

Why GAO Did This Study

DOD has invested heavily in its logistics operations, estimating that its overall spending on logistics—including supply chain management—was more than \$171 billion in fiscal year 2011. GAO has previously reported that one of the most complex and vital tasks facing DOD is managing its supply chain to effectively and efficiently provide spare parts, food, fuel, and other critical supplies in support of U.S. military forces. GAO has identified DOD's supply chain management as a high-risk area and has previously reported that limitations in asset visibility—including the visibility of assets in transit—make it difficult to obtain timely and accurate information on the assets that are present in the theater of operations. As part of GAO's work to update its high-risk areas, this report assesses the extent to which DOD (1) is aware of its components' efforts to improve in-transit visibility and (2) has a strategy to achieve in-transit visibility that includes the key elements of a comprehensive strategic plan. To conduct these assessments, GAO obtained and analyzed information from the defense components, reviewed and analyzed relevant defense policies, guidance, and plans regarding in-transit visibility, and interviewed officials from DOD and the defense components.

What GAO Recommends

GAO recommends that as DOD finalizes its in-transit visibility strategy it should ensure that it receives complete information from the components that addresses all key elements of a strategic plan. DOD concurred with GAO's recommendation.

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DEFENSE LOGISTICS

A Completed Comprehensive Strategy is Needed to Guide DOD's In-Transit Visibility Efforts

What GAO Found

The Department of Defense (DOD) has taken steps to improve in-transit visibility of its assets through efforts developed by several of the defense components, but no one DOD organization is fully aware of all such efforts across the department, because they are not centrally tracked. In-transit visibility is the ability to track the identity, status, and location of DOD assets and personnel from origin to consignee or destination across the range of military operations. GAO has previously reported that it is important for organizations to have complete, accurate, and consistent data to inform policy, document performance, and support decision making. Managers striving to reach organizational goals must have information systems in place to provide them with needed information. Based on data from defense components—the Joint Staff, U.S. Transportation Command, U.S. Central Command, the Defense Logistics Agency, and the military services—that GAO reviewed, 34 in-transit visibility efforts are being conducted by the components. The department has obligated about \$701 million for fiscal years 2009 through 2011 for these efforts and projected about \$455.3 million in costs to be incurred for fiscal years 2012 through 2015—a total of approximately \$1.2 billion. Currently, DOD conducts some informal coordination and information sharing regarding its in-transit visibility efforts, but information is not consistently shared through a formal mechanism.

In 2012, DOD began developing a draft strategy for asset visibility and in-transit visibility; however, this strategy includes some but not all key elements of a comprehensive strategic plan. According to DOD officials, the draft strategy, developed in collaboration with all pertinent components, is expected to be completed by June 2013. Officials anticipate that it will be used to guide and integrate related department-wide efforts to improve end-to-end supply chain management and support to the services. According to DOD officials, each component will be expected to develop an execution plan that contains information about its in-transit visibility efforts. The draft strategy indicates that such information is to include descriptions of gaps or challenges within the supply chain, as well as the component's actions or proposed actions to address them. According to GAO's prior work, a comprehensive strategic plan should include a mission statement; a problem definition, scope, and methodology; goals and objectives; activities, milestones, and performance measures; resources and investments; information about organizational roles, responsibilities, and coordination; and a description of key external factors that could affect the achievement of goals. GAO's review of DOD's draft strategy found that it includes one of the seven key elements of a comprehensive strategic plan, partially includes four others, and does not include the remaining two. For example, it includes overarching goals and objectives, but it does not include information on DOD's planned resources and investments to achieve those goals or key external factors that could affect the achievement of the goals. Until DOD has finalized a department-wide strategy with all accompanying execution plans, it will not have the information it needs to make well-informed decisions about asset visibility and in-transit visibility, including setting budget priorities for its in-transit visibility efforts across the supply chain in an increasingly constrained fiscal environment.