

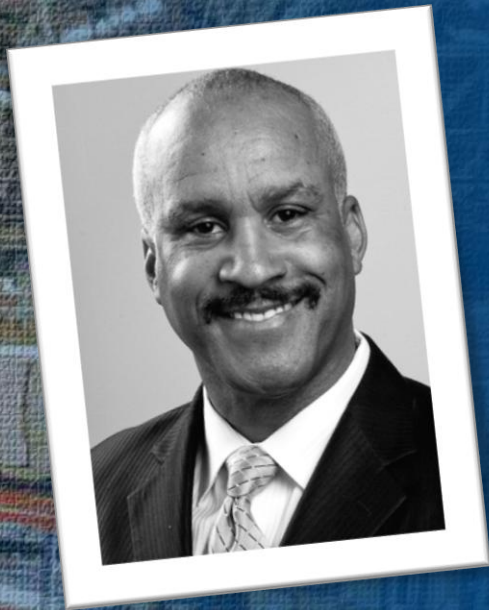


**IMPROVING ACQUISITION & PERFORMANCE  
THROUGH MANAGEMENT,  
METHODS & MEASURES**

**ZACH PARKER | PRESIDENT & CEO, DLH SOLUTIONS  
A TeamStaff, Inc. (TSTF) Company**

# ZACH PARKER, CRE

## Chief Executive Officer



- 25 years DoD / Government services
- Systems Engineering, Logistics and Info Technology
- Weapons Systems, Civil Systems, Healthcare
- Achieved CMMI and ISO 9001 certifications
- Extensive Readiness experience including RM&A



**Affordability Track**



# Agenda

- **Theme / Overview**
- **DoD Focus**
- **Systems Engineering (Integration)**
- **Work-System Model**
- **Modeling and Methods Engineering**
- **Underlying Environment**
- **Summary & Questions**

# Improve acquisition & performance of programs/systems including sustainment



## DoD ... Better Buying Power



THE HONORABLE  
ASHTON B. CARTER  
Under Secretary of  
Defense for Acquisition,  
Technology & Logistics

### *Obtain Greater Efficiency and Productivity in Defense Spending*

- Target Affordability and Control Cost Growth
- Incentivize Productivity & Innovation in Industry
- Promote Real Competition
- Improve Tradecraft in Services Acquisition
- Reduce Non-Productive Processes and Bureaucracy

2-3% Net Annual Growth without commensurate budget increases...  
“Do More Without More”

# DoD Focus

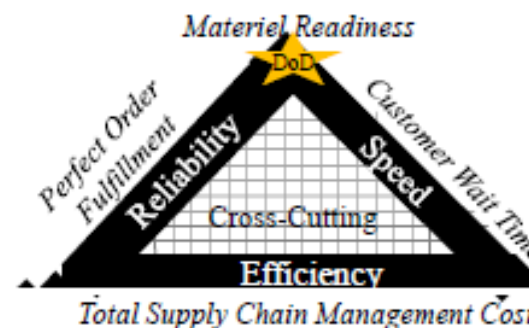


## Supply Chain Improvement Initiatives





### FY10 NDAA Inventory Management Plan

<b>INTENT</b>	Optimize inventory management through improved inventory investment, retention and disposal decisions			
<b>APPROACH</b>	Enterprise approach with actions, metrics and targets for improvement			
<b>FOCUS AREAS</b>	Optimize Inventory Management Decisions	Balance Readiness and Inventory Efficiency	Improve acquisition and retention decisions	Expand and leverage visibility across DoD
Demand Forecasting	X	X	X	
TDN/Multi-Echelon Modeling		X		X
On-Order Excess	X			
Economic Retention	X	X	X	
Contingency Retention		X		
Storage & DVD		X		
Items with No Demand	X	X	X	
Disposal			X	

### Joint Supply Chain Architecture



### Automated Information Technology (AIT)

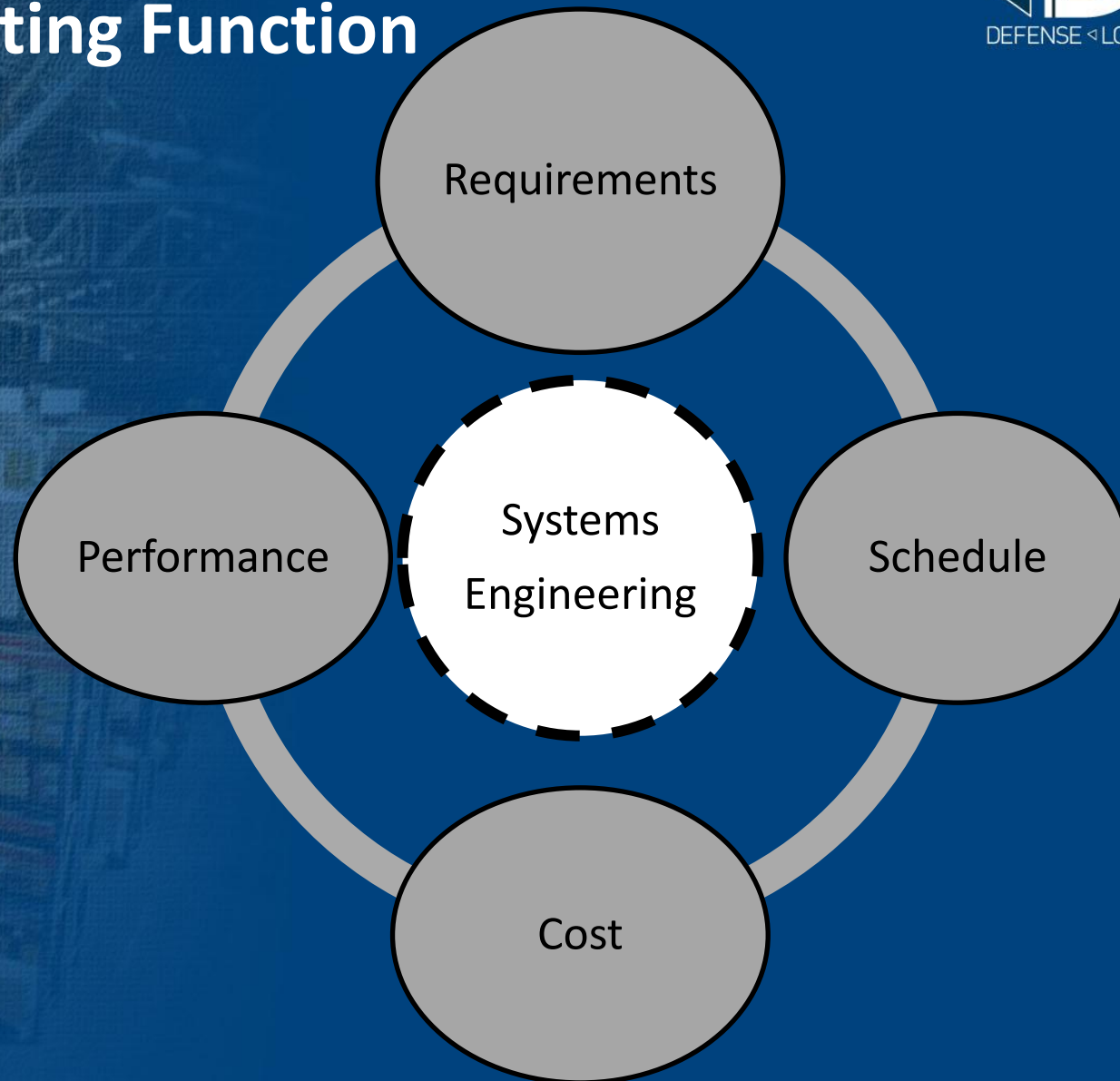
- Supply Chain High Risk 
- Actionable, measurable, Department-wide implementation of AIT to improve supply chain capability...achieve visibility...generate efficiencies
- Establish AIT metrics to improve performance and results 
- 98% of shipments to Afghanistan and Iraq tagged 
- Leveraging actionable metrics 
  - 16% to 39% productivity improvement
  - 8 days avg. reduction in CWT

### DPO Strategic Opportunities

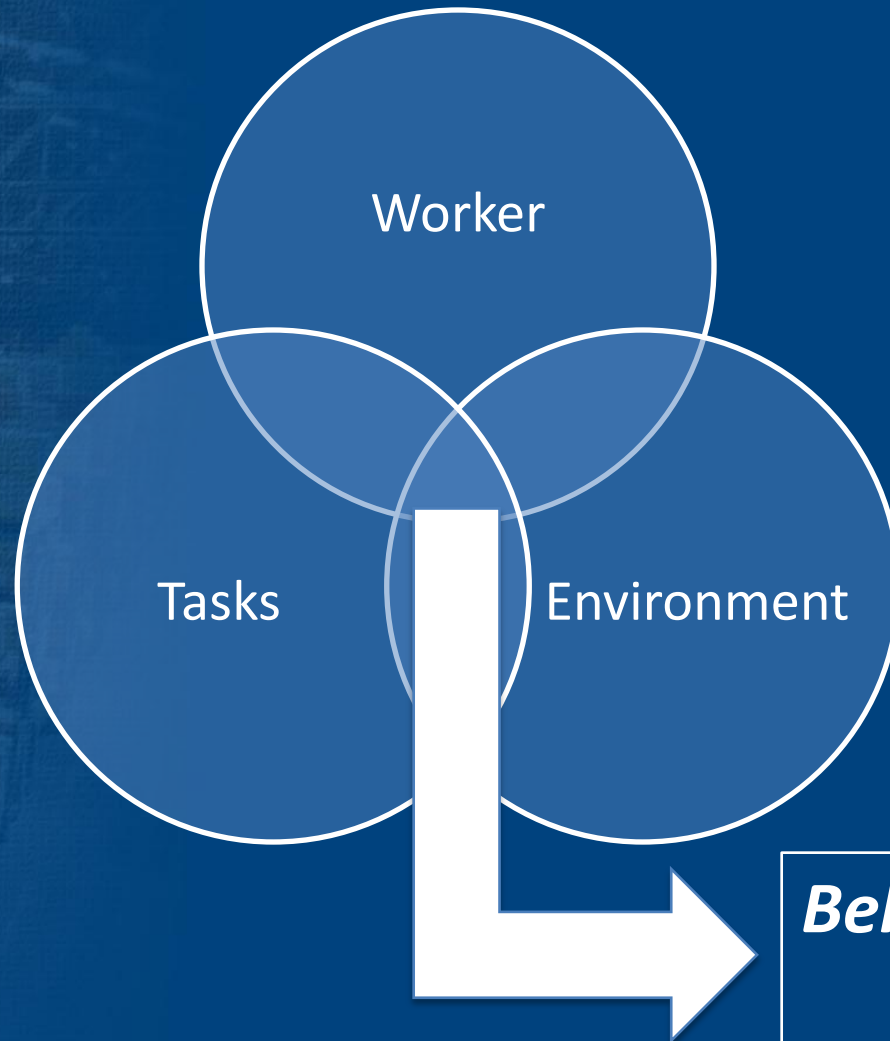
		DPO Goals (FY08-12)		Current Benefits
		Velocity (LRT)	Supply Chain Cost Savings	
TRANSOML led	Process Improvement	10-15%	N/A	PACOM: 9-29% <sup>1</sup> EUCOM: 19-39% <sup>1</sup>
	Surface Optimization	2-5%	\$250M/yr	\$124M CENTCOM: 5-30% <sup>1</sup>
	Air Optimization	5-10%	\$200M/yr	\$114M
DLA Led	Supply Alignment	2-5%	\$70M/yr	\$7M
	Strategic Network Optimization	Demonstrate same or better performance for DOD	SNO Modeling underway	<sup>1</sup> Baseline effective modeling <sup>2</sup> Identify PMR 13 underlings <sup>3</sup> High of contractors
<b>Total Estimated Benefit</b>		<b>25%</b>	<b>\$520M/yr</b>	<b>\$245M/yr</b>



# Systems Engineering Integrating Function



# Work-Systems Model





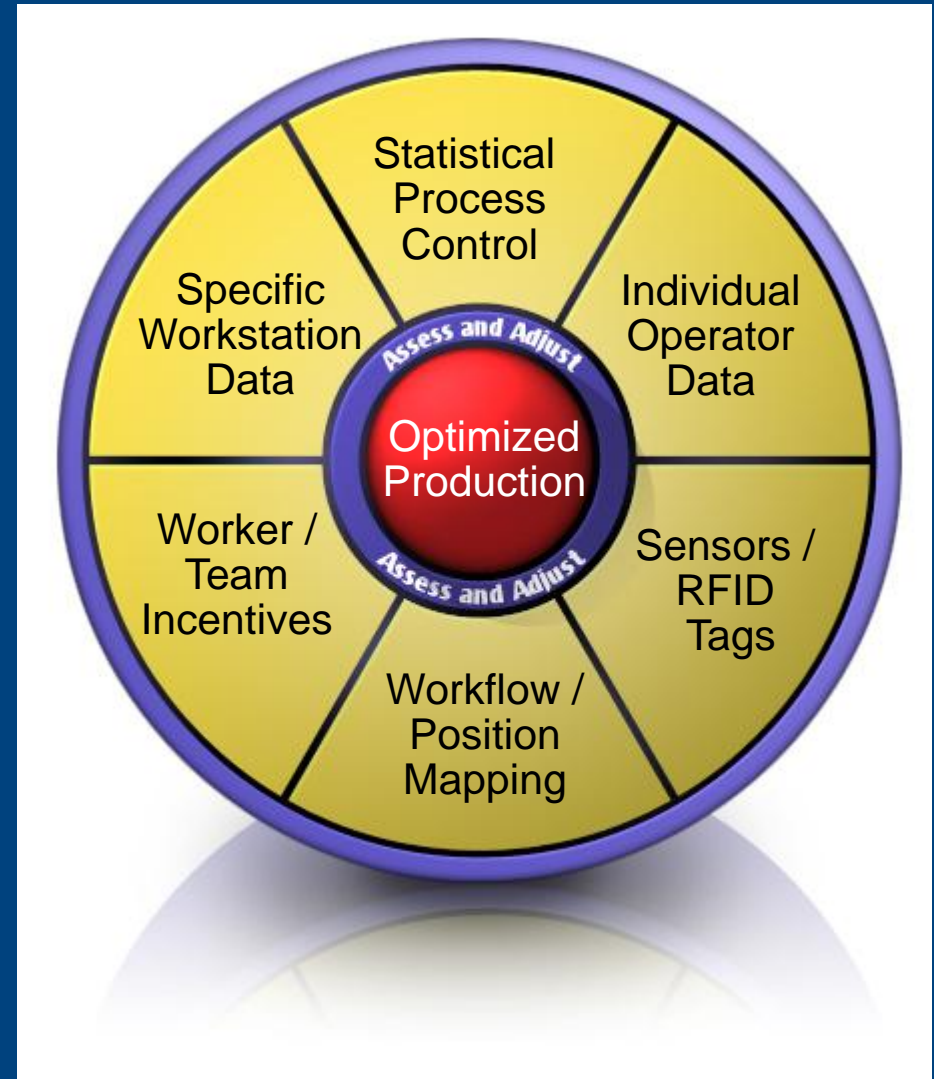
# Modeling & Methods Engineering

## A Methodology to Assess:

- Current State (multi-variable)
- Anticipated Demand
- Desired / Probable State

## Implement Data Driven Change:

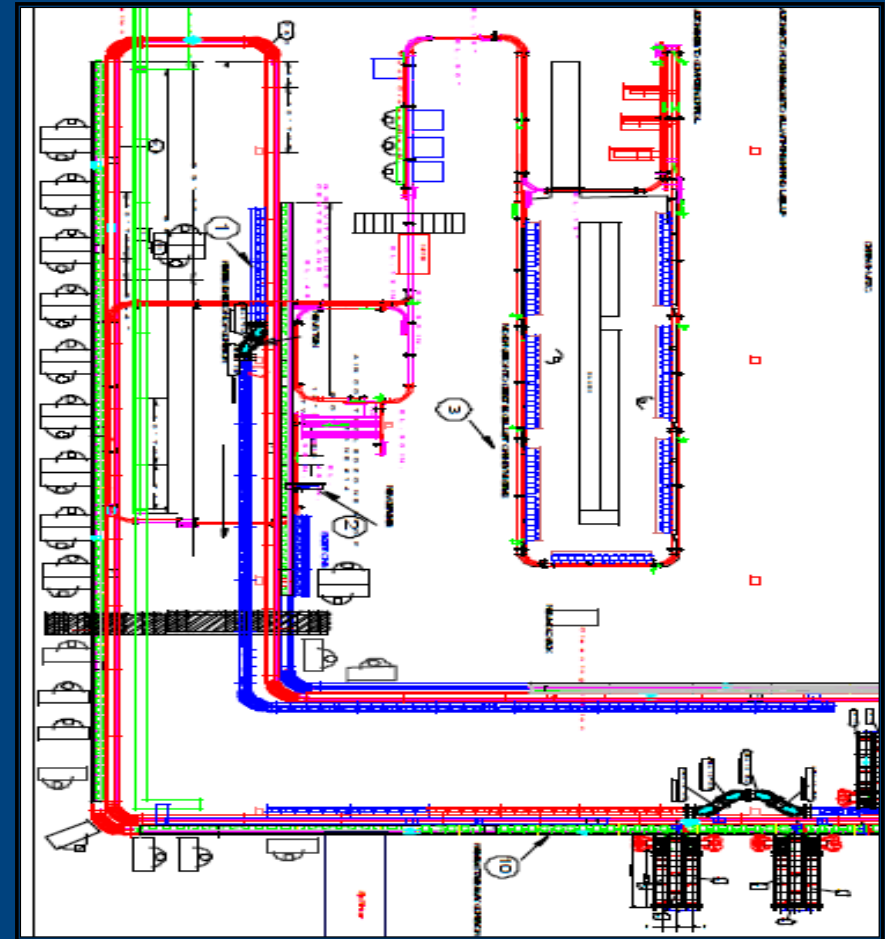
- Enhanced System Output
- Increased Productivity / Quality
- Maximize Efficiency (\$\$ / Unit)





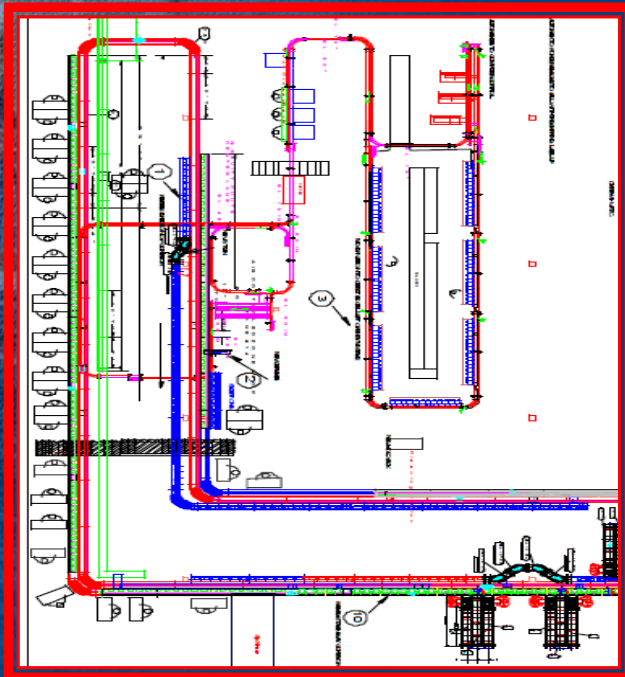
# Underlying Environment

- Inputs /Outputs
- Criterion variables
- Criterion tolerance
- Environment
- Monitoring condition
- Contingencies



# Underlying Environment

	OPR	TIME	TOTAL	AVG
9/13/2010	PACKING	Iashia Taylor	08:02:29	1796 223
9/13/2010	PACKING	Laurice Ferguson	07:15:57	1509 208
9/13/2010	PACKING	Alexis Thomas	00:18:24	63 205
9/13/2010	PACKING	Margie Brown	08:04:45	1651 204
9/13/2010	PACKING	Detrea Fleming	07:06:11	1437 202
9/13/2010	PACKING	Barbara Brown	07:24:16	1412 191
9/13/2010	PACKING	ANGELIA WHITE	06:16:04	1172 187
9/13/2010	PACKING	Shana Seabrook	06:53:52	1260 183
9/13/2010	PACKING	Louise Brown	07:03:21	1268 180
9/13/2010	PACKING	CORAZON MANINGDING	05:28:39	978 179



- Incentive Program
  - Positive / Negative
  - Individual / Team
- Discipline Program
  - Performance Factors
  - Progressive / 0 Tolerance
- Assignment & Rotation
  - Variance Analysis
- Corporate Culture



# Case Study

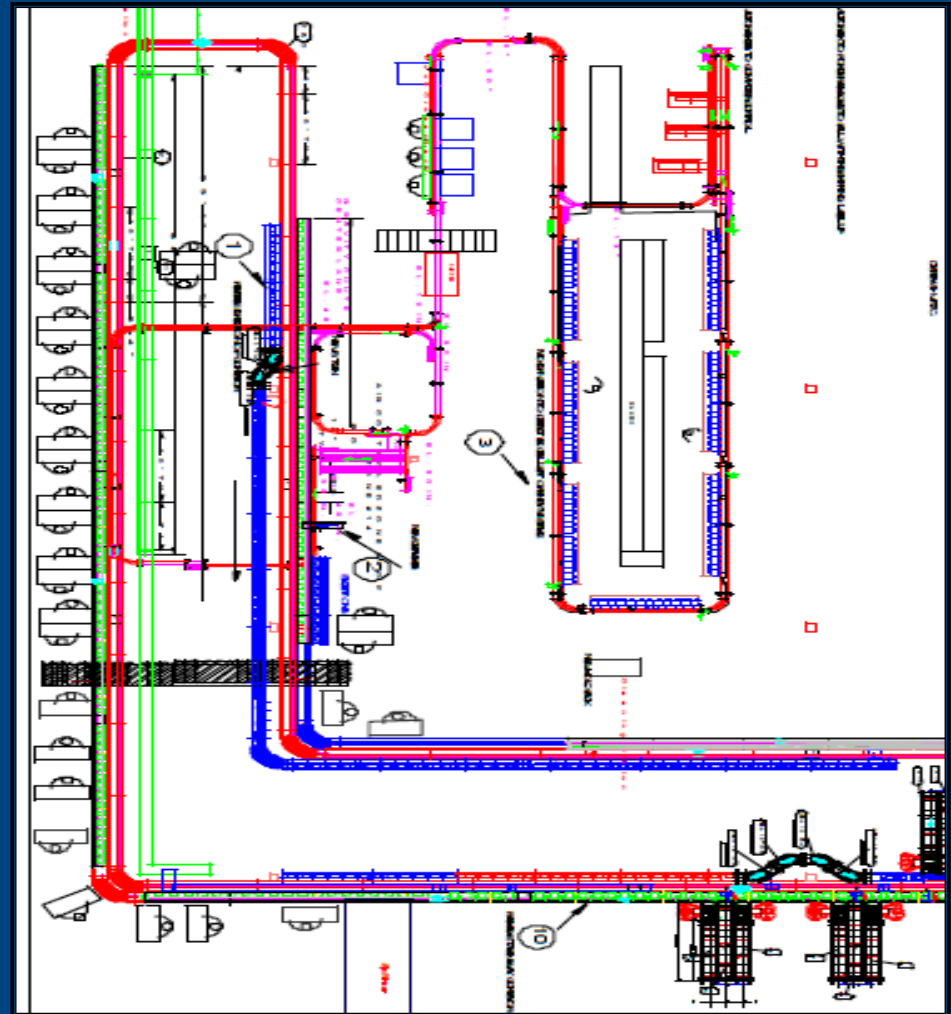
- **Scenario: Nationwide production and distribution centers facilitating 100 million transactions annually**
- **Legacy Pre-SPOT-m: Managed at the macro-level**
- **Concerns – 2007**
  - Costs were upward trending
  - Leveled performance
  - Accuracy met minimum contract requirements but did not exceed expectations

# SPOT-m – Theory to Practice

- ✓ Modified workstations
- ✓ Statistical Process Control
- ✓ Secure system
- ✓ RFID technology
- ✓ Sensors
- ✓ Line position rotation

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- ✓ Worker incentive program
  - Team performance
  - Individual performance





# SPOT-m Results

- Implemented in 2008 but continuously refined
- Now: Managed at the micro-level – defined and isolatable metrics in real-time
- Results:
  - 10% reduction in costs to the customer
  - Increased performance by greater than 10%
  - Improved accuracy (two-fold benefits)
- For the past three years implementation for government customers has contributed to recognition by J.D. Power and Associates for end-customer satisfaction.

# Summary/Questions

- **Features**
  - Applicable to any program/project/process
- **Benefits**
  - Improved performance
  - Accuracy
  - Customer satisfaction
- **ROI**



# Contact Information



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