



DISTRIBUTION *in Review*



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DLA DISTRIBUTION'S 8TH COMMANDER: RDML THOMAS C. TRAAEN



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DLA DISTRIBUTION IN REVIEW

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COMMON PURPOSE: UNITY OF EFFORT, UNITY OF THOUGHT

AN UPDATE FROM THE DLA DISTRIBUTION COMMANDER



As I wrap up my tour at DLA Distribution, I need to recognize your contribution to the transformation this organization has undergone.

What you have accomplished in the last two years is eye watering, and I'd like to take a moment to reflect on your most significant accomplishments and how we got there.

When I came here I thought "What am I going to do for two years with 26 distribution centers?" Well, it turns out there was plenty to be done. I developed my operational guidance to set the direction for this organization. In it, I challenged you with goals in four strategic areas:

- Distribution Network Optimization
- Customer and Stakeholder Engagement
- Performance
- Human Capital Strategy

As you all know, almost immediately to coming on board, I transitioned to Director of Central Command's Deployment and Distribution Operations Center in Kuwait. While it wasn't the easiest decision I've made, it was extremely beneficial; I liken it to sitting front row at a boxing match. I could hear things and help steer CENTCOM to enable the Warfighter, and that insider knowledge set in motion our first success: the stand-up of a distribution capability in Kandahar. From my view, it was easy to

recognize that getting materiel into that area was hard, and I'm proud to say I was here for DLA Distribution's first time deploying a depot capability, a strategic effort to combat that roadblock.

One thing I learned as commander is that there is a lot going on behind the curtain, particularly in regard to the Combatant Commands. Major General Jim Chambers, CENTCOM's director for logistics, came to DLA Distribution requesting we help him build a long-term distribution strategy and now other COCOMs are asking us to build strategies. Singularly the fact that Chambers recognized the value of our organization should indicate to you your level of excellence.

Our support to CENTCOM increased. We began shipping through Europe and decreased customer wait time from 20 to 15 to ultimately 13 days as we thought outside the box.

This is just one of the many challenges I presented you with, and you rose to the occasion. With this initiative, you succeeded at meeting two of my four goals: Distribution Network Optimization and Customer and Stakeholder Engagement.

However, you not only excel at planning, but also the stuff in between.

I challenged you to improve near-term distribution performance- "Getting to Green." From the stock on the shelves to delivery to the

customer, you took us from 60 percent green to more than 90 percent green. That is significant folks. You took the tools laid out for you- standardization, readiness, and safety, to name a few- and you used those tools to build better accountability and enduring solutions to provide maximum customer support. You made sure that warfighter in had what they needed, when they needed it. You got us to green.

Finally, I said I wanted a Human Capital Strategy. I wanted to ensure we maintain a workforce that is trained and ready to meet tomorrow's challenges. Through the establishment of regional training centers, you ensured that this organization can provide standardized training to make sure we have the knowledge, skills and developmental requirements in place to continue to meet our mission.

In every measurable area across the enterprise, you all have made it better.

It has been my pleasure to be with you the last two years. I could ask for no more. Thank you very much for everything you have done. I am walking away a smarter logistician.

And lastly, please remember: The success of DLA Distribution is not based on right now, it is based on four years from now. I believe you have made a difference.

BZ

TRAAEN'S TIPS

COMMON PURPOSE:
UNITY OF EFFORT, UNITY OF THOUGHT



COMMUNICATION

- Keep the chain of command informed.
- Don't depend on electronic communication. Make time for the use of face-to-face communication. Face-to-face communication takes the guesswork out of the game.
- Deliver the bad news as well as the good.
- Keep me informed of what you're doing... particularly on the things I've asked about.
- Don't assume that I know what you're doing.
- Shoot straight from the hip and don't wear a coat of armor.
- Be transparent; don't work behind my back.

Positioning for the future:

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... bring it back to the box.

DLA Distribution's

PROCESSES AND WORK ETHIC

- Get today's work done today. Leaving something for tomorrow will double your workload.
- Information is power... don't hoard it.
- Keep your eyes on the prize.
- 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 else.
- Fix the problem at its source. Don't just patch it.

successes under the command of

ANALYSIS

Navy Rear Adm. Thomas C. Traaen

LEADERSHIP

- Lead by example.
- Manage By Wandering Around (MBWA), read email and message traffic on your own time.
- 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.

THE NEW BOSS

- A new boss will bring with them new ideas and operate in a manner that has been successful for them. This doesn't mean that what you are doing is wrong. Different is just different.
- Safety needs to be the number one priority.

Over the past two years, Defense Logistics Agency Distribution realized unprecedented improvement in the timely and efficient distribution support to the warfighter at home and abroad during a time of increasing workload and complex customer requirements...all while positioning the organization for future success.

The initiatives directed by Navy Rear Adm. Thomas C. Traaen positioned DLA's lead center for distribution to provide unsurpassed support to the men and women deployed in support of the Global War on Terror.

Upon assuming command, Traaen reviewed the 2010 Culture Survey results which contained over

5,000 written comments; most were regarding the organization's strategic vision and direction.

Traaen brought his key staff together and aligning with, and supporting the DLA Director's three principle strategic focus areas, Warfighter Support Enhancement, Stewardship Excellence and Workforce Development, issued the

DLA Distribution Operational Plan. The plan consisted of four goals, Performance, Human Capital Strategy, Distribution Network Optimization and Customer and Stakeholder Engagement.

The Operational Plan, now called the Operating Plan, provided the basis for which DLA Distribution performed its work.



“Within each goal, initiatives were established and assigned to a DLA Distribution office of primary responsibility,” said Traaen. “Each OPR then developed detailed implementing timelines and actions and identified desired outcomes and related processes and metrics.”

“With the Operating Plan as our foundation, we took some primary actions to improve our culture – or how work gets done,” said Traaen.

The organization established a corporate planning,



communication and assessment process and developed integration and synchronization sessions.

“With input from our employees, culture action plans were developed by our distribution center leaders,” said Traaen. “Those plans are integrated into our Deep Dive Process, to improve coordination, feedback and support from the headquarters staff.”

Leadership at the headquarters are communicating and integrating their local plans into the operational planning sessions with the DLA Distribution commander and deputy.

The action to “improve how work gets done” is contributing to the mission to provide effective, efficient and innovative distribution solutions for the DLA Distribution

customers indicated Traaen.

The organization saw much success during Traaen’s tenure.

timely delivery of over 1,000 tons of DLA Distribution shipments of food, water, medical and general supplies supporting over 17 ships



Following Japan’s 9.0 magnitude earthquake, DLA Distribution’s rapid response in support of Operation Tomodachi ensured

and 132 aircraft. The organization also ensured DLA personnel were safely evacuated and sensitive assets were protected while continuing to support regional customers.

In support of the Presidential drawdown 2011-90, and at the direction of the Joint Chiefs of Staff and Department of State, DLA Distribution successfully executed three separate consolidation and shipping missions of uniforms and medical supplies to the Libyan Transitional National Council. Over 200 463L air pallets and five seavans were expedited in support of this mission.

A result of the first ever Request for Forces issued by the Secretary of Defense to DLA, DLA Distribution’s expeditionary team



deployed to Kandahar, Afghanistan in early July 2010 with a goal of maintaining forward positioned stock and providing multi-modal distribution services to U.S. Forces within Afghanistan.

Traaen and his organization ensured the next level of support for U.S. forces in Afghanistan through the formal establishment of DLA Distribution Kandahar, Afghanistan on Jan. 1, 2011. This marked the organization's 26th distribution center. "The organization's involvement in the establishment of DLA Distribution Kandahar, Afghanistan ensured that United States and coalition

forces were afforded full operational capability with a fully-staffed, responsive, and agile distribution center to respond to the warfighter's immediate needs," said Traaen.

In response to a request for forces from U.S. Central Command to assist with clearing container backlogs from Forward Operating Bases which were adversely affecting customer wait time, Traaen and his team of experts guided the development of the Theater Consolidation and Shipping Point in Deh Dadi II in Afghanistan.

The DLA Distribution team expedited the transition of the entire DLA Distribution Kuwait, Southwest Asia operation from one contractor to another in less than 90 days; a task that normally takes six months to perform. The transition was executed with no impact to service and support provided to the CENTCOM AOR and which reaped a base year cost savings of \$3.2 million with annual out-year savings of \$6.7 million.

DLA Distribution Kandahar, Afghanistan was transformed from a DLA-managed material support operation to an Army Serviceable Excess support operation. "These





actions allowed the Army to close down its distribution functions at the Joint Solutions Support Center in support of the Mine Resistant Ambush Protected weapons systems operated within the CENTCOM AOR,” stated Traaen.

The DLA Distribution team also led the development of the distribution strategies for CENTCOM, AFRICOM, EUCOM and PACOM. In CENTCOM, the Integrated Distribution Strategies drove customer wait time down in Afghanistan from 32 days to 15 by shifting support to Germersheim, Germany. “The IDS was critical in the reshaping of DLA Distribution Kuwait, Southwest Asia which will reduce costs by \$250 million over the next five years,” said Traaen. “The CENTCOM IDS also established Bahrain as our



future location in the AOR to support enduring forces in theater by expanding our footprint in the Mina Salman Pier area.” For AFRICOM, the IDS drove the establishment of a TCSP in Djibouti to support joint customers operating in Western Africa.

Team DLA Distribution contributed to the Strategic Network Optimization program by developing the Five Hub CONUS model. This concept called for adding DLA Distribution Red River, Texas as the fifth strategic distribution platform with Susquehanna, San Joaquin, Oklahoma and Warner Robins. The Five Hub CONUS concept was approved by the Joint Logistics Board and will drive transportation savings of \$731 million over the next five years to the Department of Defense.



As part of the Defense Network Optimization effort, DLA Distribution developed an optimization strategy that reduced cost and increased operating efficiencies relating to the storage and distribution of hazardous materials stored throughout the DLA Distribution CONUS network. Through the consolidation of hazardous material into a single Center of Excellence, DLA will

realize savings and cost avoidance in excess of \$30 million and reduce operating risk associated with this complex commodity.

During the last two years, DLA Distribution saw the conclusion of the 2005 Base Realignment and Closure Act and the emergence of DLA Distribution as a revitalized organization. DLA Distribution effectively transformed wholesale and retail storage distribution capabilities by reconfiguring the distribution network. This resulted in the divesture of 15.4 million gross square feet of space.

“Eliminating excess capacity led DLA Distribution into reducing overhead costs and streamlining inventory,” said Traaen. “The organization’s unsurpassed efforts

with the conclusion of the BRAC 2005 initiative contributed to the proposed \$2.9 billion in BRAC savings.”

The organization implemented a distribution center performance review “Deep Dive” process that correlated key performance indicators for the issue and receipt operations at all 26 distribution centers with key support components that impact overall performance.

As a result, DLA Distribution improved outcomes from an overall 66% green status in June 2010 to more than 94% green in all key performance indicators by February 2012. With an opportunity for further improvement, the organization

developed a second Deep Dive process that validated requirements to resources down to the individual facility level, resulting in a 15% reduction in equipment inventory through the removal of over 500 pieces of material handling equipment, thereby right-sizing the equipment network with an annual equipment program cost avoidance of over \$2.5M. Additionally, DLA Distribution championed changes to the DLA enterprise business rules for intra-DLA materiel movement (Stock Transport Orders or STOs), resulting in a decreased unnecessary volume of approximately 60% from 200K STOs in June, 2011 to 80,000 in February 2012. These reductions continue to accrue as significant materiel processing and transportation cost savings to the agency.

The organization developed an investment strategy based on risk versus endurance to drive the prioritization of Sustainment, Restoration and Modernization, or SRM, funding. This investment model enabled DLA Distribution to reduce its SRM funding by \$508 million over the next five years. In addition to SRM, DLA Distribution used the investment model to drive the FY14-19 military construction plan. “DLA Distribution conducted





a comprehensive review to reduce or replace over 250 facilities in the network,” said Traaen. “This concept was based on the ability to reduce, repair and replace infrastructure within the network.”

DLA Distribution implemented a repeatable process that will guide the organization to operate storage and warehousing operations in an efficient manner while maintaining effectiveness to the warfighter. “The effort has DLA Distribution returning 14 million gross square feet of storage space over a five-year period ensuring costs of storage operations and SRM are driven lower.”

“The alignment of good warehousing practices and physical best use of space has enabled

the Agency to synchronize the MILCON plan which results in adjusted requirements by site and ensures investment in best location in line with strategic intent,” added Traaen.

DLA Distribution developed a human capital strategy that included career road mapping, “To provide employees with a greater understanding of careers and opportunities within DLA Distribution and to enhance the personal and professional growth of employees, DLA Distribution developed career roadmaps and other tools within the career fields of supply, distribution, and transportation which will impact the majority of the workforce of over 8,000 employees,” said Traaen.

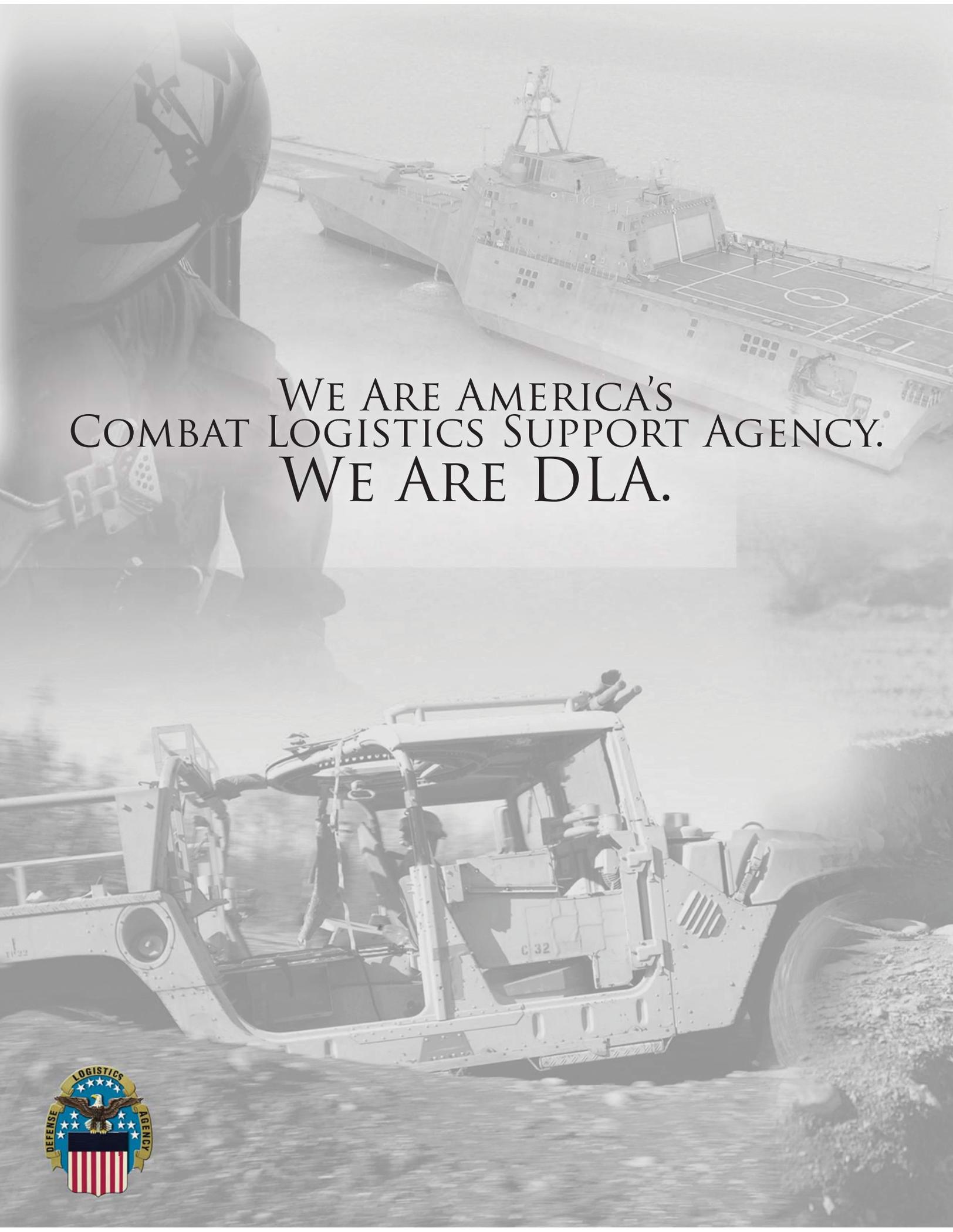
“This is just a few of the great things this organization has done,” said Traaen. “The innovations

and advances DLA Distribution has accomplished in the last two years have been inspiring. “The workforce has moved this organization to the next level of performance, while simultaneously reducing cost and improving readiness for our armed forces.”

“The DLA Distribution workforce has provided their feedback, ‘over 5000 comments’ and we owe it to them to continue to involve them in the process, to continue to communicate local actions and accomplishments, and to share lessons learned across the network,” said Traaen.







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