

## DDJC Takes on More Stock with Business Systems Modernization Initiatives

By Doug Imberi, DDJC Public Affairs

Plans are underway to redistribute approximately 80,000 stock numbers to Defense Distribution Depot San Joaquin, CA (DDJC). These stocks will be a combination of new stock numbers and increased levels of additional stock numbers that make up the current inventory of 755,000 stock numbers on hand. The move is part of the Defense Distribution Center's (DDC) stock repositioning efforts in conjunction with Business Systems Modernization (BSM) initiatives.

The distribution theory behind the repositioning is called "Hub and Spoke" and is designed to enhance the overall efficiency of DDC's distribution network, resulting in increased effectiveness and support to customers.

The first step in the process is to create room for the new stock. DDC has identified about 280,000 dormant line items and 83,000 at levels that would typically last more than four years. DDJC will begin shipping the stock to other distribution centers to create more space.

In addition to supporting the incoming and outgoing redistributions, DDJC has begun to identify potential locations for the new stock including storing it in the new active item bulk warehouse that was recently completed.

"Knowing that the redistributions coming in are active items, we are taking a comprehensive look at all our storage space," said DDJC Stock Positioning Program Manager Jay Jennings. "We are developing and implementing warehouse projects that will enable us to provide the most efficient storage for the type of items coming into DDJC."

*Making room. DDJC's Ed Tomlinson stages pallets to be shipped to other distribution centers to make room for the new stock.*



## DDC HQ Town Hall

### Think About the Possibilities...

BG Mike Lally, USA, Commander, Defense Distribution Center (DDC) urged the DDC staff to think about what they could achieve if they pulled together.

"You are doing a magnificent job of supporting the Warfighter," BG Lally told the nearly packed auditorium. "When we are working with the external customer, we are doing a pretty good job. We understand what they need and what we can do to support them."

"But when we are working with our internal customers, we are not doing as well," BG Lally said. "There is friction."

"I talked with VADM Lippert (DLA Director) about DDC's Climate/Culture results and what we are doing to improve it," BG Lally said. "People are our most valuable asset. We have to provide timely and quality support to the Warfighter and we have to invest in our people."

"VADM Lippert is very complimentary of the work DDC is doing and very happy with the new depots we stood up and our efforts with the tsunami relief," BG Lally said. "But he is concerned about our ability to surge and the command climate. DDC's entire leadership team is focused on this and we are going to improve it."

DDC and all of DLA recently received the results of 2004 Climate / Culture survey. BG Lally explained that the Denison company uses the survey to "rate your organization against 550 other major organizations who have taken the survey and you are rated 1-100, 100 being the best. To be a worldclass

organization, you have to be at 75 or better. We have lots of room to improve," BG Lally said.

"We've taken these surveys to know where we are so we can know where we have to go," BG Lally said. "We have to know which initiatives have worked, and which ones haven't. To continue to be a viable organization, we need to be continuously improving."

"Our 2003 results were not good. From the 2004 survey we learned there was not much change," BG Lally said. "We put a lot of effort into getting out the vote because people didn't believe our 2003 results. They thought that because there were so few responses that it was not a valid survey. We more than tripled the number of responses with the 2004 survey and got the same results."

### Leadership, Communications, Teamwork

BG Lally said that overwhelmingly individuals said, "I am well trained to do my job." But, when asked if they thought their supervisors or co-workers were well trained, they said, "No, I got it, but the other guy doesn't." We've got some work ahead of us. We've got to move the needle.

Among many other questions, the survey asked respondents if they had trust and confidence in their supervisors. "Do you believe that your supervisor wants to provide you good guidance?" BG Lally asked. "The response was no. Our people said supervisors are only out for themselves."

"At the DDC Headquarters there was some slight improvement from 2003 to 2004," BG Lally said. "People are more satisfied with how things are working and our core values. But we need to be in the 3rd and 4th quadrants." In the Denison model the most effective organizations are flexible yet stable, appropriately focused on internal and external customers, and adaptable but consistent. Employees' perceptions of how well an organization is doing in these categories are revealed by how many quadrants are filled.

"I'm talking to the directors and the depot leadership teams about how to do this," BG Lally said. "I've asked everyone to talk to your people and find out why people are answering questions this way."