Army Transformation...Demands SC Transformation

Why?

- Seven years of conflict - OPTEMPO
  - Constant wear and tear on vehicles, aircraft, weapons, and other equipment
- Aging infrastructure
  - Most AMC industrial base sites use 50-year old technology and equipment
- High sustainment demands to support All Volunteer Force
  - Will reset equivalent of 30 brigade sets of equipment in FY 2009
  - Reset 500,000 pieces of equipment since 2003
- Budget pressure

What?

Institutional Adaptation
-- What is it all about? --

It’s About...

... Soldiers
- Reduce the turbulence felt by our Soldiers, Civilians and Families to help preserve the All Volunteer Force.

... ARFORGEN
- Improve the effectiveness and efficiency of the Army’s core process for generating trained and ready forces for Combatant Commanders.

... Leadership
- Assemble the right leaders, in the right forums, at the right time, with the right information for the right decisions.

... Effectiveness
- Make the Generating Force as agile, versatile, and responsive as the Operational Army it supports.

... Efficiency
- Enable the Army to accomplish its mission while being better stewards of its resources.

... Time
- Better position the Army for a period of strategic complexity, institutional turbulence, fiscal uncertainty and persistent commitment.

Who?

Core Enterprises

- ASA(MIRA), G1
- ASA(ALT), G4, G8
- USA(G3/5)
- ASA(MED), G2, G6, ASCM

- HCCE Board
- MCE Board
- RCE Board
- SICE Board

- ARFORGEN Synch Board
- ARFORGEN

Who?

- ARFORGEN
- ARFORGEN Synch Board

How?

- Objective: Effective Delivery of Outputs
- Trained and Ready Force for the Combatant Commanders

- Improve ARFORGEN
- Adopt an Enterprise Approach
- Reform Requirements & Resource Processes

4 Army Core Enterprises - Human Capital, Materiel, Readiness, Services & Infrastructure

POC: Mr. Joshua Call/AMCOP-E/256-450-9040/Ver. 5
DoD Supply Chain

Too many walls, PLUS
Many Competing Supply Chains

Prime Vendors
Sub Contractors
Other Vendors

ICPs
Maintenance
Depots
Supply Centers
Distribution
Centers

Retail Supply
Organizational
Maintenance

Tactical
Operations

Organic
Industrial Base
Operations

Untapped Potential - Need a Supply Chain that Works for All
# Enterprise Enablers and Initiatives

## Integrated Logistics Enterprise Project
- Integrate supply chain business processes and policy
- Enable supply chain transformation
- Influence suppliers
- Provide oversight of supply chain execution to meet BRAC 2005 requirement

## Item Unique IDentification
- Department of Defense Directive to uniquely identify individual pieces of equipment
- Improved item visibility
- Improve access to historical item data across the item life cycle
- Enables Condition Based Maintenance, Reliability Centered Maintenance, In Transit Visibility, and Common Logistics Operating Environment

## Condition Based Maintenance Plus
- Proactive maintenance capability that predicts and reports impending system failures
- Monitors system health indicators
- Better information for tactical supply and maintenance decisions
- Decrease logistics footprint

## Enterprise Resource Planning
- An ERP system is an integrated packaged business software system
- Automated, integrated business processes sharing common data and practices across the enterprise
- Produce, access, and manage information in a real time environment
- Configurable to meet business needs while implementing best practices
ILEP Vision Statement

Be the Army center for integrated supply chain business processes to better enable enterprise logistics transformation. This encompasses managing and influencing acquisition, supply, maintenance and transportation functions with the physical, financial, information, and communications networks.

ILEP Mission Statement

Provide world class customer support through policy, strategy, planning, measurement, management and standardization of common functions and business processes. Integrate supply chain transformation initiatives in support of the enterprise. Institutionalize supply chain knowledge and expertise through education, training and employee development.

ILEP Strategic Imperatives

1. Integrate and optimize the supply chain to ensure war fighter readiness
2. Provide enterprise strategy, planning & governance for effective and efficient supply chain operations
3. Enable supply chain collaboration, communication, management, & execution
4. Synchronize supply chain transformation initiatives in support of the enterprise
5. Coordinate training and employee development to sustain supply chain institutional knowledge and expertise ensuring a competent and qualified enterprise workforce

Focused Initiatives

Mission-Based and Condition-Based Forecasting Studies

End-to-End Initiatives

- Retrograde Improvement
- Standardized Metrics
- Workforce Education and Certification
- SALE and LMP Deployment

Retail

Wholesale

Organic Suppliers

Retail

Vendor Collaboration

PBL Depot Parts Support
Supply Chain Management - Future State

1) Integrate & optimize the supply chain to ensure war fighter readiness.

2) Provide enterprise strategy, planning & governance for effective and efficient supply chain operations.

3) Enable supply chain collaboration, communication, management, & execution.

4) Synchronize supply chain transformation initiatives in support of the enterprise.

5) Coordinate training and employee development to sustain supply chain institutional knowledge and expertise ensuring a competent and qualified enterprise workforce.

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Restricting any part of the Logistics Pipeline reduces the overall flow
Item Unique Identification (IUID) to Achieve “Real Serial Number Tracking”

- Item Unique Identification (IUID) using Unique Item Identifiers (UII), Automatic Identification Technology (AIT) and Enterprise Information Technology (IT) Systems must be developed to achieve:
  - Serialized Item Management: TLCSM, CBM+, RCM
  - Asset visibility & accountability
  - Improved maintenance capabilities
  - Increased Readiness, Reliability, Productivity and Asset Visibility
  - Decreased cost and human data entry errors
  - Seamless transmission of data to enhance sustainment
CBM+ Overview

Program Objectives
- Decrease Maintenance Burden on the Soldier
- Increase Platform Availability and Readiness
- Reduce Operations & Support Costs

1. Collection

CURRENT
- 1100+ aircraft

FUTURE
- Key CBM+ Enablers
  - Health Management (Digital Source Collectors)
  - Embedded Sensors
  - Diagnostics
  - Prognostics
  - Maintenance Aids (MSD, PMA IETMs)
  - Digital Logbooks
  - Data Storage

2. Transmission
- Take the data - in any format - anyway we can get it...
- Working the data strategy and standardizing formats

3. Warehousing
- Logistics Support Activity (LOGSA)
- CBM+ Data Warehouse now in place
- Integrating the different existing warehouses into a single system

4. Analysis
- Materiel defect?
- Design Defect?
- Policy or procedure change?

5. Action/Decision
- Maintenance TTPs or Inspection Remediation
- Part Re-engineering
- Safety of Use Message or Airworthiness Release
- Supply Optimization

6. Product Improvement
- Lean Six Sigma
- New System Requirement

Challenges
- Inter-organizational Value Differences
- Complex Funding Stream
- Feedback to TRADOC and Acquisition
Product Data Management

Enables Product Lifecycle Management by:

- Providing core product information for the engineering and logistics communities
- Key data and history for configuration control
- Allowable configurations and variances for each product

A federated approach enabled by Service Oriented Architecture and standard PDM system(s)
**AESIP**
- Enterprise Master Data
- Business Intelligence / Business Warehouse
- Enterprise Services Bus (Hub Services)

- Improved supply chain visibility in terms of performance and highlighting areas of improvement
- Increased accuracy in demand data

**GCSS-Army**
The Tactical Army Logistics Solution

IOC - FY11
FOC - FY16

**LMP - FOC Oct 10**
- Supporting 9,100 users at 17 sites
- CECOM and AMCOM IMMCs and Depots
- Among world’s largest fully integrated supply chain demand planning and execution solution
- Interfaces 70+ DoD systems
- Manages $7.5B in inventory
- Handles 2.0M transactions daily

**AESIP**: Army Enterprise System Integration Program
**GCSS Army**: Global Combat Support System
**GFEBS**: General Funds Enterprise Business System
**LMP**: Logistics Modernization Program

- Single point of truth from data perspective
- Improved ability to work with suppliers on sourcing solution for both Warfighter and Industrial Base

**GFEBS**
- Web-enabled Financial, Asset and Accounting Management System
- Supports Transformation of Army to Cost Culture
- Enable Life Cycle Cost Management
Industry Trends...Drive SC Transformation

Executive Management Planning

Operations Management Planning

Executive Management Execution

Financial Management & Reporting

Plan
Source
Make
Deliver
Return
Enable

SCOR: Supply Chain Operations Reference Model

UNCLASSIFIED

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Bringing it all together

**Costs Analysis / Management**
- Fleet
- System Variant
- Individual item of equipment (UID) history
- Theater
- Equipment Life Cycle Costs
- Programmatic Life Cycle Costs (including RDT&E)

**BI/BW Reporting Tools**

- Overhead
  - Training
  - Personnel/HR
  - Procurement
  - Acquisition

- Repair/Overhaul
  - Modification
  - Wholesale Inventory
  - Transportation
  - Initial Spares

- Engineering
  - Logistics Mgmt
  - OEM/Vendor
  - Sustainment Estimates
  - Initial Costs

- Operational Costs
  - Field Maintenance
  - Retail Inventory
  - Transportation