

Industry Trade Associations Committee of Six Update

**The American Apparel and Footwear
Association (AAFA)**

The National Textile Association (NTA)

The Parachute Industry Association (PIA)

Clemson University

APBI Meeting 5/7/08

Background

- **Industrial Base “Perfect Storm” Following 9/11:**
 - Virtually no commercial work.
 - Product complexity increase.
 - Multiple military customers and new products.
 - Wartime surge investment.
 - Excess procurement and capacity.
- **Industry Demand for Change:**
 - Joint association efforts to improve military readiness and health of industrial base.
 - Identified core and root cause problems.
 - Optimistic because DLA leadership committed to and engaged in change.

Problem Overview

- Core problem:

- Lack of supply chain (SC) wide *product flow*.
- (Procurement of C&T products as commodities rather than as weapon systems.)

- Root cause problems:

- Lack of enterprise-wide full communication, collaboration, and trust.
- Procurement practices that cause **SC gaps** and prevent contractors from planning:
 - Funding gaps.
 - Shade system practices (upgraded priority).
 - Business processes and systems that cause SC gaps.

Procurement Practice Issues

- Shade system.
- Supply chain managers.
- Price escalation protection.
- IDIQ min-max ranges.
- Timely awards of contracts and delivery orders.
- Multi-year contract minimums.
- Forecasts.
- DSCP safety levels.
- Equal treatment of mandatory and non-mandatory contractors.
- Enforce existing domestic manufacturing laws and extend to Homeland Security.

Meetings

#	Month	Where	With	Subject
31	May 07	DC	APBI	Update
32	Jun	Atlanta	Nomex SC	Surge Solutions
33	Jun	AAFA	Joint	Procurement Practices
34	Jul	Belvoir	PM-SEQ	Procurement Practices
35	Jul	HQ, DLA	Command	Procurement Practices
36	Jul	DSCP	Shade IPT	Shade System Practices
37	Sep	AAFA	Joint	Procurement Practices
38	Oct	DSCP	Shade IPT	Shade System Practices
39	Oct	Phil	GCC Fall	Industry Update
40	Oct	Greensboro	NTA Fall	Industry Update
41	Nov	HQ, DLA	Command	Lean Initiative Introduction
42	Nov	AAFA	Joint	Procurement Practices

Meetings (Cont'd)

#	Month	Where	With	Subject
43	Feb 08	HQ, DLA	Command & Lean Stakeholders	Lean VSM Charter Review
44	Mar	DSCP	Lean VSM Participants	Lean Training
	Apr	DSCP	Lean Value Stream Mapping (1 st Mtg.)	
45	Apr	Santa Fe	GCC Spring	Update
46	Apr	Belvoir	Shade IPT	Shade System Practices
47	Apr	AAFA	Joint	Procurement Practices
	May 12	DSCP	Lean Value Stream Mapping (2 nd Mtg.)	

Action Summary

- **Core problem**: Lack of SC-wide product flow based on commodity procurement practices.
- Increasing industry and military support.
- Joint industry/Service/DLA working group:
 - Working all procurement practice issues.
 - DSCP considering SC managers/portfolio management.
 - IPT addressing elevated shade issues.
- Joint DLA/Industry Lean process improvement.