

TRANSFORMING GLOBAL LOGISTICS

DLA STRATEGIC PLAN 2021–2026



DEFENSE LOGISTICS AGENCY

The Nation's Combat Logistics Support Agency



VADM Michelle Skubic
Director, Defense Logistics Agency

DEFENSE LOGISTICS AGENCY

Strategic Plan 2021-2026

DIRECTOR'S INTENT

Over more than six decades, the Defense Logistics Agency has established a strong reputation for service to the Warfighter and value to our Nation. Keeping pace with today's accelerating global challenges, DLA continues to maintain and enhance force readiness for our Military Services and Combatant Commands. DLA also stands ready to leverage our unique logistics capabilities in supporting a growing Whole of Government mission without compromising Warfighter support.

Our Strategic Plan meets the evolving requirements of the Warfighter and the Nation with a targeted transformative approach encompassing the most critical priorities for the next five years. Grounded in the perspectives of customers, DoD partners, and our workforce, the strategy aligns DLA's resources and efforts.

DLA's collaboration with all our partners is paramount as we rapidly innovate at speed and scale to solve problems. We will continue to adapt our strategy as needed to reflect the rapidly changing, competitive environment in which we operate.

Focusing our efforts on the key elements articulated here – mission, vision, lines of effort and critical capabilities – enables us to address the complexities of today's geo-political environment and the challenges of tomorrow. With a world-class DLA Team working to translate this plan into real results, we look forward to seeing our customers thrive with our support in a demanding and multifaceted world.

Thank you for your support in implementing this Strategic Plan. Most importantly, thank you for your commitment and service to our Warfighters and our Nation. I look forward to working with each one of you as together, we build on our enduring legacy as the Nation's Combat Logistics Support Agency.

WARFIGHTER ALWAYS!

VICE ADMIRAL MICHELLE SKUBIC
DIRECTOR, DEFENSE LOGISTICS AGENCY



TRANSFORMING GLOBAL LOGISTICS

As the Nation's Combat Logistics Support Agency, we must lean forward to address new challenges that threaten our global environment. We will meet those threats and the evolving needs of the Warfighter and Nation with this Strategic Plan, which identifies our most critical priorities and will transform our business processes over the next five years. Though this transformation will not encompass all of DLA's day-to-day activities, these core objectives will have the greatest impact on our ability to achieve mission success.

MISSION:

Deliver readiness and lethality to the Warfighter Always and support our Nation through quality, proactive global logistics.

VISION:

As the Nation's Combat Logistics Support Agency and valued partner, we are innovative, adaptable, agile, and accountable – focused on the Warfighter Always.

Critical Capabilities (CC):
Success across all Lines of Effort

Lines of Effort (LOE): Core strategic outcomes of DLA's Targeted Transformation



Enterprise Key Performance Indicators (KPI) measure the success of this strategy:

- Service Readiness
- Supply Availability
- Acquisition Timeliness
- Business Health
- Liquidity
- Price Competitiveness
- Customer Satisfaction
- Employee Engagement



As the Nation's Combat Logistics Agency, DLA manages the end-to-end global defense supply chain – from raw materials to end user disposition – for the five Military Services, eleven Combatant Commands, other federal, state and local agencies and partner and allied nations

Partnering closely with industry, DLA accomplishes this through its One-Star / SES-led six Major Subordinate Commands, enabled by its three Regional Commands, commanded by Colonels or Navy Captains

OFFICE OF THE SECRETARY OF DEFENSE

UNDER SECRETARY OF DEFENSE
for Acquisition and Sustainment

ASSISTANT SECRETARY OF DEFENSE
for Sustainment

DEFENSE LOGISTICS AGENCY
Fort Belvoir, VA

DLA DISTRIBUTION
New Cumberland, PA

Provides storage and distribution solutions/management, transportation planning/management, logistics planning and contingency operations; operates a global network of distribution centers.

DLA TROOP SUPPORT
Philadelphia, PA

Provides food, textiles, construction material and medical supplies and equipment, to include pharmaceuticals.

DLA AVIATION
Richmond, VA

Provides repair parts for aviation weapons systems, flight safety equipment, maps, environmental products and industrial plant equipment.

DLA DISPOSITION SERVICES
Battle Creek, MI

Provides for disposition of excess property by reutilization, transfer and demilitarization; conducts environmental disposal and reuse.

DLA ENERGY
Fort Belvoir, VA

Provides bulk fuel, alternative fuel renewable energy, aerospace energy, fuel quality/technical support, fuel card programs and installation energy services.

DLA LAND AND MARITIME
Columbus, OH

Provides repair parts for ground-based and maritime weapons systems, small arms parts, fluid handling and electronic components.

DLA EUCOM & AFRICOM
Stuttgart, Germany







DLA CENTCOM & SOCOM
MacDill Air Force Base, FL

DLA INDOPACOM
Joint Base Pearl Harbor-Hickam, HI

DEFENSE LOGISTICS AGENCY BY THE NUMBERS (FY20)

\$40.7B	Revenue	11K	Global Suppliers
\$15B	Small Business	9K	Contract Awards per Day
\$7.5B	Whole of Government Support	6M	Line Items Managed
\$1.1B	Foreign Military Sales	\$150B	Active Contracts Managed
~100%	Mil. Services Consumables	27K	Total Workforce, 2K Forward Positioned

SUPPORTING THE NATIONAL DEFENSE STRATEGY

 Combat Operations	On the Battlefield since 1962
 Nuclear Enterprise	9 Platforms
 National Defense Stockpile	48 Materials, \$1.1B Inventory
WHOLE OF GOVERNMENT	
 COVID-19 Operations	\$3.4B in total support as of March 15, 2021
 Humanitarian Assistance	12 Major missions since 2010
 Disaster Relief	14 Major missions since 2010

AVERAGE DLA SUPPORT IN A DAY

- 89,032 orders
- 1,002,739 meals
- 2,967 construction & barrier items
- 8,802,739 gallons of fuel
- 9,972 medical items
- 6,572 turn-ins
- 166,782 uniform items
- 14,761 pharmaceutical items
- 6,965 repair parts

SELECT AUTHORITIES

- ✓ **10 U.S.C. § 193** – DLA is a Combat Support Agency with Chairman JCS oversight (Goldwater - Nichols Act)
- ✓ **10 U.S.C. § 191** – Common supplies and services managed by a single DoD agency
- ✓ **DoDD 5105.22** – DLA Charter, roles and missions as a Combat Support Agency (2017)
- ✓ **DoDD 5101.1** – DoD Executive Agency (Bulk Fuel, Medical Materiel, Subsistence, Construction & Barrier Materiel)

DLA LINES OF EFFORT

This is an unprecedented time in an increasingly complex global environment. The balance of power across the world is changing, creating new threats.

We are faced with many challenges: budget and procurement, pandemics, escalating climate crises, cyber and digital threats, international economic disruptions, protracted humanitarian crises, violent extremism and terrorism, and the proliferation of nuclear weapons and weapons of mass destruction.

DLA's plans, processes and actions must focus on agile, innovative solutions that increase readiness and lethality for the Combatant Commands and the Joint Task Force, particularly in a distributed, contested logistics environment.

Our five Lines of Effort identify the most critical focus areas for DLA over the next five years. Each LOE has one or more underlying objectives with specific initiatives, milestones, and metrics that will

support the execution of this transformation and have the greatest impact on our ability to serve the Warfighter and the Nation.

- **LOE 1: Warfighter Always**
Tailored solutions to drive readiness
- **LOE 2: Support to the Nation**
Deliberate approach, without tradeoff to the Warfighter
- **LOE 3: Trusted Mission Partner**
Transparency and accountability to our customers
- **LOE 4: Modernized Acquisition and Supply Chain Management**
Leading in logistics to deliver best value and manage risk
- **LOE 5: Future of Work**
Adapting to new ways of working





LOE 1: WARFIGHTER ALWAYS

Objective 1.1: Improve end-to-end readiness and cost-effectiveness in support of Combatant Commander Campaign Plans and Integrated Contingency Plans in competitive and contested logistics environments

Objective 1.2: Partner with customers at the wholesale and retail levels to address Service-specific challenges and develop solutions

Objective 1.3: Proactively support the DoD Nuclear Enterprise and Space Enterprise

DLA's support to the Warfighter is job one. It's our core strategic priority. We must provide the right support in the right places at the right times.

The Military Services and Combatant Commands have unique needs and capabilities requiring customized solutions.

It's imperative for DLA to make smart, disciplined investments in innovative tailored logistics solutions to increase and sustain weapons system and warfighting readiness – including our Nation's strategic deterrent – to meet today's requirements and prepare for the future fight.

LOE 2: SUPPORT TO THE NATION

Objective 2.1: Implement a deliberate, enterprise-wide approach to Whole of Government support

Capitalizing on our scope, scale and skills in acquisition, storage, distribution, and surge capabilities, the Nation has increasingly called upon DLA to provide Whole of Government support.

DoD is redoubling its commitment to a cooperative, whole-of-nation approach to national security that builds consensus, drives creative solutions to crises, to guarantee that we lead from a position of strength.

As part of this effort, this LOE clarifies a deliberate approach to our Whole of Government mission with no cost trade-off to the Warfighter.





PERFORMANCE METRICS AND PROBLEM SOLVING

LOE 3: TRUSTED MISSION PARTNER

Objective 3.1: Implement customer-centric performance metrics and predictive problem-solving culture

Objective 3.2: Provide greater financial transparency to customers

Objective 3.3: Provide next generation customer service, including a customer feedback mechanism

Building trust begins with understanding our customers' priorities. Through a collaborative, data-driven problem-solving culture, we will pursue viable solutions to these critical challenges.

DLA will improve trust and transparency by enhancing customer-facing tools and software, formalizing customer feedback and increasing collaboration at all levels. We will align performance metrics and targets to ensure we are accountable to our customers.



CUSTOMER SERVICE AND FEEDBACK

LOE 4: MODERNIZE ACQUISITION AND SUPPLY CHAIN MANAGEMENT

Objective 4.1: Expand industry engagement to foster innovation and maximize value for our customers

Objective 4.2: Improve the end-to-end post-award segment to enable collaborative customer support, increase responsiveness, and manage costs

Objective 4.3: Develop a market intelligence capability to manage supply chain risk and drive best value

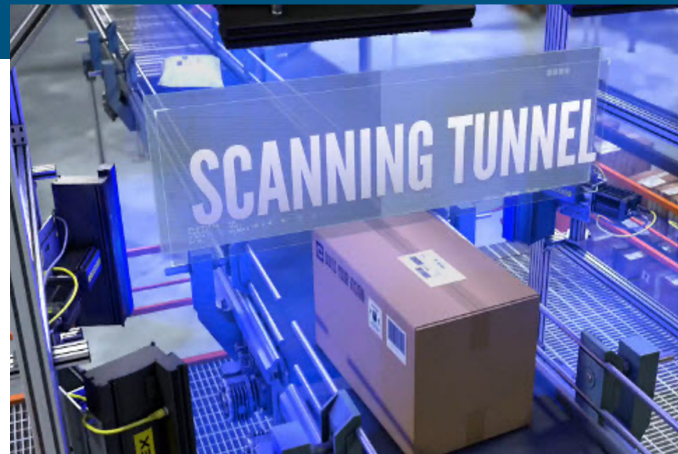
Objective 4.4: Enhance our acquisition capabilities to improve readiness for contingencies

The global logistics environment is rapidly evolving and increasingly interconnected. DLA must work closely with industry partners to modernize and streamline our acquisition and end-to-end supply chains to deliver increased readiness and maintain our competitive advantage.

Through strong partnerships with our suppliers, and an enhanced focus on market intelligence capabilities, DLA will continue building a diverse, resilient, and agile industrial base to reduce supply chain risk and drive the best value for our customers.

Given the increasing number of global contingencies, this will better position us and our partners to meet the accelerating challenges in an ever-changing world.

At the heart of this LOE is the ability to increasingly harness and analyze business performance data to make informed, risk-based decisions and develop actionable solutions to improve customer outcomes for routine and contingency operations.



MODERNIZATION AND SUPPLY CHAIN MANAGEMENT



VIRTUAL COMMUNICATIONS CAPABILITY

LOE 5: FUTURE OF WORK

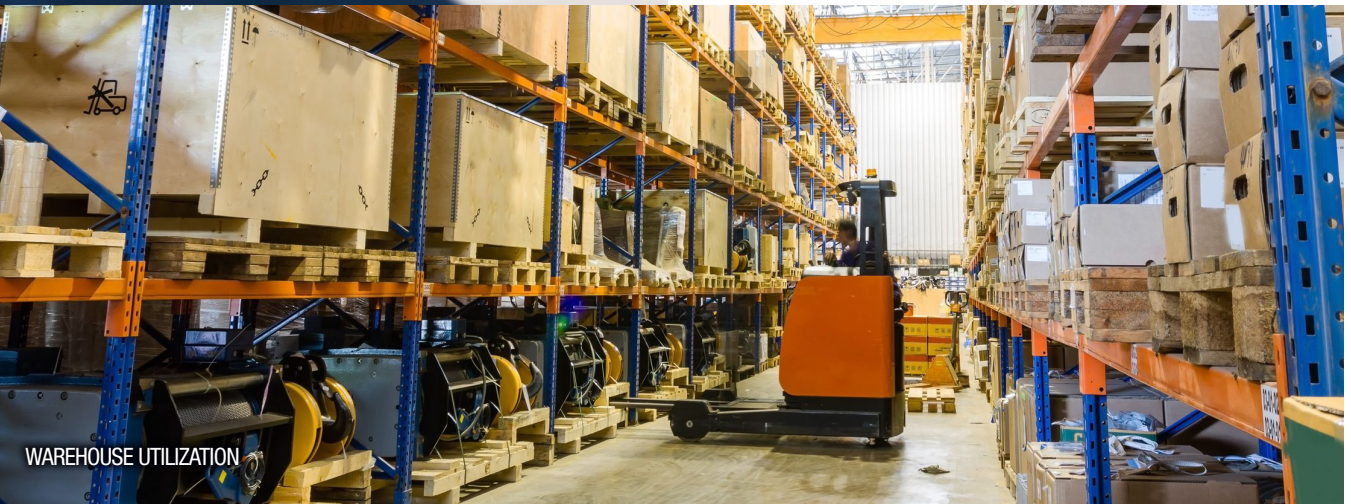
Objective 5.1: Redefine virtual work models to enable our next generation workforce

Objective 5.2: Assess DLA CONUS facilities footprint to maximize space utilization

Objective 5.3: Build skillsets of the future

The workplace is increasingly virtual, reducing the need for a large physical footprint. Ongoing modernization efforts such as the use of mobile tablets, voice technology, autonomous guided vehicles and other advances to optimize warehouse operations all impact the future of work. DLA will continue adapting to these changes as it attracts and sustains a competitive workforce to drive increased productivity and employee satisfaction.

Creating an optimal work environment for employees that is modern, safe, secure, and well maintained will help increase retention and expand our access to diverse talent pools.



WAREHOUSE UTILIZATION





PEOPLE AND CULTURE

DLA CRITICAL CAPABILITIES

The three Critical Capabilities are fundamental to our successful transformation. They intersect and support the five LOEs with specific underlying objectives, initiatives and metrics.

- **CC-A: People and Culture**
Supporting our people
- **CC-B: Fiscal Stewardship**
Investing in outcomes
- **CC-C: Digital-Business Transformation**
Embracing the future

In these areas, DLA must be ready to act, adapt, reform, and embrace change to improve our organizational efficiency and effectiveness.

CRITICAL CAPABILITY A: PEOPLE AND CULTURE

Objective A1: People

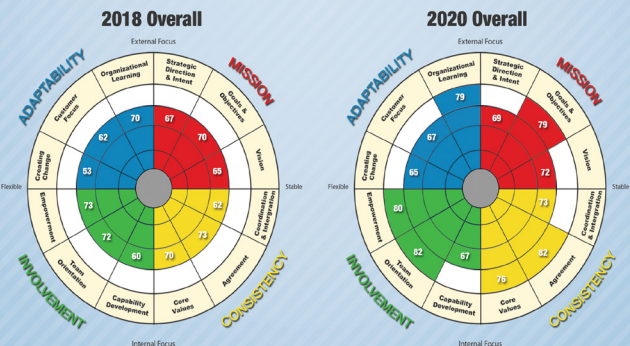
Objective A2: Culture

Our most important asset as an agency is our people. This capability aligns DLA's proven human capital strategies with our mission, LOEs, and objectives.

Our ability to attract, develop, and retain a diverse, skilled, and agile workforce is vital to our continued success.

To achieve a shared vision with the agency's Strategic Plan, all DLA organizations, employees and leaders must work together to fortify the culture, reward high performance, build connections, and prioritize safety of the workforce.

DLA CULTURE/CLIMATE SURVEY RESULTS



CRITICAL CAPABILITY B: FISCAL STEWARDSHIP

Objective B1: Auditability

Objective B2: Cost visibility and cash management

Objective B3: Investment to drive efficiency and effectiveness

In an increasingly resource-constrained environment we will drive cost effectiveness while maintaining Service readiness. We must effectively manage our resources while making smart, transformative investments that increase value for our customers and taxpayers.

Through enhanced tools and capabilities, we will improve our cost and cash management for the DLA Working Capital Fund.

We will assess our work processes and the effectiveness of current internal controls to provide greater transparency, improve auditability and prevent fraud, waste, and abuse.



CRITICAL CAPABILITY C: DIGITAL-BUSINESS TRANSFORMATION

Objective C1: Transformational information technology capabilities

Objective C2: Advanced analytics and automation

Objective C3: Cybersecurity

Objective C4: Technology governance

Technology is changing at an exponential rate, generating new possibilities in logistics and customer support. It is also increasing the capabilities of our competitors, the risks to our supply chains and operations.

We are focusing our IT and digital capability investments on key areas that will enable us to enhance performance, reduce costs, and make more predictive and data-driven decisions.

We will transform our systems and processes to improve transparency, reliability, and security for our employees, customers, and suppliers.

We will work internally and with our partners to ensure the agency's network, systems, and data are protected from emerging and complex cyber threats.



STRATEGIC PLAN EXECUTION

Dedicated commitment at all levels is key to the successful implementation of DLA's strategy. Fully engaged leaders and results-driven teams will be instrumental to progress and continuous momentum.

Senior leader oversight throughout the agency will ensure the plan remains on track, properly resourced, and risks and obstacles are quickly mitigated.

This transformation strategy embodies five key elements:

- **Engaged Leadership**
Enabling individuals and small teams to perform
- **Empowered Working Teams**
Making timely decisions to drive execution
- **Cross-functional Collaboration**
Synchronizing planning and execution
- **Flexible and Iterative Execution Processes**
Using agile “test and learn” approach
- **Outcome-based Targets**
Measuring progress based on results

DLA's transformation will be governed through structured reviews to monitor progress against the plan.

The overarching strategy will be re-evaluated periodically through senior-level governance forums to validate and reprioritize initiatives, tasks, and metrics to ensure our strategy remains aligned with the ever-changing operating environment.

Progress against the plan will be monitored using a set of enterprise Key Performance Indicators.

These KPIs collectively measure critical customer, supplier, business health, and employee metrics.

- **Service Readiness**
Reduce the number of weapons systems that are non-mission capable due to DLA parts
- **Supply Availability**
Use customer-centric supply availability to measure our ability to meet day-to-day customer needs
- **Acquisition Timeliness**
Meet on-time delivery and decrease production lead time
- **Business Health**
Maintain a strong and sustainable financial position
- **Liquidity**
Optimize cash levels to meet day-to-day operational requirements
- **Price Competitiveness**
Provide the best value at the right price
- **Customer Satisfaction**
Honor our commitments to the customer and capture their feedback
- **Employee Engagement**
Inspire employees to enthusiastically fulfill every aspect of the mission

GLOSSARY OF TERMS

MISSION:

DLA's fundamental purpose

VISION:

Aspirational statement for DLA's desired future

LINE OF EFFORT:

Key strategic priority used to link multiple objectives that when combined achieve an operational or strategic outcome

CRITICAL CAPABILITIES:

Agency enablers which are essential to accomplishing DLA's strategic objectives and LOEs

OBJECTIVES:

Specific goals to be achieved and are the most important actions essential to LOEs and Critical Capabilities – the “how” of the strategy

INITIATIVES:

Key programs and business practices developed to cause a desired result. Possess specific milestones, timelines and KPIs. They're assigned OPRs and are the fundamental level of execution and performance monitoring

KEY PERFORMANCE INDICATORS (KPI):

What we want to achieve and when – quantifiable and outcome based targets

CAMPAIGN PLAN:

A joint operation plan for a series of related major operations aimed at achieving strategic or operational objectives within a given time and space *(JP 5-0)*

COMBATANT COMMAND (CCMD):

A unified or specified command with a broad continuing mission under a single commander established and so designated by the President, through the Secretary of Defense and with the advice and assistance of the Chairman of the Joint Chiefs of Staff; Combatant commands typically have geographic or functional responsibilities *(JP 1)*

CONTINGENCY PLAN:

A branch of a campaign plan that is planned based on hypothetical situations for designated threats, catastrophic events, and contingent missions *(JP 5-0)*

DOD NUCLEAR ENTERPRISE:

Federation of separate nuclear activities across the U.S. Armed Services and Defense Department agencies for the execution of a wide range of nuclear and non-nuclear activities *(2014 Independent Nuclear Enterprise Review Report)*

DOD SPACE ENTERPRISE (ALSO SPACE STRATEGY):

Strategy designed to achieve a secure, stable, and accessible space domain by the U.S. and its partners at an accelerated pace over the next 10 years *(2020 Defense Space Strategy)*

END-TO-END SUPPLY CHAIN:

Full scale of “the linked activities associated with providing materiel from a raw material stage to an end user as a finished product” *(JP 1-02)*

FISCAL STEWARDSHIP:

Resource management of time, money, people, and property; wisely evaluating financial consequences before existing activities are changed or eliminated and new activities begin

INDUSTRIAL BASE (ALSO DEFENSE INDUSTRIAL BASE (DIB)):

The Department of Defense, government, and private sector worldwide industrial complex with capabilities to perform research and development, design, produce, and maintain military weapon systems, subsystems, components, or parts to meet military requirements *(JP 3-27)*

INTERAGENCY:

Of or pertaining to U.S. Government agencies and departments, including the Department of Defense *(JP 3-08)*

JOINT TASK FORCE (JTF):

Constituted and designated by the Secretary of Defense, a Combatant Commander, a sub-unified commander, or an existing joint task force commander *(JP 1)*

LETHALITY:

Ability of U.S. Armed Services to apply decisive force

MAJOR SUBORDINATE COMMANDS (MSC):

DLA's title for commands under the administrative and operational control of DLA's Director

TEST AND LEARN APPROACH:

Agile set of customer-focused actions taken in small areas to predict impact on key performance indicators

WHOLE OF GOVERNMENT:

U.S. Government departments and agencies approach involving the integration of efforts through interagency planning that set forth detailed concepts of operations

WORKING CAPITAL FUND:

A revolving fund established to finance supply inventory and warehousing, or to provide working capital for industrial-type activities *(JP 3-80)*



WARFIGHTER ALWAYS