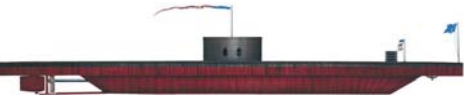

THE MONITOR AND MERRIMACK

Newsletter of the
Greater Hampton Roads Chapter
District 02 – Chapter 03
SOLE– The International Society of Logistics

August 2015

Chapter Management Committee

Chapter Chairperson:
Charlie Littleton
Vice Chair – Membership:
Vacant
Vice Chair – Admin:
Carl Lilieberg
Vice Chair – Finance:
Rick Treto
Vice Chair – Education:
Lee Morris, CPL
Vice Chair – Professional & Technical Development
Akalanka Warusavitharana, CPL
Logistics Education Foundation (LEF) Liaison Vacant
Newsletter: Carl Lilieberg
Web Master: Charlie Littleton

In this Issue:

From the Chapter Chairman

I would like to personally thank ***Bob Strait*** for stepping in to support our July's luncheon. ***Bob Strait*** is the ***Deputy Chief of Staff for Analysis and Communications*** for the ***Board of Inspection and Survey (INSURV)***. Bob provided an outstanding update of INSURV operations, processes and the latest INSURV analysis.

August's luncheon is another hot topic. **Mr. David Floyd, District 2 SOLE Director** and ***Defense Acquisition University Instructor***, will be presenting: ***"DMSMS – The Way Ahead."*** His presentation will highlight what has changed with the issuance of the February, 2015 version of SD-22. Come join us!

On page 7, **Carl Lilieberg**, our **Newsletter Editor**, has reprinted from the SOLetter "The Objectives of SOLE." It's a great reminder of our Chapter's mission! Our chapter is working on each of these objectives and we are looking forward to working with you!

Join us at the next event!

Charlie Littleton
Chairman GHRC SOLE

"A perfect summer day is when the sun is shining, the breeze is blowing, the birds are singing, and the lawn mower is broken."

— James Dent

Coming Events:

Thursday, 27 August 2015

Luncheon

11:30 AM to 1 PM

David Floyd, District 2 SOLE Director, "DMSMS –The Way Ahead" *

Teppanyaki Grill and Buffet
7525 Tidewater Drive, Suite 8
Norfolk, Virginia

****

Thursday, 24 September

Tour

11:30 AM to 1 PM

Underway Replenishment Training Facility, Joint Expeditionary Base Little Creek, Virginia

Certified Professional Logistician Corner

The next CPL Exam will be given in November 2015

Contract Types and Purchasing

1. The purpose of a national contract is to:
   a. gain a volume-bargaining advantage.
   b. to centralize the purchasing function at the corporate level.
   c. have the individual plant purchasing managers place orders against the national contract.
   d. have negotiations consolidated at the corporate purchasing staff level.

2. The major advantage of stockless purchasing is:
   a. sellers are able to perform the inventory function more efficiently and the buyer does not have any capital tied up in inventory.
   b. obsolescence of inventory is increased.
   c. the seller may be inclined to make price concessions.
   d. paperwork is significantly increased.

3. Which of the following is true of an express warranty?

   a. It rises from direct negotiations between seller and buyer, and indirectly from statements in catalogs, advertising, brochures, or labels.
   b. It yields easily to standard disclaimer clauses.
   c. It is a warranty of merchantability.
   d. It is similar to an oral warranty.

4. For natural products such as lumber, wheat, hides, cotton, tobacco, food products, quality is usually described by:

   a. market grades
   b. brand or trade names.
   c. commercial standards.
   d. samples.

5.. The higher prices paid for name brands are offset by:

   a. reduced description and inspection costs.
   b. consistency in quality from one purchase to the next.
   c. higher quality of name brands.
   d. none of the above.

6. Purchasing by brand name can be made more effective by:

   a. avoiding multiple sources of production, including additional limitations such as requirements for interchangeability of repair parts.
   b. choosing between different wholesalers and jobbers who compete on price.
   c. buying an item from several manufacturers with each exercising his own quality control.
   d. having the requisitioning department review all the competing brands.

7. Potential disadvantages of performance specifications are:

   a. inappropriate use, poor supplier selection and pricing.
   b. the possibility of poor materials and poor workmanship.
   c. honest and capable suppliers.
   d. lack of advanced technical and manufacturing knowledge

8. Under Material and Method of Manufacture Specifications:

   a. the vendor is instructed precisely as to the specific materials to be used and how they are to be processed.
   b. buyers in small companies are dealing with technically sophisticated suppliers.
   c. full responsibility for the product performance is assumed by the selling company.
   d. sellers assume that their own organization has the latest knowledge concerning materials, techniques and manufacturing.
   e.

Please see answers on Page 3

Near term Calendar of Events

GHRC SOLE

27 August 2915	**David Floyd, DAU/SOLE District 2 Director, "Diminished Manufacturing Sources and Material Shortages- The Way Ahead"**
24 September 2015	**Tour of Underway Replenishment Training Facility, Joint Expeditionary Base, Little Creek, Virginia**
22 October 2015	**Howard Nudi, Duke Energy, Nuclear Energy and it's Relationship to Reliability Engineering"**

ASNE

Dinner Meetings: **Every 3rd Tuesday, Springhill Suites, Newtown Road, Va. Beach, (1800-1900 Social Hour); 1900-2030 Dinner and Program; Reservations: on line at ASNE Tidewater site.**

NDTA

CPL/CML CORNER ANSWERS

Answers			
1	a	6	a
2	a	7	a
3	a	8	a
4	a		
5	a		

6 August 2015

GHRC Business Meeting Minutes
Attendees:
Charlie Littleton, Chairman; Lee Morris, CPL, Vice Chairman - Education, Carl Lilieberg, Vice Chairman – Administration, Rick Treto, Vice Chairman – Finance, Michelle Staley, and Gina Baker

The meeting commenced at 5:00 PM

Charlie began by noting that our July meeting had 18 attendees which was great as we had to get a last minute change in speakers with Bob Strait from the Navy's INSURV stepping in on short notice. He then noted that our new laptop projector for luncheon presentations was now on order. He also said that our new GHRC SOLE banner is on order thanks to a Headquarters' renewal support.

He said that SOLE Headquarters had no plans for a 2015 Annual Conference, but that they are working on a Workshop at Fort Lee, Virginia.

We then discussed chapter speaker plans for November and onward with Naval Sea Logistics Center, the Carrier Planning Activity. The chapter is looking into a Provisioning Workshop in 1st quarter CY16. Charlie said our local ASNE chapter is interested in teaming with us for a future meeting.

We then set the advance chapter planning dates for January through June of 2016.

There being no further discussion, the meeting adjourned at 5:58 PM.

Greater Hampton Roads Area Chapter
SOLE – The International Society of Logistics
present

Mr. David S. Floyd, CPL
Life Cycle Management and a Professor in Logistics at the Defense Acquisition University (DAU)

Presenting:

"Diminishing Manufacturing Sources and Material Shortages (DMSMS) The Way Ahead"

11:30 to 1:00 PM
August 27, 2015

7525 Teppanyaki Grill and Buffet
Tidewater Drive, Suite 18
Norfolk, Virginia

Please RSVP by contacting our Chairman, Mr. Charlie Littleton at clittleton@LCE.com or phone him at 757-857-1311 (ext: 4203) NLT cob Wednesday, 26 August. The luncheon is $15.00 cash or check.

Driving Directions: From both east and west on I-64 take the Tidewater Drive Exit north and Turn Left into the Southern Shopping Center area (before the Little Creek Underpass).

Please join us for a highly interesting logistically related tour of facilities and businesses in the Tidewater Area. Spouses and guests, bosses, and co-workers are welcome and *you DO NOT have to be a SOLE Member to attend!*

****

Update on the Navy's Board of Inspection and Survey (INSURV)

Mr. Bob Strait

Deputy Chief of Staff for Analysis and Communications, Board of Inspection and Survey (INSURV)

Mr. Bob Strait gave a highly interesting review of the Board of Inspection and Survey's) processes. He detailed their statistical analysis and trends in the Navy. He outlined how they now assess readiness in addition to materials condition. He mentioned the interfaces with the Fleet Commanders concerning cycles of inspections. He also discussed their scoring of EOC (Equipment Operational Capability). We are indebted to Bob for addressing our chapter on short notice when our scheduled speaker was called out of the area. We had a room full of attendees, attesting to the interest in this subject area. Thanks again, Bob!

OBJECTIVES OF SOLE – *As of the January 1982 Member's Handbook and Directory*
(Reprinted from August 2015 SOLEtter – 50 Years Serving the Logistics Community" on-line)

Professionalism
Provide improved opportunities for professional growth in the field of logistics.
Assist in the development of formal logistics programs in schools, colleges, and universities.
Conduct logistics seminars, workshops, symposia, classes, and home study courses at the local and national level
Publish or sponsor publication of logistics books, studies, monographs, journals, and other publications.

Technical Development
Define, develop, and communicate the analytical engineering and management techniques required for effective coordination of separate logistics functions to achieve improved support of products and people at reduced total cost and with more efficient utilization of resources.

Interaction
Promote productive professional relationships, joint programs, and the exchange of ideas:

Among scientific, engineering, and management disciplines employed in research, teaching, and practice of logistics.
Among logistics practitioners in all types of private enterprise, government and private service institutions.
Between logistics specialists, generalists, and others.
With related professional societies, trade associations, and other institutions in the fields of engineering, education, and management, and with other professional disciplines.

Recognition Of Achievement
Recognize significant achievements in the logistics field:
Conduct a professional certification program.
Reward outstanding contributions and accomplishments through a continuing program of awards at both the international and chapter levels

(Reprinted from August 2015 SOLEtter – 50 Years Serving the Logistics Community" on-line)

SOLE – The International Society of Logistics is excited to announce that - at the request of John Wiley & Sons publishers - we are authoring a brand new title for their *For Dummies* series. Entitled ***Global Logistics For Dummies*** and scheduled for publication in 2016, this exciting new work will focus not just on 'supply chain logistics' but also the need for integration of logistics into the entire enterprise, both intra-logistics and inter-corporate. It will also provide special emphasis on the unique aspects of providing humanitarian and disaster relief logistics support from planning through response to restoration - all on an accelerated timeline. This title will take the supply chain management fundamentals and explain how they can then be integrated into the much larger critical elements of doing business 'globally.'

Wiley's *For Dummies* series is the most widely recognized and highly regarded reference series in the world. With over 170 million copies sold worldwide, and titles on over 1,800 different subject areas, the key to the *For Dummies* phenomenon is the acquisition and retention of loyal customers who turn to the various titles time and again to solve problems and get up to speed on important subjects that affect their personal or professional lives. The *For Dummies* brand is a truly global brand, with titles selling in over 100 different countries worldwide and translations in over 30 different languages

Transportation Topics

(Reprinted from JOC.com online July 2, 2015)

DOT report fuels push to overhaul US truck safety program

The U.S. Department of Transportation is under renewed pressure to overhaul its key truck safety initiative after a 2014 study only recently made public found the program's safety metrics don't always align with the real risk of accidents on the road.

DOT Study: Heavier US trucks won't hurt intermodal rail

(Reprinted from JC.com online 9 July 2015)

A U.S. Department of Transportation study couldn't conclude whether heavier trucks impact highway safety, but it did find they would not significantly impact intermodal conversion

Maersk Line will defend its top market position -CEO (Reprinted from Economics Times online August 15, 2015)

COPENHAGEN: Shipping and oil group A.P. Moller-Maersk has changed strategy for its Maersk Line in a move that aim to keep the container shipping company as a world leader, Chief Executive Nils Andersen said

Transportation Definitions.

(Reprinted from Encyclopedia Britannica online)

. Container-on-flatcar

...a highway box trailer piggybacked on a flatcar of normal frame height. As shipping lines developed their container transport business in the early 1960s, European railroads concentrated initially on container-on-flatcar (COFC) intermodal systems. A few offered a range of small containers of their own design for internal traffic, but until the 1980s domestic as well as deep-sea COFC in Europe was.

Intermodal transportation

(Reprinted from Encyclopedia Britannica online)

freight

Railroad: Freight cars

...trucks; these are the world's largest. Concern to maximize payload capacity in relation to tare vehicle weight has led to U.S. and European adoption of articulation for cars in certain uses, notably intermodal transport. In this system a car comprises several frames or bodies (usually not more than five), which, where they adjoin, are permanently coupled and mounted on a single truck.

Railroad: Intermodal freight vehicles and systems

An important competitive development has been the perfection of intermodal freight transport systems, in which highway truck trailers or marine shipping containers are set on railroad flatcars. In North America and Europe they have been the outstanding growth area of rail freight activity since World War II. For the largest U.S. railroads, only coal now generates more carloadings per annum than... Intermodal traffic.

Continued on Page 11

GHRC Executive Board Officers:

Charlie Littleton, 757-857-1311(4203)
Chairman

Membership Vice Chairman
Vacant

Rick Treto, 757-578-3338
Finance Vice Chairman

Akalanka Warusavitharana, CPL
Professional and Technical Development Vice Chairman

Lee Morris, CPL, 757-464-5252
Education Vice Chairman

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Administrative Vice Chairman

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We are on the Web at:

www.ghrc-sole.org

Long Term 2015 Calendar Greater Hampton Roads Chapter Monthly Schedule

	Business Meeting	Lunch/ Tour	Speaker/Topic
August	6 August	27 August	David Floyd, DAU/ SOLE District II Director "DMSMS – The Way Ahead"
September	10 Sept.	24 Sept.	Tour of Underway Replenishment Training Facility, Joint Expeditionary Base, Little Creek, Virginia
October	12 October	22 October	Howard Nudi, Duke Energy, "Nuclear Energy and its Relationship to Reliability Engineering"
November	5 November	16 November	TBA
December	7 December	17 December	**T**BA

Intermodal Transport (Cont'd from Page 8)

passenger

Railway Transport Intermodals.
To save motorists the negotiation of mountain passes, especially in winter, two Swiss railroads shuttle drive-on, drive-off trains for automobiles between terminals at the extremities of their transalpine tunnels. This practice has been elaborated for Channel Tunnel rail transport of private automobiles, buses, and trucks between Britain and France.

In overload intermodal transport the economy of the railroad as a bulk long-distance hauler is married to the superior efficiency and flexibility of highway transport for shorter-distance collection and delivery of individual consignments. Intermodal transportation also makes use of rail for the long haul accessible and viable to a manufacturer that is not directly rail-served and has no private siding.

Development

Initially, the emphasis in North America was on the rail piggybacking of highway trailers on flatcars (TOFC), which the Southern Pacific Railroad pioneered in 1953. By 1958 the practice had been adopted by 42 railroads; and by the beginning of the 1980s U.S. railroads were recording more than two million piggyback carloadings a year. In Europe, few railroads had clearances ample enough to accept a highway box trailer piggybacked on a flatcar of normal frame height. As shipping lines developed their container transport business in the early 1960s, European railroads concentrated initially on container-on-flatcar (COFC) intermodal systems. A few offered a range of small containers of their own design for internal traffic, but until the 1980s domestic as well as deep-sea COFC in Europe was dominated by the standard sizes of maritime containers. In the 1980s an increasing proportion of Europe's internal COFC traffic used the swapbody, or demountable, which is similar in principle to, but more lightly constructed, cheaper, and easier to transship than the maritime container; the latter has to withstand stacking several deep on board ship and at ports, which is not a requisite for the swapbody. As its name suggests, the swapbody has highway truck or trailer body characteristics.

The container took on a growing role in North American intermodal transportation in the 1980s. American President Intermodal decided that containers originating from Pacific Rim countries to destinations in the Midwest and eastern United States were better sent by rail from western seaboard ports than shipped through the Panama Canal. To optimize the economics of rail landbridging, the shipping line furthered development of lightweight railcars articulating five low-slung well frames on each of which containers could be double-stacked within, or with minimal modification of, the vertical clearances of the principal route between West Coast ports and Chicago. At the same time, the shipping line marketed containers off-loaded in the east as the medium for rail shipment of merchandise from the east to the western states. This was influential in stimulating new interest in the container as a medium for domestic door-to-door transportation. Other shipping lines copied American President's lead; railroads enlarged clearances to extend the scope of double-stack container transportation to the eastern and southern seaboards (Canadian railroads followed suit); and in the later 1980s both double-stack operation and the container's share of total North American intermodal traffic rapidly expanded.

Operations.

The overhead costs of COFC and TOFC are considerable. Both require terminals with high-

Continued on Page 12

Intermodal Transport (Cont'd from Page 11)

-capacity transshipment cranage and considerable space for internal traffic movement and storage. TOFC also has a cost penalty in the deadweight of the highway trailers' running gear that has to be included in a TOFC train's payload. Two principal courses have been taken by railroads to improve the economics of their intermodal operations. One is to limit their transshipment terminals to strategically located and well-equipped hubs, from which highway collection and delivery services radiate over longer distances; as a result, the railroad can carry the greater part of its intermodal traffic in full terminal-to-terminal trainloads, or unit trains. The other course has been to minimize the tare weight of rail intermodal vehicles by such techniques as skeletal frame construction and, as in the double-stack COFC units described above, articulation of car frames over a single truck. Even so, North American railroads have not been able to make competitively priced TOFC remunerative unless the rail component of the transit is more than about 1,000 km (600 miles).

Two different managerial approaches to intermodal freight service have developed in the United States. Some of the major railroads have organized to manage and market complete door-to-door transits themselves; others prefer simply to wholesale intermodal train space to third parties. These third parties organize, manage, and bill the whole door-to-door transit for an individual consignor.

Given the shorter intercity distances, European railroads have found it more difficult to operate viable TOFC services. The loading of a highway box trailer on a railcar of normal frame height without infringing European railroads' reduced vertical clearances was solved by French National Railways in the 1950s. The answer was a railcar's wheels could be slotted, so that the trailer's floor ended up parallel with that of the railcar. Even so, there were limitations on the acceptable height of box trailers. Other railroads were prompted to begin TOFC in the 1960s when the availability of heavy tonnage cranes at new container terminals simplified the placing of trailers in the so-called "pocket" cars. Initial TOFC service development was primarily over long and mostly international trade routes, such as from the Netherlands, Belgium, and northern Germany to southern Germany, Austria, and Italy.

n 1978 the West German government decided to step up investment in its railways for environmental and energy-saving reasons. Its plans included a considerable subsidy of railroad intermodal operation, including TOFC. Similar support of intermodal development, for the same reasons, was subsequently provided for their national railways by the Austrian and Swiss governments. The German railroad (and also Scandinavian railroads) has more generous vertical clearances than the European norm. Whereas other European mainland railroads, even with pocket cars, can only operate TOFC over a few key trunk routes, the German Federal Railway Authority could use the financial support to launch TOFC as well as COFC service between most of its major production and consumption areas.

The Germans, followed by the Austrians and Swiss and then other European countries, developed a particularly costly intermodal technology called "Rolling Highway" (Rollende Landstrasse), because it employs low-floor cars that, coupled into a train, form an uninterrupted drive-on, drive-off roadway for highway trucks or tractor-trailer rigs. Rolling Highway cars are carried on four- or six-axle trucks with wheels of only 36-cm (14-inch) diameter so as to lower their floors sufficiently to secure the extra vertical clearance for highway vehicles loaded without their wheels pocketed. Platforms bridge the gap between the close-coupled railcars. To allow highway vehicles to drive on or off the train yet enable a locomotive to couple to it without difficulty, the train-end low-floor cars have normal-height draft-gear headstocks that are hinged and can be swung aside to open up the train's roadway. Truck driver's travel in a passenger car added to the train

Continued on Page 13

Intermodal Transport (Cont'd from Page 12)

n the face of growing trade between northwestern and southeastern Europe, Austria and Switzerland have imposed restraints on use of their countries as a transit corridor by over-the-highway freight to safeguard their environments. Primarily to provide for increase in intermodal traffic, and in particular Rolling Highway trains, the Swiss parliament approved a government plan to bore new rail tunnels on each of its key north-south transalpine routes, the Gotthard and the Lötschen. The Lötschberg Base Tunnel, the world's longest overland tunnel—a 34.6-km (21.5-mile) rail link—took eight years to build, and when full rail service began in 2007, it slashed the train journey between Germany and Italy from 3.5 hours to less than 2 hours. The 57-km (35-mile) Gotthard Base Tunnel—an even more ambitious project—is scheduled for completion by 2017. Both tunnels will be much longer than older tunnels located higher up in the summit passes; thus, their tracks will be free of the present routes' steep gradients and sharp curves on either side of their tunnels.

Mid-Summer
Hay Harvest Time

2. ENCOMPASSING TOTAL LIFE CYCLE SYSTEM MANAGEMENT (TLCSM) and PERFORMANCE BASED LOGISTICS (PBL) TENETS (Extract from DOD DMSMS Handbook –online)

The "DoD Template for Application of TLCSM and PBL in the Weapon System Life Cycle" stresses the tenets that emphasize an early focus on sustainment within the system life cycle. TLCSM is the implementation, management, and oversight, by the designated PM, of all activities associated with the acquisition, development, production, fielding, sustainment, and disposal of a DoD weapon system across its life cycle. It empowers the PM as the life cycle manager with full accountability and responsibility for system acquisition and follow-on sustainment. PBL is the preferred sustainment strategy for weapon system product support, and employs the purchase of support as an integrated, affordable performance package designed to optimize system readiness.

An efficient, proactive DMSMS management process is critical to providing more effective, affordable, and operationally ready systems by increasing availability and supportability. This is in line with the TLCSM and PBL tenets. On contracts invoking PBL, where a contractor provides product support, the contractor must be required to initiate and maintain a proactive DMSMS Program. The contractor is then held bound by contract metrics that require sound DMSMS practices be integrated into all phases of the acquisition process pertaining to the work effort. The objective with PBL contracts is to ensure that the PBL provider is held fully accountable for resolving DMSMS or obsolescence issues. Ideally, PBLs are long term (5-15 years), firm fixed priced, cost per unit usage contracts and require that the provider manages many aspects of product support through the life cycle. As such, the properly structured PBL will include an inherent incentive for the provider to be proactive and manage DMSMS and obsolescence in order to achieve the required performance outcome(s). These long term PBL agreements/contracts lower provider risk and allow for DMSMS mitigation efforts: life of type buys, establishment of long term contracts with subcontractors, and return on investment for redesigns. Additionally, A PBL provider may be able to leverage off of their commercial divisions. This Guidebook provides proven examples of practices that can be initiated to attain that end.

Continued on Page 14

DOD DMSMS Handbook Extract (Cont'd from page 13)

The TLCSM approach increases the significance of design for system Reliability, Availability, Maintainability, Manufacturability, and Supportability. The inherent objective of the TLSCM is to enhance war fighter's capability through improved System Operational Effectiveness (SOE) of new and fielded weapon systems. SOE is a composite of performance, availability, process efficiency, and total ownership cost. The objectives of the SOE concept can best be achieved through influencing early design and architecture. The war fighter's capabilities are maximized by focusing on System Design for Operational Effectiveness (SDOE) through the DMSMS application of cost-effective Lean Six-Sigma principles. Reliability, reduced logistics footprint, and reduced system life cycle cost/total ownership cost (TOC) are most effectively achieved through inclusion from the very beginning of a program – starting with the definition of required capabilities. Reliability, Maintainability, Supportability, and Producability are components that impact availability. The primary objective of 'design for system. supportability' is to positively impact and reduce the requirements for the various elements of logistics support during the system operations and maintenance phase. One aspect of successfully accomplishing this is by addressing issues pertaining to DMSMS[1].

Open systems design helps mitigate the risks associated with technology obsolescence. Being locked into proprietary technology or relying on a single source of supply over the life of a system can be detrimental to the war fighter's mission. Spiral development can also help to alleviate obsolescence concerns. However, the PM must ensure that PBL product support efforts include an active DMSMS process to anticipate occurrences and take appropriate action. When a PBL contract is used the PM must ensure the exit criteria calls for all configuration management data to be turned over to the Government. The Product Support Integrator (PSI) can often carry this out.[2] PBL support arrangements give significant latitude to the PSI to manage technology refreshment. PSIs have responsibility for performance outcomes and are incentivized to maintain currency with state-of-the-art technology, maximize the use of Commercial Off-The-Shelf (COTS) items, and generally use readily available items to avoid the high cost of DMSMS over the life of the system[3]. Actively addressing DMSMS concerns throughout the entire life of the program will help ensure effective life cycle support and reduce adverse impacts on readiness or mission capability

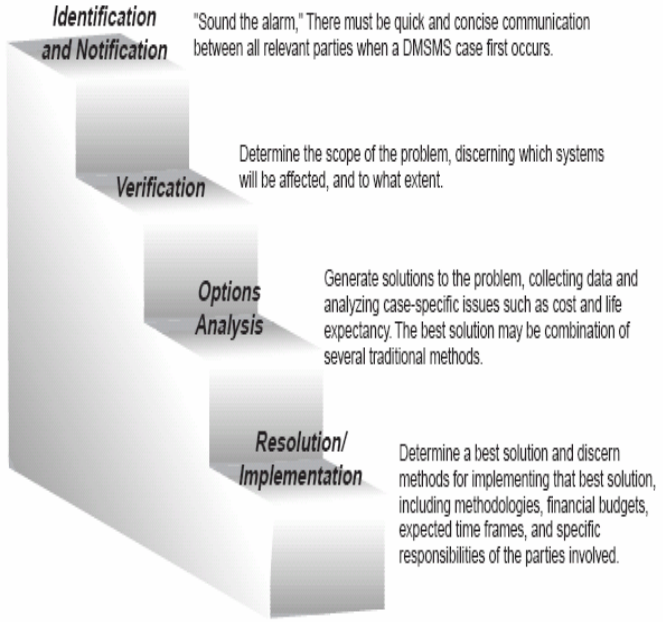
3. ESTABLISHING A DMSMS PROGRAM

3.1. Determining Level of Involvement

DMSMS is the loss, or impending loss, of manufacturers of items or suppliers of items or raw materials. The military loses a manufacturer when that manufacturer discontinues (or plans to discontinue) production of needed components or raw materials. This situation may cause material shortages that endanger the life cycle support and capability of the weapon system or equipment. An effective approach to such a pervasive problem hinges on being proactive. This provides the PM an opportunity to resolve obsolescence problems before they have an adverse impact on TOC. In that regard, the DoD Components should proactively take timely and effective actions to identify and minimize the DMSMS impact on DoD acquisition and logistics support efforts. Military components can establish effective DMSMS Programs that will reduce or eliminate the cost and schedule impacts of identified DMSMS problems. These actions should also ensure that these problems do not prevent weapon system readiness and performance goals from being met.[4] The seriousness of the problem demands a proactive, risk management type approach. The four basic steps of a proactive DMSMS risk management process are illustrated in Figure 3-1.

Continued on Page 15

Figure 3-1. Four-Steps of DMSMS Risk Management Process



DOD DMSMS Handbook Extract (Cont'd from page 14)

Note: The DMSMS Program must be in place with interactive processes for even the first step to be realized. In implementing a proactive DMSMS Program, the chart in Figure 3-2 presents a spectrum of possible DMSMS involvement. To address DMSMS risk, of course, the higher levels of involvement will go further to mitigate or avoid that risk.[5] Note that these four levels of involvement do not necessarily equate to the four-step risk management process discussed in section 3.1. or to the intensity levels discussed in section, 3.1.1.

3.1.1. Implementation Intensity Levels

3.1.1.1. Intensity Levels Defined. There are four intensity levels of common practices influenced by the resources available to manage DMSMS. These include practices that could be implemented to mitigate the effect of DMSMS and are defined as:

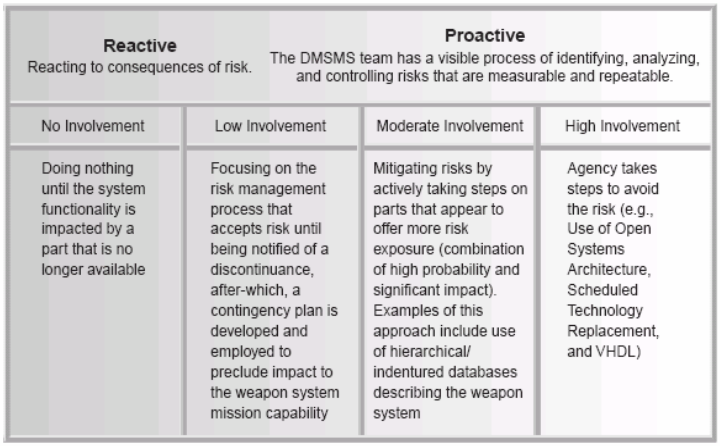
a. Level 1: Practices implemented to resolve current obsolescence problems. Some of these activities may be considered reactive.

b. Level 2: Minimal required practices necessary to mitigate the risk of future obsolete items. The majority of these activities are perceived as proactive.

c. Level 3: Advanced practices required to mitigate the risk of obsolescence when there is a high opportunity to enhance supportability or reduce total cost of ownership. These proactive activities may require additional program funding.

d. Level 3+: Proactive practices implemented during conceptual design and continuing through production and fielding of new start systems

Figure 3-2. DMSMS Risk Management Practices



Reactive Reacting to consequences of risk.		**Proactive** The DMSMS team has a visible process of identifying, analyzing, and controlling risks that are measurable and repeatable.	
No Involvement	Low Involvement	Moderate Involvement	High Involvement
Doing nothing until the system functionality is impacted by a part that is no longer available	Focusing on the risk management process that accepts risk until being notified of a discontinuance, after-which, a contingency plan is developed and employed to preclude impact to the weapon system mission capability	Mitigating risks by actively taking steps on parts that appear to offer more risk exposure (combination of high probability and significant impact). Examples of this approach include use of hierarchical/ indentured databases describing the weapon system	Agency takes steps to avoid the risk (e.g., Use of Open Systems Architecture, Scheduled Technology Replacement, and VHDL)

3.1.1.2. The Role of Proactive Management. The common practices in Table 3-1 anticipate future events and establish program elements to mitigate future problems. The practices associated with the above intensity levels form the basis of a possible DMSMS Management Program that can be used to mitigate the impact of DMSMS. Level 3+ is introduced to establish initial planning, preferably during the early stages of design that will realize significant benefit to the fielded system for its expected lifetime. These proactive design and documentation practices will provide the most cost-effective, concise technical information required for long-term sustainment with the least cost.

Continued on Page 16

DOD DMSMS Handbook Extract (Cont'd from page 15)

Table 3-1. Common Practices

Intensity Level 1	Intensity Level 2	Intensity Level 3	Intensity Level 3+
DMSMS Focal Point	Awareness Training	Circuit Design Guidelines	Technology Road Mapping
Awareness Briefing	DMSMS Prediction	VHDL [1]	Planned System Upgrades
Internal Communications	DMSMS Steering Group	Technology Assessment	Technology Insertion
External Communications	COTS List	EDI [2]	Technology Transparency
DMSMS Plan	DMSMS Solution Database	Technology Insertion	VHDL
Parts List Screening	Opportunity Index	Programmable Logic Devices	
Parts List Monitoring	Website		
Resolution of Current Items	Operational Impact Analysis		
Supportability Checklist			
Notes: 1. VHDL: Very High Speed Integrated Circuit (VHSIC) Hardware Definition Language 2. EDI: Electronic Data Interchange			

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