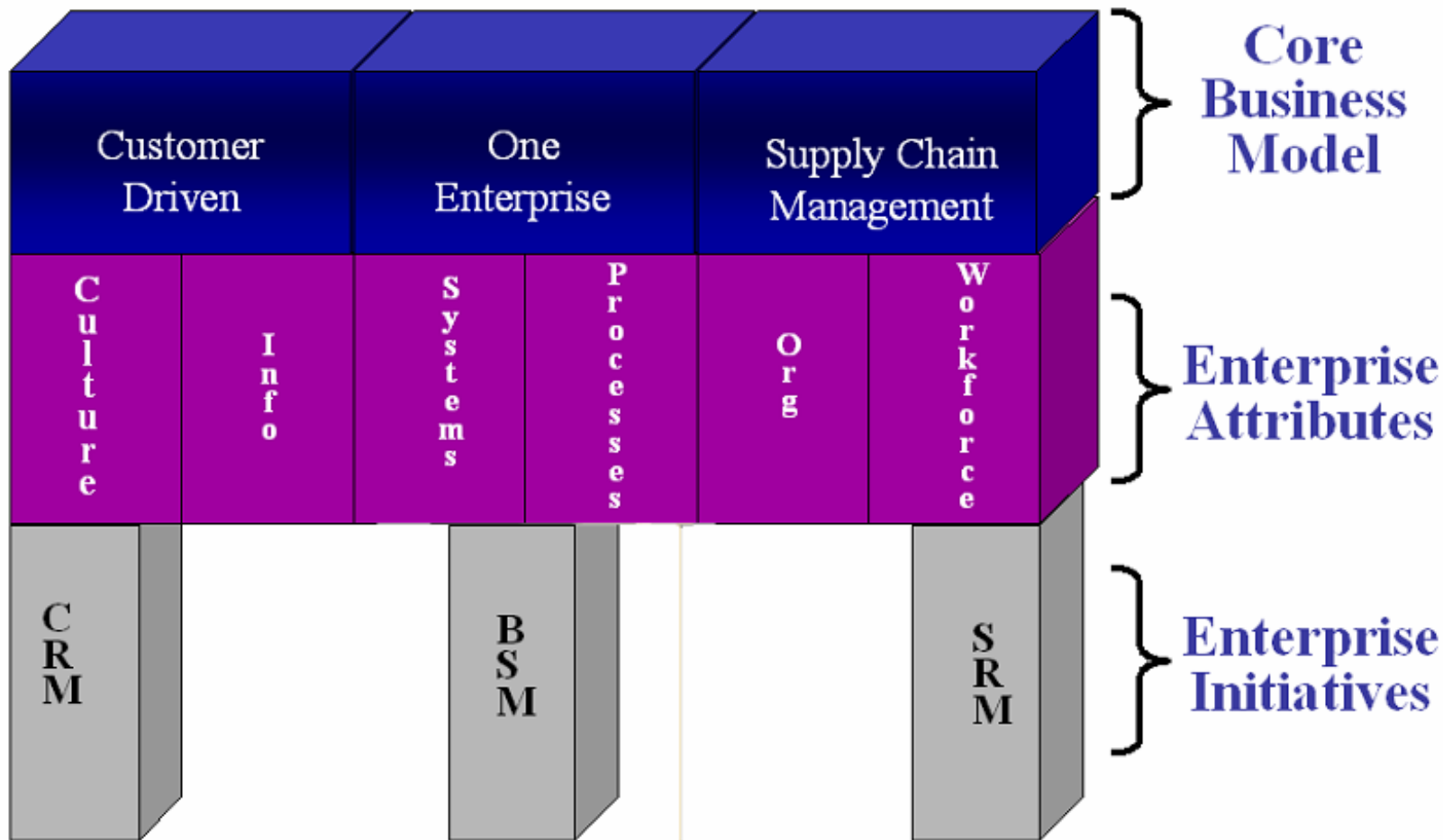


- **Transformation**
- **Maritime Supply Chain Overview**
- **Commodities Application Group**
- **Columbus Maritime**
- **Maritime Detachment – Philadelphia**
- **Maritime Detachment – Richmond**
- **Summary**



Transformation

The 100,000 Foot View



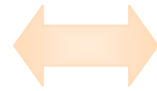


Transformation and Expansion Business Systems Modernization

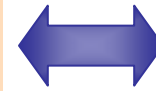


Customer Relationship Management

- Customer Insight
- Customer Service
- Emergent Problem Resolution
- Returns Management



Business Systems Modernization



Supplier Relationship Management

- Strategic Materiel Sourcing
- Strategic Supplier Alliances
- Supplier Partnering

The Vision

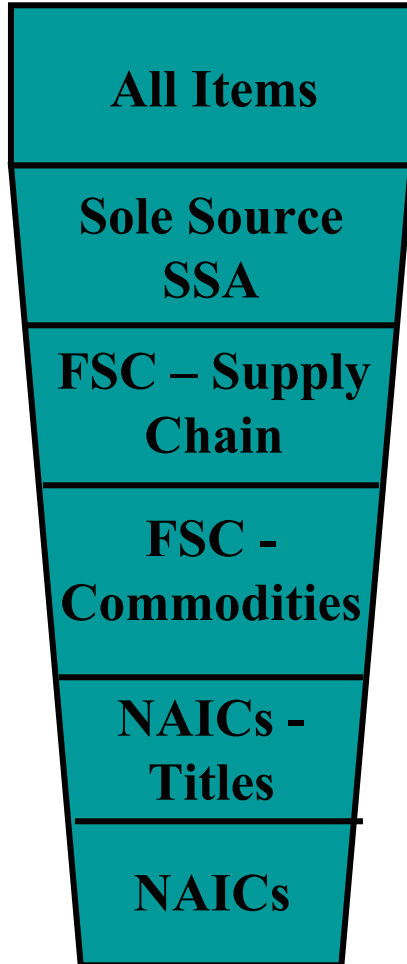
Enhance DLA and Supplier interaction based on the specific needs of a relationship in order to allocate time and resource more efficiently to best support the warfighter.



Supply Chains



Supply Chain Assignment Rules



- **Sole Source items assigned to Supply Chains based on parent or associated CAGEs identified in SSA**
- **Assigned to Supply Chains based on nature of the FSC**
- **Items assigned to C&T, C&E, Subsistence & Medical**
- **Assigned based on WSDC or \$ customer demand**
- **Entire Level 2 NAICs assigned based on NAICs title**
- **Assigned based on WSDC or \$ customer demand**



The DLA Enterprise... Today



FY01 Sales/Services: \$17B
FY02 Sales/Services: \$21.5B
FY03 Sales/Services: \$25B
FY04 Sales/Services: \$28B
FY05 Projection: \$31.3B

- **Land/Maritime/Missiles: \$3.2B**
- **Aviation: \$3.6B**
- **Troop Support: \$12.9B**
- **Energy: \$7.6B**
- **Distribution: \$2.8B**
- **Other: \$1.2B**

- **~95% of Services' repair parts**
- **100% of Services' subsistence, fuels, medical, clothing & textile, construction & barrier materiel**

Foreign Military Sales

- **Sales: \$813.8M**
- **Shipments: 501K**
- **Supporting 124 Nations**

Scope of Business

- **54,000 Requisitions/Day**
- **8,200 Contracts/Day**
- **#54 Fortune 500 – Above Walt Disney**
- **#2 in Top 50 Distribution Warehouses**
- **26 Distribution Depots**
- **5.2 Million Items**
- **24.7M Annual Receipts and Issues**
- **1411 Weapon Systems Supported**
- **144.0M Barrels Fuel Sold (FY 04)**
- **\$14.6B Annual Reutilizations/Disposals**

People

- **21,429 Civilians**
- **528 Active Duty Military**
- **668 Reserve Military**
- **Located in 48 States/28 Countries**



Maritime Supply Chain Business Profile



Scope of Business

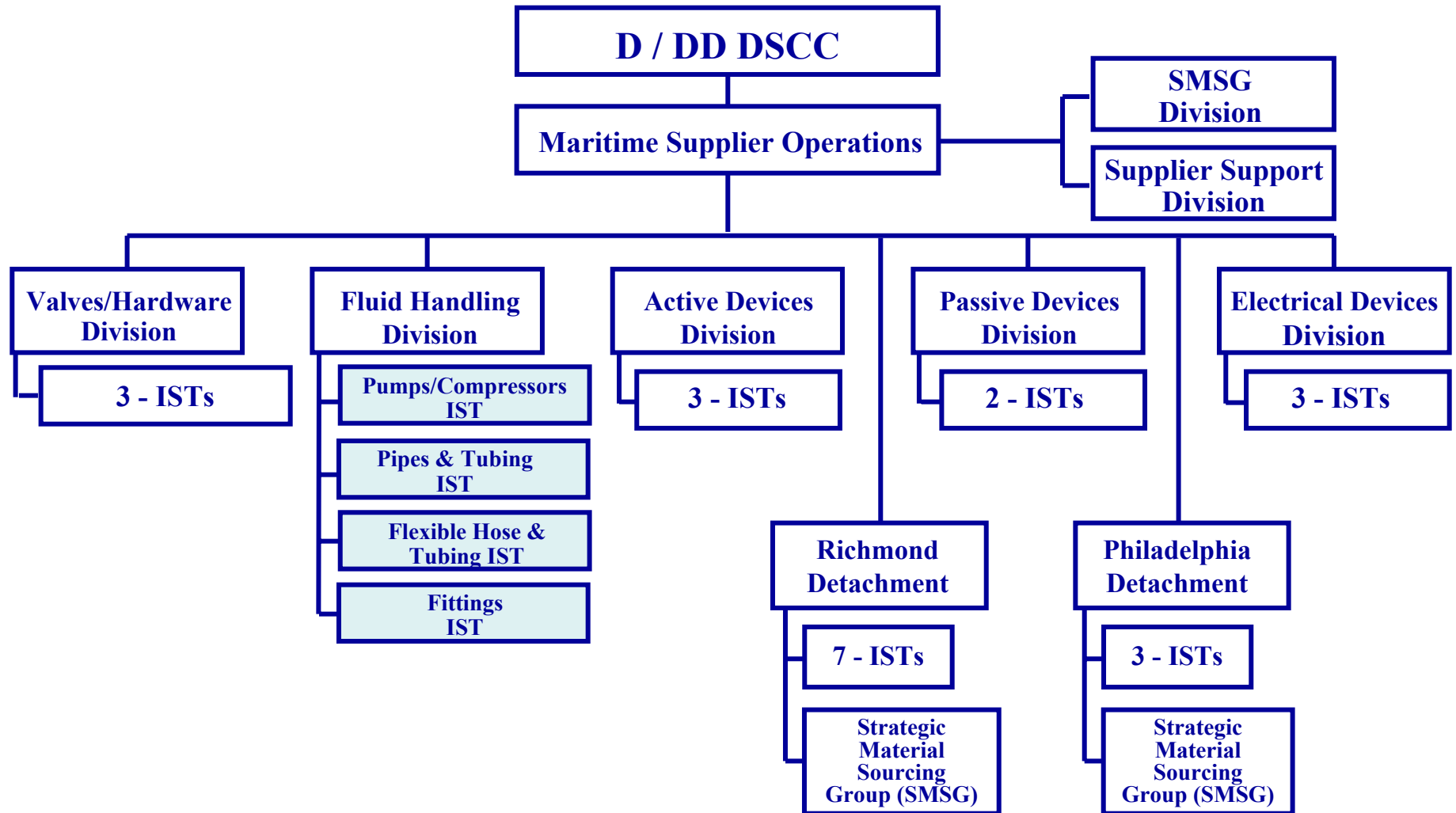
- 4.7 Million Requisitions per Year
- 341,000 Contracts per Year
- 1,495,000 NSNs
- \$1.7B Sales

People

- 1,548 Civilians
- 9 Active Duty Military
- 3 Reserve Military



Maritime Supplier Operations





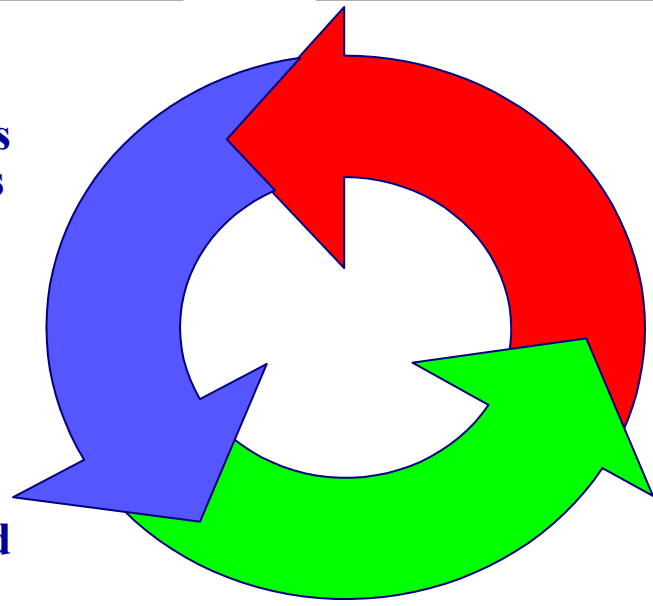
Supplier Relationship Management ICP Infrastructure



Supplier Relationship Manager

- Primary POC for supplier
- Initiates, develops and monitors partnerships with key suppliers
- Identifies improvement opportunities
- Collaboration with Services (right-side, Supplier Operations)
- Develops logistics strategies and SSAs
- Member-SSA Joint Steering Group (JSG)
- Incorporates customer expectations
- Guidance to IST and SMSG
- Collaborates with Customer

Integrated Supplier Team



Strategic Materiel Sourcing Group

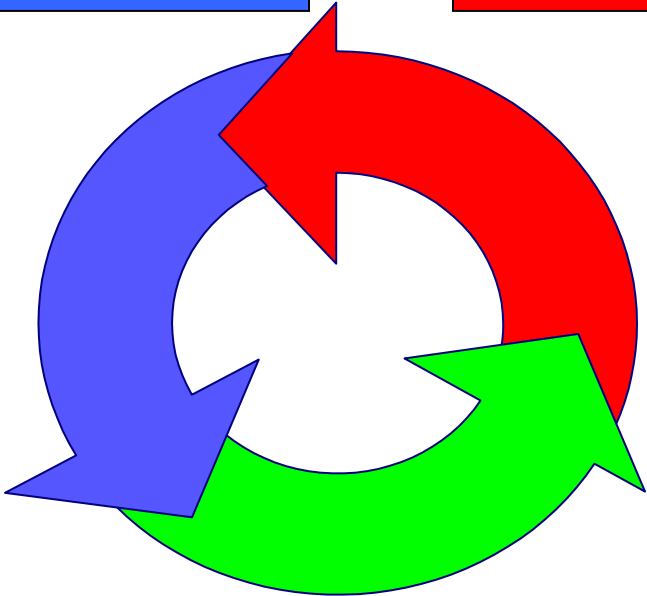


Supplier Relationship Management ICP Infrastructure



Supplier Relationship Manager

Integrated Supplier Team



Strategic Materiel Sourcing Group

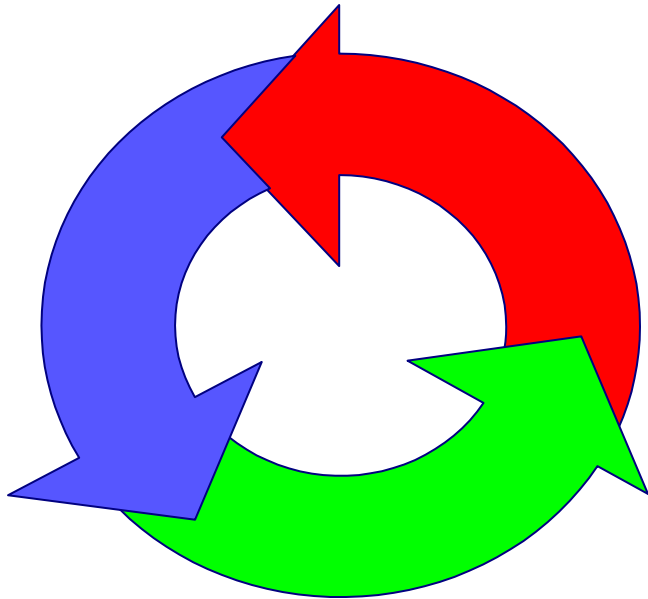
- Executes corporate contracts, competitive and sole-source LTCs
- Manages and executes SMS plans and objectives
- Technical and quality review, along with monitors contract performance metrics



Supplier Relationship Management ICP Infrastructure



Supplier Relationship Manager



Strategic Materiel Sourcing Group

Integrated Supplier Team

- Executes and administers contracts- Transactional, LTCs and SSAs
- Technical and quality review
- Supply planning
- Develops and Monitors Key Performance Indicators (KPIs) and Balanced Score Card (BSC)
- Collaborates with (left side, Customer Operations)
- Serves on the JSG and Improvement Team
- Included in representation across the Enterprise when required
- Works with the SRM in collaboration with the Services



Supply Relationship Management Initiatives



- **Strategic Supplier Alliances**
 - **Dresser Rand**
 - **Warren Pump**
 - **Raytheon**
 - **York**
 - **Marotta Controls**
- **Supply Chain Alliance**
 - **Clarcor Co.**



Benefits



SRM provides for DLA:

- Integration of suppliers into business processes for improved execution
- Improved management of relationships with key suppliers
- Partnering opportunities with counterparts in supplier organizations for issue resolution
- Strengthened customer confidence that mission requirements will be met

SRM provides for Suppliers:

- Reduction in costs
- Better communication leading to better supply management and fewer out of stock and overstocked items
- Relationship driven, qualitative and quantitative feedback on actual performance
- Improved operational execution through improved communication



BSM Roll-Out Maritime Supply Chain



| | Jul05 | Aug05 | Sep05 | Oct05 | Nov05 | Dec05 | Jan 06 | Feb06 | Mar 06 | Apr 06 | May 06 | Jun 06 | Jul 06 | Aug 06 |
|-------------|--------------------------|-------|-------|-------|--------------------------|-------|---------------|-------|---|---|--------|--------------------------|--------|---|
| MSC | 38% NSN 28% ADV | | | | 58% NSN 47% ADV | | STABILIZATION | | 63% NSN 66% ADV | 79% NSN 83% ADV | | 91% NSN 89% ADV | | 100% NSN 100% ADV All Users |
| DSCR | | | | | | | | | 100% NSN 100% ADV All Users | | | | | |
| R 2.1.3 | ▲ | | | | | | ▲ | | | | | | | |
| DSCP | | | | | | | | | | 100% NSN 100% ADV All Users | | | | |
| R 2.1.3 | ▲ | | | | | | ▲ | | | | | | | |



Commodities Application Group



“We Support the War Fighters”



**CAPT Mike Robinson *SC, USN*
Director**



Who We Are



- **David Glasscoe - Chief, Active Devices Unit**
 - Microcircuits
 - Semiconductors
 - Electronic Assemblies & Post Awards
 - Diminishing Manufacturing Sources
- **Ernie Reid - Chief, Electrical Devices Unit**
 - Relays, Wires & Cable
 - Switches & Post Awards
- **Robert Heber - Acting Chief, Passive Devices Unit**
 - Transformer, A-10, & Post Awards
 - Resistors & Misc
 - 21N – Navy Nuclear Support
- **CDR Patrick Blesch - Chief, Electronic Support Unit**
 - Antennas, Fuses & Circuit Breakers
 - Fire Control, Fiber Optics & Post Awards
- **CDR Patrick Blesch - Acting Chief, Corporate Unit**
 - Tailored Support Unit (TSU)
 - Weapons Systems/Admin Support
 - PACE (Procurement Automated contract Evaluation)
 - Long Term Ctr (LTC)
 - Diminishing Manufacturing Sources and Material Shortage Program (DMSMS)



Commodities Product Lines

Major FSCs



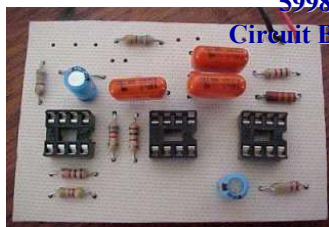
5930

Switches



5945

Solenoids



5998

Circuit Board



5965

Headsets/Handsets



5935

Connectors



5985

Antennas



6625

Volt Meters

FSC
5985

Nomenclature

Antennas, Waveguides
Related Equipment

Monthly
Gross Sales

\$7.1M

Switches

\$6.4M

5930

Connectors, Electrical

\$5.6M

5935

Relays, Solenoids

\$3.7M

5960

Electron Tubes

\$3.1M

5998

Electronic Assemblies,
Boards & Cards

\$3.0M

6145

Wire and Cable, Elect

\$2.7M

6625

Electrical Test Equip.

\$2.2M

5965

Headsets, Handsets

\$2.1M

5962

Microcircuits, Electronic

\$1.9M

5999

Misc. Equipment

\$1.5M

June 2005



Commodities Product Lines

Minor FSCs



FSC

5950

Coils, Transformers

5915

Filters & Networks

5925

Circuit Breakers

1240

Optical Sight & Range
Equip

5961

Semiconductor Devices &
Associated Hardware

5905

Resistors

5990

Synchros & Resolvers

5996

Amplifiers

5980

Optoelectronic Devices &
Associated Hardware

FSC

5910

Capacitors

5920

Fuses, Arrestors,
Absorbers & Protectors

1440

Launchers, Guided Missile

5955

Oscillators, Piezoelectric
Crystals

5895

Misc Communication Equip

1430

Guided Missile Remote
Control Systems

1290

Misc Fire Control Equip

5963

Electronic Modules

6060

Fiber Optic Interconnectors

1220

Fire Control Computing
Sights & Devices

June 2005



5915
Filters

5910
Capacitors



5950
Transformers, Coils





Supplier Initiatives



- **Long-Term Contract Coverage of Business Drivers**
- **Indefinite Delivery Purchase Order Activities**
- **Diminishing Manufacturing Sources And Materiel Shortages**



Columbus Maritime





Who We Are



- **Ann Bradway - Director**
- **CDR David Peters - Deputy Director**
- **Linda Johnson - Valves/Hardware Division**
- **LCDR Brian Baldus - Fluid Handling Division**
- **Ken Rumbaugh - SMSG Division**
- **David Glasscoe - Supplier Support Division**

**Contract Admin
performed in
Supplier Support
Division**



Maritime Supply Chain Product Lines



Valves/Hardware

FSC

Nomenclature

- 1710 Barrier & Barricade Equipment
Aircraft Arrest
- 1720 Aircraft Launching Equipment
- 1730 Aircraft Ground Servicing
Equipment
- 2010 Ship & Boat Propulsion
Components
- 2030 Deck Machinery
- 2040 Marine Hardware & Hull Items
- 2090 Misc. Ship Marine Equipment
- 4810 Powered Valves
- 4820 Non Powered Valves

Fluid Handling

FSC

Nomenclature

- 4310 Compressors & Vacuum Pumps
- 4320 Power & Hand Pumps
- 4330 Centrifugal, Separators &
Pressure & Vacuum Filters
- 4710 Pipe & Tube
- 4720 Flexible Hose & Tubing
- 4730 Hose Pipe & Tube Fittings &
Specialties

Plus 10 More



Initiatives



- **Maximize Long-Term Contract Coverage of Sales and Demand Drivers**
- **Continue Building Upon SSA and SCA Partnerships**
- **Auto Indefinite Delivery Order Functionality in BSM**
- **Support for Customer Focused LTC Arrangements**



Maritime Detachment Philadelphia





Who We Are



- **Roger Dixon - Director**
- **CDR Ronald Kocher - Deputy Director**
- **Frank Madeja - Chief, Maritime Division**
 - **Michael Tarkett – Chief, Sea Hardware IST**
 - **Linda Middleman – Chief, Packing/Gasket/O Ring IST**
 - **Ruth Herman – Chief, Packing/Gasket/O Ring IST**
- **Marvin Rosenbaum - Chief, Supplier Support Division**
 - **Strategic Material Sourcing**
 - **Strategic Supplier Alliances**
 - **Post Award & Automated Buys**



Maritime Detachment Philadelphia



Major Federal Stock Codes

260,000 NSNs

- 5330/31- Gaskets, O rings, Packing
- 5355 – Knobs, Dials, Pointers

Major Program Initiatives

- Maritime Weapon System Support
- Nuclear Reactor Program (NRP)
- Maritime SMSG
- Corporate Contracts





Initiatives



- **Strategic Material Sourcing Program**
 - Long-term Contract Initiatives
 - Socio Economic Program Support
 - Strategic Supplier Alliances

- **Automated Evaluation and Award processing**
 - DIBBS
 - Fast PACE



Maritime Detachment Richmond



MARITIME SUPPLY CHAIN

Bearings

Motors

Maritime Instruments

Maritime Miscellaneous

Maritime Strategic Supplier Alliance



“Haze gray and underway”



Who We Are



- **Pat James - Director**
- **Deny Coley - Deputy Director**
 - **Maritime I – Kim Hansen**
 - **Bearings I IST Lead – Darrel Borum**
 - **Bearings II IST Lead – Russell Wells**
 - **Bearings III IST Lead – Kent Ennis**
 - **Maritime II – Mike Kuszmaul**
 - **Maritime II Deputy – Julia Roquemore**
 - **Motors IST Lead – John McCloud**
 - **Maritime Instruments IST Lead – Martha Tuck**
 - **Maritime Miscellaneous IST Lead – Ernestine Minor**
 - **Maritime SSA IST Lead – Emma Pfieffer**





Richmond Product Lines



● Maritime I

- FSCs
 - 3110 Bearings, Anti-friction, Unmounted
 - 3120 Bearings, Plain, Unmounted
 - 3130 Bearings, Mounted

● Maritime II

- 160+ FSCs, Some of the Major Ones are:
 - 5940 Lungs, Terminals and Terminal Strips
 - 5975 Electrical Hardware and Supplies
 - 5995 Cable, Cord and Wire Assemblies
 - 6105 Motors, Electrical
 - 6110 Electrical Control Equipment
 - 6130 Power Conversion Equipment, Electrical
 - 6150 Misc. Electrical Power, Solar Elec. Power Sys., Fuel Units Components and Access
 - 6650 Optical Instruments
 - 6680 Liquid and Gas Flow, Liquid Level, and Mech. Motion Measuring Instruments
 - 6685 Pressure, temp. and Humidity Measuring and Controlling Inst.



Initiatives



- **“Reducing Friction Around The World!”**
- **JIT Bushing Initiative with Hill AFB**
- **Market Basket & Corporate Contracts**
- **Performance Based Incentive Fee Contracts**
- **Test Group for Automated IDPOs**
- **Foreign Bearing Waivers**



Summary



- **“One DLA” for increased effectiveness, improved support to the warfighter**
- **DLA transformation moving to full speed**
- **Maritime Supply Chain reaches across the agency to provide best support to the warfighter**
- **Committed to relationship building with our customers and suppliers**