Defense Logistic Management Standards Brief to Finance PRC

DLMS Implementation Status

Mr. Dale Yeakel
DLMS Purpose/Mission

Business Process Transformation & Interoperability

Facilitate enterprise integration and continuous process improvements to logistics management and operations while maintaining interoperability by:

• Developing business rules that implement DoD policy

• Developing and managing the DoD logistics information exchange infrastructure

• Publishing detailed procedures that identify who does what, when, and how along the DoD logistics chain
Challenge: To Connect Life Cycle Supply Chains & Enterprise Services Providers DoD-wide
Interoperability Framework

- Business Policy: A required outcome - Property stewardship

- Business Process: An assemblage of business rules that collectively form a process. -- Physical Inventory Management

- Business Rule: States what must or must not be done.

  Storage Activities must report the ending on-hand inventory balance to the item owner for all items having any balance effecting business activity that day. Business Object: A collection of data in a specified format that launches a process or reports process results.

  An order, inventory adjustment, request for payment, etc.

- Business Metadata: Characteristics of a data element. Inventory Balance Date = 8 numeric characters (yyyymmdd)
Migration From MILS To DLMS

What are the MILS Transactions?

- DoD unique EDI standard developed 50 years ago
- Fixed length (80 position) transactions (500+ types)
- Each transaction contains fixed length data fields
- Technically & functionally obsolete
- Significant constraint to:
  - Business process improvements
  - Data content expansion
Migration From MILS To DLMS

What are the DLMS Transactions?

• Commercial EDI standard based transactions
  • ANSI ASC X12 implementation conventions are the foundation Standard
  • Published DLMS X12 EDI Supplements Tailor ICs to DoD business practices
  • W3C compliant XML schemas, one for each EDI

• X12 DLMS Supplements and XML schemas support all Legacy MILS functionality
  • Variable length transactions and data
DLMS Governance

Process

Directives
Instructions
Regulations & Manuals
OSD Policy Direction
DoD Directive 8190.01E, Jan 2015
DoDM 4140.01, Feb 2014

Directives
Instructions
Regulations & Manuals
OSD Policy Direction
DoD Directive 8190.01E, Jan 2015
DoDM 4140.01, Feb 2014

DLMS Configuration Management Process,
DLM 4000.25 Series Manuals

Systems Development: IRB, BEA

Systems Execution: DAAS applies syntax and semantic validation rules to transactions

Standards Syndication

Oversight

Compliance

Business Process

Transaction Formats

Data Standards

Business Rules

Business Process

Transaction Formats

Data Standards

Business Rules
DoDD 8190.01E, Defense Logistics Management Standards (DLMS)-9 Jan 2015

Reissuance of DoDD 8190.1 dated 5 May 2000.

AUTHORITIES:

- Designates the Director of Defense Logistics Agency (DLA) as the DoD Executive Agent for DLMS.
- Assigns the Director, Defense Logistics Management Standards Office (DLMSO) as the DLMS configuration manager operating under the roles assigned to DLA.

POLICY:

- Establishes DLMS as the DoD standard for electronic data interchange (EDI) for the AISs that comprise the defense logistics and global supply chain management system.

RESPONSIBILITIES:

- Specifies the ASD(L&MR) responsibility to ensure interoperability and efficiency of the AISs supporting the defense logistics and global supply chain management system.
- Added new responsibilities for ASD(L&MR) to develop and maintain DoD materiel management procedures for DoD standard EDI among the AISs supporting the logistics and global supply chain management system.
- Reaffirmed the Heads of DoD Components’ responsibilities are to:
  - Uniformly implement DLMS in all AISs performing functions that support the global supply chain management system.
  - Use DLMS enterprise services providers to support the AISs that perform business functions.
  - Updated CIO responsibilities to include the DLMS business rules.
DLMS Compliance Levels

In addition to meeting Level 1 requirements, the system has implemented ALL of applicable DLMS enhancements contained in approved DLMS Changes (ADCs).

In addition to meeting Level 1 requirements, the system has implemented the preponderance of applicable DLMS enhancements contained in approved DLMS Changes (ADCs).

Interfaces with other systems via DLMS.

This is the foundation. At a minimum, the system is capable of communicating the MILS equivalent data via DLMS transactions, but may not have implemented DLMS enhanced capabilities.

Currently Monthly Metrics are captured for Level 1 only.

Level 1: Basic Compliance

Level 2: Enhanced Compliance

Level 3: Full Compliance

Deliver the right solution on time, every time.
DLMS Implementation Metric

- Percentage of all MILS and DLMS transactions processed IN and OUT of DLA Transaction Services
- 16.4 million DLMS processed in April, 2006 and approximately 59 million DLMS processed in January, 2015.

![Graph showing MILS and DLMS percentages from April 2006 to January 2015]
DLMS Implementation Transaction Counts

- Total MILS and DLMS transactions (in millions) processed for the month ending the quarter.
## DLMS Implementation Transaction Counts

Transaction Flowing in and out of DLA Transaction Services in July 2014

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>MILS Count</th>
<th>MILS % of Grand Total</th>
<th>MILS % of Total</th>
<th>DLMS Count</th>
<th>DLMS % of Grand Total</th>
<th>DLMS % of Total</th>
<th>MILS &amp; DLMS Total Count</th>
<th>MILS &amp; DLMS % of Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army Systems</td>
<td>20,501,491</td>
<td>53.4%</td>
<td>80%</td>
<td>5,272,579</td>
<td>9.6%</td>
<td>20%</td>
<td>25,774,070</td>
<td>27.7%</td>
</tr>
<tr>
<td>Navy Systems</td>
<td>4,334,487</td>
<td>11.3%</td>
<td>45%</td>
<td>5,387,104</td>
<td>9.9%</td>
<td>55%</td>
<td>9,721,591</td>
<td>10.4%</td>
</tr>
<tr>
<td>Air Force Systems</td>
<td>4,725,738</td>
<td>12.3%</td>
<td>66%</td>
<td>2,428,799</td>
<td>4.4%</td>
<td>34%</td>
<td>7,154,537</td>
<td>7.7%</td>
</tr>
<tr>
<td>Marine Systems</td>
<td>191,285</td>
<td>0.5%</td>
<td>20%</td>
<td>780,982</td>
<td>1.4%</td>
<td>80%</td>
<td>972,267</td>
<td>1.0%</td>
</tr>
<tr>
<td>DLA Systems</td>
<td>2,537,506</td>
<td>6.6%</td>
<td>6%</td>
<td>38,358,557</td>
<td>70.2%</td>
<td>94%</td>
<td>40,896,063</td>
<td>43.9%</td>
</tr>
<tr>
<td>All Other *</td>
<td>6,098,352</td>
<td>15.9%</td>
<td>71%</td>
<td>2,442,254</td>
<td>4.5%</td>
<td>29%</td>
<td>8,540,606</td>
<td>9.2%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>38,388,859</td>
<td>100%</td>
<td>41%</td>
<td>54,670,275</td>
<td>100%</td>
<td>59%</td>
<td>93,059,134</td>
<td>100%</td>
</tr>
</tbody>
</table>

### MILS Processing by Component

- Army Systems: 53.4%
- Navy Systems: 11.3%
- Air Force Systems: 12.3%
- Marine Systems: 0.5%
- DLA Systems: 11.3%
- All Other *: 6.6%

### DLMS Processing by Component

- Army Systems: 70.2%
- Navy Systems: 9.9%
- Air Force Systems: 4.4%
- Marine Systems: 1.4%
- DLA Systems: 4.5%
- All Other *: 27.7%

### MILS & DLMS Total by Component

- Army Systems: 43.9%
- Navy Systems: 10.4%
- Air Force Systems: 7.7%
- Marine Systems: 1.0%
- DLA Systems: 1.0%
- All Other *: 9.2%

*Other is (1) DoD Agencies other than DLA, (2) Coast Guard, (3) Federal Agencies (e.g. GSA) and (4) unassigned.
DLMS Implementation Transaction Counts

Transaction Flowing in and out of DLA Transaction Services in January 2015

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>MILS Count</th>
<th>MILS % of Grand Total</th>
<th>MILS % of Total</th>
<th>DLMS Count</th>
<th>DLMS % of Grand Total</th>
<th>DLMS % of Total</th>
<th>MILS &amp; DLMS Total Count</th>
<th>MILS &amp; DLMS % of Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army Systems</td>
<td>5,242,404</td>
<td>26.6%</td>
<td>31%</td>
<td>11,831,708</td>
<td>20.3%</td>
<td>69%</td>
<td>17,074,112</td>
<td>21.9%</td>
</tr>
<tr>
<td>Navy Systems</td>
<td>3,988,209</td>
<td>20.2%</td>
<td>44%</td>
<td>5,097,745</td>
<td>8.7%</td>
<td>56%</td>
<td>9,085,954</td>
<td>11.6%</td>
</tr>
<tr>
<td>Air Force Systems</td>
<td>4,591,731</td>
<td>23.3%</td>
<td>69%</td>
<td>2,088,092</td>
<td>3.6%</td>
<td>31%</td>
<td>6,679,823</td>
<td>8.6%</td>
</tr>
<tr>
<td>Marine Systems</td>
<td>155,146</td>
<td>0.8%</td>
<td>19%</td>
<td>667,260</td>
<td>1.1%</td>
<td>81%</td>
<td>822,406</td>
<td>1.1%</td>
</tr>
<tr>
<td>DLA Systems</td>
<td>1,779,885</td>
<td>9.0%</td>
<td>5%</td>
<td>36,236,688</td>
<td>62.1%</td>
<td>95%</td>
<td>38,016,573</td>
<td>48.7%</td>
</tr>
<tr>
<td>All Other *</td>
<td>3,956,955</td>
<td>20.1%</td>
<td>62%</td>
<td>2,449,194</td>
<td>4.2%</td>
<td>38%</td>
<td>6,406,149</td>
<td>8.2%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>19,714,330</td>
<td>100%</td>
<td>25%</td>
<td>58,370,687</td>
<td>100%</td>
<td>75%</td>
<td>78,085,017</td>
<td>100%</td>
</tr>
</tbody>
</table>

**MILS Processing by Component**

- Army Systems: 26.6%
- Navy Systems: 9.0%
- Air Force Systems: 23.3%
- Marine Systems: 0.8%
- DLA Systems: 20.1%
- All Other *: 20.2%

**DLMS Processing by Component**

- Army Systems: 4.2%
- Navy Systems: 20.3%
- Air Force Systems: 8.7%
- Marine Systems: 3.6%
- DLA Systems: 1.1%
- All Other *: 1.1%

**MILS & DLMS Total by Component**

- Army Systems: 21.9%
- Navy Systems: 11.6%
- Air Force Systems: 48.7%
- Marine Systems: 11%
- DLA Systems: 8.6%
- All Other *: 8.6%

*Other is (1) DoD Agencies other than DLA, DFAS is the biggest (2) Coast Guard, (3) Federal Agencies (e.g. GSA) and (4) unassigned.

Transaction Traffic is lumped into Other and accounts for 71% of the All Other Category numbers: 2.8 Million MILS transactions, Zero DLMS Transactions.

Current Status: DLA: 95%  ARMY 69%  NAVY 56%  USAF 31%  USMC

OSD Initiatives NOT possible w/o DLMS Processing:
Item Unique Identification (IUID)
Standard Line of Accounting (SLOA)
Standard Financial Information System (SFIS)
Government Furnished Material (GFM) Policy

Figures above are based on January 2015 logistics transaction traffic volumes. Data is as January 2015.
DEFENSE LOGISTICS MANAGEMENT STANDARDS (DLMS) IMPLEMENTATION 2019 Projection


Acquisition and Logistics Functional Strategy Document (2013) set a date of 2019 for all logistics systems (Wholesale and Retail) to be DLMS-Compliant.

Projected DLMS Implementation Status In 2019

DLA: 100%      ARMY 100%    NAVY 55%*    USAF 50%**    USMC 100%

OSD Initiatives NOT possible w/o DLMS Processing:

- Item Unique Identification (IUID)

*With the cancelation of the Navy SSB initiative, Navy currently has no DLMS migration plan for retail afloat customers supported by its MILS constrained R-Supply.

**With the cancelation of the Air Force ECSS Program, the Air Force has no DLMS migration plan for its wholesale materiel management mission.
Briefer: Dale Yeakel