

Fifteen distribution centers recognized for inventory excellence

By Lori Spiegel, DDC Command Affairs

At the April Defense Distribution Center (DDC) Leadership Conference inventory accuracy was alive and well. The proof was in an award ceremony in which 15 distribution centers were recognized for meeting all accuracy goals as of February 2006. DDC Commander BG Mike Lally, USA, presented inventory awards to those distribution centers that met all goals.

To improve inventory accuracy, DDC “swarmed” all inventory concerns. This three-year effort has realized dramatic results.

“Due to the Swarm initiative, we have seen a tremendous improvement in inventory accuracy over the last three years across the entire organization,” said DDC Inventory Integrity Program Manager Chris Lubic. “In 2003, only 39 percent of the total inventory categories were within goal. In our sample inventory conducted in February, 75 percent of the categories met or exceeded the performance standards.”

In addition, DDC’s denial rate trend is at an all-time low, and the absolute adjustment rate has decreased from 19 percent in fiscal year 2002 to just 4.1 percent in the first quarter of fiscal year 2006.

“The success of DDC’s inventory accuracy is due primarily to the Swarm initiative that has trained more than 3,000 employees to date,” Lubic said.

The following nine distribution centers received recognition for repeated achievement of inventory goals: DDAG in Albany, Ga.; DDBC in Barstow, Calif.; DDDE in Europe; DDDK in Korea; DDGM in Guam; DDPH in Pearl Harbor, Hawaii; DDPW in Puget Sound, Wash.; DDRT in Red

River, Texas; and DDYJ in Yokosuka, Japan. DDYJ has met semi-annual performance inventory integrity goals 11 consecutive times from February 2001 through February 2006.

Receiving awards for the first time were DDCO in Columbus, Ohio; DDJC in San Joaquin, Calif.; DDNV in Norfolk, Va.; and DDSI in Sigonella, Italy. The distribution centers with the most notable inventory accuracy improvements were DDJC and DDNV.

An award was also given to Defense Distribution Depot Kuwait, Southwest Asia (DDKS) and Defense Distribution Depot Mapping Activity (DDMA) for meeting all inventory accuracy goals. These two sites operate on different standards and procedures, but have been top performers for inventory accuracy.

All 15 distribution centers also received a signed letter from DLA Director VADM Keith W Lippert, SC, USN. “Inventory accuracy is critical to the combat readiness of our customers,” the letter states. “During the last three years, DDC made significant strides in improving inventory integrity and ensuring top quality logistics support to the Warfighter. System changes, process improvements and training provided by the Swarm initiative have dramatically reduced errors effecting inventory accuracy.”

BG Lally also presented commander’s coins for the accountable officer at each of the 15 distribution centers for their roles in making the Swarm initiative a success. A commander’s coin was also presented to six members of the Inventory Integrity team from DDC headquarters.

“Congratulations to all of you,” said Lubic at the end of the awards ceremony. “The importance of accurate records to our customers is second only to the importance of asset availability as we issue materiel to the Warfighter. Please extend our gratitude and congratulations for a job well done to all the dedicated employees who have been engaged to improve the processes, procedures and accuracy of their daily transactions. Your commitment to excellence has paid off.”

“Share this with your people,” BG Lally told the commanders. “Everybody in the entire organization has achieved a significant accomplishment. Our goal is to become green across the board at all 26 sites. We must pay attention to detail to maintain inventory accuracy and to make it part of our everyday standard business practice. This is how we can be successful.”

Since fiscal year 2003, DDC has decreased the value of adjustments by more than \$6 billion. As a result of the Swarm initiative, the absolute adjustment rate has fallen nearly 15 percent and is now well within the DLA goal.

The DDC Swarm initiative sought to improve the inventory integrity in the more than 5 million physical warehouse locations and more than 3.7 million accountable balance records. Inventory integrity is a top priority for DLA and DDC.



DDC Commander BG Mike Lally, USA, presented inventory awards at the Leadership Conference to 15 distribution center commanders for meeting all accuracy goals as of February 2006. Receiving awards were distribution centers DDAG, DDBC, DDDE, DDDK, DDGM, DDPH, DDPW, DDRT, DDYJ, DDCO, DDJC, DDNV, DDSI, DDKS and DDMA.



DDC Commander BG Mike Lally, USA (middle), presented a commander’s coin to six members of the Inventory Integrity Team from DDC headquarters for their commitment to inventory excellence. Left to right: Chris Lubic, Denise Kurtz, David Hickey, Jeff Mountz, Jacqueline Smalls and Gregg Feie.