

DDC FY04 Business Plan Unveiled

The Defense Distribution Center (DDC) has just announced its business plan for the future. It describes our vision and direction, how our plans relate to other DoD organizations, and the initiatives that will move us forward.

“Over the next five years, DDC will face unprecedented opportunities,” said BG Kathleen Gainey, USA, Commander, DDC. “A few of the challenges we will face are higher workload levels, expanded theater operations, organizational transformation, and multiplying partnerships with commercial distributors. The purpose of this plan is to provide a road map to lead us into the future. “

The DDC was established on October 1, 1997, as a major component of DLA. Located in New Cumberland, PA, DDC is DLA's lead center for distribution and headquarters to 23 DLA distribution centers (DCs) located around the globe. Three additional overseas DCs are in the planning stage for 2004 – Southwest Asia, Guam, and Korea. These sites currently store over 3.9 million stock numbers including clothing and textiles, electronics, general and industrial supplies, construction supplies, subsistence, medical material, and the military services' principal end items in almost 19 million square feet of open storage space and just over 50 million square feet of covered storage space. We proudly support the men and women of all branches of the United States Armed Forces and our fellow DoD civilians by processing more than 26 million receipts and issues annually.

“Our business plan describes who we are, what we do, and why,” BG Gainey said. “Its basis is our role in the implementation of DLA's Strategic Plan. Every member of the DDC team, should familiarize themselves with the contents of the plan and commit to implementing it at every level. Through this plan, I hope you will be able to see not only what we intend to accomplish, but also the vital role each of every team member will play in ensuring America's freedom.”

Providing World-Wide Support



DDC's business plan is based on DDC's mission, vision, and values. DDC's mission is to distribute, store, and manage materiel and information enabling a seamless, tailored worldwide DoD distribution network that provides effective and efficient support to combatant commands, military services, and other agencies ... in theater and out ... during war and peace.

DDC's vision is to provide best-value competitive distribution services to the Warfighter around the world and around the clock.

DDC's values are:

People ... Care for Our People, Our Community, and Our Environment – Their Safety and Their Diversity.

Service ... Focus on Customer Service.

Excellence ... Expectation of Professionalism and Quality, Teamwork and Recognition to Teams and Individuals Based on Contributions to Achieving Agency Objectives.

Innovation ... Investment in Improvements for the Future.

Trust ... Fostering Relationships Based on Honesty, Credibility, Respect and Equality.

DDC performs materiel distribution, a vital aspect of DLA's combat support mission. Distribution encompasses responsibility for receipt, storage, inventory integrity, packing, preservation, issue, worldwide transportation, and in-transit visibility for all items placed under DDC's accountability by DLA and the military services.

OUR CHANGING BUSINESS ENVIRONMENT

The military services are undergoing a paradigm shift. Today's force is shifting to become light and lean and ready to deploy anywhere in the world within 96 hours. It no longer depends on the large stockpiles that represented the "just-in-case" premise of the cold war era.

DDC is a combat support organization and we continuously develop strategies that will allow us to expand our role in providing valued services to the Warfighter. In fact, we want to become the Warfighters' source of choice. We will meet or exceed our customers' expectations while continually reducing costs and increasing product and service quality. For our employees, we are committed to making DDC a recognized leader in safety and health by creating an injury-free environment.

Our goals are to:

- Provide responsive, best value supplies and services consistently to our customers.
- Structure internal processes to deliver customer outcomes effectively and efficiently.
- Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.

- Manage DLA resources for best customer value.

The Balanced Scorecard (BSC) is the strategic management system that DLA and DDC use to translate these strategic goals into a coherent set of objectives and performance measures. All the DLA Lead Centers, including the DDC, share the same high-level strategies, reinforcing the fact that we are one enterprise with different responsibilities to achieve our customers' desired outcomes.

The DDC has developed a Balanced Scorecard that aligns with and supports the enterprise BSC while defining the unique objectives that make us who we are. The agency's planning documents provide our strategic framework.



THE CUSTOMER PERSPECTIVE

To achieve our vision, how must we look to our customers? DDC is part of a Combat Support Agency with a mission to provide logistics support to the Warfighter. Our first and foremost goal concerns the outcome for our customers. The strategies and objectives under this goal communicate how we improve customer service and the level of service we have targeted for delivery. We aim for logistics excellence.

Overarching Outcome Measure – Customer Satisfaction

The level of satisfaction that our customers express with our services is the ultimate metric that tells us whether we are doing the right things. This is measured at the enterprise level.

A prime example of DDC's customer support strategy currently in use is our Dedicated Truck Program. We measure ourselves by our customers' response to our Time Definite Delivery performance. While we believe we are doing a good job with our dedicated truck program, there is always room for improvement. To ensure we are as responsive as possible to our customers we seek to constantly improve communications and to develop a maintain a robust customer relationship.

The DDC must also ensure that wartime support equals or betters peacetime support. Additionally, it is our goal that the Warfighter be able to deploy easily without having to significantly alter the support mechanisms in place. We must first understand our customers' contingency requirements and then develop plans to provide the proper level of support with a transparent transition. Distribution performance must not suffer as OPTEMPO increases.

THE FINANCIAL PERSPECTIVE

If we are successful, how will we look to our stakeholders? By focusing on our finances, we achieve the discipline needed to ensure effective and proper financial planning and execution. We emphasize providing best value to our customers by minimizing costs and charges, as well as through stewardship of the resources our stakeholders provide.

THE INTERNAL BUSINESS PROCESSES PERSPECTIVE

To satisfy our customers, at which processes must we excel? We describe our desire to strive for business processes that lead to perfect customer outcomes. Effective and efficient processes are generated through sound supply chain management practices and validated through continuous improvement in operational metrics.

THE LEARNING & GROWTH PERSPECTIVE

To achieve our vision, how must the organization learn and improve? We focus on the strategic management of our human capital. In order for the DDC to be successful, our workforce must be properly staffed, possess the right competencies, and use knowledge-based skills. We must invest in our people and implement initiatives to recruit and retain a highly skilled and competent workforce. Additionally, we strive to foster a positive work experience by providing and maintaining a safe workplace, promoting respect, valuing individual and team contributions, and taking pride in our diversity.

INITIATIVES

Of course, no plan is effective if it is not implemented. In order to accomplish these goals and objectives, the DDC has set 17 strategic initiatives, each of which has been weighed by its level of criticality, expected payback, time needed

to complete, and cost, and approved by the DDC Corporate Board. They are intended as the vehicle by which the organization will move in chosen strategic direction. A few examples are:

- **Improve Inventory Accuracy**
- **Competitive Sourcing (A-76)**
- **Stand Up Forward Distribution Centers**
- **Develop Communications Plan**
- **Collaborate with Distribution Process Owner (DPO)**
- **Total Cost Tracking**
- **Implement Distribution Planning and Management System (DPMS)**
- **Expand DDC Theater Operations**
- **Establish and Pursue a Customer Relationship Management Strategy**
- **Enterprise Transportation**
- **Robust Contract Administration**
- **Workforce Recruitment and Retention**
- **Systems Modernization**
- **Maintain an Effective Training Program**
- **Implement Net Landed Cost for Reimbursables**
- **Develop a Strategy for Infrastructure Investment**

The outcome of implementing DDC's business plan will be improved productivity, performance, and employee satisfaction and retention.