

CORPORATE INFORMATION MANAGEMENT (CIM)

For

Distribution Centers

EXECUTIVE OVERVIEW

On October 4, 1989, the Deputy Secretary of Defense established the CIM initiative. CIM goals are to increase DoD functional management efficiencies, improve the use of information systems in the Department, and reduce duplicative information systems supporting the same functional requirements. Key goals are the standardization of DoD's multiple management information systems, reducing non-value-added work and costs, and developing standard functional requirements and systems.

Senior functional experts are responsible for reviewing the functional practices of each DoD function and for developing standard functional requirements to support those individual functions. In December 1989, the Distribution Center CIM Work Group began its review of the distribution center functional area from a DoD perspective. The review is in three phases:

- o Phase I, Statement of the future mission and scope, development of proposed policy, guiding principles and visions for the operation of the future distribution center.
- o Phase II, Evaluation of the operation of the existing functional area and if necessary revise its functional processes and practices, identify new functional requirements and document them in a Functional Business Plan.
- o Phase III, Development of an information systems strategy to meet the future functional requirements.

The results of the Distribution Center Work Group's phased analysis follows this Executive Overview.

July 18, 1990 10:00

FUNCTIONAL VISION

PHASE I

The Functional Vision phase begins by a key task which sets the unique purpose of the Distribution Center by expressing its future mission statement. Next, is an identification of the future distribution center customers, products, services, external interfaces, and the functional activities which make up the Distribution Center. The culmination of the task is the clearly defined scope of the Distribution Center for the year 2000. The next task begins with identifying the environmental trends and their impact on the future Distribution Center. Using the previous task as a baseline and the trends and impacts, proposed governing policies, regulations, and statutes have been developed which will drive the Distribution Center operations. These proposals lead to the formulation of a proposed overall future management philosophy for the Distribution Center. Finally, the future Distribution Center is envisioned and expressed as a set of declarative statements called vision elements.

1.1.1 FUTURE MISSION AND SCOPE OF THE DISTRIBUTION CENTER. This step clearly describes the future Distribution Center in terms of its unique role within the Department of Defense and the scope of that role in terms of its customers, products, services, those organizations external to it, and its internal functional activities.

1.1.1.1 Future Distribution Center Mission Statement: To Manage and accomplish the receipt, storage and distribution of materiel.

Definition:

The Distribution Center will serve as an interface between materiel manufacturers and the users of materiel. It will exist primarily to realize economies of scale in the acquisition of materiel for multiple users and to satisfy contingency military materiel requirements. Distribution Centers will also serve to meet delivery requirements of the users of materiel which otherwise cannot or would not be economically accomplished by private sector sources of supply.

1.1.1.2 Defined Future Scope of the Distribution Center:

.1 Future Distribution Center Customers:

Defense Reutilization and Marketing Office (DRMO): The DoD activity responsible for receiving excess materiel from DoD storage activities and accomplishing sale of surplus property or reutilization of materiel into commercial channels.

Distribution Center (DC): An activity which receives, stores, and issues wholesale materiel. Distribution Center includes Army Depots, Naval Supply Centers, Air Logistics Centers (Director of Distribution only), Remote Storage Activities, and Defense Depots.

End User: A military activity which receives and uses or consumes materiel.

Fielding Managers: An activity which is responsible for providing fully supportable weapons systems to end users.

Foreign Freight Forwarders: Any person or company who acts as an agent for a foreign country to ship or control shipment of Foreign Military Sales materiel.

Inventory Control Point (ICP): The organizational element responsible for system-wide direction and control of materiel, including such management functions as the computation of requirements, the initiation of procurement or disposal actions, the development of worldwide quantitative and financial inventory data, and worldwide stock positioning.

Program Manager: An office or individual who coordinates materiel requirements with supporting ICPs, training activities, and end users in the development of a weapons system.

Project Manager: An office or individual (usually subordinate to a program manager) who coordinates materiel requirements with supporting ICPs, training activities, and end users in the development of a weapons system.

.2 Future Distribution Center Products:

Components from sets and kits: Individual items which can be retrieved when a set, kit, outfit or assembly is disassembled.

Sets and kits of assembled components: A group of items which is combined for a purpose, function or task.

Total fielding packages of end items and support materiel: A weapon system assembled with all associated equipment and spare parts needed to make the weapon "ready to fight" for a specific period.

.3 Future Distribution Center Services:

Administer materiel in suspended condition codes: Maintain the balance and status of materiel in not-ready-for-issue condition.

Assemble sets and kits: Combine components into sets, kits and outfits; combine end items and associated equipment into packages; combine basic issue items into kits for issue with end items.

Classify and identify materiel: Determine what the materiel is and what condition it is in.

Confirm mode of transportation and assign carrier: Determine the method of shipment and the shipper.

Confirm receipt to the inventory manager: Inform the inventory manager that the materiel has arrived at the distribution center.

Confirm shipment and retain proof of shipment records: Inform the inventory control point that shipment has been made and keep a record of the transaction.

Consolidate distribution center shipment units (SU) assigned to same destination (build transportation units (TU).): Place materiel bound for the same place together during the shipping process.

Consolidate shipment unit of materiel destined for the same customer: Place materiel going to the same customer together during the packing process.

Direct movement of shipment units (SU) to local customers: Receive and deliver materiel to local customers who do not have receiving capabilities.

Disassemble packages, sets and kits into component parts: Breakdown packages, sets or kits to their component parts.

Forward materiel to local customer: Move materiel requisitioned by a local customer to the customer's location.

Identify need and direct rewarehousing of materiel: Move materiel within the distribution center as part of a plan for better space usage or efficiency of operations.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center: Plan all distribution center workload.

Inspect and care for supplies in storage: Assure materiel is issuable for future requirements.

Inspect and certify hazardous materiel packaging: Assure hazardous materiel packaging standards are met.

Inspect receipts: Verify condition code and conformance to contractual and technical specifications.

Load shipment units of materiel on transport conveyance: Put materiel on rail, motor or air conveyance for movement.

Maintain and operate distribution process control devices and mechanized materiel handling equipment: Assure use of serviceable automated warehouse equipment.

Maintain surveillance over physical locations and their contents: Inspect warehouses and stored materiel.

Management reporting: Provide performance and operational statistics for review.

Materiel accountability while in maintenance: Maintain accountability of materiel while it is in maintenance.

Move materiel to the proper storage location and place materiel into locations: Transport and stow materiel in the distribution center designated bin, rack, or bulk storage point.

Pack, mark, and label materiel for transportation: Prepare materiel to be sent elsewhere.

Pick materiel, inspect, count, verify, and forward to the next distribution center business activity or end user: Prepare correct materiel for forwarding.

Plan workload: Organize, direct and control the workload internal to the distribution center, based on past experience, work in progress and available resources, and projected future workload.

Prepare materiel for storage: Preserve, package, mark and label materiel to protect and identify it while inside the distribution center.

Preserve/de-preserve materiel for transportation: Apply preservation for storage of materiel or remove it so materiel can be used.

Process catalog changes: Update information by stock number, based on regular broadcasts of changes, including remarking materiel when necessary.

Product conformance testing: Assure product conforms to technical specifications.

Provide advance clearance of shipments for military airlift: Obtain approval of materiel movement overseas by air.

Provide vendor materiel acceptance and contract compliance information: Provide materiel manager level of quality of materiel received.

Receive, research, and respond to customer complaints: Find out cause of complaint and satisfy/answer customer.

Review internal processes to assure quality standards compliance: Monitor level of performance.

Train employees: Teach employees the skills and knowledge necessary to operate the distribution center.

.4 Future Distribution Center External Interfaces:

Air Clearance Authority (ACA): A service activity which approves or denies requests for movement of air freight on military cargo airlift.

Contract Administrator: An individual or activity which performs functions related to the administration of contracts, and assigns post-award functions.

Defense Contract Administration Services Region (DCASR): Defense activity responsible for administration of DoD contracts.

Defense Logistics Service Center (DLSC): The central Department of Defense repository for cataloging information.

External Transshipment Point: A transportation terminal activity within the Defense Transportation System (except bulk points that receive and process shipments for onward movements.)

Finance and Accounting: The office or activity which provides financial services and managerial accounting and analysis to managers at all levels.

Higher Headquarters: Any activity which provides policy guidance and management control of a distribution center, including DoD, the service headquarters, Defense Logistics Agency, and other intermediate organizations.

International Logistics Control Offices (ILCO): The central U.S. service control in CONUS that monitors requisitions and related transactions for the Foreign Military Sales (FMS) and Military Assistance Program (MAP) Grant Aid.

Military Traffic Management Command (MTMC): A joint military agency which negotiates shipping rates, and routes and schedules those shipments which exceed predesignated weight thresholds.

Other Government Agencies: Government organizations outside DoD that provides or receives materiel from the distribution center, or provides regulatory guidance regarding the performance of distribution center functions.

Transportation Carriers: A commercial carriers that transport shipments to designated or specified destinations.

Transportation Finance and Accounting Office: The office or activity which provides financial services and managerial accounting and analysis to managers at all levels for transportation services.

US Army Logistics Control Activity: Performs Army air clearance authority functions and maintains the Logistics Intelligence File (LIF) to record requisition status information.

.5 Future Distribution Center Functional Activities:

.1 RECEIVING: Common processing of incoming materiel from all sources for further actions internal or external to the distribution center, from initial receipt on installation until storage in a location or staging for other activities.

Customers

Defense Reutilization and Marketing Office

Distribution Center

End Users

Fielding Managers

Inventory Control Point

Services

Classify and identify materiel.

Confirm receipt to the inventory manager.

Direct movement of shipment units to local customers.

Forward materiel to local customer.

Inspect receipts.

Move materiel to the proper storage location and place materiel into location.

Prepare materiel for storage.

Provide vendor materiel acceptance and contract compliance information.

External Interfaces

Contract Administrator

Transportation Carriers

Transportation Finance and Accounting Office

US Army Logistics Control Activity (logistics Intelligence File)

.2 STORAGE MANAGEMENT: Managing the use of available facilities, storage aids and equipment, caring for materiel in storage, accomplishing set assembly/disassembly, and maintaining physical inventory and location accuracy.

Customers

Distribution Center
Fielding Manager
Inventory Control Point
Program Manager
Project Manager

Products

Components from sets and kits.
Sets and kits of assembled components.
Total fielding packages of end items and support materiel.

Services

Assemble sets and kits.
Classify and identify materiel.
Disassemble packages, sets and kits into component parts.
Identify need and direct rewarehousing of materiel.
Inspect and care for the supplies in storage.
Maintain surveillance over physical locations and their contents.
Process catalog changes.

External Interfaces

Higher Headquarters
Defense Logistics Service Center

.3 ISSUING: Obligating, selecting and packing materiel for movement.

Customers

Defense Reutilization and Marketing Office

Distribution Center

End User

Fielding Managers

Inventory Control Point

Services

Consolidate shipment units of materiel destined for the same customer.

Inspect and certify hazardous materiel packaging.

Pack, mark, and label materiel for transportation.

Pick materiel, inspect, count, verify, and forward to the next distribution center, business activity, or local end user.

Preserve and de-preserve materiel for transportation.

Provide advance clearance of shipments for military aircraft.

External Interfaces

Air Clearance Authority

.4 SHIPPING: Preparing materiel for movement to a specified destination external to the distribution center.

Customers

Defense Reutilization and Marketing Office

Distribution Center

End Users

Fielding Manager

Foreign Freight Forwarders

Inventory Control Point

Services

Confirm mode of transportation and assign carrier.

Confirm shipment and retain proof of shipment record.

Consolidate shipment units assigned to the same destination.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center.

Inspect and certify hazardous materiel packaging.

Load shipment units of materiel on transport conveyance.

External Interfaces

Air Clearance Authority

External Transshipment Point

Finance and Accounting

International Logistics Control Offices

Military Traffic Management Command

Other Government Agencies

Transportation Carriers

US Army Logistics Control Activity

.5 SUPPORT SERVICES: Perform actions necessary to control process and product quality, resources, training, workload, equipment maintenance, suspended materiel, and prepare reports.

Customers

Distribution Center

Employees

End Users

Inventory Control Point

Maintenance Activities

Services

Administer materiel in suspended condition codes.

Classify and identify materiel.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center.

Maintain and operate distribution process control devices and mechanized materiel handling equipment.

Management reporting.

Materiel accountability while in maintenance.

Plan workload.

Product conformance testing.

Provide vendor materiel acceptance and contract compliance information.

Receive, research and respond to customer complaints.

Review internal processes to assure quality standards compliance.

Train employees.

External Interfaces

Defense Contract Administration Services Region

Finance and Accounting

Higher Headquarters

Military Traffic Management Command

.6 Narrative Scope of the Future Distribution Center:

The scope of the Distribution Center mission will extend from arrival of the materiel at the Distribution Center until delivery to a local customer or transshipment point, or upon tendering of the materiel to a transporter for delivery to a final or intermediate destination point.

1.1.2 **Proposed Future Policy and Guiding Principles:** This step proposes the unified Department-wide policy that will direct the future distribution center. It also proposes guiding principles for managing and executing the functionality of the distribution center. Proposed policy and guiding principles are developed after an analysis of the major trends and their impacts on the future distribution center.

1.1.2.1 Trends and Impacts

The following are the anticipated general trends affecting the distribution center to the year 2000. The trends are categorized as Business, Technological, and Political/Social. Related with each trend are Impact statements and the affected Functional Activities.

<u>.1 Business Trends and Impacts</u>	<u>Functional Activity:</u>
<u>.1 Emphasis on maintaining lower inventory levels.</u>	
<u>IMPACT</u>	
Reduced storage space requirements.	Storage Management
Increase in number of receipts and issues, but with decrease in quantity requested.	All
<u>.2 Increased use of non-developmental items.</u>	
<u>IMPACT</u>	
Increased range of items stored.	All
Identification to weapon system more difficult.	Receiving
Commercial packaging may not be adequate.	Issuing
More storage locations required.	Storage Management

Business Trends and Impacts (continued)

Functional
Activity:

- .3 Declining DoD budget for logistics support.

IMPACT

Reduction in materiel requirements. All

Productivity improvements needed. All

Mission support functions may not be accomplished. All

- .4 Application of Total Quality Management (TQM) and statistical process controls in production environments.

IMPACT

Prompt identification of process quality defects at the source and correction of the problem. All

Eliminates or reduces the need for quality control oversight. All

- .5 Demand for increased contractor conformance with item specifications and item quality control.

IMPACT

Technical personnel and specialized test equipment required. Receiving

Increased storage space required. Storage Management

- .6 Increased demand for improved accountability and physical security of materiel and information.

IMPACT

Without improved productivity enhancing tools, an increase in resources will be required. All

- .7 There will be base closures and depot consolidations.

IMPACT

Increased inventory and distribution workload at remaining distribution centers. All

Business Trends and Impacts (continued)

Functional
Activity:

- .8 There will be a downsizing of the military force structure.

IMPACT

Reduction in materiel requirements.

Issuing
Shipping

Increased storage requirement for excess materiel to support force structure.

Storage
Management

- .9 There will be total (wholesale and retail) asset and intransit asset visibility.

IMPACT

Reduced workload as a result of redistribution of excess inventory.

All

Reduced requirements to provide status.

Shipping

More effective/efficient processing of materiel cancellation requests.

Shipping

- .10 Transportation deregulation will continue, and civil sector transportation excesses will decline.

IMPACT

Transportation costs will increase.

Shipping

Need for innovative traffic management.

Shipping

Increased workload and automation support.

Shipping

.2 Technological Trends and Impacts: Functional Activity:

- .1 There will be an availability and acceptability of Electronic Data Interchange (EDI) in business applications.

IMPACT

Less data entry, more accurate information.	All
Less management and movement of paperwork.	All
More timely processing of information.	Receiving Shipping

- .2 More powerful computers, data base management, and networking will become available.

IMPACT

The power of the computer can be placed at the work station as artificial intelligence.	All
Increased personnel productivity.	All
Computer literacy training required.	All
Reduced data entry and paper management.	All
Less manual research of status or problem identification.	All
Improved modeling capability.	Support Services

- .3 Use of automated storage and retrieval systems will become more prevalent.

IMPACT

Improved productivity.	All
Improved inventory accuracy and physical security.	Storage Management
Improved storage space usage.	Storage Management
Capability to handle surges must be planned and built in.	Support Services, Storage Management

.3 Political/Social Trends and Impacts: Functional Activity:

- .1 There will be less regulation and micromanagement by higher echelons within the organization.

IMPACT

Opportunity for local innovation and initiative. All

Increased demand for information management system flexibility. All

- .2 Environmental laws and regulations will become more stringent.

IMPACT

Increased need for conforming storage facilities. Storage Management

Need for on-line access to hazardous material and environmental law data bases. Shipping, Storage Management

Increased need for a technically qualified work force or artificial intelligence capability. All

- .3 Management will increase its attention to changing social values, employee demographics, and mores.

IMPACT

Demand for management flexibility in work hour structure. All

Aging work force as well as work force shortages, calls for increased cross training, improvements in productivity and/or eliminating work effort areas. All

Management will be required to address and plan for control over social problems such as drug abuse, child care, union negotiations, etc. All

1.1.2.2 Proposed Department of Defense Policy: The following are proposed policy statements that will be the major driving factors that will shape the distribution center to the year 2000.

- .1 All distribution centers will use a standard Automated Information System (AIS).

A standard DoD AIS will be developed to support the military services and the Defense Logistics Agency distribution center business activities. Such a development will be pursued in order to reduce current and future distribution center systems development, operation, and maintenance costs.

- .2 Distribution centers will operate on a cost reimbursement basis.

All costs associated with operating a distribution center will be recouped, based on level of activity and efficiency of operations, from the distribution center's materiel customer. This cost reimbursement is in lieu of direct funding from appropriation accounts.

- .3 Distribution centers will serve as hubs for shipments of materiel from vendors and other sources which are destined to other than the distribution center.

To reduce transportation costs and improve delivery times, distribution centers will receive and consolidate shipments from multiple sources (including themselves) and ship the materiel to its ultimate destination.

- .4 Quality control of distribution center products and services will be measured in each of its business processes to allow correction of errors as they occur.

Distribution centers will employ total quality and statistical process controls in each business activity in order to prevent the occurrence and passing on of defects in the products or services they perform.

- .5 Distribution centers will conform to national, state, and local hazardous material regulatory requirements.

The distribution centers will become better equipped to identify and conform to hazardous materiel storage, packaging, shipping and disposal requirements in order to respond to increased environmental, personnel safety and health concerns.

- .6 Distribution centers will amend materiel release order quantities to conform to economic vendor packaged quantities.

The distribution center will not break down vendor unit packages to issue lesser quantities of low value materiel.

1.1.2.3 Proposed Management Guiding Principles: The following guiding principles are proposed based on the previously recommended policies for the distribution center. These management philosophies define the fundamentals for how the distribution center should operate in the future.

- .1 Distribution centers will provide timely and quality services and products to its customers (peace time, transition, and war.)

The distribution center will satisfy customer requirements by providing what is needed, in a timely manner, under all conditions and circumstances.

- .2 Distribution centers will use private sector practices where cost effective and mission responsive.

The profit motive and the competitive atmosphere that drives commercial enterprises has in the past and will in the future develop efficient methods of operations for distribution centers. Examples are, Just-in-Time (JIT) materiel movement practices, transportation hubs, Electronic Data Interchange (EDI) and paperless operations. Where it is cost effective and properly supports the DoD mission, these practices will be adopted or modified for use in distribution center operations.

- .3 Distribution centers will encourage customer, supplier, and end user participation in the development of distribution center systems, methods, procedures, and practices.

Integration of customers, suppliers, and end user requirements into the design, development and implementation of systems, practices and procedures will result in more comprehensive response to user requirements.

- .4 The system supporting the distribution center will afford maximum flexibility for correction of errors, and timeliness in implementation of innovative management changes to its operations.

A distribution center system must be user friendly in correction of errors in any of its processes, adaptive to changes in operational philosophy, and otherwise support a creative management environment.

- .5 Distribution centers will operate in a paperless environment to the maximum extent possible.

Handling and annotating paper source documents in an AIS environment is often inefficient. Whenever possible, information will be made directly to an AIS, eliminating or reducing the flow of paper. A paperless environment concept will extend throughout the distribution center.

- .6 Distribution centers will maximize the use of high-tech automated materiel handling equipment.

Distribution centers will use state-of-the-art automated materiel handling equipment whenever cost effective in the execution of its functional activities and processes.

- .7 Distribution centers will improve the work environment through the use of innovative and flexible management practices.

Future trends dictate that distribution managers address the total needs of an employee while aggressively seeking ways to reduce operating costs. Distribution centers will implement personnel management practices which allow for operational flexibility and increased productivity.

- .8 Distribution centers will place more emphasis on enforcement of physical and AIS security.

The value of the assets stored at a distribution center is increasing and the data from its operation is being accessed by many customers. Increased controls are necessary to ensure integrity of both capital assets and information security.

1.1.3 Future Vision of the Distribution Center (Year 2000):
Vision elements have been formulated to articulate the concept of the distribution center on the eve of the 21st century. These visions are based on critical factors, outlined in the Future Mission and Scope and the Proposed Future Policy and Guiding Principles Steps, that will shape the distribution center of the future. The visions are grouped into the following five logical sets: Organizational, Management, Modernization, Systems, and Personnel. A brief description follows each element to further clarify, amplify, or more thoroughly communicate the premise of the Functional Group's vision.

ORGANIZATIONAL

VISION ELEMENT 1 All distribution centers will be managed by a single organization and supported by a single central design activity (CDA).

In order to effectively operate under a single system envisioned by the distribution center Corporate Information Management effort, all distribution centers would be managed by one headquarters, with a single central design activity responsible for distribution center support.

VISION ELEMENT 2 All distribution centers in a geographic area would be linked via a network so that they may operate as one depot with distributed storage points.

There would be several regions in the US and all of the distribution centers in that region would be in a single computer network. Inventory control points (ICP) would deal with each of the several regions instead of 38 separate DCs throughout the United States. Storage and shipment decisions within the region would be handled by the regional distribution center. Under this concept some shipment units (SU) could be made up of materiel from more than one DC in the region. This larger consolidation would save transportation dollars. More efficient storage would result as materiel could be redistributed by the depots within a region.

VISION ELEMENT 3 There will be specialized distribution centers for hazardous material, munitions, and other specialized commodities.

Selected hazardous material, munitions and materiels requiring specialized facilities or materiel handling equipment will be stored in specialized distribution centers. This will enable concentration of expertise and reduce costs in providing conforming storage and recoup facilities.

VISION ELEMENT 4A There will be specialized facilities for particular functions (reparable return inspection and classification hubs, overseas redistribution facilities, and consolidation containerization points.)

Selected specialized facilities will be established in order to concentrate handling unique distribution functions in order to centralize technical expertise and reduce handling and transportation costs.

MANAGEMENT

VISION ELEMENT 16 Distribution centers will be fully reimbursed under a standard funding mechanism for services rendered based on the costs associated with providing that service.

Services, such as materiel release order (MRO) processing, receiving materiel, repackaging, care of supplies in storage (COSIS), etc., and overhead provided by the distribution center will be reimbursed based on the distribution centers unit cost for processing factored to discriminate between high and routine priority requirements. Distribution centers will take actions as appropriate to keep costs at a minimum, i.e., adjusting requisitioned quantities to match unit pack. Services such as premium transportation will be paid for by the customer requesting the service.

VISION ELEMENT 18 Retail materiel excesses will be retained at the distribution center which provides excess reporting support to collocated operational units or maintenance activities for distribution by the wholesale inventory managers.

Distribution centers provide support to local activities or afloat units in reporting excesses to the wholesale manager which in turn directs the shipment to another distribution center. In this case, disposition instructions (i.e. retain or dispose) for such materiel would be made and if retention is called for such retention would be at the distribution center reporting the excess to the inventory manager (IM). This would avoid unnecessary packaging, handling and transportation costs at both distribution centers.

MODERNIZATION

VISION ELEMENT 14 The distribution center will be highly mechanized with proven productivity enhancing technologies such as automated storage and retrieval systems, robotics, and artificial intelligence.

The private sector is rapidly converting their distribution functions to operate with automated materiel handling equipment integrated into their automated information systems in order to achieve greater levels of productivity and management control over the processes within the distribution facility. The distribution center will learn from these private sector initiatives and implement them wisely into its operation.

VISION ELEMENT 15 Distribution centers will be operated in an environment that uses storage space efficiently and has the capability for rapid expansion.

Base closures and consolidation of distribution centers will require a greater range and depth of inventory to support additional customers. Distribution centers must have the ability to expand operations (go to multiple shifts, put up temporary fabric warehouses, expand operations into commercial facilities, etc.) during emergency or military conflict situations.

VISION ELEMENT 17 Cataloging applications will be revised to cross reference industry standard markings with the National Stock Number (NSN). Distribution center stock record quantity changes can be accomplished using the markings without knowing the NSN.

DoD uses many commercial products that the manufacturers have marked with a bar code indicating not only the identity but also the unit pack. An example would be a beverage where there is a code for the can, another for the six pack, and a third for the case. Cataloging will set up information cross references for all industry bar codes and NSNs. The information will provide appropriate updates as changes in the bar codes are made. This information could be accessed from any level of supply.

SYSTEMS

VISION ELEMENT 4 The distribution center will operate in a cross-functional information sharing environment with established rules governing ownership and control.

Through existing and emerging technologies, distribution centers will be integrated with other related functions (e. g., inventory management, contracting and contract payment, cataloging, hazardous materiel safety management, maintenance, transportation, etc) thereby eliminating redundant cross-functional, duplicative and resource-consuming data entry efforts. Data ownership and control will be assigned under agreed upon business rules.

VISION ELEMENT 5 The distribution center will operate in an environment that employs modern techniques for communicating logistics information among vendors, contract administrators, materiel users, inventory control points, distribution centers, and transportation nodes, such as that described in Vision 2, Cross Functional Databases.

The DoD will replace its 80-character constrained standard communication procedures (i.e., Defense Logistics Standard Systems (DLSS) and hard copy information exchange with standards which allow variable length formats (i. e., Modernization of Defense Logistics Standard Systems (MODELS) and Electronic Data Interchange (EDI).)

VISION ELEMENT 6 The distribution center will operate in an environment that provides asset visibility on a real-time basis with controlled access under agreed upon business rules.

The distribution center will provide updated real-time status (obligated quantities, unobligated quantities, condition, etc.) of all assets stored at the center, and will have access to materiel movement information of shipments into and out of the distribution center. This visibility will also be available to inventory managers, project managers, requisitioners, higher headquarters, and the distribution center management.

VISION ELEMENT 7 Distribution centers will operate in an environment that provides for visibility of all hazardous material storage, packaging and shipment requirements.

Public law and business ethics dictate that DoD develop a greater sensitivity and appreciation for the specialized storage, packaging, and disposal requirements for hazardous materials. Distribution centers will have the capability to identify hazardous items, the type of hazard, appropriate disposal techniques, and methods of dealing with incidents. To support local hazardous materiel operations (storage, packing, shipping, etc.) the access to hazardous materiel information will be on a real-time basis, will use artificial intelligence and will provide the mechanized capability to certify hazardous material shipments by all modes of transportation domestically and internationally.

VISION ELEMENT 8 Only one balance record will be maintained for materiel stored in a distribution center. This balance will be accessible on a real-time basis by the distribution center, inventory control point, and other authorized functions.

In order to prevent needless reconciliations and file maintenance, only one official record of quantity by location and condition code, etc. will be maintained. The record will be maintained by the distribution center and the inventory control point under agreed upon business rules with real-time access by the inventory control point and any other authorized element. Access inquiries will be tailored to the needs of the user, i.e., the distribution center would be interested in quantities by location; the inventory control point would be interested in quantities by condition code (for all locations and all distribution centers.)

PERSONNEL

VISION ELEMENT 9 Distribution centers will increase productivity through development and use of a multi-skilled work force.

Presently, employees are assigned to specific functions within the same work area (e.g., stock selectors and inventory counters, or materiel receipt verifiers and inspectors.) Through training and certification, employees will be assigned to perform diversified warehousing functions.

VISION ELEMENT 10 A consolidated, comprehensive, interactive training and certification program will be developed and used for the distribution centers using the most advanced training methodology and technology.

Through video tapes, computer assisted training, etc. the distribution center employees will be trained, examined and then certified as fully capable of operating in their function in the distribution center. Personnel will then have the capability to transfer within or to any distribution center and accomplish their function.

VISION ELEMENT 11 Distribution centers will operate in an environment that has a quality of life work place.

A distribution center will provide an environment whereby the employees will want to come to work. In addition to meaningful work this could include such concepts as flexible work schedules, job sharing, child care facilities, ergonomic work stations, participatory management and a compensation plan that provides bonuses based on increases in productivity.

VISION ELEMENT 12 Distribution centers will operate in an environment that ensures continuous improvement in quality of performance.

The distribution center will implement total quality and statistical process management controls within functional activities in order to detect at the source the occurrence of poor quality. This will identify problems before the materiel is sent to the customer or to other functional activities within the distribution center.

VISION ELEMENT 13 The distribution center will operate in a creative management environment to improve efficiency and economy of operations.

The reduction of regulations and directives that inhibit innovation will foster an atmosphere for flexible and creative management. The standard DoD depot system will have options to allow creative methods of distribution center operations. Distribution centers will be able to experiment with different methods of operation. Fewer levels of supervision will provide more flexibility. Participatory management will enhance the creative environment. Management training will be emphasized.

ACRONYM LIST (Phase I)

Air Clearance Authority (ACA)
Automated Information System (AIS)
Corporate Information Management (CIM)
Care of Supplies in Storage (COSIS)
Defense Contract Administration Services Region
(DCASR)
Department of Defense (DoD)
Defense Logistics Standard Systems (DLSS)
Defense Logistics Service Center (DLSC)
Defense Reutilization and Marketing Office (DRMO)
Distribution Center (DC)
Electronic Data Interchange (EDI)
Foreign Military Sales (FMS)
International Logistics Control Offices (ILCO)
Inventory Control Point (ICP)
Just-in-Time (JIT)
Logistics Intelligence File (LIF)
Materiel Release Order (MRO)
Military Assistance Program (MAP)
Military Traffic Management Command (MTMC)
Modernization of Defense Logistics Standard Systems
(MODELS)
National Stock Number (NSN)
Shipment Unit (SU)
Total Quality Management (TQM)
Transportation Unit (TU)

2.1.1 HIGH LEVEL CURRENT FUNCTIONAL SITUATION ANALYSIS. This step established the current baseline for the distribution center. The following describes the environments, both internal and external to the Department of Defense, that affect the distribution center. To gain a better perspective of the distribution center in the current environment, the work group examined issues, problems, initiatives and opportunities that must be considered to achieve the functional vision described in the Vision Phase, and to position the distribution center to transition to the year 2000.

The step begins with a high level description of the current major functional activities which make up the distribution center. This is followed by a summation of the principal policies, regulations and statues that govern the distribution center. Next is a list of the major organizations which either direct or support the distribution center operations. To gain a broader perspective of the resources required to support the current operations, the group gathered information on the number of operational sites, number of personnel, and other resource costs associated with operating the distribution center. The group then examined any broad based Federal or private industry programs which are designed to functionally implement the distribution center. To bring the effort into a narrower perspective, the group gathered information on the customers, products, services and the external interfaces which make up the distribution center environment. Finally, the group began to take its first look at the information systems which currently support the distribution center operations across the Department by identifying those major information systems.

AS OF JULY 18, 1990, 0800

2.1.1.1 High Level Description of the Current Distribution Center:

2.1.1.1.1 Current Functional Activities:

- .1 WORKLOAD PLANNING: Organizing, directing, and controlling the workload internal to the distribution center.

- a. Customers

Distribution Center

Fielding Managers

Inventory Control Point

Program Executive Officer

Program Manager

Project Manager

Retail Supply

- b. Services

Consolidate shipment unit of materiel destined for the same customer.

Identify and direct rewarehousing of materiel.

Identify, forecast, schedule, consolidate shipment and assign work within the distribution center.

Provide advance clearance of shipments for military airlift.

- c. External Interfaces

Air Clearance Authorities

Defense Contract Administration Services Region Office

.2 CUSTOMER INTERFACES: Activities performed during the day-to-day operations of the distribution center which support interfaces between the customer, distribution center, and higher headquarters.

a. Customers

Distribution Center

End User

Fielding Manager

Inventory Control Point

Program Manager

Project Manager

b. Services

Local procurement (N Only).

Management reporting.

Materiel requirement determination (N Only).

Materiel accountability while in maintenance.

Technical data research (N Only).

c. External Interfaces

Contract Administrator

Defense Activity Addressing System

Finance and Accounting

Higher Headquarters

.3 **RECEIVING:** Processing incoming materiel from all sources for further actions internal or external to the distribution center.

a. **Customers**

Defense Reutilization and Marketing Office

Distribution Center

End Users

Fielding Managers

Inventory Control Point

Program Executive Officer

Program Manager

Project Manager

b. **Services**

Classify and identify materiel.

Confirm receipt to the inventory manager.

Forward materiel to local customer.

Inspect and care for supplies in storage.

Move shipment units to local customers.

Provide vendor materiel acceptance and contract compliance information.

c. **External Interfaces**

Contract Administrator

Defense Activity Addressing System

Service Central Catalog Points

Transportation Carriers

Transportation Finance and Accounting Office

US Army Logistics Control Activity (Logistics Intelligence File)

.4 STOWING: Placing materiel into a storage location within the distribution center.

a. Customers

Distribution Center

Inventory Control Point

b. Services

Confirm receipt to the inventory manager.

Move materiel to the proper storage location and place materiel into locations.

.5 PICKING: Selecting and removing materiel from the storage location for further processing within the distribution center.

a. Customers

Distribution Center

Defense Reutilization and Marketing Office

End Users

b. Services

Pick materiel, inspect, count, verify, and forward to the next distribution center business activity or local end user.

.6 PACKING: Preparing materiel for movement or storage.

a. Customers

Distribution Center

End Users

Inventory Control Point

b. Services

Consolidate shipment unit of materiel destined for the same customer.

Inspect and certify hazardous materiel packaging.

Pack, mark, and label materiel for onward movement.

Preserve/de-preserve materiel.

c. External Interfaces

Collocated Military Traffic Management Command office (N Only)

Hazardous Material Information System

International Logistics Control Offices

Navy Materiel Transportation Office Fleet Locator (N Only)

Small Parcel Carriers

.7 **SHIPPING:** Preparing materiel for movement to a specified destination external to the distribution center.

a. **Customers**

Distribution Center

Defense Reutilization and Marketing Office

End Users

Fielding Manager

Finance and Accounting

Foreign Freight Forwarders

Inventory Control Point

b. **Services**

Confirm mode of transportation and assign carrier.

Confirm shipment and retain proof of shipment records.

Consolidate distribution center shipment units assigned to same destination (build transportation units.)

Forward materiel to local customer.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center.

Load materiel on transport conveyance.

Notify foreign freight forwarders of availability.

Pack, consolidate and out-load shipment units for both over ocean air or containerized ocean movement and for consolidated domestic shipment to specified locations external to the distribution center.

Prepare transportation documentation.

Provide movement of shipment units to local customers.

c. External Interfaces

Air Clearance Authorities

Collocated Military Airlift Command Terminal
(F Only)

Defense Activity Address System

DoD Central Data Collection Point

External Transshipment Point

International Logistics Control Offices

Military Traffic Management Command

Other Government Agencies

Service Munitions Control Points

Transportation Carriers

US Army Logistics Control Activity (Logistics
Intelligence File (LIF))

- .8 **CONSOLIDATION/CONTAINERIZATION:** Consolidation of shipment units received at the DC from multiple sources both internal and external for onward movement to specified overseas activities.

a. **Customers**

Distribution Center

End User

Fielding Managers

Inventory Control Point

b. **Services**

Confirm mode of transportation and assign carrier.

Consolidate distribution center shipment units assigned to same destination (build transportation units.)

Consolidate shipment unit of materiel destined for the same customer.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center.

Inspect and certify hazardous materiel packaging.

Load materiel on transport conveyance.

Pack, consolidate and out-load shipment units for over ocean air or containerized ocean movement and for consolidated domestic shipment to specified locations external to the distribution center.

Prepare transportation documentation.

c. **External Interfaces**

Air Clearance Authorities

External Transshipment Point

Military Traffic Management Command

Transportation Carriers

US Army Logistics Control Activity

.9 STORAGE MANAGEMENT: Managing the use of available facilities, storage aids and equipment, care of materiel in storage and maintaining physical inventory and location accuracy.

a. Customers

Distribution Center

Fielding Manager

Inventory Control Point

Program Manager

Program Executive Officer

Project Manager

b. Services

Classify and identify materiel.

Identify and direct rewarehousing of materiel.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center.

Inspect and care for the supplies in storage.

Management reporting.

Maintain and operate distribution process control devices and mechanized materiel handling equipment.

Maintain surveillance over physical locations and their contents.

c. External Interfaces

DoD Hazardous Material Information System

Higher Headquarters

Service Central Catalog Points

.10 QUALITY ASSURANCE: Assuring the quality of the services provided by the Distribution Center and the condition of the materiel processed through the center.

a. Customers

Distribution Center

End User

Fielding Manager

Inventory Control Point

Program Executive Officer

Program Manager

Project Manager

b. Services

Classify and identify materiel.

Inspect and care for supplies in storage.

Management reporting.

Perform product conformance testing.

Provide vendor materiel acceptance and contract compliance information.

Receive, research, respond to customer complaints.

Review internal distribution center processes to assure a level of compliance within quality standards.

c. External Interfaces

Defense Contract Administration Services Region Office

Higher Headquarters

Military Traffic Management Command

Testing Facilities

Transportation Carrier

.11 ASSEMBLY/DISASSEMBLY OPERATIONS: Building customized assemblages from separate components or breaking down customized assemblages into component parts.

a. Customers

Distribution Center

End User

Fielding Manager

Inventory Control Point

Program Manager

Project Manager

b. Products

Assemblies or total fielding packages of end item and support materiel.

c. Services

Confirm receipt to the inventory manager.

Confirm shipment and retain proof of shipment records.

Disassemble kits/assemblies into component parts.

Kit, stage, containerize and customize assemblies.

c. External Interfaces

Service Central Catalog Points

2.1.1.1.2 Principal Policies, Regulations and Statutes That Govern The Current Distribution Center:

DOD ISSUANCES

IDENTIFICATION NUMBER	TITLE
DOD 4000.25-1M	MILITARY STANDARD REQUISITIONING & ISSUE PROCEDURES (MILSTRIP)
DOD 4000.25-2M	MILITARY STANDARD TRANSACTION REPORTING & ACCOUNTING PROCEDURES (MILSTRAP)
DOD 4000.25.3M	MILITARY SUPPLY AND TRANSPORTATION EVALUATION PROCEDURES (MILSTEP)
DOD 4000.25-5M	MILITARY STANDARD CONTRACT ADMINISTRATION PROCEDURES (MILSCAP)
DOD 4000.25.6M	DOD ACTIVITY ADDRESS DIRECTORY (DODAAD)
DOD 4000.25.7M	MILITARY STANDARD BILLING SYSTEM (MILSBILLS)
DOD 4000.25-8M	MILITARY ASSISTANCE PROGRAM ADDRESS DIRECTORY SYSTEM (MAPAD)
DOD 4000.25-10M	DEFENSE AUTOMATIC ADDRESSING SYSTEM (DAAS)
DOD 4000.25-13M	DOD LOGISTICS DATA ELEMENT STANDARDIZATION AND MANAGEMENT PROGRAM
DODD 4000.25	THE DEFENSE INTEGRATED DATA SYSTEM
DODI 4100.14	PACKAGING OF MATERIEL
DOD 4100.39M	DEFENSE INTEGRATED DATA SYSTEM (DIDS) PROCEDURES MANUAL
DOD 4115.40	LIFE OF TYPE BUYS OF SECONDARY ITEMS
DOD 4120.14	ENVIRONMENTAL POLLUTION PREVENTION, CONTROL AND ABATEMENT
DOD 4120. 19	DOD PARTS CONTROL PROGRAM
DODD 4130.2	THE FEDERAL CATALOG SYSTEM

IDENTIFICATION NUMBER**TITLE**

DOD 4140 1	INVENTORY MANAGEMENT POLICIES
DOD 4140.2	MANAGEMENT OF WAR RESERVES
DOD 4140.7	POSITIONING OF WHOLESALE SECONDARY ITEMS
DOD 4140.18	INVENTORY MANAGEMENT REPORTS OF MATERIEL ASSETS
DOD 4140.21	MANAGEMENT OF WAR RESERVES FOR INTEGRATED ITEMS ASSIGNED TO THE MILITARY DEPARTMENTS, THE DEFENSE LOGISTICS AGENCY AND GSA
DOD 4140.26	INTEGRATED MATERIEL MANAGEMENT OF CONSUMABLE ITEMS
DOD 4140.27	IDENTIFICATION, CONTROL AND UTILIZATION OF SHELF-LIFE ITEMS
DODD 4140.32	DEFENSE INACTIVE ITEM PROGRAM
DOD 4140.32M	DEFENSE INACTIVE ITEM PROGRAM
DOD 4140.33	GROUPING OF SECONDARY ITEMS FOR SUPPLY MANAGEMENT PURPOSES
DOD 4140.35	PHYSICAL INVENTORY CONTROL FOR DOD SUPPLY SYSTEM MATERIEL
DOD 4140.36	THE UNIT OF ISSUE IN MATERIEL MANAGEMENT
DOD 4140.37	ASSET KNOWLEDGE AND CONTROL OF SECONDARY ITEMS
DOD 4140.27M	SHELF-LIFE MANAGEMENT MANUAL
DOD 4140.52	DOD SMALL ARMS SERIALIZATION PROGRAM
DOD 4140.54	SERIAL NUMBER TRACKING OF SELECTED PARTS, COMPONENTS AND END ITEMS
DOD 4140.56	LOGISTICS APPLICATIONS OF AUTOMATED MARKING AND READING SYMBOLS (LOGMARS)

IDENTIFICATION NUMBER

TITLE

DODI 4145.5	STORAGE SPACE MANAGEMENT REPORTING (DD FORM 805)
DODI 4145.19	STORAGE AND WAREHOUSING FACILITIES AND SERVICES
DOD 4150.7	DOD PEST MANAGEMENT PROGRAM
DOD 4155.1	QUALITY PROGRAM
DOD 4160.27	DEMILITARIZATION OF MATERIEL
DODD 4410.6	UNIFORM MATERIEL MOVEMENT AND ISSUE PRIORITY SYSTEM (UMMIPS)
DODD 4500.9	TRANSPORTATION AND TRAFFIC MANAGEMENT
DOD 4500.32R	MILITARY STANDARD TRANSPORTATION AND MOVEMENT PROCEDURES (MILSTAMP)
DOD 4525.7	MILITARY POSTAL SERVICE AND RELATED SERVICES
DOD 4525.8M	DOD OFFICIAL MAIL MANUAL
DOD 4540.5	MOVEMENT OF NUCLEAR WEAPONS BY NONCOMBAT DELIVERY VEHICLES
DODD 5030.47	THE FEDERAL SUPPLY SYSTEM
DOD 6050.5M	DOD HAZARDOUS MATERIALS INFORMATION SYSTEM PROCEDURES

JOINT REGULATIONS

IDENTIFICATION NUMBER

TITLE

* AR 55-355 NAVSUPINST 4600.70 MCO P4600.14B	DEFENSE TRAFFIC MANAGEMENT REGULATION
AFR 75-2 DLAR 4500.3	

TM 38-250
NSUPPUB 505
MCO P4030.19D
* AFR 71-4 PREPARING HAZARDOUS MATERIALS FOR
MILITARY AIR SHIPMENT
DLAM 4145.3

AR 700-16
NSUPI
MCO
* AFR 71-12 OBTAINING, STORING AND RETRIEVING
CONTAINER DESIGN DATA
DLAR 4145.35

AR 55-38
NSUP P4610.33C
MCO REPORTING OF TRANSPORTATION
DISCREPANCIES IN SHIPMENTS
AFR 75-18
DLAR 4500.15

AR 700-17
NSUP P4030.51
MCO PACKAGING AND MATERIALS HANDLING
LEAD ACTIVITIES FOR TESTING
PACKAGING MATERIALS AND PROCESSES
AFR
DLAR 4145.32

AR 735-11-2
NSUP
MCO REPORTING ITEM AND PACKAGING
DISCREPANCIES
AFR 400-54
DLAR 4140.55

AR
NSUP 4610.31
MCO PREPARATION OF MEDICAL MATERIEL
REQUIRING FREEZE OR CHILL FOR
SHIPMENT
AFR 167-9
DLAR 4145.21

* = PROPONENT OR LEAD SERVICE/AGENCY

D HQ Defense Logistics Agency (DLA)
A Depot System Command (DESCOM)
M Marine Corps Logistics Base Albany (MCLB-A)
A Armament, Munitions and Chemicals Command (AMCCOM)
A Army Inventory Control Points (ICP)
N Navy ICPS
E Air Force ICPS
M Marine Corps ICPS
D DLA ICPS
Q Transportation Command (TRANSCOM)
Q Military Airlift Command (MAC)
Q Military Sealift Command (MSC)
Q Military Traffic Management Command (MTMC)
A AMC Logistics Control Activity (LCA)
A Army Air Clearance Authority (ACA)
N Navy ACA
M Marine Corps ACA
E Air Force ACA
A N F M D Distribution Center (DC)

2.1.1.1.4 Current Resources Supporting the Distribution Center:

DoD Component	ARMY	NAVY	AIR FORCE	MARINE CORPS	DLA	DoD
<u>Distribution Centers</u>	17	8	5	2	6	38
<u>Receipts/Issues (mil)</u>	11.6	10.7	10.3	.7	21.5	54.8
<u>Gross Covered Space (mil sq ft)</u>	30.2	24.4	15.4	6.8	34.3	111.2
Net space available	15.9	11.0	7.3	3.4	15.2	52.8
Percentage occupied	86.6	95.0	94.5	89.4	94.5	92.2
<u>FY 1991 Costs (\$mil)</u>	492.9	117.6	260.0	48.3	282.8	1,201.6
Direct Labor	178.0	74.2	216.5	26.7	165.9	661.3
Overhead	151.5	18.5	16.1	4.2	53.0	243.3
Non Labor	163.4	24.9	27.4	17.4	63.9	297.0
<u>Total Personnel</u>						
Civilian	8,852	3,171	6,767	830	8,686	28,306
Military	193	60	0	142	60	455

2.1.1.1.5 Functional Improvement Programs:

(TO BE COMPLETED)

2.1.1.1.6 Current Distribution Center Customers, Products, Services, External Interfaces and their Definition:

.1 Customers

Defense Reutilization and Marketing Office (DRMO): The DoD activity responsible for receiving excess materiel from DoD storage activities and accomplishing sale of surplus property or reutilization of materiel into commercial channels.

Distribution Center (DC): An activity which receives, stores, and issues wholesale materiel. Distribution Center includes Army Depots, Naval Supply Centers, Air Logistics Centers (Director of Distribution only), Remote Storage Activities, and Defense Depots.

End User: A military activity which receives and uses or consumes materiel.

Fielding Managers: An activity which is responsible for providing fully supportable weapons systems to end users.

Foreign Freight Forwarders: Any person or company who acts as an agent for a foreign country to ship or control shipment of Foreign Military Sales materiel.

Inventory Control Point (ICP): The organizational element responsible for system-wide direction and control of materiel, including such management functions as the computation of requirements, the initiation of procurement or disposal actions, the development of worldwide quantitative and financial inventory data, and worldwide stock positioning.

Program Executive Officer: Officials responsible for administering a defined number of major and/or non-major acquisition programs/projects who report to and receive direction from a Service Acquisition Executive (SEA).

Program Manager: An office or individual who coordinates materiel requirements with supporting ICPs, training activities, and end users in the development of a weapons system.

Project Manager: An office or individual (usually subordinate to a program manager) who coordinates materiel requirements with supporting ICPs, training activities, and end users in the development of a weapons system.

Retail Supply:

.2 Product/Services:

Assemblies or total fielding packages of end item and support materiel: Combinations of items which when consolidated are either a single item (assemblies) or a supportable weapons system (packages).

Classify and identify materiel: Determine what the materiel is and what condition it is in.

Confirm mode of transportation and assign carrier: Determine the method of shipment and the shipper.

Confirm receipt to the inventory manager: Inform the inventory manager that the materiel has arrived at the distribution center.

Confirm shipment and retain proof of shipment records: Inform ICP that shipment has been made and keep record of the transaction.

Consolidate distribution center shipment units (SU) assigned to same destination (build transportation units (TU).): Place materiel bound for the same place together during the shipping process.

Consolidate shipment unit of materiel destined for the same customer: Place materiel going to the same customer together during the shipping process.

Disassemble kits/assemble into component parts: Place components together to make kits or pull components from kits.

Forward materiel to local customer: Move materiel requisitioned by a local customer to the customer's location.

Identify and direct rewarehousing of materiel: Move materiel within the distribution center as part of a plan for better space use.

Identify, forecast, schedule, consolidate shipments, and assign work within the distribution center: Plan all distribution center workload.

Inspect and care for supplies in storage: Assure materiel is issuable for future requirements.

Inspect and certify hazardous materiel packaging: Assure hazardous materiel packaging standards are met.

Kit, stage, containerize, and customize assemblies: Assemble materiel based on specific direction.

Load materiel on transport conveyance: Put materiel on truck for movement.

Local procurement (N only): Purchase materiel not available in the supply system.

Maintain and operate distribution process control devices and mechanized materiel handling equipment: Assure use of service-able automated warehouse equipment.

Maintain surveillance over physical locations and their contents: Inspect warehouses and stored materiel.

Management reporting: Providing performance statistics for review.

Materiel accountability while in maintenance: Controlling materiel in repair facilities.

Materiel requirement determination (N only): Comparing assets on hand with known customer needs.

Move materiel to the proper storage location and place materiel into locations: Transport and stow materiel in the distribution center designated bin, rack, or bulk storage point.

Move shipment units to local customers: Forward materiel requisitioned by a local customer to the customer's location.

Notify foreign freight forwarders of TU availability: Tell authorized agent that materiel for a foreign military sales customer is ready for shipment.

Pack, consolidate and out-load shipment units for both over ocean air or containerized ocean movement and for consolidated domestic shipment of specified locations external to the distribution center: Prepare materiel for shipment based on regulations. **Pack, mark, and label materiel for onward movement:** Prepare materiel to be sent elsewhere.

Pick materiel, inspect, count, verify, and forward to the next distribution center business activity or end user: Prepare correct materiel for forwarding.

Prepare transportation documentation: Complete paperwork for shipping.

Preserve/de-preserve materiel: Apply preservation for storage of materiel or remove it so materiel can be used.

Product conformance testing: Assure product performs as required.

Provide advance clearance of shipments for military airlift:
Approve movement of materiel by air.

Provide vendor materiel acceptance and contract compliance information: Tell contractor level of quality required/evidenced.

Receive, research, and respond to customer complaints: Find out cause of complaint and satisfy/answer customer.

Review internal distribution center processes to assure a level of compliance within quality standards: Monitor level of performance.

Technical data research (N Only): Determine specifications of items.

3. External Interface:

Air Clearance Authorities (ACA): A service activity which approves or denies requests for movement of air freight on military cargo airlift.

Collocated Military Airlift Command (MAC) Terminal:

Collocated Military Traffic Management Command (MTMC) office:

Contract Administrator: An individual or activity which performs functions related to the administration of contracts, and assigns post-award functions.

Defense Activity Addressing System (DAAS):

Defense Contract Administration Services Region (DCASR) Office: Defense activity responsible for administration of DoD contracts.

Defense Logistics Service Center: The central Department of Defense repository for cataloging information.

DoD Central Data collection Point (CDCP):

DoD Hazardous Material Information System (HMIS):

External Transshipment Point: A transportation terminal activity within the Defense Transportation System. Excluded are break bulk points that receive and process shipments for onward movements.

Finance and Accounting: The office or activity which provides financial services and managerial accounting and analysis to managers at all levels.

Hazardous Material Information System (HMIS):

Higher Headquarters: Any activity which provides policy guidance and management control of a distribution center, including DoD, the service headquarters, Defense Logistics Agency, and other intermediate organizations.

International Logistics Control Offices (ILCO): The central U.S. service control in CONUS that monitors requisitions and related transactions for the Foreign Military Sales (FMS) and Military Assistance Program (MAP) Grant Aid.

Military Traffic Management Command (MTMC): A joint military agency which negotiates shipping rates, and routes and schedules those shipments which exceed predesignated weight thresholds.

Navy Materiel Transportation Office (NAVMTO):

Navy Materiel Transportation Office (NAVMTO) Fleet Locator:

Other Government Agencies: Any government organization outside of DoD that provides materiel or receives materiel from the DC, or provides regulatory guidance regarding the performance of DC functions.

Service Central Catalog Points:

Service Munitions Control Points:

Shipping Activity:

Small Parcel Carriers:

Testing Facilities:

Transportation Carriers: A commercial carriers that transport shipments to designated or specified destinations.

Transportation Finance and Accounting Office: The office or activity which provides financial services and managerial accounting and analysis to managers at all levels for transportation services.

US Army Logistics Control Activity: Performs Army air clearance authority functions and maintains the Logistics Intelligence File (LIF) to record requisition status information.

2.1.1.1.7 Information Systems Supporting the Current Distribution Center Operations:

Uniform Automated Data Processing System-Stock Points (UADPS-SP)
- This system, which supports the Navy mission, was fielded in 1963. Major enhancements to the UADPS-SP were first fielded in 1970 and continued through 1985. The UADPS-SP is anticipated to be removed from operation during calendar year 2000.

Marine Corps Unified Materiel Management Subsystem 06 - Mechanization of Warehousing and Shipping Procedures (MOWASP) - This system, which supports the Marine mission, was first fielded in 1967. There have been major enhancements to the MOWASP in 1984 and 1986. The MOWASP is anticipated to be removed from operation during calendar year 2000.

AFLC Stock Control & Distribution & containerization (SC&D/CCP) - This system, which supports the Air Force mission, was first fielded in 1980. Major enhancements to the SC&D/CCP were first fielded in 1984 and continued through 1989. The SC&D/CCP is anticipated to be removed from operation during calendar years 1999/2000.

Defense Logistics Agency (DLA) Warehousing and Shipping Procedures (DWASP) - This systems, which supports the DLA mission, was fielded in 1983. Major enhancements to the DWASP were first fielded in 1985 and those enhancements have continued to the present. The DWASP is anticipated to be removed from operation during calendar year 2010.

USAF Automated Warehouse System (AWS) - This system, which supports the Air Force mission, was first fielded in 1986. There have been major enhancements to the AWS in 1986, 1989, and 1990. The AWS is anticipated to be removed from operation during calendar year 2000.

Area Oriented Modernization & Standardization System (Management & control and Process Control Systems) AOD M/S (MC&CS PCWS) - This system, which supports the Army mission, was first fielded in 1991. There have been no major enhancements to the AOD M/S (MC&CS PCWS) since it began operation. There are no current plans to remove this system from service.

2.1.1.2 Environmental Assessment

2.1.1.3 Broad-Based Federal or Private Sector Initiatives

2.1.1.4 Environmental Changes

2.1.2 GOALS, 2.1.3 OBJECTIVES, 2.1.4 STRATEGIES

GOALS, OBJECTIVES, AND STRATEGIES

The Visions assessed in the previous Step, 2.1.1, have been further refined and Goals have been established to indicate what actions are necessary to achieve the visions. A number of Objectives have been set for each goal to be used as "markers" to represent how long it is estimated to take to complete a milestone on the way to achieving the visions. Finally Strategy "action" statements have been assigned each vision to identify the various actions necessary to transition to the distribution center envisioned for the future.

The format for the following Goals, Objectives and Strategy section states the vision and then is followed by an "alpha" character paragraph stating a **GOAL**. Under individual Goals are **STRATEGY** statements, which are immediately followed by a number, which is the **OBJECTIVE**, indicating the length of time estimated to complete the actions required to implement the strategy (NOTE: an > symbol indicated the actions associated with the strategy are continuous).

To the right of the page are the five components, **A** = Army, **N** = Navy, **F** = Air Force, **M** = Marine Corps, and **D** = Defense Logistics Agency. Under each of these components are "alpha" characters indicating where they presently are in implementing the stated goals. The markings are: **X** = no action is currently underway, **P** = action has begun and is partially completed, and no "alpha" character = all actions have been completed.

VISION ELEMENT 1

All distribution centers will be managed by a single organization and supported by a single central design activity (CDA).

VISION OBJECTIVE X + 24

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Organize the DCs under a single agency.	24	
	1. Transfer management of DCs to DLA.		
	a. OSD will initiate transfer action.	24	
B.	Establish a single central design activity.	24	
	1. Transfer system development and responsibilities from multiple CDAs to one CDA.		
	a. OSD will initiate consolidation action.	24	

VISION ELEMENT 2

All distribution centers in a geographic area would be linked via a network so that they may operate as one depot with distributed storage points.

VISION OBJECTIVE X + 24

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS					
			A	N	F	M	D	
A.	Network DCs within a geographic area.	24						
	1. Identify geographic distribution center areas.							
	a. DLA will initiate action to align remaining DCs.	6		P	P			X
	2. Establish geographic area networks.							
	a. The OSD single CDA will establish networks.	24	X	P	X	P	P	X

VISION ELEMENT 3

There will be specialized distribution centers for hazardous material, munitions, and other specialized commodities.

VISION OBJECTIVE X + 24

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Concentrate hazardous material, munitions, and other specialized commodities in specific DCs.	24	
	1. Determine storage space requirements.		
	a. DLA/services, will study requirements.	6	
	2. Determine storage capability.		
	a. DLA will determine capability.	6	
	3. Designate storage sites.		
	a. DLA will designate sites.	9	
	4. Store materiel in designated DCs.		
	a. ICPs will initiate action to store materiel.	24	P P P P P

VISION ELEMENT 4

The distribution center will operate in a cross-functional information sharing environment with established rules governing ownership and control.

VISION OBJECTIVE X + 60

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Develop a compatible information/ database system which recognizes unique service-oriented requirements.	60	
	1. Identify information/database requirements, e.g.. In-transit data, cargo routing information, hazardous materiel information.		
	a. OSD/DLA/Services will identify requirements.	12	X X P X P
	2. Establish a DoD Data Element Dictionary.		
	a. OSD will establish a Dictionary.	12	P P P P P
	3. Assign database maintenance responsibility.		
	a. OSD will assign responsibility.	30	P P P X P
	4. Establish a mechanism for creating rules to govern ownership and control of information.		
	a. OSD will establish mechanism.	30	X X X X X
	5. Determine DC and ICP interface requirements.		
	a. DLA and Services will determine interface requirements.	36	X X P X P
	6. Develop implementation schedule.		
	a. CDA will develop schedule.	48	X X P X P

- 7. Change current DC and ICP systems and implement interfaces.
 - a. CDA will change systems and implement interfaces. 60 X X P X P
- 8. Establish a clearing house/bulletin board (electronic) to process new ideas/innovations, with service representatives to monitor and solicit responses.
 - a. OSD will establish clearing house/bulletin board. 60 P P P P P

VISION ELEMENT 5

The distribution center will operate in an environment that employs modern techniques for communicating logistics information among vendors, contract administrators, materiel users, inventory control points, distribution centers, and transportation nodes, such as that described in Vision 2, Cross Functional Databases.

VISION OBJECTIVE X + 60

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Establish interface between all vendors, contract administrators, users, transporters, ICPs, DCs, etc.	60	
	1. Determine distribution center and customer interface requirements.		
	a. DLA/Services will establish interfaces.	36	P P P P P
	2. Determine technical networking techniques.		
	a. CDA will decide techniques.	36	P P P P P
	3. Establish a clearing house/bulletin board (electronic to process new ideas/innovations. Services and vendors would have representatives that monitor and solicit responses.		
	a. DLSSD will establish a clearing house/bulletin board.	60	P P P P P
	4. Establish a mechanism for creating rules to govern ownership and control of information. (Examples: contract data file; due-ins and back-orders.		
	a. DLSSD will establish mechanism.	30	X X X X X

B. Implement Modernization of Defense Logistics Standard Systems (MODELS). 42

1. Incorporate MODELS requirements in DC system design.

a. CDA will incorporate MODELS in designs. 42

P P P P P

VISION ELEMENT 6

The distribution center will operate in an environment that provides asset visibility on a real-time basis with controlled access under agreed upon business rules.

VISION OBJECTIVE X + 42

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS					
			A	N	F	M	D	
A.	Establish balance by location.	42						
	1. Change current DC systems to record balance by location.							
	a. CDA will change systems.	36	X				X	P
	2. Perform site preparation.							
	a. DLA/DCs will prepare sites.	36	X				X	P
	3. Budget for conversion.							
	a. DLA will submit budget.	24	X				X	P
	4. Perform inventory as needed.							
	a. DCs will perform inventories.	42	X				X	
B.	Establish ability to identify location during materiel movement (in-float).	42						
	1. Change current DC systems to control materiel in-float.							
	a. CDA will change systems.	36	X				X	P
	2. Budget and procure equipment.							
	a. DLA will budget and procure.	42	X				X	P
	3. Prepare site and install equipment.							
	a. DCs will prepare site and install equipment.	42	X				X	P

C.	Establish real-time inquiry capability (without update ability).	36			
	1. Change current DC systems to allow access.				
	a. CDA will change systems.	6		X X P X P	
	2. Establish business rules for access.				
	a. DLSSD will establish rules.	12		X X P X P	
	3. Establish communication links (ICPs, DCs, customers.)				
	a. CDA will establish links.	24		X X P X P	
	4. Implement access control security system.				
	a. CDA will implement security system.	30		X X P X P	
	5. Establish real-time asset visibility.				
	a. CDA will establish asset visibility.	36		X P P X P	
	6. Establish intransit visibility.				
	a. OSD/TRANSCOM will establish intransit visibility.	36		P P P X X	
	7. Implement by a central design activity.				
	a. CDA will manage goal implementation.	36			

VISION ELEMENT 7

Distribution centers will operate in an environment that provides for visibility of all hazardous material storage, packaging and shipment requirements.

VISION OBJECTIVE X + 36

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Obtain timely and accurate information to properly process hazardous material.	36	
	1. Develop hazardous material database.		
	a. DLA will develop database.	36	X X X X P
	2. Provide for in-line hazardous material database.		
	a. CDA will provide in-line database.	36	X X X X P
B.	Consolidate certification training for personnel involved in processing hazardous material.	36	
	1. Develop a single DoD hazardous material certification program.		
	a. OSD will develop certification program.	12	P X X X X
	2. Train and certify all DC employees in the processing of hazardous material.		
	a. DLA/DCs will train and certify employees.	36	P P P P P

VISION ELEMENT 8

Only one balance record will be maintained for materiel stored in a distribution center. This balance will be accessible on a real-time basis by the distribution center, inventory control point, and other authorized functions.

VISION OBJECTIVE X + 36

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Establish one balance record.	36	
	1. Change policy, procedures, and systems to maintain one balance record.		
	a. OSD will change policy, DLA will change procedures, and CDA will change systems.	36	X X P X X
	2. Change interface rules in conjunction with other CIM functional work groups (Materiel Management, Financial Operations, etc.)		
	a. OSD will initiate rule changes with other CIMs.	24	X X X X X
	3. Establish business rules for update and access.		
	a. DLSSD will establish business rules.	12	X X X X X

VISION ELEMENT 9

Distribution centers will increase productivity through development and use of a multi-skilled work force.

VISION OBJECTIVE X + 54

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Develop a generic distribution center operations position.	18	
	1. Develop position descriptions and obtain Office of Personnel Management (OPM) approval.		
	a. DLA will develop position descriptions and obtain approval.	12	X P P X P
	2. Coordinate plan with all concerned functions.	18	X P P X P
	a. DLA will coordinate plan.	18	X P P X P
	3. Develop standard productivity measures.		
	a. DLA will develop measures.	12	X P X P
B.	Operate in a multi-skilled work force environment.	48	
	1. Implement standard training program.		
	a. DLA will implement program.	24	X P P X X
	2. Train all employees to be multi-skilled.		
	a. DLA/DCs will train employees.	48	P P P P P
	3. Restructure DC organization to effect use of multi-skilled work force.		
	a. DLA/DCs will restructure organizations.	54	X P P X P

VISION ELEMENT 10

A consolidated, comprehensive, interactive training and certification program will be developed and used for the distribution centers using the most advanced training methodology and technology.

VISION OBJECTIVE X + 36

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Organize a DC training program using the most advanced training methods and technology.	36	
	1. Establish a single DoD central DC training organization.		
	a. OSD will establish a central training organization.	12	X X X X X
	2. Develop a training and certification program.		
	a. DLA will develop a training and certification program.	36	P P P X P

VISION ELEMENT 11

Distribution centers will operate in an environment that has a quality of life work place.

VISION OBJECTIVE X + 36

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Improve working conditions.	36	
	1. Establish separate budget funds for quality of life programs.		
	a. OSD will establish a separate budget line.	24	P P P P P
	2. Place greater management emphasis on quality of life programs.		
	a. OSD will emphasize program.	24	P P P P P
	3. Provide climate control.		
	a. DCs will initiate actions for climate control.	36	P P P P P
	4. Implement alternative work schedules.		
	a. DLA/DCs will develop new schedules.	6	P P P P P
	5. Provide health facilities.		
	a. DCs will provide facilities.	24	P P P P P
	6. Provide a clean, healthy, appealing work environment.		
	a. DCs will provide proper environment.	36	P P P P P
	7. Develop and implement a policy to use the best DoD and civilian industry quality of life programs.		
	a. DOD will develop and implement policy.	36	P P P P P

VISION ELEMENT 12

Distribution centers will operate in an environment that ensures continuous improvement in quality of performance.

VISION OBJECTIVE X + 24

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS					
			A	N	F	M	D	
A.	Improve quality of performance.	24						
	1. Develop a standard measurement system for quality.							
	a. DLA will develop system.	12	X	X	X	X	P	
	2. Implement standard quality measurement system.							
	a. DLA/DCs will implement system.	24	X	X	X	X	P	
	3. Develop a well-trained work force.							
	a. DLA/DCs will develop work force.	12	P	P	P	X	P	
	4. Develop the ability to identify tasks to individuals and identify their individual training needs.							
	a. CDA will develop program.	24	X	P	P	X	P	
	5. Budget for quality improvements (awards, training, publicity.)							
	a. OSD/DLA will budget for improvements.	24	P	P	P	P	P	
	6. Increase emphasis on quality in the management of DCs.							
	a. DLA will emphasize quality management program.	12	P	P	P	P	P	
	7. Implement statistical process control in all DC processes.							
	a. CDA/DCs will implement process controls.	24	P		P	P	P	
	8. Incorporate quality elements							

in job performance standards.				
a. DLA will change job standards.	12	P	P	P P P
9. Incorporate quality measures in carrier selection.				
a. DLA will change carrier selection methods.	12	P	P	P P P P P
10. Incorporate customer complaints in measures of DC quality performance.				
a. DLA use customer inputs in performance measure of DCs.	24	P	P	P P P P P
B. Design quality into the system.	24			
1. Identify systems processes which contribute to errors.				
a. DCs will identify system processes.	12	P	P	P P P P P
2. Change functional requirements to improve system.				
a. CDA/DCs will change functional requirements.	24	P	P	P P P P P

VISION ELEMENT 13

The distribution center will operate in a creative management environment to improve efficiency and economy of operations.

VISION OBJECTIVE X + 60

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS				
			A	N	F	M	D
A.	Develop a creative management environment.	60					
	1. Reduce the number of regulations and directives.						
	a. OSD will reduce regulations and directives.	12	P	P	P	P	P
	2. Design and implement a standard DC function which provides maximum management flexibility in the conduct of operations.						
	a. CDA/DCs will design and implement a standard function.	60	P	P	P	P	P

VISION ELEMENT 14

The distribution center will be highly mechanized with proven productivity enhancing technologies such as automated storage and retrieval systems, robotics, and artificial intelligence.

VISION OBJECTIVE X + 54

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS				
			A	N	F	M	D
A.	Modernize distribution facilities where cost effective.	54					
	1. Direct future Military Construction Programs (MCP) toward high rise facilities capable of handling storage and retrieval systems to make maximum use of height (high cubic capacity.)						
	a. DLA direct MCP toward high rise facilities.	54					X
	2. Use private sector technological advancements in distribution facilities.						
	a. DLA will use private sector technology.	54					P

VISION ELEMENT 15

Distribution centers will be operated in an environment that uses storage space efficiently and has the capability for rapid expansion.

VISION OBJECTIVE X + 42

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Improve storage space utilization.	42	
	1. Determine space utilization requirements.		
	a. DCs will determine requirements.	6	P P P P P
	2. Evaluate and accomplish cost analyses.		
	a. DLA will perform analysis.	9	P P P P P
	3. Budget for needs (storage aids, etc.)		
	a. DLA will submit budget.	33	P P P P P
	4. Procure and install storage aids; rewarehouse materiel.		
	a. DLA/DCs will procure and install.	42	P P P P P
	5. Incorporate requirements (space, personnel, equipment) into planning.		
	a. DLA will initiate plan.	6	P P P P P
B.	Develop plans for surge/expansion requirements.	27	
	1. Determine space, personnel, and equipment requirements.		
	a. DLA will determine requirements.	18	P P P P P
	2. Perform cost analyses.		

a.	DLA will perform analysis.	27	P P P P P
C.	Provide for exportation of DC activities into commercial facilities.	30	
1.	Develop policy on use of commercial facilities to augment DoD DC structure.		
a.	OSD will develop policy.	18	
2.	Design DC activities for operation in commercial facilities.		
a.	CDA will design activities.	30	

VISION ELEMENT 16

Distribution centers will be fully reimbursed under a standard funding mechanism for services rendered based on the costs associated with providing that service.

VISION OBJECTIVE X + 18

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Develop a common unit costing methodology.	18	
	1. Implement a common method of capturing distribution center costs.		
	a. DLA/CDA will implement.	12	P P P P P
	2. Develop a standard method of charging customers for services rendered.		
	a. OSD will develop method.	18	X X X X X
B.	Develop a method that provides for cost effective units of issue.	12	
	1. Implement a standard policy for calculation.		
	a. OSD will implement policy.	12	P P P P P

VISION ELEMENT 17

Cataloging applications will be revised to cross reference industry bar code markings with the National Stock Number (NSN). Distribution center stock record quantity changes can be accomplished using the bar code marking without knowing the NSN.

VISION OBJECTIVE X + 36

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS					
			A	N	F	M	D	
A.	Incorporate the supplier standard bar code marking symbol into the DoD distribution system.	36						
	1. Change policy (MIL-STD 129) to allow industry standard bar code marking.							
	a. OSD will change policy.	12	X	X	X	X	X	X
	2. Change scanner specifications and programs.							
	a. CDA will initiate changes.	36	X	X	X	X	X	X
	3. Add bar codes to cataloging databases.							
	a. OSD/DLSC will change databases.	36	X	X	X	X	X	X
	4. Change DC system to recognize and use supplier standard bar codes.							
	a. CDA will change systems.	36	X	X	X	X	X	X

VISION ELEMENT 18

Retail materiel excesses will be retained at the distribution center which provides excess reporting support to collocated operational units or maintenance activities for distribution by the wholesale inventory managers.

VISION OBJECTIVE X + 24

GOALS	STRATEGIES	OBJECTIVES (X + MO)	SERVICE REQUIREMENTS A N F M D
A.	Retain retail materiel excesses at DCs.	24	
	1. Promulgate policy to change the materiel return program.		
	a. OSD will promulgate policy.	12	P P P P X
	2. Identify and implement system change requirements.		
	a. CDA will identify and implement changes	24	X X X X X