



# Army Stock Positioning

## How Can Distribution Performance Be Improved?

Adam C. Resnick, Jeremy M. Eckhause, James Syme

[www.rand.org/t/RR1375](http://www.rand.org/t/RR1375)

How could the U.S. Army improve its distribution of heavy secondary items that account for a small proportion of the overall items but comprise the majority of the weight shipped? This report analyzes how the Army could leverage the scheduled-truck network of Defense Logistics Agency Distribution hubs to reduce wait time for customers while saving nearly \$1 million monthly in shipping costs.



### RESEARCH QUESTIONS

- How does the Army currently position inventoried items, such as repair parts?
- How can the Army improve delivery of these items to customers, including leveraging the Defense Logistics Agency (DLA) distribution network?
- How does a case study of wheel assemblies illuminate possible improvements in delivery?



### KEY FINDINGS

Army Materiel Command (AMC) Can Leverage the Three-Hub Network That the Defense Logistics Agency (DLA) Has Implemented in the Contiguous United States

- This network, and the scheduled-truck service that serves it, enables DLA to distribute items to customers quickly on a predictable schedule and at reasonable cost.
- For items that are positioned at DLA hubs, distribution by scheduled-truck service can be faster than by commercial truck shipment from other sites.
- AMC could improve responsiveness to customers by positioning items at DLA depots, which, in turn, can issue items by scheduled-truck service.
- Increasing use of DLA scheduled-truck service would also decrease U.S. Department of Defense costs of distribution.

*continued on back*



## RECOMMENDATIONS

---

- AMC could improve distribution through stock positioning.
- It has several opportunities to direct where inventory is located, including when items are newly procured and when they come out of maintenance.
- It could also adjust its source-preference programming so that customers who should get materiel from DLA hubs and on scheduled-truck deliveries do so, and those who should get it elsewhere do so.
- Balancing inventory against regional demand would help item managers save costs and reduce requisition wait time.