



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



Forecasting with Suppliers Aviation Supply Chain

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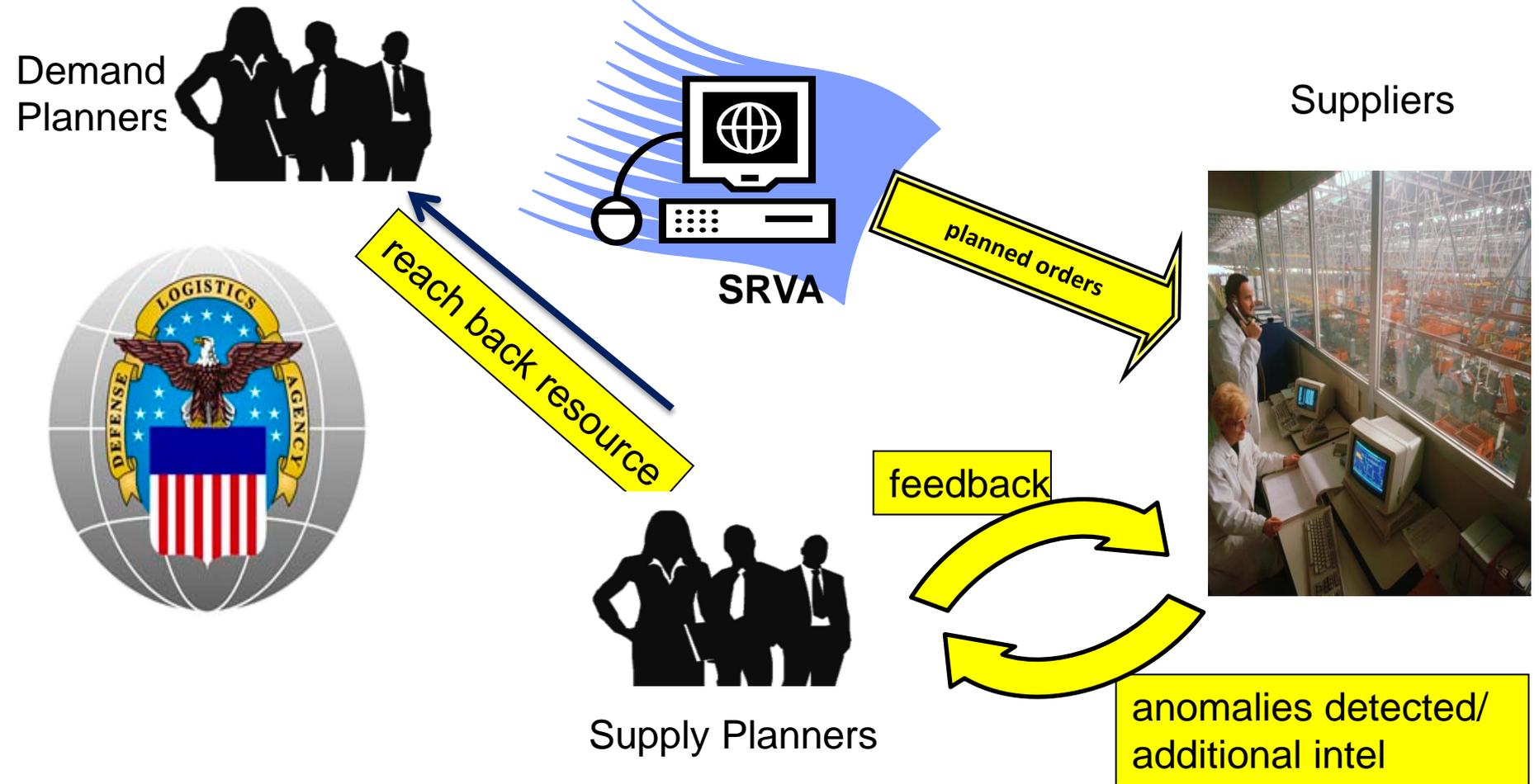


Agenda

- Supplier Collaboration Flow
- SRVA Refresher
- SRVA Status
- SRVA Pilot



Collaboration Vision: Supplier Collaboration Process





SRVA Highlights

- Access via DIBBS
 - Query by NIIN(s) and FSC
 - Download results
- Non-binding forecast of Planned Purchase Orders
- Source: Manugistics
 - Includes statistical forecasts, collaboration, demand planner intel
 - Refreshed monthly
 - Competitive and sole source items



Benefits

- Proactive information for planning production capabilities
- Reduce uncertainty in the Supplier planning process
- Improve customer support
- Reduce supply chain costs
- Reduce production lead time



SRVA Pilot

- Pilot with Honeywell
 - 224 NIINs (LTC)
 - Expanding to 25-30 non-LTC NIINs
 - Developing accuracy metrics
- Supply Plan Accuracy (SPA) Metric
 - 15 SRVA snapshots from Jan 2009 to Mar 2010
 - Date Tolerance: Actual PR Generation Date
25% Item CovDur
 - Quantity Tolerance: Actual PR Quantity 50%



Honeywell SRVA Pilot Overview

- Pilot includes 224 NIIN's identified by Honeywell. Item details include:

AAC	Count	Supply Chain	Count	RMC	Count
D	215	AVIATION	207	UNK	1
V	1	LAND	8	N	8
Z	8	MARITIME	9	R	215

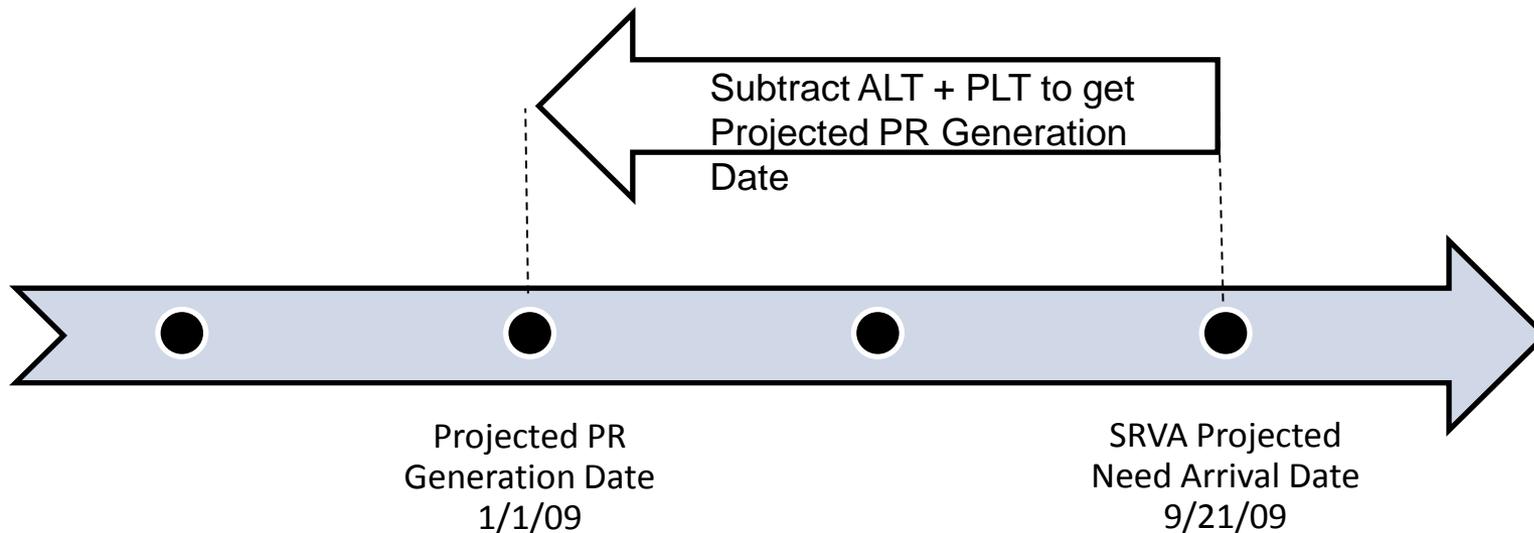
Collab Demand Planning	Count of CollabSw	ALT's	% of NIIN's	PLT	Days
NO	144	5	2.45%	Average	243
YES	80	10	0.31%	MIN	4
		15	94.50%	MAX	999
		90	2.75%		
		Grand Total	100.00%		

- The goal of the pilot is to determine the accuracy of the SRVA tool in supporting Honeywell's 'lean forward' production plan.
- The ultimate goal is to improve supplier collaboration through data sharing, transparency and communication.
- Results should include improved delivery performance against CDD and ALT/PLT reductions.



Supply Plan Accuracy (SPA) Metric

- Supply Plan Accuracy (SPA) Metric measures accuracy of Planned Orders in SRVA vs. actual PRs generated
 - Possible Results: “Date/Qty Passed,” “Date Passed,” and “Fail”
 - Date Tolerance: Actual PR Generation Date \pm 25% CovDur
 - Quantity Tolerance: Actual PR Quantity \pm 50%
- Example Timeline for NIIN 000095915 (ALT + PLT = 263 Days)





Supply Plan Accuracy (SPA) Metric

- Example Results for NIIN 000095915 (Item CovDur = 90 Days)

SRVA Projected Need Arrival Date & Qty		Acceptable Tolerance		Actual PRs Generated		Supply Plan Accuracy
Date	Qty	Date (+/- 25% CovDur)	Qty (+/- 50% Qty)	Date	Qty	Result
1/1/2009	20	12/9/08 to 1/24/09	10 to 30	1/11/2009	15	Date/Qty Passed
4/1/2009	20	3/9/08 to 4/24/09	10 to 30	3/18/2009	5	Date Passed
7/1/2009	20	6/8/08 to 7/24/09	10 to 30	5/10/2009	35	Fail

Projected PR Generation Date
12/9/08 1/1/09 1/24/09

Acceptable Date Tolerance:
Actual PR Generation Date = Projected PR
Generation Date \pm 25% CovDur

Projected PR Qty
10 20 30

Acceptable Qty Tolerance:
Actual PR Quantity = Projected PR Quantity \pm 50%



Next Steps

- Deep Dive SPA Failures
- Refine and Institutionalize SPA Metrics
- Ramp Up/Expand Pilot
- Pursue SRVA Enhancements

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