

**CORPORATE
INFORMATION MANAGEMENT
FOR
DISTRIBUTION CENTERS**

MISSION

To receive, store, and distribute materiel in response to positioning decisions and to satisfy worldwide requirements.

OUTLINE

TRENDS

POLICY

GUIDING PRINCIPLES

VISION

DISTRIBUTION CENTER (DC) TRENDS/IMPACTs

1. Increased use of Electronic Data Interchange (EDI).
DC IMPACT: Paperless environment.
Increased efficiency.
Prompt payment.
2. Increased reliance on Private Sector for Distribution (Just-In-Time/Direct Delivery/Nondevelopmental Items).
DC IMPACT: Reduced inventory received, maintained and shipped.
Increased range of items stored.
3. Complex new weapon systems.
DC IMPACT: Increased range of items to be stored.
Weapon system management becomes more important.
Requires more effective communication capability.
4. Increase emphasis on inventory reduction.
DC IMPACT: Reductions in storage capabilities.
Workload reductions.
5. Distribution becoming more of a technical professional specialization.
DC IMPACT: Cross functional training required.
Increased reliance on artificial intelligence.
Requires more professional white collar work force.
6. DoD budget decline.
DC IMPACT: Required to "do more with less" or identify areas where we can "do nothing with nobody."
Increase standardization in systems design.

7. Environmental laws and regulations becoming more stringent.
DC IMPACT: Require more conforming storage facilities.
Require greater on-line access to hazardous material and environmental law data bases.
Require a technically qualified workforce.
8. Personnel Computers and microbase systems becoming more available, powerful and prevalent.
DC IMPACT: Better performance measures and increased productivity.
9. Database networking and EDI applications increasing.
DC IMPACT: Increased productivity and efficiency.
One time data entry and improved data accuracy.
10. Increase in the age of the workforce.
DC IMPACT: Increased cross training required.
Increased reliance on mechanization and artificial intelligence.
11. Total Quality Management (TQM) will force continuous change in functional processes.
DC IMPACT: Rapid and continuous change in operations will be a fact of life.
12. Increased use in statistical process control (SPC) tools for business area quality and production control.
DC IMPACT: Increased productivity, better performance measures.
TQM can be built into and measured by the process.
Reduced need to conduct physical inventories and process audits.

13. Increased use of flexible manufacturing capabilities.
DC IMPACT: Heavy capital investment.
Increased management responsibility.
14. Greater reliance on commercial packaging.
DC IMPACT: Increased repackaging workload.
Potential reduction in packaging costs.
15. Increased pressure to operate in private sector manner.
DC IMPACT: Better communication with DC customers
required.
May pass cost increases on to user.
16. Transportation deregulation will continue.
DC IMPACT: Transportation cost reduction through
aggressive negotiation.
17. Excess commercial transportation capacity will decline.
DC IMPACT: Transportation costs will increase in future.
18. Increased demand for better materiel quality and contractor
compliance.
DC IMPACT: Increased testing workload.
Test equipment required.
Increased storage for materiel in litigation.
Increased technical expertise.
19. Paperless workplace environments.
DC IMPACT: Increased efficiency and accuracy.
Reduced cost of DC operations.
20. Increased availability of expert systems (artificial intelligence).
DC IMPACT: Improved efficiency.
Technical personnel less a factor.

21. Use of automated materiel handling and storage (AMHS) systems becoming more prevalent.
 - DC IMPACT: Increased productivity.
 - Improved inventory accuracy and security.
 - Reduced surge capability.
 - Complex systems interfaces required.
 - Increased need for standardization.

22. Increased demand for better physical security.
 - DC IMPACT: Increased costs/tightened procedures.

23. More powerful large scale computer and data base management systems becoming available.
 - DC IMPACT: Improved communication and information access.
 - Improved modeling capability.

24. Base closure and depot consolidation will take effect.
 - DC IMPACT: Processing and inventory maintenance workload increases on remaining DCs.

25. Pressure for in transit and total asset (wholesale, retail) visibility will increase in order to achieve budget goals.
 - DC IMPACT: Reduced distribution systems costs.
 - Reduced inventory required.
 - Improved customer service.
 - Improved management capability.

26. Downsizing of conventional forces.
 - DC IMPACT: Reduced issue processing workload.
 - Reduced active inventory.
 - Increase in inactive inventory (war reserves).

POLICY

DISTRIBUTION CENTERS (DC) WILL:

- Design a paperless environment
- Maximize private sector business practices (JIT, Direct Delivery)
- Adopt private sector transportation methods (EDDS)
- Operate on a cost reimbursement basis
- Use flexible mfg techniques vice acquiring parts
- Increase training and certification of multiple skills
- Have an evolved single ADP system via common software/data structure
- Acquire Nondevelopmental Items (NDI) (good news/bad news)

- Retail excesses retained in place
- Consolidate DCs and coordinate electronically multiple DC operations
- Position materiel based on lowest cost/customer requirement.

GUIDING PRINCIPLES

DISTRIBUTION CENTERS (DCs) WILL:

- Provide timely and quality services and products to its customers (Peacetime and War)
- Use private sector practices where cost effective and mission responsive
- Embody the principles of TQM in all of its processes
- Maximize involvement of users, suppliers and customers in the design of systems and processes
- Provide the opportunity in the future for responsive innovation for individual user needs
- Maximize technology in the design of systems and use commercial off-the-shelf software to the maximum extent.

VISION
DISTRIBUTION CENTER
WILL OPERATE IN AN
ENVIRONMENT THAT ...

DC VISION (CONTINUED)

- Has transaction vs function processing
- Has total item visibility and controlled access under agreed upon business rules
- Has one time data entry and one touch processing
- Has in-process transaction accountability, visibility and closure
- Has intelligent warehouses (e.g., Robotics, AI, MITLA)
- Has a paperless operating environment
- Has a single cross functional logical data base
- Allows customers to requisition and obtain status "real-time"

DC VISION (CONTINUED)

- Requires more stringent control, packaging and transportation of hazardous material (OSHA, DOT, EPA etc)
- Has a single DoD hazardous materiel certification data base
- Has quality engineered and ergonomic work stations
- Has fewer DCs with reduced inventory
- Has a single DC ADP system with no distinction between wholesale and retail
- Has a two priority system
- Uses EDI for Contract Adm., DC planning and scheduling
- Has increased efficiency driven by stock funding

DC VISION (CONTINUED)

- Has multiple hierarchical units of issue available
- Builds a system that is transferable to the consumer level
- Has specialized contingency warehouses.