



**DLA DISTRIBUTION OPERATING PLAN 2012  
IN SUPPORT OF  
2012 DIRECTOR'S GUIDANCE**

**WARFIGHTER-FOCUSED, GLOBALLY RESPONSIVE, FISCALLY RESPONSIBLE SUPPLY CHAIN LEADERSHIP**

# OUR PURPOSE

As America's Combat Logistics Support Agency, the Defense Logistics Agency (DLA) is responsible for providing worldwide support and collaborative leadership across the supply chain for the Department of Defense (DoD). DLA Distribution is an integral piece of this effort, providing innovative distribution solutions to the warfighter and other customers through our worldwide network.

## **DLA Mission...Warfighter Support**

**We are America's Combat Logistics Agency. We provide effective and efficient worldwide support to warfighters and our other customers.**

**DLA Distribution Mission...We provide effective, efficient and innovative distribution solutions for our customers.**

DLA Distribution maintains a network of 26 worldwide distribution centers, an expeditionary distribution capability, and a robust acquisition office that allows us to execute our mission. We receive, store, and ship materiel from various DoD supply chains. We manage and distribute maps to worldwide customers. Through our network of distribution centers, we also provide relief support to continental United States (CONUS) disasters as well as humanitarian efforts throughout the world.

Established on 1 October 1997, our mission has evolved and expanded to meet the dynamic, robust requirements of the warfighter. Today, more than 10,000 employees provide timely distribution services to customers around the globe. In 2011, DLA Distribution processed over 21 million receipts and issues supporting customer requirements worldwide, to include: Operation New Dawn and Operation Enduring Freedom, numerous humanitarian assistance missions and a multitude of military exercises to ensure warfighter readiness and sustainment.

Additionally, in 2010, we marked a historical moment in DLA history by deploying DLA Distribution Expeditionary to support contingency operations in Kandahar, Afghanistan in response to a Request for Forces from the Secretary of Defense. This unique deployable capability provides customers in theater with an agile, flexible distribution option while reducing reliance on strategic airlift.





# DLA VISION

***Warfighter-focused, globally responsive, fiscally responsible supply chain leadership***

***DLA Distribution's Commitment to Excellence...We will provide quality distribution support.***

"Excellence is accomplished through deliberate actions, ordinary in themselves, performed consistently and carefully, made into habits, compounded together, added up over time."<sup>1</sup>

Our pledge of quality distribution reinforces DLA's vision for "warfighter-focused, globally responsive, fiscally responsible supply chain leadership." We will be our customer's provider of choice for all distribution needs. To that end, we commit ourselves to excellence...a high performing culture, focused on improved distribution readiness. Right item, right quantity, right price, right place, right time...every time!

## DLA'S VALUES

- Warfighter needs guide us
- Integrity defines us
- Diversity strengthens us
- Excellence inspires us

### ***Our Workplace Ethos...***

**"Doing what is right for the Armed Forces and DoD"**

Our workplace ethos provides us with daily reminders as we continually strive to do what is right for our customers. With processes grounded in excellence, we will deliver each important step with consistency of purpose, high professional standards and expert focus.

<sup>1</sup> Dorrance, A. and Averbuch, G., *The Vision of a Champion*, 2002, Sleeping Bear Press, Chelsea, MI.



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#### **Communication**

- Keep the command informed, up and down the chain.
- Don't depend on technology to communicate...nothing takes the place of face-to-face communication. Face-to-face communication takes the guessing out of the game.
- Deliver the bad news as well as the good.
- Keep the Commander informed of what you're doing...particularly on the things the Commander has asked about.
- Don't assume that the Commander knows what you're doing.
- Shoot straight from the hip and don't sugar-coat it.
- Be transparent...don't work a hidden agenda.

#### **Customer Service**

- Know who your customer is, and what their business is. Provide what they want when they want it. Remember, there are internal and external customers.
- Find legal ways to provide unparalleled support to your customer.
- Your customer can go anywhere to get the service you provide. Make sure you become the provider of choice.
- Think out of the box...be creative.

#### **Leadership**

- Lead by example.
- Manage by Wandering Around (MBWA).
- Your people are watching you – set the example.
- Make the hard call, that's what you get paid for.
- Don't ask someone to do something that you wouldn't do yourself.

#### **Analysis**

- Don't be a reporter.
- Base your decisions on metrics...make sure you are measuring the correct thing.
- The answer is never “It's always been that way.”
- Look at small problems as indicators of larger issues...if it looks wrong, feels wrong, or smells wrong, it probably is wrong. Be alert and aggressive.
- You should never be the last to know!

#### **Processes and Work Ethic**

- Get today's work done today. Leaving something for tomorrow will double your workload.
- Information is power...be informed.
- Keep it simple...stress fundamentals.
- Work in the future, not in the past. Understand why an occurrence happened, but not after it's water under the bridge.
- You own the processes; you need to understand them better than anyone.
- Fix the problem at its core, Band-Aids don't stick in our business.

# COMMON PURPOSE: UNITY OF EFFORT, UNITY OF THOUGHT

## EXTERNAL ENVIRONMENTAL SCAN

As environmental influences force major changes within DoD, there will be far more demands for DLA Distribution. From the stakeholders' perspective, warfighter operations and readiness remain a priority despite financial reductions and budgetary constraints. As Combatant Commands (COCOMs) are tasked to revise future plans and estimates, likewise combat support agencies are increasing their planning efforts. To offset any potential effects from financial constraints, stakeholders are working closer with distribution services to identify opportunities to establish partnering arrangements. Within DLA, efforts are underway to develop alternative methods for optimizing the global distribution/disposal network and improving the supply chain.

From a customers' viewpoint, as the military services move to reset their requirements post 2014, there will still be a need to collaborate with commercial suppliers and services. National providers, such as DLA and USTRANSCOM, are exploring joint solutions across organizational boundaries that are effective and cost efficient, placing DLA Distribution directly next to customers in the battle space.

## INTERNAL ENVIRONMENTAL SCAN

Internally, the results from our October 2010 culture survey (5,375 individual comments) have provided feedback to further improve the DLA Distribution culture and the ability of our workforce to perform at full potential. The following major opportunities were identified:

- Mission: Define and communicate a long-term direction for the organization
- Adaptability: Translate demands of the external environment into local actions
- Involvement: Develop our people and create a shared sense of ownership and accountability throughout the organization
- Consistency: Define the processes, systems, and values that shape our organization

To that end, it is imperative to posture ourselves with a common purpose - to ensure unity of effort and thought - aligned with our stakeholder and customer requirements. We will focus our efforts to improve distribution performance and provide optimal support to the warfighter. We will execute a human capital strategy that delivers a diverse workforce trained, capable and ready to meet customer needs. We will look for innovative processes and technology to provide optimal services in an effective and cost efficient manner. We will engage our customers and stakeholders at all levels to ensure their needs are consistently being met.

Finally, we will continue to deliver excellence as we have in the past – exceeding customer expectations, addressing imminent requirements, and transforming how we do work – so we remain a premier distribution provider.





# BUILDING ON SUCCESS

**Our past achievements set the foundation for future success. DLA Distribution's significant accomplishments in 2011 include:**

- DLA's 26th distribution center formally established in Kandahar, Afghanistan.
- In response to USCENTCOM's Request for Forces, established an operational Theater Consolidation and Shipping Point in Deh Dadi, Afghanistan.
- Processed over 70 tons of food, almost 20,000 gallons of water and over 317 pounds of medical supplies in support of Operation Tomodachi in Japan. Over 132 tons of other material was distributed in support of military operations – supporting over 17 ships and 132 aircraft.
- Accounted for and supported 30 family members during Operation Pacific Passage.
- Created a comprehensive continuity of operations plan for the entire distribution network, ensuring critical distribution operations are sustained in an emergency or incident.
- Executed warehouse footprint reduction exceeding 15 million gross square feet supporting the 2005 Base Realignment and Closure decision. DLA Distribution completed the return of 147 full/partial buildings equaling 13 million gross square feet and allowed for the re-missioning of approximately 2.4 million gross square feet.
- Developed an operational level investment strategy and implemented a tactical level site optimization plan while shaping the organization's Sustainment, Restoration and Modernization requirements. Established a repeatable process to identify future requirements.
- Under the Mapping Support office integration, optimized the management of personnel, facilities and resources at MSO's located near 9 distribution centers.
- As part of the Integrated Distribution Strategy, completed studies and reviewed operational requirements against our physical distribution capability in AFRICOM, CENTCOM and PACOM.
- Developed an optimization strategy reducing cost and increasing operating efficiencies for storage and distribution of hazardous materials within the distribution network. Consolidating hazardous material into a single center of excellence will realize savings and cost avoidance in excess of \$30 million while reducing operating risk associated with this complex commodity.



# KEY OPERATIONAL GOALS AND SUPPORTING INITIATIVES



To develop our DLA Distribution plan, we assessed numerous DoD and DLA planning documents (including guidance from the Joint Staff and military service components) to provide insight and guarantee our planning effort aligns with DLA's strategic direction.

Codified within this document, we have established four distinct operational goals that directly support the DLA strategic focus areas. These specific initiatives will move us forward to meet future challenges, while allowing us to perform our current mission and integrate efforts with our operational customers.

Our operational goals are aligned and support the DLA three principle strategic focus areas:

- **Warfighter Support Enhancements** – Deliver agile and responsive logistics solutions to warfighters.
- **Stewardship Excellence** – Manage DLA processes and resources to deliver effective warfighter support at optimal cost.
- **Workforce Development** – Foster a diverse workforce and supporting culture to deliver sustained mission excellence.

Our supporting initiatives reflect long-term strategies that extend well beyond the current fiscal year. Described in this document, these initiatives have effects-based actions and milestones that will commence or be completed in 2012 and beyond.

Although we have numbered these initiatives, the numbers are for ease of reference only and do not represent any prioritization. Each initiative has equal importance and will be actively worked and monitored.



# GOAL 1: PERFORMANCE

## SUPPORTING INITIATIVES:

**Readiness** – Ensure readiness by improving the health of seven key performance components: People, Training/Compliance, Equipment, Facilities, Financials, Inventory Integrity and Stock Readiness (OPR: J3).

**Quality Assurance** – Identify, review, and assess current quality programs in order to design and implement an integrated strategy that builds quality into the way work gets done (i.e., culture). Streamline (and align) quality programs within DLA Distribution. Continuously assess production quality and conformance to DLA directives and statute (OPR: J3, OCR: J7).

**Safety** – Set and enforce standards to reduce vulnerabilities and risk. Make safety and occupational health a part of our culture (OPR: J3).

**Security** – Set and enforce standards to reduce vulnerabilities and risk. Make security a part of our culture (OPR: J3).

**Fleet Management** – Set and enforce operational equipment and vehicle requirements and associated procurement/lease costs to generate annual projections for new/replacement Fleet equipment and vehicles (OPR: J4).

**Standardization** – Establish standards across DLA Distribution processes to set overall productivity and staffing requirements and decrease rework (OPR: J4).

**Stewardship** – Identify program cost reduction opportunities. Rationalize processes and customer-driven performance metrics with resource consumption and cost recovery to ensure we maintain effective and efficient warfighter support (OPR: J3). In addition, DLA Distribution will build a FY12 Business Plan that focuses the organization on reducing cost. The FY12 Business Plan will position the organization for anticipated budget pressures in areas such as Personnel, Overtime, Contracts, Travel and Training.

Our commitment to improving distribution performance is aligned to two DLA strategic focus areas – Warfighter Support Enhancement and Stewardship Excellence. We will focus our management and metrics to continually improve distribution readiness and provide quality support. We will ensure the safety and security of our workplace. We will routinely review and assess our capabilities to increase productivity and implement enduring solutions to support DLA initiatives and provide maximum customer support (OPR: J3).

## GOAL 2: HUMAN CAPITAL STRATEGY

### SUPPORTING INITIATIVES:

**Design and implement a Human Capital Strategy** – Provide the long-term vision for workforce planning and development, recruitment, diversity, and career progression. Identify and execute implementing roles and responsibilities for functional community managers (OPR: Command Group).

**Regional Training Centers** – Establish regional training centers designed to deliver standardized training that matches knowledge, skills, and developmental requirements to projected losses and includes on-the-job (OJT) validation (OPR: J4).

**Quality of Life** – Provide an enhanced environment where the workforce is able to excel and shape effective change within DLA Distribution (OPRs: J3/Command Group).

Our commitment to execute an effective human capital strategy supports the Workforce Development strategic focus area. We will recruit and retain a diverse workforce, trained and ready to meet tomorrow's challenges. We will inculcate and empower the workforce through efforts targeted to improve communications and enhance the quality of life for our employees (OPR: Command Group).



## GOAL 3: DISTRIBUTION NETWORK OPTIMIZATION

### SUPPORTING INITIATIVES:

**Optimization** – Assist in the design and delivery of an optimized distribution network that drives a 5-year infrastructure plan to lower costs. Utilize innovative methods/process improvements that take advantage of commercial best practices. Leverage technology to improve distribution center management and distribution network operations. Decrease energy consumption 30 percent by 2015 (OPRs: J5/J4).

**Distribution/Disposition Services Partnership** – Develop opportunities to effectively optimize and integrate resources within DLA Distribution and DLA Disposition Services (OPR: J4).

**Improve Acquisition Performance** - Meet DLA-prescribed goals for contract-related APR metrics, DLA Acquisition and Review (R&A) metrics, and Small Business/eSRS performance (OPR: J7).

The DLA Distribution effort to optimize the distribution network is directly aligned and supports the Stewardship Excellence strategic focus area. We continue to explore opportunities to assess current and future technologies to ensure we are delivering modernized capabilities within our distribution centers that improve our effectiveness and reduce costs. We will improve our distribution architecture and business processes to enable agility and responsiveness while ensuring transparency and accountability (OPR: J4).





Our focus on Customer and Stakeholder Engagement is aligned to the Warfighter Support Enhancements strategic focus area. We will ensure our plans and processes are synchronized with customer, stakeholder and mission partner requirements. We will continue to integrate our efforts with the COCOMs and the military service components, developing strategies that reinforce and support their short and long term needs. We will meet emerging requirements, leveraging our expeditionary and deployable capability and acquisition expertise to drive innovative solutions within the distribution network. Additionally, we will work collaboratively to establish partnerships with the Department of State and FEMA to support a “Whole of Government” approach as required (OPR: J5).

## GOAL 4: CUSTOMER AND STAKEHOLDER ENGAGEMENT

### SUPPORTING INITIATIVES:

**Geographic COCOM Integrated Distribution Strategies** – Develop integrated strategies to reshape the distribution network based upon COCOM logistics requirements, ensuring alignment of DLA Distribution metrics and goals (OPR: J5).

**Whole of Government Integrated Distribution Strategy** – Review FEMA and USAID contingency logistics plans to build a DLA Distribution integrated strategy for Whole of Government support. Participate in the National Level Exercises on domestic disaster support to validate DLA Distribution roles and responsibilities (OPR: J5).

**Partnership w/USTRANSCOM and Executive Agents** – Engage with USTRANSCOM and Executive Agents for Aviation and Surface Transportation to ensure DLA Distribution’s integrated COCOM strategies are coordinated and aligned with global transportation capabilities and requirements (OPR: J5).

**Continuity of Operations Plan (COOP)** – Ensure continuity of DLA Distribution support in the event or threat of catastrophic capability or capacity loss within the distribution network (OPR: J5).

**Service Engagement** – Identify root causes, pinpoint opportunities for process improvements with our customers to resolve systemic issues related to suspended (un-issuable) and dormant stocks, and supplier compliance issues including counterfeit items (OPR: J4).

**Business Development (Core/Non-Core)** – Identify ways to attract new customers and penetrate existing markets for DLA Distribution’s services (OPR: J4).

**Define and Expand DLA Distribution’s Role in Service Retail Operations** – Deliver simplicity and end-user/consumer friendly processes that support end-to-end (wholesale and retail) distribution services. Develop “retail” procedures and COAs/BCAs and integrate the Supply Centers SSD functions into DLA Distribution (Day 3) (OPR: J4).

# STAYING THE COURSE

The key initiatives within this document will enable our forward progress. Each operational goal and initiative has been assigned to a DLA Distribution Office of Primary Responsibility (OPR), which has developed the detailed implementing timelines and actions, and identified desired outcomes/ related progress metrics. The OPRs will coordinate with internal and external organizations on all implementing plans and actions as required. There will be many actions that will be developed and executed throughout the year. To ensure transparency throughout this process, we will provide updates periodically, both internally and externally, as we monitor results and reevaluate our strategies for improving service to our customers.

We feel privileged to be leading an organization that contributes so significantly to a nation at war. We are committed to our mission, providing effective, efficient and innovative distribution solutions to America's warfighters around the globe. As DLA Distribution stays on course and faces the challenges ahead, we remain dedicated to achieving excellence...providing quality distribution support.



**William H. Budden**  
**Senior Executive Service**  
**Deputy Commander**  
**DLA Distribution**



**Thomas C. Traaen**  
**Rear Admiral, SC, USN**  
**Commander**  
**DLA Distribution**





*Doing What is Right for the Armed Forces and DoD*



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