MAY 7, 1990

CORPORATE INFORMATION MANAGEMENT

DISTRIBUTION CENTER FUNCTIONAL GROUP

INFORMATION PAPER

A. BACKGROUND:

1. As a result of the Deputy Secretary of Defense October 4, 1989 memorandum which provided Corporate Information Management direction to develop single standard systems requirements in areas where multiple system development efforts were taking place, the Distribution Center CIM was established by the DoD Comptroller as one of the first two CIM efforts in November. Mr. Peter O'Toole, a staff assistant for the Assistant Secretary of Defense (Production & Logistics), was chosen to lead this functionally oriented work group effort.

2. The CIM group first met the week of December 11th to orient themselves to the CIM methodology and participate in team development efforts. The group formally convened on a full-time basis January 16, 1990 at Crystal Plaza 6, Crystal City, Arlington Virginia.

3. The DC CIM group is comprised of the Group leader, a CIM representative from the Office of the Comptroller, who also serves as deputy to the group leader, a process methodology facilitator from the Information Resource Management College, a staff administrator, 1 representative from the DoD Logistics Initiatives Division of the office of ASD(P&L), 4 Army, 2 Navy, 3 Air Force, 1 Marine Corps and 3 Defense Logistics Agency (DLA) representatives. As the need arose, the team has been augmented by additional Service/DLA functional representatives. Seven of the 13 Service/DLA representatives are from outside the Washington area.

B. STATUS:

1. This effort is well into Phase II of the CIM methodology, having completed documentation of; the DC mission, customers, products and services; the existing organizational structure; the business activities, processes and practices and; visions for the future (year 2000) with associated goals, strategies and time-lines for achieving the visions.

1. The CIM DC Functional Group is now proceeding down two concurrent tracks. A functional operations subgroup has just completed development of a future concept of DC operations. The results of these efforts will be discussed in more detail below. Though not addressed in the formal methodology, this

group was tasked to develop a matrix relating the dependence of vision achievement to future business activities and processes.

2. A functional systems subgroup is documenting the current functional information model. This step takes the existing 11 business activities and the 40 associated processes within the DC and classifies objects of interest (i.e. that which must be managed, such as materiel, employees, storage locations, workload, etc.) in terms of information needed to describe, provide current status or, provide future status of the object of interest. Either due to the terms of reference in the process guide, or the systems discipline of the subgroup, accomplishment of this step has been very difficult. It took over two weeks to document just two processes. However, having accomplished those two, the subgroup is now proceeding at a much faster pace.

3. The functional systems subgroup is also documenting the various information systems baseline which portrays the functionality of the systems, the technical operating platforms (i.e automated data processing equipment, software and interface requirements) and life-cycle management (LCM) costs of these information systems. We are having some difficulty obtaining the required cost information. In some cases, due to the age of the system, such LCM costs, particularly, the development and design costs do not exist. In other cases, however, there is a reluctance to release cost information without knowing exactly how they are being used. To date, only the Air Force has required the request for information in writing. Similar written requests may be required of the Army and Navy.

C. FUTURE ENVIRONMENT:

1. The following eighteen visions have been identified as a requirement to support the distribution center of the future:

(1) Assignment of overall management of distribution centers along with central design responsibility to DLA.

(2) Operation of distribution centers in proximity to each other as one distribution center.

(3) Consolidation of hazardous materiel, ammunition and other specialized materiel at specific distribution centers.

(4) Cross functional/organizational information sharing.

(5) Use of modern communication links.

(6) Real-time materiel asset visibility.

(7) Visibility of all hazardous materiel regulatory requirements .

(8) Maintenance of only one inventory balance record.

(9) A multiskilled distribution center workforce.

(10) Development of a DC training and certification program.

(11) A quality of life workplace.

(12) Improved quality of performance.

(13) Improved efficiency through creative management.

(14) Highly mechanized DCs employing state-of-the-art advancements.

(15) Improved storage space utilization with a rapid expansion capability.

(16) Reimbursement to the DC for services rendered.

(17) Use of private sector Universal Product Code (UPC) markings.

(18) Retention of materiel excesses in place.

2. The future concept of operations envisions reducing the 11 business activities identified in the current operations to five business activities (Receiving, Issuing, Shipping, Storage Management and Support Services). Significant changes are; are the central receiving of all materiel entering the DC; integrating the use of process control warehousing systems (e.g. NISTARS, AWS, etc.) into the receiving process vice the double processing of receipts; recognition that the Army's Total Package Fielding program is similar to set assembly; incorporating all transshipment activity (i.e. the Army's containerization/consolidation point, the Air Force's air terminal and the enhanced DLA distribution system operations) as a single process within shipping.

D. FUNCTIONAL ISSUES:

1. Functional Steering Group. - Products developed by the DC CIM group are at a point where executive level approval is required. We are concerned that, unless such approval is obtained soon, we may be required to significantly redocument our future functional requirements, thus delaying completion of the CIM effort.

2. Defense Depot System (DDS) - or Bay Area Prototype. - Within the CIM group, there are questions being raised of why there continues the need for the CIM effort when the decision has been made to consolidate under DLA and implement DDS. We have explained that the Service requirements are not being

addressed by DDS and, future requirements (i.e. the Vision) incorporating Service needs are not addressed by DDS.

3. Life after CIM . - We expect to complete the CIM effort as outlined in the Process Guide by mid-December 1990. Though the products will have considerable detail, the feeling is that a CDA selected to develop the standard system will require direction and interpretive guidance which can only come from the CIM group to accomplish their task.

E. ADMINISTRATIVE ISSUES:

1. Position Descriptions. - The DC CIM members are concerned that they have not received position descriptions. Many of their performance appraisals will be due soon and they feel that they cannot be adequately rated on their CIM efforts without a position description or statement of duties and related performance objectives. Their ratings are of particular concern because of the unstable nature of their home organizations as well as the belief that supervisors will favor those not detailed to the CIM effort, when it comes to monetary disbursement of available performance awards.

2. Per Diem/Travel. A major issue with the out of town DC members is the loss of per diem while they are on annual leave. Their living arrangements required signing short-term leases. Since they cannot terminate these leases to take annual leave for scheduled vacations, they feel they are being penalized by loosing their per diem. All of the members are in use or lose leave status. This current situation discourages the use of annual leave and they are concerned that they will be later penalized by their home command by loosing their leave.

3. Emergency Travel. Several members have expressed concern about emergency trips home. Specifically, under what circumstances will the government provide support.

4. Joint Travel Regulation (JTR) Interpretation. There continues to be a concern about their home commands interpreting the JTR differently during their final settlement. Recommend that arrangements for final settlement of travel vouchers be accomplished at Bolling thus eliminating the possibility of differing interpretations which could penalize one member over another in a different organization.

5. Timely Payment of Accrued Per Diem. Last month accrued per diem payments were almost two weeks late. This poses an unnecessary financial burden on the members and is disrupting to maintaining high morale within the group. Particular care should be taken to avoid future reoccurance.

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