



ORACLE



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Chair Talk

Greetings Fellow GWAC Members and Logisticians! This issue of the GWAC ORACLE Newsletter includes information about upcoming events; Chapter Officer reports; Management Committee meeting minutes (including an update on the progress of the GWAC CPL Study Group; a Part III article on PESHE; a book review on *The Role of Outsourcing in the Retail Supply Chain* by Clifford F. Lynch, and a Flyer on the 17 November GWAC Luncheon and more . . .



19 November GWAC Luncheon

Mr. Stephen A. Ruffa, President of Lean Dynamics Research will be speaking at our 19 November GWAC luncheon to be held at the Booz Allen Rosslyn, VA office location. The topic is *Going Lean - Achieving Excellence amid Uncertainty and Crisis*. See the Flyer on page six for more information including the cost and where to RSVP.

Information about SOLE - The International Society of Logistics

Please contact SOLE - The International Society of Logistics at www.sole.org to download a membership application and to learn about how to apply for and take the CPL exam. There is also information on the experience-based Designated Logistician Program including Logistician, Senior Logistician and Master Logistician.

Congratulations to Award Winners

Congratulations to this year's 11th Annual GWAC Logistics Awards Program winners! A total of seventeen logisticians from the military, government and industry received awards. The Logistician of the Year was Mr. Dave Peterson, PH.D. from LMI. Please join me and the GWAC Management Committee members in congratulating the winners from our 29 October Awards luncheon held at the Fort Myer Officer's Club in Arlington, VA.

29 October GWAC Awards Luncheon

Brigadier General David Reist, USMC, Assistant Deputy Commandant of Installations and Logistics (Plans), spoke at the 11th Annual GWAC Awards luncheon held at the Fort Myer Officer's Club, Lamplighter room.

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The ORACLE

The ORACLE is published 12 times a year. The deadline for articles and announcements is the second Monday of the month to be published. Authors, please reference "Editorial Objectives and Guidelines" under the "ORACLE Newsletter" Link at www.gwacsole.org for more details. GWAC assumes no responsibility for statements made by advertisers or for statements of fact or opinion expressed or implied in this publication.

Upcoming Events

19 November, 2008, GWAC Luncheon. The topic is *Going Lean--Achieving Excellence amid Uncertainty and Crisis*. Mr. Stephen A. Ruffa, President of Lean Dynamics Research will be speaking. See page 8 Flyer.

9-10 December, 2008, Information Assurance-Latest Requirements and Methods to be held in Washington, DC. Contact www.technologytraining.com.

11-12 December, 2008, DoDAF-Department of Defense Architecture Framework Seminar to be held in Washington, DC. Contact www.technologytraining.com.

19-20 February, 2008, Capabilities Based Requirements and Architectural Frameworks to be held in Washington, DC. Contact www.technologytraining.com.

23-24 February, 2008, Current and Future Military Data Links. This will be held in Wash., DC. www.technologytraining.com.

VC Finance Report

by Thomas Lorenzo at

thomas.lorenzo@pentagon.af.mil

As of 30 September, 2008

Beginning Balance: \$6,400.64

Income: Luncheon

Total Income: \$0.00

Expenses: (\$0.00)

Total Expenses: (\$0.00)

Ending Balance: \$6,400.64

VC Prof. Dev. Report

by Steve Morgan, at Morgan.Steven@bah.com

The October 29th Awards Luncheon speaker is Brigadier General David Reist, USMC. The Logistician of the Year was Dave Peterson, PH. D. from LMI.

CPL Chair Report

By Dave Floyd, CPL at floyd_david@bah.com

CPL Exam Update

The next CPL exam will be held on 2 May at the FIT Education Center. Several CPL Study Group members are planning to take the exam.

GWAC 2008 CPL Study Group

The CPL Study Group has shifted from Thursday to Wednesday evening meetings from 5:00pm to 7:00pm through May of 2009 at a rate of two chapters a week in order to cover all the reading materials. We will be finishing the final chapters of William Stevenson's 8th Edition of *Operations Management* this week and begin Stock and Lambert's book on *Strategic Logistics Management*. We added a new member to our Study Group, Tracey Ramsey. Up to this point we have covered such topics as Reliability, Maintainability and Availability Measures (now referred to by DoD as Reliability, Availability, Maintainability (RAM)), recent trends in logistics, the definition of logistics and systems engineering and how logistics

has evolved from the traditional 10 ILS elements. We've covered Supportability Analysis, and logistics in the various phases of the acquisition life cycle. We are currently studying Forecasting, Quality, Inventory Management, Supply Chain Management, Project Management and Waiting Lines and Simulation.

SOLE Searchers

Check out the updated "Jobs" page hyperlink at the GWAC Web site at www.gwacsole.org. or contact Thomas Lorenzo at thomas.lorenzo.ctr@pentagon.af.mil

DCCEAS Chair Report

DCCEAS restarted in September. Dev Raheja has expressed interest in leading a January, 2008 GWAC Seminar in "Design to Reduce the Logistics Footprint". More info will follow as GWAC submits and gets approval from SOLE on a Seminar Business Plan.

Website Chair Report

Contact our new webmaster at webmaster@gwacsole.org with your comments and/or input. Files added during the last month to the functional areas include the following:
General.

- September Management Committee Meeting Agenda and Minutes

- Updated Calendar of Events

Administration.

- Membership Spreadsheet, Password protected (contact_webmaster@gwacsole.com)

- September ORACLE Newsletter

Finance.

- Contact Dave Floyd, CPL for a copy

Chapter Events List 2007-2008

<u>Date</u>	<u>Event</u>
November 19	GWAC Luncheon
December 8	GWAC Mngt. Meeting

GWAC Management Management Committee Meeting Minutes

CALL TO ORDER:

Chair Dave Floyd, CPL, called the meeting to order at 5:45p.m. on 20 October, 2008 at Hamburger Hamlet in Arlington, VA.

CHAPTER OFFICERS PRESENT:

Dave Floyd, CPL	Chapter Chair
Lyle Paulson, CPL	IPC
Tom Griffiths	VC Membership
Richmond Miller, CPL	Advisory Member

OLD BUSINESS:

Past Minutes. The GWAC Management Committee reviewed and recommended approval of the September 2008 Management Committee Meeting minutes and Financial Report.

VC/COMMITTEE REPORTS:

VC FINANCE:

The GWAC financial balance is \$6400.64

VC MEMBER SERVICES:

The GWAC Awards luncheon was a big success with over 60 attendees. 17 logisticians received awards. Mr. Dave Peterson, Ph.D received the Logistician of the Year Award.

VC PROGRAMS:

Luncheon Speakers. Mr. Ted Seymour, Booz Allen, was our 30 January, 2008 speaker. He spoke on *PBL Business Case Analysis (BCA)*. Our 20 February luncheon was held in conjunction with DCCEAS at the Pier 7 restaurant in Washington, D.C. There was no GWAC luncheon held in March. The 30 April GWAC luncheon speaker was Mr. Bill Kobren, CPL, Director of the Logistics and Sustainment Group at DAU, who spoke on the topic: "What DAU Can Do for You!". Our 28 May luncheon speaker, Mr. Irv Varkoni, spoke on *Supply Chain Globalization, Preparedness and Resilience*. The 25 June GWAC luncheon speaker was Mr. Alex Melnikov, Senior Analyst for DMSMS in OSD. He spoke on *Managing DMSMS*. Our 30 July GWAC luncheon speaker was Mr. Michael D. "Bo" Gourley,

Program Director for Logistics Sustainment at the Defense Acquisition University (DAU). He spoke on *The Relationship Between Systems Engineering and Logistics*. Mr. Joe Spruill, DHS, spoke about *DHS Logistics* at the September luncheon.

VC ADMINISTRATION:

On a personal note, Rich Miller, CPL, a member of the GWAC Management Committee, is well on his way in recovering from burns received when the motorcycle he was riding caught fire. Rich - Best Wishes for your continued recovery! Contact bun-nystreet@yahoo.com for your personal note input.

CPL COMMITTEE CHAIR:

There was some discussion about CPL recertification that needs to be done every five years. The next CPL Exam will be held on 2 May at the FIT Education Center. Contact Chair Dave Floyd, CPL at 202-475-5885 or at floyd_david@bah.com.

NEW BUSINESS:

Dev Raheja, the GWAC DCCEAS representative and GWAC Management Committee Advisor, expressed interest in conducting a GWAC Seminar on "*Design to Reduce the Logistics Footprint*" to be held sometime in the Spring contingent on SOLE's approval of the Business Plan. Topics include:

- How Much Logistics Support We Really Need?
- Designing out failure modes
- FMECA for reducing logistics needs
- Designing maintenance-free subsystems
- Techniques of reducing MTTR
- Reliability Centered Maintenance (RCM)
- Techniques of improving Inherent Availability
- Techniques to improve Operational Availability
- Prognostics design to reduce logistics cost.

ADJOURNMENT:

There being no further discussions, Chair Dave Floyd, CPL, adjourned the meeting at 7:00pm. The next GWAC Management Team meeting will take place at Hamburger Hamlet on Tuesday, 17 November, 2008 starting at 5:45 pm. GWAC members are most welcome to attend.



*SOLE – The International Society of Logistics
Greater Washington Area Chapter
(District 2, Chapter 1)*

has awarded

Dr. David K. Peterson, P.H.D.

Research Fellow, LMI

the 2008

LOGISTICIAN OF THE YEAR AWARD

n recognition of his valuable contributions toward the advancement of the goals and objectives of the logistics profession. Dr. Peterson has spent more than thirty years in support of the Department of Defense. His leadership and outstanding initiative in Supply Chain Logistics, coupled with twenty years as an Officer in the US Air Force, has provided him invaluable knowledge of the military supply chain. Most recently, Mr. Peterson has supported the Office of the Secretary of Defense in the development of methods to better integrate supply chain across all the US services and the Defense Logistics Agency. Dr. Peterson has enriched the field of logistics by training the next generation of logisticians at the Air Force Institute of Technology and at the School of Business and Economics at Lynchburg College. His depth, breadth, and versatility in supply chain logistics has brought great credit to himself and the field of logistics.

David S. Floyd, CPL
Chapter Chair
29 October 2008

ARTICLE

Programmatic Environment, Safety and Occupational Health (PESHE) FAQ (Part III)

7. What is the definition of a program under 5000.2R and what is the threshold for the requirement to develop a PESHE?

The definition of an acquisition program is contained in the DoD Directive 5000.1:

“E2.1.2 Acquisition Program. A directed, funded effort designed to provide a new, improved, or continuing materiel, weapon or information system capability, or service, in response to a validated operation or business need. Acquisition programs are divided into categories, which are established to facilitate decentralized decision-making, execution, and compliance with statutory requirements.”

Per DoD 5000.2.R, C52.3.5.10.1, a PESHE is required for all programs regardless of the acquisition category (ACAT level).

8. Is it the intent of DoD 5000.2-R for programs smaller than MDAP and MAIS acquisition programs, to comply with the requirements set forth in C5.2.3.5.10, based on the magnitude and scope of the program.

Yes, the DoD 5000.2-R requires other programs, in addition to MDAP and MAIS acquisition programs, to comply with the requirement set forth in C5.2.3.5.10, including the requirement to develop a PESHE. A PESHE does not have to be a lengthy document; and the PM can tailor the level of analysis for each of the requirements in C5.2.3.5.10, based on the magnitude and scope of the program.

9. Can several ACAT programs be combined into a single PESHE?

Yes, several PESHEs can be combined provided that they: (1) all relate to the same program or family of closely related programs; and (2) the ESOH programmatic risks and NEPA schedule should be clearly identified for each individual ACAT Program utilizing either a matrix or an appendix to the PESHE.

10. How should DoD 5000.2-R PESHE requirements be interpreted for mature, fielded weapon systems? Is a weapon system PESHE required if the system was fielded in the 1960s and is not in an acquisition phase?

A PESHE is required for all current acquisition programs assigned an acquisition category, per DoDD 5000.1 and DoDI 5000.2. If the program is not an acquisition program (such as, just buying replacement components and parts), then DoD 5000.2-R would not apply. If, however, there is a separate acquisition program with an assigned acquisition category, (like an engine or avionics upgrade), a PESHE is required (regardless of the acquisition category); and it only applies to the new acquisition program (e.g., the engine or avionics upgrade) and not the part of the program that is not being upgraded or modified.

11. Are programs with MS II approval prior to the 2000 and 2002 version of DoD5000.2.R required to create a PESHE?

The 1996 version of DoD 5000.2-R required all programs regardless of acquisition category to conduct a PESHE. However, it did not specifically annotate the preparation of a PESHE.

The 2000 and 2002 version of DoD 5000.2 does require the PESHE to be a document.

Logistics Book Reviews



The Role of Outsourcing in the Retail Supply Chain
Clifford F. Lynch
CFL Publishing, 2007

The trend of outsourcing supply chain activities to logistics service providers (LSPs) might seem to be a relatively recent development, but in his new book, *The Role of Outsourcing in the Retail Supply Chain*, Clifford Lynch notes that the practice has a long and venerable tradition. Some European LSPs, he says, can actually trace their origins to the Middle Ages.

In this lively booklet, Lynch, a widely respected logistics consultant (and *DC VELOCITY* columnist), traces the evolution of the retail business and the forces that led to rising interest in outsourcing logistics and other supply chain activities, especially in the last decade or so. (It should be noted that while Lynch is carefully neutral in his discussion of the roles of third parties, the booklet was sponsored by UTi Worldwide Inc., a provider of logistics and supply chain services.)

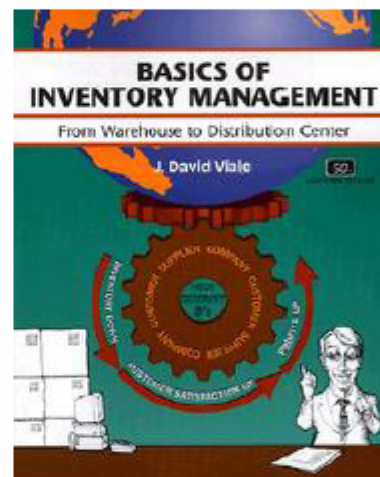
In his discussion of outsourcing today, Lynch outlines the factors that lead retailers to outsource supply chain functions, including operating expertise, the scale of operations, retailers' focus on core competencies, and risk mitigation. But he also examines reasons why some retailers choose to retain close control over certain aspects of Lynch also provides a primer on what to look for in a service provider and the variety of roles that LSPs can play in a supply chain. The booklet is available at no charge from Lynch (www.cfllynch.com) or Elijah Ray at UTi.

Logistics Outsourcing--A Management Guide, by Clifford F. Lynch. Council of Logistics Management

Includes a compact disk. ISBN 0-9658653-4-7. n

Logistics Outsourcing--A Management Guide

Clifford Lynch provides important useable guidelines for establishing and managing outsourcing relationships. In Lynch's unique narrative style, he documents and delivers the very core elements that should become part of every logistics manager's knowledge base. Lynch provides a host of supporting examples from the field, sample documents and forms, and detailed tools and worksheets to equip logistics managers. Managers, educators, and students of logistics and supply chain management will find the book enjoyable to read and a great reference addition to their libraries.



Publisher Notes: *Inventory Management*

- This book contains a logistics approach to inventory management-from the warehouse through the distribution system, from the supplier to the customer. Written for managers, it outlines objectives and performance measures pertaining to customer service, inventory investment, and operational efficiency. Factors affecting inventory are fully discussed and warehouse environments are fully explored, including types and objectives, packaging, material handling, and costs involved.



*Please Join the Greater
Washington Area Chapter (GWAC) of
SOLE – The International Society of Logistics*

On Wednesday, 19 November , 2008

at the Booz Allen Rosslyn Office,

1530 Wilson Blvd., Arlington, VA from 12:00 pm to 1:30 pm

for a luncheon and presentation. The event is \$5.00 pay at the door.

RSVP to bunnystreet@yahoo.com

**Mr. Stephen A. Ruffa
President of Lean Dynamics Research**

**Topic: Going Lean--Achieving Excellence amid
Uncertainty and Crisis**

What happens to businesses when the economy dives, fuel prices spike, or crisis strikes? Based on findings from his unique study of aerospace, his demonstration projects, and his research of manufacturing and service industries, author Stephen Ruffa will discuss why disruption and loss need not be the result--why some companies have managed to defy conventional wisdom, and how "lean dynamics" can help others regain their footing.

Biography

Stephen A. Ruffa is the author of *Going Lean: How the Best Companies Apply Lean Manufacturing Principles to Shatter Uncertainty, Drive Innovation, and Maximize Profits* (AMACOM, 2008). His distinctive observations are framed by his quarter-century of experience within the Defense Department engaged in supporting many of its dynamic needs--from the design, manufacture, test and repair of cutting-edge aircraft, to projects ensuring the availability of critical supplies for wartime demand surges. Mr. Ruffa's works have been widely recognized. His previous book, *Breaking the Cost Barrier: A Proven Approach to Managing and Implementing Lean Manufacturing* (John Wiley & Sons, 2000), was awarded the 2001 Shingo Prize for Excellence in Manufacturing Research. He is currently President of Lean Dynamics Research, a research, training, and management advisory firm focused on lean dynamics principles and practices.