

Distribution Hunter

Defense Distribution Depot Susquehanna, Pennsylvania (DDSP) has some help from Downunder. Major Mark Rivers, Supply Officer, Australian Regular Army, has been assigned to the DDSP since January and will be there until December 2002.

Major Rivers is one of a handful of foreign exchange officers stationed throughout the Defense Distribution Center (DDC). This continuing exchange program is widely used by both the US and foreign military organizations, like Australia, usually on a reciprocal basis. The position Major Rivers occupies is specifically earmarked for an Australian and there is a position in Sydney that is earmarked for a US supply officer.

The Australian government sent Major Rivers for a variety of reasons. "Firstly," Major Rivers said, "there is the strategic purpose of exposing our officers to the US military and vice-versa to help create awareness of the benefits that the other countries bring to the table in the case of joint training, exercises and operations. For example, my experiences here would help greatly if in East Timor [a potential hot-spot where both US and Australian forces could be assigned] I had been working on the joint logistic staff coordinating support from both forces to support the mission there. Secondly, there is the cultural side of the program. Which aims to bring a bit of Downunder to Pennsylvania and for me to participate in Fourth of July, Thanksgiving, etc. so that everyone can better understand different culture and work with each other better if called upon to do so."

Specifically, Major Rivers hopes to gain an understanding of the US logistics operations, and to see if there are any best practices here that could be integrated into the Australian system. Also he may see common problems that both the US and Australia have and how the US is solving them. He hopes to be able to pass on knowledge from his Australian experiences and processes that are useful to the staff at DDSP.



Maj. Rivers and Earl Mentzer discuss non-conveyables.

Major Rivers will rotate between the major functional units to get exposure to all sides of the US logistic operation. Additionally, he will work on some special projects, which will benefit DDSP and expose him to areas of the system that he wouldn't otherwise get to see.

The Aussie equivalent of DLA is the Defence Material Organisation (DMO). With the equivalent of item managers, it has the Inventory Control Point function as well as shipping, storing, and receiving. "It is organized along service lines." Major Rivers said, "there is a maritime, air, and land fleet

This year marks the 100th anniversary of the formation of the Australian Army and it is also the 50th anniversary of the signing of the Australian-New Zealand-United States (ANZUS) treaty, which is the principal alliance treaty between Australia and America.

manager, with the Australian distribution centers all under one headquarters. The concept works well for the Australian military, as it means that there is one logistics commander for the entire defense force and helps smooth over service rivalries. It allows Australia to make best use of their depots and distribution functions by ensuring that the inventory managers do the right thing for the entire logistic system, not just for their service."

In his short time here, Major Rivers has already found American logistics operations that he hopes to convey to his government. "I like the level of automation in your system and the use of RF, which isn't common in our military systems back home (although widely used by commercial operations)," Major Rivers said.

"I like the use of FedEx and UPS, etc. for small parcel quick delivery and your ability to integrate and track these shipments through the civil carrier so customers get visibility."

"I also like the focus on the warfighter, which I don't think we emphasize enough back home in our base logistics. I think having so many veterans and ex-military personnel assists you in maintaining this focus."

Aussie A-76

Like the US government's Office of Management and Budget (OMB) Circular A-76, the Australian government is also considering contracting non-core governmental functions. Begun in 1994, the process there is called Commercial Support Program (CSP). "Anyone who works in an area that is considered non-core business," Major Rivers said, "which includes all non-deployable support services, will be evaluated and if deemed suitable and cost effective will be contracted out. When I left Australia the view was that all base logistics is

non-core business and we should manage it but not be responsible for the actual physical work of doing it, of course this will depend on the cost efficiencies that any 3PL (Third Party Logistics) provider can offer.”

“All military people that occupy positions that are to be filled by contractors will be posted and moved to vacancies, predominately in the field army or equivalent.” Major Rivers said. “The numbers of the logistic troops within the military will then likely be decreased by attrition until the staffing level meets our force structure needs.”

“[Australian] federal employees are treated similar to here,” Major Rivers said. There is some assistance in finding new positions within Defense Department or other Federal agencies but some will be discharged from service.

Both military and civilians will be affected in Australia, Major Rivers said. “Ultimately you only employ a person in uniform where there is a need for someone to be able to deploy or their military skills are required to manage a specific task that no federal employee or contractor could.”

Major Rivers said that although there are many similarities, there are some differences between A-76 and CSP. “I think that on the surface you guys are more rigorous in going through the process. For example, once a decision is made to market test, we usually have a decision within 6 months (that is the time to write a performance statement, tender, develop an in-house bid).” The American A-76 process takes anywhere from 18 to 30 months. “As a result,” he added, “we sometimes fail to capture all the data we need, but it does give government a quick decision.”

Another difference between CSP and A-76 is the scope of each competition. “Because of our size we intend to bundle up all our depots, and some freight functions and outsource to one company,” Major Rivers said. “This will make less of a problem in terms of span and unity of command but also brings risks if the winning companies can’t produce the goods. Then we can’t rely on other depots to pull us out of problems”

Major Rivers is impressed with the professionalism apparent in the A-76 process. He said, “I can also see that there is a sincere commitment by the DDC Commander and the Distribution Center Commanders to win in-house bids. They want to show that they can do it cheaper than outside contractors. Hence, they advise depots to get prepared earlier rather than later in order to be competitive. They acknowledge the difficulties that federal legislation places on our work practices but never the less still aggressively compete.”



Maj. Rivers and Mike Britton examine CCP articles.

Q. Do the Aussie’s have something comparable to the DDSP Eastern Distribution Center (EDC)?

A. They do have an equivalent in terms of a Strategic Distribution Platform. This organization is called the Defence National Storage and Distribution Centre (DNSDC). It has a smaller but comparable level of automation with conveyor and remote cart systems but the warehousing capacity is much smaller. The equivalent American position of Major Rivers exchange appointment is located at DNSDC, which is about 40 minutes west of Sydney.

Q. Do the Aussie’s have something comparable to Distribution Standard System (DSS)?

A. They do and it is called the Standard Defence Supply System (SDSS) so even the acronym is similar. However, SDSS doesn’t have all the warehouse management functionality of DSS. It is the primary distribution system for all services and replaced most of the Army, Navy and Airforce’s individual supply systems.

Q. Do you have an Aussie equivalent of Business Systems Management (BSM)? Balanced Scorecard (BSC)?

A. We certainly have a BSC throughout the entire Defence Organisation each area develops its own statement.

We have a whole division based upon this called the Joint Logistics System Agency (JSLA), which looks at all our logistic systems and how we can make common systems across our defence logistics services like our SDSS (your DSS) and all the myriad of other systems. That has been in operation since 1998 I think and again is a benefit of having one base level logistic commander for our defense force. .

For more information on the Australian Defense Material Organization (DMO) go to:

www.defence.gov.au/dmo/index.htm