



ICLogistics: Managing Changing Defense Needs and Surge Demand

OVERVIEW

The last several decades have seen major reductions in defense spending and a consolidation of the defense industrial base. In order to cope with reduced budgets, the US military has extended the life cycle of weapons platforms well beyond their initial projected life. These factors taken together require a greater focus on the manufacture of replacement parts and maintenance at a time when the US military is exposed without flexible manufacturing capacity. These demands are heightened when the US is actively engaged in

"The most solemn duty of government is to protect the American people."

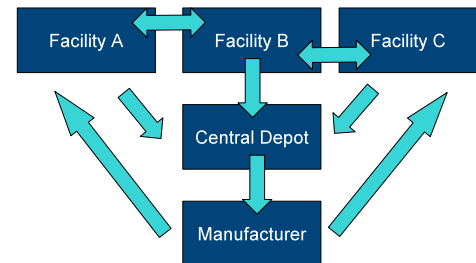
President George W. Bush

multiple locations in the world, as it is today, and faces uncertain threats in the future. Employing a system that provides early warning of potential shortages, can incorporate predictive information, provides total visibility across facilities and the Forces, and can manage suppliers providing replacement parts, may be the only way to cope with increased readiness requirements under existing budgetary constraints.

Inner Circle Logistics, Inc. (ICLogistics) is capable of delivering these capabilities in an inexpensive and easy-to-use format. The same way a desktop computer can print documents to a variety of printers by altering the printer selection, ICLogistics' technology can convert data to make it available to a variety of users, in the format they require, while keeping it secure. By housing data and information securely on the web, it is always available in real time, creating the connectivity, visibility and supply chain management capability required by today's Department of Defense. ICLogistics combines web-enabled processes and technologies with the integration and information management capabilities of enterprise resources planning (ERP) to power full supply chain integration and superior information availability.

MEETING TODAY'S CHALLENGES: A SCENARIO

ICLogistics' product suite can assist the US Military in moving from a push inventory system to a state of the art pull system, improving readiness while controlling costs. ICLogistics' software can automatically notify a central depot when part stocks at one facility fall below a pre-determined level or predictive models suggest that a demand surge is imminent. If the central depot determines the need is critical, it can employ ICLogistics' total visibility features to identify stock at another facility, even if it resides with one of the other Forces. The visibility that is gained is real-time and could allow for the part to be "reserved" before it is employed elsewhere, depending on mission priority. If the central depot determines that the need is not critical, it can



aggregate requests and send them to a manufacturer electronically, along with any engineering specification requirements. This can be handled in an environment that has already passed a Department of Defense security audit. If more than one potential manufacturer exists, the central depot can use ICLogistics' technology to solicit request for quotations, receive responses and issue a purchase order. The same system can then manage the relationship with the selected supplier, providing visibility into on-hand balances, lead times and other manufacturing status updates. When the components are completed, the system's flexibility allows the central depot the visibility to determine, in real-time, the best location for component delivery.

DELIVERING WHAT IS NEEDED TODAY WITH COMMERCIAL OFF THE SHELF SOFTWARE (COTS)

- Automatic notification of stocking needs, allowing for better decision-making
- Real-time visibility across facilities and Forces to identify replacement parts in urgent situations
- Ability to administer the supplier selection process
- Capacity to manage supplier relationships, manufacturing status updates and delivery
- Secure environment that protects critical information