

NDTA's Professional Development Supports DOD Human Capital Logistics Strategy

By Irvin Varkonyi, Chair, Education Subcommittee, NDTA

It has been nearly a year since NDTA launched the "Professional Development" column in the *DTJ*. We are pleased that the articles have been well received and that they have helped meet specific educational requirements of Association members. The demands of the defense transportation industry, combined with rapid technological advances, places increased responsibility on professional logisticians to maintain up-to-date knowledge in their field. This need gave rise to the professional development column to help in their pursuit of professionalism.

NDTA, at both national and chapter levels, has provided additional resources during the past year through professional development workshops for private and public sector logisticians at various NDTA events. Lively discussion and learning was generated through recent workshops at Scott AFB (TechNet Mid America Conference; July 21-23; co-sponsored by the Scott-St. Louis Chapters of NDTA and AFCEA). Three sessions were presented: Key Performance Indicators; JDDE Relationship Management; and Lean Strategies Meets the DOD Supply Chain.

KEY PERFORMANCE METRICS

Measures and performance management is one of the nine JDDE functions, which falls in line with Key Performance Metrics, also referred to as Key Performance Indicators (KPIs.) KPIs provide an enterprise with the ability to objectively evaluate its performance and relate to internal and external operations. DOD's Defense Transportation Regulations, C1.5.1.1, define metrics as follows:

"Metrics should provide quantifiable, measurable outputs or outcomes that address all classes of supply and describe all supply chain processes or functions from acquisition through final disposition of end items and material."

While metrics are easy to define, their challenge is to measure what you want to measure, measure what you want accurately, and use the data to effect change. Understanding KPIs is only the beginning. Utilizing the data from KPIs is much more difficult.

Under the JDDE, DOD seeks to understand these components to better understand Key Performance Measures:

- Analyzes metrics that the DOD is not meeting in order to propose solutions.
- Uses technology to perform analytical processing and data manipulation.
- Organizes and leads teams engaged in studies of complex logistics issues and problems.
- Ability to design and build complex, sophisticated decision models.
- Identify DOD/Service enterprise level performance objectives and output goals.

JDDE RELATIONSHIP MANAGEMENT

Relationship management in a joint environment calls for re-defining traditional service focused relationships. If that were the only major change, this subject would be challenging enough, but it is not. Managing relationships among the services while supply chain transformation

PROFESSIONAL DEVELOPMENT

>> NDTA will continue to offer educational opportunities for the benefit of its members. The Forum section in this *DTJ* has details concerning Workshops scheduled for the Reno/Tahoe Forum. For a summary of the Atlantic Regional Forum Workshops held in Hershey, Pennsylvania, in June, see the July NDTA Gram (archived on the NDTA homepage at www.ndtahq.com).

>> In this Professional Development article, you will find a synopsis of Workshops presented at the TechNet Conference at Scott Air Force Base this past July. Thank you to NDTA National Headquarters and the Central Pennsylvania, Scott-St. Louis and Washington, DC Chapters for providing venue support!

is changing companies into virtual enterprises complicates this topic even further.

An Army Logistics Officer (who is the result of the combination of Ordnance, Quartermaster, and Transportation officers) deals with a USAF Logistics Readiness Officer (who is the result of the combination of Supply and Transportation officers). They must seamlessly collaborate in their planning and implementation in the support of a joint Army/USAF effort. Further, they must understand that their suppliers may deal directly with other agencies such as DLA. Having the knowledge that these suppliers may be virtual enterprises, the two officers must have the confidence that their supplier has strong relationships throughout their supply chain. Further, DLA must have an optimum relationship level with their suppliers. While easier said than done, this is achievable and desirable because the results will be an economy of scale that will allow the customers for each one (Army and USAF warfighters) to perform better without spending as much on resources as previously.

Under the JDDE, DOD seeks to stimulate effective joint relationships by the use of the following components:

- Understands the roles and responsibilities of all Joint Deployment and Distribution Enterprise partners (DOD, Non-DOD Government Agency, and Commercial).
- Recognizes the priorities of all partners and how they affect DOD logistics.
- Develops and manages mutually beneficial relationships with JDDE partners.

LEAN STRATEGIES MEETS THE DOD SUPPLY CHAIN

Lean is a hot concept. The Department of Defense has put great emphasis on reducing waste by using Lean techniques. Lean, combined with Six Sigma quality training, provides guidance to DOD logisticians to improve the quality of its supply chain and reduce waste.

Lean can, as with our other topics, be interpreted in many ways. Some can interpret Lean as a technique to reduce inventory by substituting Just in Time techniques for inventory. Others state that Lean calls for an enterprise to transform its processes to be more efficient, which in turn reduces costly inventory.

Lean is associated with waste, sometimes referred to as the seven deadly sins of waste. As described by the Lean En-

terprise, when looking at manufacturing enterprises, operations professionals must attack the following:

terprise, when looking at manufacturing enterprises, operations professionals must attack the following:

- Overproduction – producing more, sooner, and faster than required by the next process
- Excess transportation – any transport that adds cost but no value to the product
- Excess inventory – this not only is a waste, but also creates waste
- Excess processing – doing more work than necessary
- Waiting – operator or machine idle time
- Correction – repairs to products
- Motion – walking or wasted motion to pick up or store parts

Under the JDDE, DOD seeks to improve inventory planning by using the following components:

- Compares multiple inventory planning techniques (dollar cost banding,

historical, econometric, and statistical) in order to select the most appropriate method for the situation.

- Forecasts materiel demands in order to determine Authorized Stocking Levels (ASL) and reorder points.
- Performs inventory planning using at least one inventory planning technique.
- Calculates optimal inventory levels for required materials in order to match supply with demand.
- Categorizes products using Inventory Segmentation in order to determine appropriate stocking levels.
- Uses tools to set inventory levels that meet customer service levels with a minimum amount of inventory.
- Analyzes and predicts in theater common user item stock levels. Makes recommendations for theater forward supply points.
- Negotiates target inventory objectives with customers to balance readiness and cost at levels to meet the mission. *DTJ*



Kansas City Southern is Proud to Partner with the U.S. Military

Kansas City Southern proudly serves Fort Polk, Louisiana, Camp Shelby, Mississippi, the Port of Beaumont, Texas and all major North American markets with competitive, reliable and efficient rail transportation.

To find out how we can serve you, call 816-983-1268 or visit us at www.kcsouthern.com.



Irvin Varkonyi, CSCP, is president of Supply Chain Operations Preparedness Education (www.scopedu.com), a firm offering training and consulting in organizational preparedness for private and public sector organizations. He has three decades of experience in air transportation and logistics, which he utilizes to teach and train undergraduates, graduate students, and adult learners. Mr. Varkonyi is an expert in professional development instruction, with DC Metro APICS and a university adjunct professor with the American Military University in their Homeland Security, Transportation and Logistics department and at George Mason University's School of Public Policy. "We hope to see as many of you as possible in Reno. Please have representatives of your organization enroll in one, two, or all three of the scheduled workshops."