

J-6 Information Operations

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The Need for Asset Visibility

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The DLA Enterprise

FY01 Sales/Services: \$17B FY02 Sales/Services: \$21.5B FY03 Sales/Services: \$25B FY04 Sales/Services: \$28B FY05 Projection: \$28.7B

Land/Maritime/Missiles: \$2.7B

Aviation: \$3.4B

Troop Support: \$11.9B

• Energy: \$7.0B

Distribution: \$2.6B

Other: \$1.1B

~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
- #55 Fortune 500 Above Northrop Grumman
- #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
- 615 Reserve Military
- Located in 48 States/28 Countries

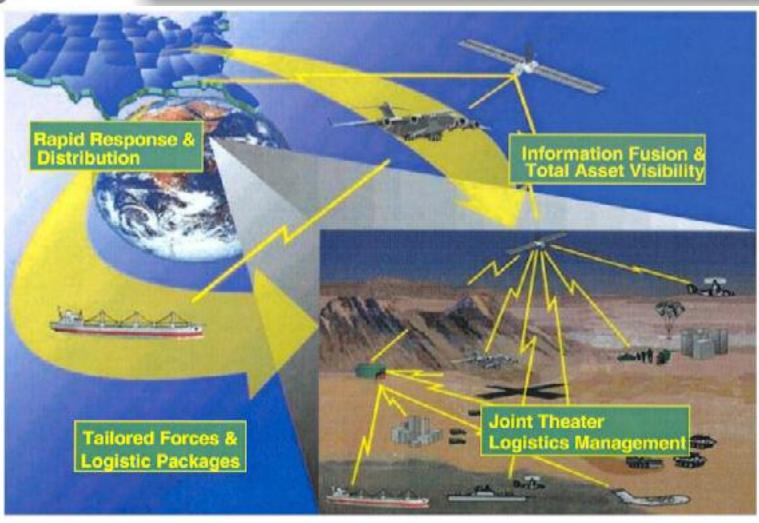


What Drove the Need for Improved Asset Visibility?

- Based on logistics deficiencies identified during Operation Desert Storm in 1990/91
 - "Mounds of materiel"
 - Inability to find items or modify distribution in support of military operations
 - Led to over-ordering of assets
- Improvement mandated by DOD for mid-1990's and was primarily implemented via Joint Total Asset Visibility (JTAV)
 - Continued enhancements stressed via logistics war games
- Despite improvements, a need for further enhancements was identified during Operation Iraqi Freedom
 - Material and personnel still arrive in theater without adequate advance information, or an ability to track through the last tactical mile
 - "Pure pallets" and an on scene distribution center prototype helped ...
 but full asset visibility still needed



Asset Visibility is Vital in Achieving Desired Results for Focused Logistics



"Sense and Respond" logistics support



What is DLA Doing to Support the Asset Visibility Requirement?

- DLA has operated Joint Total Asset Visibility (JTAV) for DOD since 1998
 - DLA's Integrated Data Environment (IDE) will provide Asset
 Visibility (AV) as a replacement for JTAV by September 2005
- DLA has also operated the Automatic Identification Technology (AIT) Office for DOD since 1999
 - AIT supports the capturing of key DOD Logistics Data ...
 e.g, through RFID, etc.
- DLA is leading efforts to implement RFID at DOD distribution sites
 - And works with USTC and MilSvcs to leverage RFID in the field

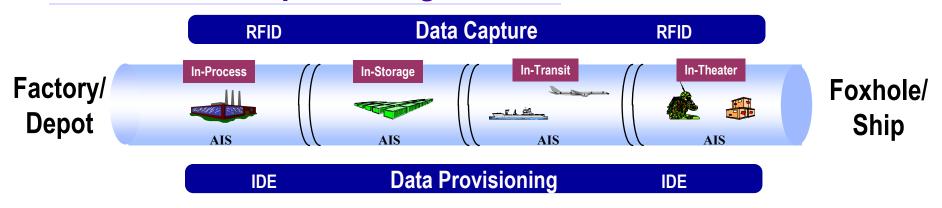


The Impact of IDE

As JTAV is replaced by IDE AV, users, customers, and process owners will be provided timely and accurate information on the location, movement, status, and identity of units, personnel, equipment and supplies

This facilitates the capability to act upon that information to improve overall performance of DoD's logistics practices

"Sense and Respond" Logistics

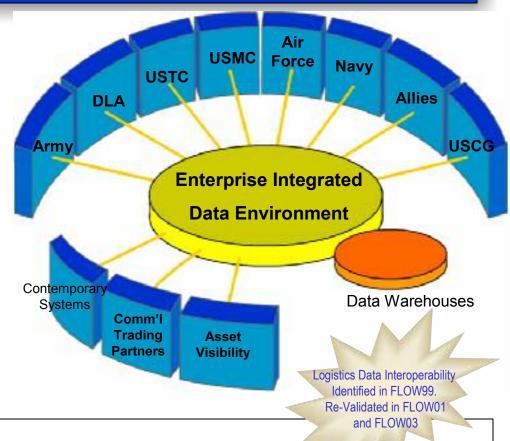




How Else Does IDE Contribute to Asset Visibility and Overall Interoperability?

Vision

The DOD Logistics Enterprise is executing practices, processes, applications, and decision support in an integrated logistics data environment, thereby achieving logistics data interoperability within a Net-Centric Community of Interest (COI)



TODAY

- Stovepipe Systems
- High Cost
- Limited Data Interoperability



TOMORROW

- Eliminate stovepipes
- Lower costs (reduced interfaces)
- Enable system-wide interoperability



RFID's Benefits to Asset Visibility and Across the Entire Supply Chain

Manufacturers/ **Suppliers**

Distribution **Centers/Depots** POEs/PODs

Transportation/Su pply/

> Theater Depots/TDCs

Customers











Initial benefit areas

Improve Intransit and Asset Visibility

Improve Shipping/Receiving/Transportation Timeliness

Improve Shipping/Receiving/Transportation Accuracy

Reduced Costs

Improved Inventory Mgt

Other benefit areas

Improved Inv Mgt

Improved Labor Productivity

Pipeline Reduction

Reduced Pipeline

Reduce NISs

Speed Payment Process

Eliminates dup

Automated Receipt and Acceptance

Automated Receipt

Reduce Shrinkage

Reduce Shrinkage

Demand/Information Flow



Why RFID now?

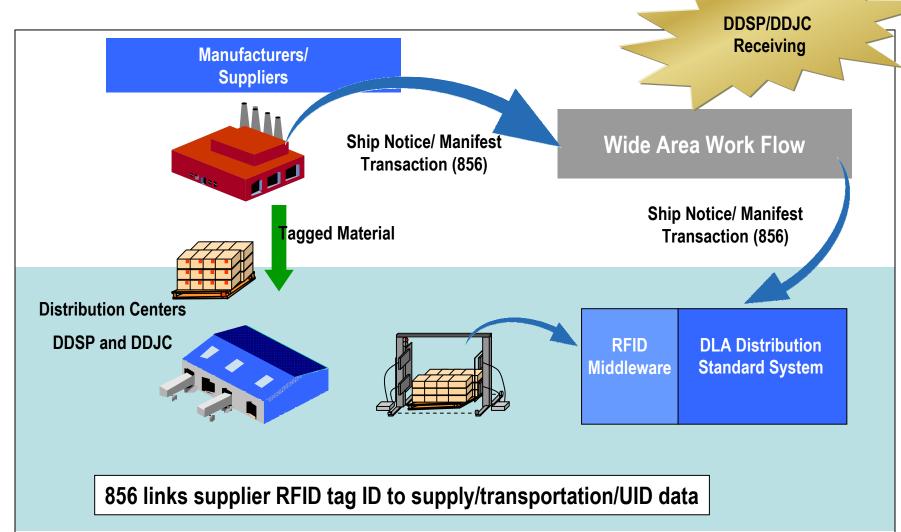
Timing is right...

- To capitalize on emerging supply chain technologies
- To influence direction and cost of the technology
- To make the standards work for us
- To significantly help in enhancing Asset Visibility





CY 05 RFID Focus at DLA Distribution Centers





Bottom Line



- Asset Visibility is vital to logistics responsiveness and overall warfighting readiness and sustainment
- DLA provides several key enablers that impact both static and in-transit asset visibility