

Record numbers Swarm to November Lunch & Learn

DDC Inventory initiative making a big buzz

Lori Spiegel, DDC Command Affairs

Defense Distribution Center (DDC) employees swarmed to the November Lunch & Learn. In fact, they came in record numbers—more than 70 in all—to listen to Inventory Integrity Program Manager Chris Lubic talk about DLA’s inventory accuracy plan, appropriately named “Swarm.”

“In 1992, DLA assumed the responsibility of DOD’s storage and distribution supplies, billions of dollars worth of stock became our responsibility overnight, and we took the customers’ word for what was on record,” according to Lubic.

Thus began the Inventory Accuracy initiative, when in 2003 DLA Director VADM Keith W. Lippert, SC, USN, asked the DDC inventory team to “Swarm the depots” to get well—in other words, to improve Inventory Accuracy at all of DDC’s worldwide distribution centers.

Swarm, as some believe, is actually not an acronym.

“Swarm is an initiative to identify and correct where processes are breaking down in inventory and to fix those processes,” said Lubic. “Inventory Accuracy is a symptom of wrong actions in the distribution process. It could happen anywhere—wrong receipt quantities, wrong location of stowed material, wrong material picked, and even erroneous inventory counts. These are basically people errors which affect the accountable record.”

As a result of the initiative, an Inventory Integrity Team, consisting of nine members based in Mechanicsburg, Pa., work together to manage the DDC-wide inventory integrity program which

includes conducting inventory counts, Location Surveys, Denial and Causative Research.

Lubic told the group that Inventory Integrity can be summed up in two words—customer confidence.

“The bottom line to our customers is that we, the DDC enterprise, are the custodians of their material, and when they need it, we’d better have it and be able to ship it to meet their requirements,” said Lubic. “It is imperative that we instill customer trust through the safekeeping of their material.”



And by all accounts, Inventory Accuracy is a challenging goal—with 26 distribution centers worldwide, nearly four million different stock numbers, more than 319 million cubic feet of storage space, and almost 26 million transactions last fiscal year.

Part of the plan, as Lubic described, included an appointing an Accountable Officer who reports to the Commander at each distribution center. This person analyzes material adjustments that occur and works with operational managers to address processes that are causing the gains and losses. It is their job to ensure record integrity and to develop a monthly Inventory Accuracy metrics report.

Swarm is a massive six-step process to improve DDC’s Inventory Accuracy by February 2006.

“The six steps revolve around an enhanced system and also a better trained workforce so they have the knowledge to perform work tasks correctly,” said Lubic. “One of the first things we did was look for system enhancements in the Distribution Standard System that would be geared towards preventing errors.”

The cornerstone of the Swarm project is four comprehensive formal training modules which include Policy, Functional and training—in the areas that have direct impact on Inventory Accuracy. These areas include Stock Readiness, Inventory, Receiving, and Warehousing.

Other steps include cleaning up the warehouses through training, re-warehousing, ensuring locations are marked correctly, conducting wall-to-

wall inventories, and correcting the erroneous records.

The Inventory Integrity Team sends Swarm posters and calendars to each distribution center to advertise the program and keep it on the employees’ minds.



Inventory Integrity Program Manager Chris Lubic talks about DLA’s Inventory Accuracy plan, appropriately named “Swarm,” at DDC’s November Lunch & Learn.



A record number of DDC HQ employees swarmed to the November Lunch & Learn to learn about DLA’s inventory accuracy plan.

Inventory training supports Swarm initiatives

By Lori Spiegel, DDC Command Affairs

As proof that inventory training has paid off, DDC Commander BG Michael Lally, USA, presented several Inventory Accuracy awards to DDC deputy commanders at the December Deputy Commander Leadership Conference.

Nine distribution centers met all inventory accuracy goals.

In 2003, DLA Director VADM Keith W. Lippert, SC, USN, created an Inventory Accuracy initiative when he asked the inventory teams to “Swarm” the depots.”

Since then, that initiative, called Swarm, has created quite a buzz.

A major piece of the Swarm buzz began with training the distribution centers, according to Inventory Integrity Program Manager Chris Lubic.

“The training focuses on the importance of performing stock readiness functions properly from the very beginning of the receiving process so the materiel is adequately protected from deterioration in storage and easily counted when inventoried,” said Lubic.

To date, more than 3,000 DDC employees have been trained in their functional areas and the training has paid off. BG Lally presented Inventory Accuracy awards to the deputy commanders based on the last semi-annual random sample performance inventory conducted in August.

The awards and plaques presented were for achievement of the goals in all reportable inventory metrics: Denials, Absolute Adjustment Rate (AAR), and the four Inventory Accuracy categories. The denial goal is .50 percent, the AAR goal is 7 percent, and the accuracy goals are 99 percent for high dollar value items and 95 percent for all other inventory.

“Their focus on inventory accuracy made a great impact in their overall performance.”

The first award was presented to Defense Distribution Depot Albany, Ga. (DDAG) which achieved the accuracy goals in all categories, has continued to promote inventory accuracy and track the initiative through a detailed plan and meet the goal for three consecutive TPIC Ns.

Another award was presented to Defense Distribution Depot Sigonella, Italy (DDSI). DDSI achieved the accuracy goal in all

four categories for the first time while consistently maintaining a low denial rate.

Defense Distribution Depot Barstow, Calif. (DDBC), received the first plaque for achieving inventory accuracy in all categories. DDBC’s success, in part, lies in the fact that the Continuing Government Activity (CGA) and contractor worked closely together to monitor the program, identify the source of errors, and implement corrective procedures, according to Lubic. As a result, DDBC met the goal for four consecutive TPIC Ns.

Defense Distribution Depot Europe (DDDE) achieved the goal in every category while maintaining a consistently low denial rate and AAR. DDDE promotes the culture of inventory accuracy and has met the goal for six consecutive TPIC Ns.

Defense Distribution Depot Korea (DDDK) achieved all the accuracy goals in all categories for the first time. “Their focus on inventory accuracy made a great impact in their overall performance,” said Lubic.

Defense Distribution Depot Guam (DDGM) achieved the accuracy goals in all four categories, dramatically reduced the denial rate, and met the goal for three consecutive TPIC Ns.

Defense Distribution Mapping Activity (DDMA) achieved the accuracy goal in three categories for the first time.

Defense Distribution Depot Oklahoma City, Okla. (DDOO), has achieved the accuracy goals in all four categories and continues to monitor and analyze the errors. “DDOO provides additional training to employees to net positive results for inventory accuracy,” said Lubic.

Defense Distribution Depot Red River, Texas (DDRT), also achieved the accuracy goals in all categories and continues to give feedback to operational areas which includes reason for errors, corrective action required, and subsequent retraining or counseling to ensure inventory accuracy.

Also recognized was Defense Distribution Depot Yokosuka, Japan (DDYJ). DDYJ currently holds the DDC record for consecutively meeting the performance sample goals—achieving all goals for the last seven inventories. “They consistently perform quality checks and have focused on various core processes to ensure proper

procedures are followed,” said Lubic.

Among the methods used to improve inventory accuracy, Defense Distribution Depot San Joaquin, Calif. (DDJC), came up with a creative way to involve all its employees. DDJC holds a red ribbon cutting ceremony following each wall-to-wall inventory. “This ceremony is held as a way to give the inventory back to the employees,” said Deputy Commander Dave Ennis.

“This is a gesture to state that this isn’t just the Inventory Team’s job—this is everyone’s job.” Another incentive DDJC uses is giving a pen to those who achieve a certain rate of inventory accuracy. “You have to earn the pen. We don’t give it away to everyone,” said Ennis.

Lubic encouraged the deputy commanders to continue conducting samples. “Swarming the inventory at the centers to improve accuracy was step one,” said Lubic, “but sustaining inventory accuracy excellence is the objective of the DDC inventory integrity program.”



DDC Commander BG Michael Lally, USA, presented an Inventory Accuracy award to Joe Graff, DDYJ Deputy Commander during a recent DDC Deputy Leadership Conference. DDYJ currently holds the DDC record for consecutively meeting the performance sample goals, achieving all goals for the last seven inventories.

