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The Challenges that DLA face while holding inventory for Military facilities and small businesses

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The origins of DLA (Defense Logistics Agency) dates back to World War 11 when America needed a lot of supplies during the war. After the war the president Herbert Hoover wanted the agency to remain a reliable source for holding inventory for the military. DLA’s role for the military was very small at first but over the years the agency role has became very important to the military. Despite their early struggles in holding inventory DLA has become one of the top agencies that hold inventory. DLA is not a producer but they provide a lot of different services for military facilities and small businesses. The type of services DLA provides is forgings and casting program, storage, and transportation.

The storage and Distribution service that DLA provides for military facilities and small businesses are phenomenally. DLA distribution collaborates with customers to create kits of items designed for specific purposes. The agency uses warehouses to process material coming on to military bases. The Navy is one of the number one customers DLA deals with.

DLA faces a lot of competition from other agencies. DLA does not worry about other agencies because they have been around a lot longer and they have one of best inventory systems to date. Even though DLA is the number one choice for holding inventory for military facilities and small businesses the agency still faces many issues. The issues consist of storage cost, shift demands, and deterioration and obsolescence. DLA charges military facilities and small businesses to hold their inventory. That situation can cause many issues for DLA because if the small businesses and military facilities does not like the price for holding their inventory then they will go somewhere else. Another issue for DLA is shift demands. DLA concern is keeping large amounts of inventory for small businesses and military facilities on hand that won’t sell. Prime example, DLA stocks too much of the same item and the need for that certain item has reduced therefore DLA is left paying for storage space for that item.

Reference

Small Business Facts-DLA. Retrieved from:www.dla.mil