



Air Force Materiel Command

Supply Chain Risk Management

A Discussion With Industry



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Military Minds, Logistics, & Supply Chains

The line between disorder and order lies in logistics.

Sun Tzu

The amateurs discuss tactics. The professionals discuss Logistics.

Napoleon Bonaparte

“You will not find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics.”

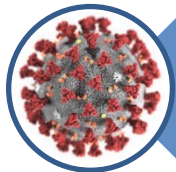
Dwight D. Eisenhower



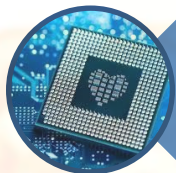
Today's Supply Chains Are Under Maximum Stress



National Defense Authorization Act 1999 & 2019 restricted entities list is expanding



COVID-19 supply chain disruptions persist



Global semiconductor shortages continue grow



Ransomware / cyber attacks on US commercial sector via supply chains are more prevalent



Transportation disruptions impacting domestic and global supply chains continue



AFMC is Addressing Risks Emanating From the Supply Chain

- Supply chain risks represent real and credible risks to USAF operations in times of peace and war. The nature of this risk is not lost on AFMC and we are aggressively addressing this threat with a focus on:





Why Industry Should Care

AFMC will be...

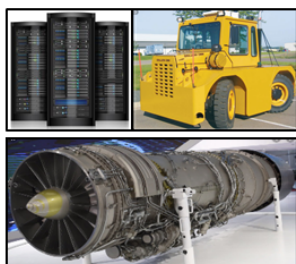
- **Addressing supply chain risk via contracts and the contracting process will be a focus for SCRM**
 - Buy American Act
 - Berry Amendment
 - 1999 NDAA, Sections 1237
 - 2019 NDAA, Section 889
- **Placing a greater focus on provenance of goods, services, and information**
 - Conducting our own supply chain illuminations
 - Performing appropriate pre and post-procurement due diligence
- **Considering risks presented by our suppliers when making award decisions**
 - Requesting supplier SCRM plans as part of ongoing RFPs
 - Evaluating SCRM plans as an award criteria



How We View SCRM, Supply Chains, and Risks

- The AFMC Supply Chain Risk Management (SCRM) approach systematically identifies, assesses, and mitigates threats, vulnerabilities, and disruptions to the Air Force supply chain to maintain mission assurance.

We have a broad definition of supply chains...



Physical Goods



Services



Software / Information



Technology / Raw Materials

...and an even broader definition of risks!



Product Quality / Counterfeit



Financial



Political / Regulatory



Operational



Environmental



Technology

DMSMS

Diminishing Mfg / Materiel Shortages



Human Capital

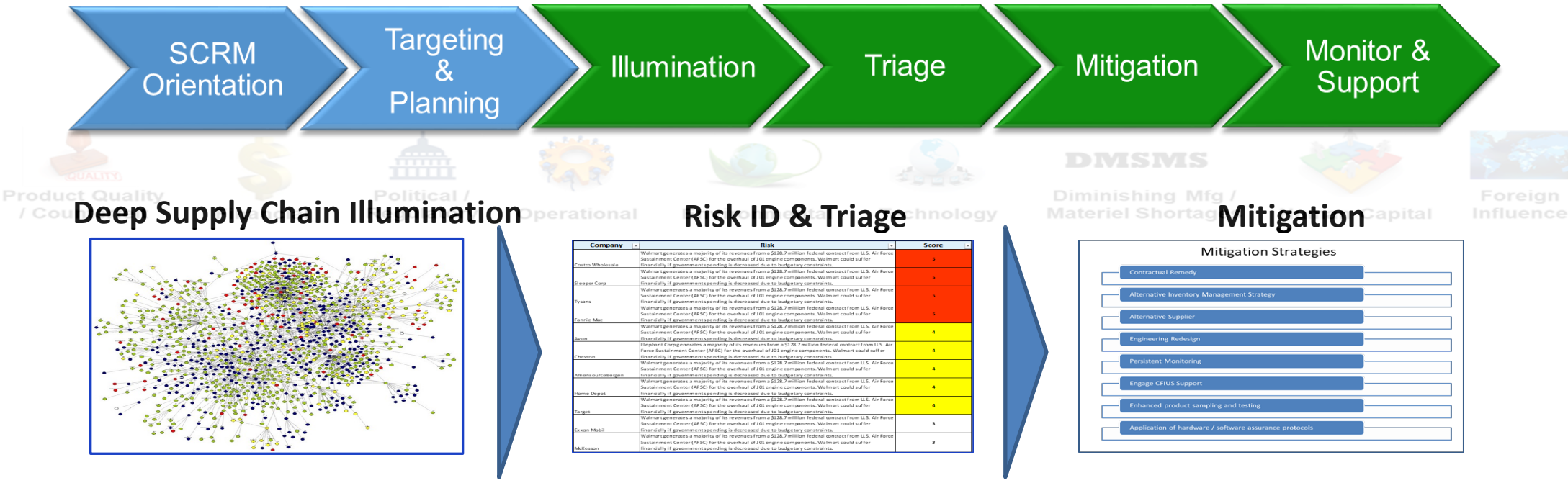


Foreign Influence



How We Get After Risk in Extended Supply Chains

- AFMC is performing deep analysis on our supply chains to understand them and proactively address risk in an intelligent manner.



- Supplementing illuminations are Discrete Supplier Reviews focused on understanding the health and risk profiles of our top-tier suppliers. We have executed over 200 unique reviews to date.



What We Expect From Industry

- **Suppliers taking a more proactive approach to addressing supply chain risk by**
 - **Including supply chain risk insight into decision making**
 - **Understanding who is in your extended supply chain and inherent risks**
 - **Supplementing SCRM programs with crisis management capabilities**
- **Greater supplier collaboration with AFMC on the topic of supply chain risk**
 - **Share and seek best practices**
 - **Engage the Command's SCRM office in dialog**



Interactive Question & Answer Session

- **What is industry doing to secure your supply chains?**
- **What challenges do you have now or foresee in the future?**
- **What questions do you have?**
- **What can we do better to help you with SCRM?**
- **How can we better work together?**



