DOD’S HIGH-RISK AREAS

Observations on DOD’s Progress and Challenges in Strategic Planning for Supply Chain Management

What GAO Found

Prior to the publication of its new Logistics Strategic Plan, DOD issued a series of strategic planning documents for logistics over a period of several years. In 2008, DOD released its Logistics Roadmap to provide a more coherent and authoritative framework for logistics improvement efforts, including supply chain management. While the roadmap discussed numerous ongoing initiatives and programs that were organized around goals and joint capabilities, it fell short of providing a comprehensive, integrated strategy for logistics. GAO found, for example, that the roadmap did not identify gaps in logistics capabilities and that DOD had not clearly stated how the roadmap was integrated into DOD’s logistics decision-making processes. GAO’s prior work has shown that strategic planning is the foundation for defining what an agency seeks to accomplish, identifying the strategies it will use to achieve desired results, and then determining how well it succeeds in reaching results-oriented goals and achieving objectives. DOD said that it would remedy some of the weaknesses GAO identified in the roadmap.

The July 2010 Logistics Strategic Plan, which updates the roadmap, is DOD’s most recent effort to provide high-level strategic direction for future logistics improvement efforts, including those in the area of supply chain management. The plan provides unifying themes for improvement efforts, for example, by including a logistics mission statement and vision for the department, and it presents four goals for improvement efforts with supporting success indicators, key initiatives, and general performance measures. One goal focuses specifically on supply chain processes. The plan is aligned to and reiterates high-level departmentwide goals drawn from both the 2010 Quadrennial Defense Review and the 2009 Strategic Management Plan for business operations. Key initiatives in the plan appear to focus on issues that GAO has identified as needing management attention.

While the Logistics Strategic Plan contains some of the elements necessary for strategic planning, it lacks some detailed information that would benefit decision makers and guide DOD’s logistics and supply chain improvement efforts. The plan lacks specific and clear performance measurement information (such as baseline or trend data for past performance, measurable target-level information, or time frames for the achievement of goals or completion of initiatives), definition of key concepts, identification of problems and capability gaps, and discussion of resources needed to achieve goals. Further, linkages to other plans and some key related activities under way within logistics are unclear, and it is similarly unclear how the plan will be used within the existing governance framework for logistics. Without more specific information in the Logistics Strategic Plan, it will be difficult for DOD to demonstrate progress in addressing supply chain management problems and provide Congress with assurance that the DOD supply chain is fulfilling the department’s goal of providing cost-effective joint logistics support for the warfighter.