‘Deliver today…shape for tomorrow’

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Overview

- Logistic Change Program
- Defence Logistic Command
- Current Challenges
- Two Key Projects:
  - Consolidated Logistics Project (CLP)
  - Automated Identification Technology (AIT)
2009 – Logistics Change Program

- **“Simpler and Better”**
  - Logistic Support and MRO Single Service owned
  - Duplication
  - Competition
  - Inconsistent policies and processes
  - Inflexible and slow to adapt

- **DLC Design Principles**
  - Maintain operational capability
  - Enhance interoperability
  - Standardise and reduce replication
  - Informed decision making
  - Lean organisation
  - Better linked
**Mission:** ‘DLC is to sustain operational excellence IOT spt NZDF outputs and assist in delivering Enhanced Combat Capability, 2020 Ready’.

**Mantra:** ‘Deliver today…shape for tomorrow’

*Deliver today* is about providing logistics support to the three Services and deployed force elements and realising the logistics benefits set out in the Defence White Paper 2016.

*Shape for tomorrow* is about building a consolidated and focussed logistics organisation that influences logistics across the breadth of the NZDF.
Logistics Command (Maritime)

- Delivery of logistics support to all installed systems, components & support equipment, on-board or interfacing with maritime platforms
- Manages the Maintenance, Repair & Overhaul (MRO) Dockyard Management contract (Babcock)
- Maritime Engineering Change, Operational Support, Repair & Maintenance, Supply Chain Management

- Major activities include:
  - Maintenance of fleet currently held in Reduced Activity Period
  - Support to Ship Disposal Options ANZAC Platform System Upgrade
  - ANZAC Frigate System Upgrade
  - Support to NEWSHIP Tender Process
Logistics Command (Land)

- Delivery of through life logistics support specific to land environment capabilities, platforms & associated systems & equipment

- Manages Land MRO & Supply Chain contract (Lockheed Martin)

- Land Logistic End to End Policy and Plans, Engineering Change, Technical Assurance, Repair & Maintenance and Supply Chain Management

- Major activities include:
  - Direct Logistic and CSS staff support and advice to Chief of Army, Commander Joint Forces and the Land Component Commander
  - Reconstitution of overseas missions’ equipment
  - Disposal of surplus Land equipment
  - Introduction of Protected Mobility Fleets
  - Introduction of Network Enabled Army
  - Transition for Consolidated Logistics Project
Logistics Command (Air)

- Delivery of logistics support specific to all NZDF aviation platforms, associated systems and equipment
- Manages Air MRO contract (Safe Air)
- Aeronautical Maintenance, Operational Support, Supply Chain Management
- Major activities include:
  - Developing Logistics Support Arrangements for: A109, NH90, SH2-G(I)
  - Streamlining platform management systems around a greater fleet focus
  - Availability improvements across all fleets – B757, C130, P3K2
Defence Commercial Services

• Centre of excellence for NZDF procurement. Provides professional commercial expertise to the NZDF, to support the ‘end-to-end’ procurement needs

• Responsible for ensuring NZDF achieves enduring commercial value-for-money outcomes in relation to all 3rd party expenditure (including operational and capital expenditure)

• The single commercial hub, through which contractors can engage with the NZDF, whether at the strategic or transactional level.

• Major Activities include:
  • Strategic Procurement (including Category Management)
  • Support to Capital Acquisition Projects (Major & Minor)
  • Business Processing (P2P, Accounts Receivable, Accounts Payable)
Defence Shared Services Group

• Responsible for the effective provision and efficient delivery of a range of shared services across the whole of NZDF including but not limited to:
  – Travel and claims, allowances
  – Financial Journals
  – Housing / Barrack – Tenancy / Allocation
  – Libraries / Publications / Reprographics / Registries / Safe hand couriers
  – Telecommunication / mobile devices
  – Hospitality Management

• Embedded customer focus, continuous improvement and best business practices in DSSG culture.
Directorate of Supply Chain Management

- National Codification Bureau
- Centre of excellence for specialist supply chain services
- Oversight & Advisory role – pan NZDF
- Drives business rules/requirements into policy/procedures and shapes the ERP environment for Logistics Information Management Systems

- Effective and efficient delivery of supply chain services across the NZDF:
  - Strategic Inventory Management
  - Rotables Oversight Management
  - National Disposals Office
  - Business Intelligence and Analytics
  - Master Data
  - Optimisation of Support Inventories
  - Foreign Military Sales Management
  - Integrated Logistics Support
  - Codification
  - Logistics Information Management

Major Activities Include:
- Materiel Classification Project
- Significant Fleet Disposals
- Business Intelligence and Analytics Project
- Obsolescence management
- Automated Identification Technologies (AIT)
Some Current Issues & Opportunities

Resourcing has declined relative to the range & volume of equipment used in NZDF

Maintenance & repair demands growing

Most workshops & storage facilities are dated & not fit for purpose

Strategic equipment management gaps & duplications

SAP is complex & used in a variety of ways, resulting in added complexity & inconsistencies

Opportunity to invest in technology that can increase mobility, accuracy of data & save effort

Variety of policies, processes & publications, resulting in inconsistencies

Inconsistent, variable or inadequate logistics data to support decisions
**CLP IS CRITICAL** as some elements of Defence logistics are no longer sustainable and will not support the needs of a modern and integrated future Defence Force.

**CLP will:**
- Expand equipment pools (MPUs) to improve the availability and accessibility of equipment to units across Services.
- Construct modern fit-for-purpose equipment storage and maintenance facilities, including MHOY shelters.
- Increase use of third party support to enhance capacity for maintenance and repair and to strengthen logistic support to non-deployable units.
- Standardise and simplify logistics policies and processes pan-NZDF.
- Improve the management of clothing and equipment loaned to personnel.
- Bolster logistics support for the introduction of new equipment into service, optimising speed of delivery and whole-of-life costs.
- Enhance equipment management safety assurance.
- Deliver more modern, mobile and user-friendly logistics management information systems (LMIS), supported by enhanced training and on-going support.
- Expand current use of RFID and barcoding to reduce the time needed for compliance checking, receipt and issues, and other activities.
- Enhance equipment and logistics management capacity and skills, and clarify responsibilities.

**THE BENEFITS** will be:
- Improved access to combat equipment, so personnel are better prepared for operations.
- Equipment is and remains sale to use.
- Reduced logistic workload and freed-up military personnel for other tasks.
- Enhanced through life equipment management.
- Improved LMIS, enabling better management and decisions.
- Enabled Defence Capability Plan.

**DELIVERY will:**
- Be progressive and measured, from 2017 through to 2020.
- Have control points to manage investment, risks and change readiness.
- Be undertaken in collaboration and consultation with logistics personnel and Services.
- Involve substantial support to logistics personnel and users e.g. training, communications.
- Ramp up from the first quarter of 2017.

**CLP’s main focus** is on land based equipment across Services e.g. operational vehicles, camp pack up, communications, small boats, power generation, body armour, night vision and health. Out of scope are major platform equipment (ships, aircraft), commodities (e.g. fuel, munitions), hospitality, shared services and deployable logistics.
Consolidated Logistics Project

- Provide the logistics framework necessary for NZDF to deliver and sustain military capability within a **broader but shallower** equipment base.

- Transition from an “ Equip the Unit” to an “ Equip the Force” philosophy.

- Addresses long standing, acknowledged, logistic shortfalls and seizes future opportunities.

- **Enabling** NZDF pers to be better prepared for, and supported on operations, by:
  - **Improving** accessibility to combat equipment
  - **Reducing** logistics workload at the front
  - **Ensuring** that equipment is: fit for purpose, **safe** and available - in the right place at the right time
  - **Integrating** logistics on a Defence-wide basis
  - **Providing** greater confidence in logistics planning for operations as Log MIS data becomes more accurate and consistent.
Delivery Approach

- Progressive introduction - from 2017 to 2020
- Embed strong governance, collaboration and engagement across the NZDF
- As quick as sustainably feasible, to minimise impacts on NZDF Outputs during delivery
- Flexible to accommodate future NZDF requirements
- Delivered via four integrated Workstreams each with distinct parameters, interventions & approaches
**Workstreams**

**Strategy & Business Process**
- Enhance equipment management practices
- Standardise logistics policy, processes & training pan-NZDF
- Establish central logistics policy & process authority
- Memorandums of understanding between DLC & Services
- LMIS strategy

**Equipment Management, Integration & Enhancement**
- Establish single point of responsibility for equipment management pan-NZDF
- Increase equipment mgt capacity
- Create new Equipment Safety Technical Assurance function
- Increase logistic support for the introduction of new equipment into service
- Improve clothing mgt

**Regional Logistic Support**
- Expand equipment pools (MFUs)
- Enhance equipment booking tools & processes
- Build/refurbish storage & maintenance facilities
- Increase Maintenance & Repair capacity
- Increase apprentice supervision for Army
- Increase logistics support in the Nhtn region & for Ohakea

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**Standardised SAP**
- Increased Functionality
- More user friendly
- Compatible with current systems
- Increased mobility
- Better deployability

**Logistic Management Information System**
Issue:
• Ever increasing burden of equipment management with ever reducing resources.

Objectives:
• Improve speed, accuracy, safety & compliancy.
• Reduce burden of day-to-day inventory management processes:
  – Stock checks.
  – Loans (Issues & receipts).
  – Purchase orders.
  – Locating and identifying items.
• AIT “No Brainer”
  – Significant benefits to equipment & inventory management
• Needs to be part of NZDF AIT strategy
• Based upon both RFID and barcodes
• RFID tags pose manageable hostile targeting risk.
• Full benefits only achieved if integrated into SAP requiring:
  – Range of AIT enablers.
  – SAP mobility.
  – Improved UI and UX.
  – Inventory management policy changes.
  – Changes to equipment storage.
Policy and Standards

- Based on GS1 Global Specification:
  - RFID and Barcodes.
  - Documents, users, items, logistic units.
  - Supported by SAP.
  - Industry standard (6 Billion Transactions per day).
- Policy recorded in Defence manuals.
• Checking Master Data for:
  – Relevance.
  – Description.
  – Warnings (Hazard, Storage Condition, Export Control Restrictions i.e. ITAR.

• Large task with resourcing issue:
  – Need for prioritisation.
  – HR resources with appropriate skills.
  – Access to OEM source data.
New AIT Labels

MEDIUM Label
Based on existing SAP label size

SMALL Label
Based on Maxi-Bin label for additional Bin use.
RFID Tags

• UHF Passive Tags.
• Read Range approx 1m.
• Major new procurement projects including:
  – Glock, MARS, ACOG, M203, PFDs, Stab-proof Vests.
• Retro fit activities:
  – Wpns, STANO, SMI.
• Ongoing development of applications to support business processes.
• Available through NZDF Desktop PC and mobile (iPad).
• Support manual, barcode and RFID input.
• Improved UI and UX.
• Reduced training overhead.
• 4 current apps.
• Development of future apps.