Supply Chain Exchanges
DRID #48 IPT Meeting
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What is an Exchange?

**Dictionary**
A place where things are exchanged; especially, a center where securities and commodities are bought.

**Commercial**
An integrated suite of value-added services that promotes eCommerce among a community of trading partners.

Source: A&D Industry Exchange

DLA/eBusiness
An aggregation of data and related process requirements that provides life-cycle management support for materiel (Total Requirements - Item Visibility). Source: DLA/eBusiness Chain Exchanges Working Group
Current environment:
• Multiple unique supply chains
• Duplicative costs
• Fractured efforts by Mil Services/Defense Agencies
• No leveraged influence on marketplace

• Establish DoD strategy to utilize market activity
• Optimize Component innovation with supply chains
Why Do This?

Industry Perspective:
✓ Emerging best business practice
✓ Reduce duplicative over head (buyer and seller)
✓ Economies of scale

DoD Perspective:
✓ Complements ongoing EB/EC initiatives (IDE, DRID#48, ePortal, eMall, etc.)
✓ Reduction in cycle time - Customer Wait Time (CWT) enhancement
✓ Potential administrative cost reductions

Warfighter Support - Increased Readiness & Sustainability
Vision

Services/Agencies
Supply Chain Requirements

In-Storage
In-Process
In-Transit

Single ePortal

Supply Chain Exchange
Notional: Being Defined

 nodded
• Protocol Standards
• Implementation Conventions (ICs)
• Data Mapping
  • Standard Interfaces
  • Standard Data Elements
  • Standard Codes
Current State - A Collection of Sequential Batch Processes

System 1 Requirement

System 3 Business Rules

System 5 Business Rules

System 7 Fulfillment

System 2 Business Rules

System 4 Business Rules

System 6 Business Rules

Move to: Single Parallel Process

System X Requirement

System Y Fulfillment

Data Transportation and Translation

Consolidated Business Rules

Requires sharing of business rules engine by multiple stakeholders

Benefits:
- Reduced cycle time
- Reduced administrative costs
- Enhance readiness/warfighter support
Concept of Operation Example

“Network Managed Order Fulfillment”

Network Service Provider

- Rule Based Automated Source Selection
  - Real Time Access to User Profiles
  - Corporate Order Exception Criteria
  - On-line Access to Asset Records
  - Total Asset Visibility
  - Real Time Access to Corporate Contracts
  - Full Financial Accounting
  - Full Conversion / Translation Capabilities
  - Public Key Identifier and Token Security

Retail Automated Ordering

- Batch Orders

Touch-Tone Ordering

- On-line Ordering and Status Feedback

Web Based Ordering

- Single Log-on
- User Tailored Business Rules
- Flexible Search Engine
- User Preferences
- Full Financial Accounting
- Collaborative Product Support
  (With DLA Supply Chain Mgrs)

Defense / Commercial Inventories

- Complete Electronic Reporting
  - ANSI X12 / EDIFACT / XML

Corporate Contracts

- Complete Electronic Reporting
  - ANSI X12 / EDIFACT / XML

DLA Supply Chain Mgrs

- Modern ERP / APS Systems
- Process Owners
- Corporate Contracting
- Tailored Demand Planning
- Stock Positioning
- Exception Processing

MROS

- Electronic Orders
  - Complete Electronic Reporting
    - ANSI X12 / EDIFACT / XML

Invoice / Receipt

- Billing
  - ANSI X12
  - DLMS

DFAS

Machine to Machine
Multiple Protocols
Preloaded Preferences
MILS / DLMS Compliant

- Machine to Machine
- Multiple Protocols
- Preloaded Preferences
- MILS / DLMS Compliant

Bulk Orders

- Formatted Transactions

Web Based Ordering

- Formatted Transactions

- User Tailored Business Rules
- Flexible Search Engine
- User Preferences
- Full Financial Accounting
- Collaborative Product Support
  (With DLA Supply Chain Mgrs)
Operating Principles

✓ Centralized application of business rules and standards

✓ Retains traditional Service/Agency relationship (non-intrusive)

✓ Centralized operational control - decentralized execution and decision making

✓ Provides strategic interoperability (mapping)

✓ Uses standard data bases
Characteristics

✓ Does not replace ALL services with Web - machine is still dominant communication
✓ Network-centric - requirements are known in “real time” by all potential services/players
✓ Needed information is accessible by DLSS, HTML, XML, or other appropriate WWW protocols with total data visibility
✓ Accesses through single ePortal
✓ Same quality of service (functional/technical) as civil sector
Summary

✓ June 27, 2000 ADUSD(L) Supply Chain Integration and Director Logistics Systems Modernization Brief on Supply Chain Exchanges

June 28, 2000 USD AT&L brief on Supply Chain Exchanges

✓ Momentum building - OSD will be looking for POC/comment on concept