Adoption of Commercial EDI Standards for DoD Logistics Business Transactions

Integrated Product Team Kick-Off

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Commercial EDI Standards
For Logistics

Outline:

✓ Today’s Logistics Reality
✓ The Desired End State
✓ DUSD(L)(LSM) Focus Areas
✓ DUSD(L)(LSM) Systems Focus
✓ Role of DRID #48
✓ The DLSS Environment
✓ The ANSI ASC X12 Environment
✓ Responsibilities/Conclusion
Today’s Reality

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32 days
Order-Receipt Time

Today's Reality

Service Agency Stovepipes
Class of Supply Stovepipes
Wholesale Supply
Retail Supply
Government/Commercial Maintenance
Field/Operator Maintenance
Strategic Transportation
Theater Transportation

Limited Focus and Incentives for Readiness (Except at Retail)

Functional, Technical and Echelon Barriers Impede Process Improvement
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The End State:

LOG C2 (EDI)

(W/S Readiness, Distribution, Force Projection)

Commercial Supply Chain Practices

Manufacturing Partners

Distribution Partners

Government production

Military Logistics Operations

Commercial/Military Force Movement

Simulation-Based Acquisition

Government production

Military Logistics Operations

Commercial/Military Force Movement

Automated Configuration Identification & Transaction Routing

AnsI EC/EDI Transaction Data

Common User Interface

Intelligent Product Data Models (STEP+)

Structural Data

Modernized DOD Component Supply Chain Systems

Commercial Systems, Commercial Information Service, Commercial Applications and Infrastructure Tailored for Competitive Advantage
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**DUSD(L)(LSM) Focus Areas**

**Systems**
- Modernization
  - Process
  - Plans
  - Critical Elements
- Corporate Functions and Interfaces
- Y2K

**Information Management**
- Information Ownership
- Metrics
  - Investment
  - Operations
  - Modernization
- Information Assurance

**Infrastructure**
- COE Policy
- Enterprise Infrastructure Requirements
DUSD(L)(LSM) Systems Focus

- All DoD Components Need to Modernize For Immediate Gains & to Remove Barriers to Process Improvement
- Commercial Data Interchange Policy Under Development
  - Supports interaction with commercial logistics providers at any appropriate echelon
  - Allows DoD components’ modernization to progress independently
- Commercial Applications
  - Embedded business rules allow focus on transition to new logistics processes
  - Packages are cross-functionally integrated
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Role of DRID #48:

• Adopts commercial EDI standards for logistics.

Jointly developed (LOG/JECPO)  Staffed with universal acceptance  Provides policy that:

✓ Provides process enabler.
✓ Stepping stone to international open standards.
✓ Services and Agencies have the “burden of proof” for continued reliance on antiquated EDI standards.

Resources:
• Corporate = Cost of expanded translation services
• Services/Agencies = Embedded in Log Sys Mod (should reduce cost of modernization)
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State of the Infrastructure:
...the “BLSS” environment.

- 30+ years old ... DoD proprietary format
- 80-character fixed-length records ... 524 formats
- Embedded in logistics process ... 1000+ information systems
- 2 billion exchanges annually

- Most transactions are direct machine to machine interfaces

- Inflexible to required process changes
- Incompatible with private sector
- No room for additional information

1000 + TRADING PARTNERS
Comprehensive EDI Standards For Logistics

The Envisioned Infrastructure:
... the ANSI X.12 environment...

- Links warfighter to commercial sector
- Responsive to new process opportunities
- Facilitates adoption of commercial practices
- In step with finance, procurement, and civil agencies ... facilitates integration
- In step with 95% of the Fortune 100 companies ... facilitates electronic partnerships with industry
- Pre-requisite for re-engineering (e.g., facilitates adopting commercial practices w/COTS (Software), third party log support)
- Expand electronic commerce ... (e.g., maintenance, warehousing)
Responsibilities:

• **DRID #48 - Adoption of commercial EDI standards**
  - A&T providing top level management
  - DUSD(L) providing policy and oversight
  - Services and agencies ensuring implementation

• **JECPO - leading IPT - developing implementation**
  - Logistics process improvements/business system upgrades
  - Service supply chain owners and evidenced in the implementation
  - Identification of “joint requirements” and “actions” (translation services)

**Conclusion:**

Results of this IPT will enable a fundamental transformation of logistics.