

DoD Distribution Challenges & Initiatives

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Earl Boyanton | Assistant Deputy Under Secretary of Defense (Transportation Policy) Logistics and Materiel Readiness | Office of the Secretary of Defense

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Agenda

Panelist

Focus

Earl Boyanton

Overview

Ms. Scottie Knott

**DLA Warfighter
Support**

BG(P) Charles Fletcher

**Surface Deployment
& Distribution**

Ken Gauden

Commercial Partner

Transformation is a requirement, not a goal

“To win the global war on terror, the armed forces simply have to be more flexible, more agile, so that our forces can respond more quickly.”

**United States Secretary of Defense
Donald Rumsfeld, March 6, 2003**



The static approaches of the Cold War are obsolete

Comparison Matrix

Chain Segment	Commercial Equivalent?	Inventory Features	Flow Features
Commercial Commodities	<ul style="list-style-type: none"> ■ Sears ■ Wal-Mart ■ True-Value 	<ul style="list-style-type: none"> ■ \$12 B ■ Fast moving ■ Vendor 	<ul style="list-style-type: none"> ■ High ■ Continuous ■ One way
Major System <ul style="list-style-type: none"> ■ End items ■ Repairable components 	<ul style="list-style-type: none"> ■ GE turbine ■ Caterpillar dealer ■ IBM mainframe 	<ul style="list-style-type: none"> ■ \$66 B ■ Slower moving ■ Higher value ■ Readiness critical 	<ul style="list-style-type: none"> ■ Lower ■ System dependent ■ Two way
Deployed Forces	<ul style="list-style-type: none"> ■ NONE 	<ul style="list-style-type: none"> ■ Varies situation & commodity ■ Thin safety stocks 	<ul style="list-style-type: none"> ■ Enormous ■ Intermittent ■ Multi-Directional

Comparisons with commercial shippers understate the complexity of DOD logistics

Defense Transportation Coordination Initiative

- **“As Is”**
 - **Thousands of autonomous DoD CONUS shippers and destinations**
 - **Multiple information systems**
 - **No centralized planning, coordination, or control**
- **“To Be” – Nationwide Coordinator**
 - **Leverage proven processes and supporting IT, commercial capabilities, and best practices**
 - **Develop a new business model for the movement of domestic freight shipments**
- **Improve service with corollary dollar savings**

Today's freight distribution systems & processes will not be adequate to meet the needs of tomorrow's Warfighter

The Way Ahead

- ✓ **Active Process Management (APM)**
 - **Supply Chain tool – sense and respond to anomalies**
 - **Pilot project succeeded – keeper!**
- ✓ **Continuous Improvement (CI) initiatives**
 - **LEAN, Six Sigma, “The Toyota Way”**
 - **Depots, shops, distribution system**

Operational Improvement through Best Practices – with Savings

Private Sector Contribution

> 90% of our traffic is moved via commercial partners

