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# Simple Attention to Detail Improves Customer Satisfaction

By

Philip D. Lucius

Foreign Military Sales, or FMS, represents a significant portion of the Defense Logistics Agency's (DLA's) business—in Fiscal Year 1994, combined sales agreements with the United States government exceeded \$12.9 billion. Since 1990, DLA has experienced a 16 percent increase in FMS customer orders. Recent estimates expect this trend to grow.

FMS is a nonappropriated program through which eligible foreign governments purchase defense articles, services, and training from the United States Government. To transport the freight, a foreign country hires a freight forwarder to handle its cargo, containerize it for shipment, and perform customs documentation for export.

Historically, there have been inherent obstacles in the movement of freight. Each package moves along a "pipeline" through several locations where potential trouble waits. Complications include damaged cargo, improper packaging, insufficient shipping documentation or address, and inappropriate labeling or markings on the outside of the container.

To find solutions, the Defense Distribution Region East (DDRE) teamed with the United States Army Security Assistance Command (USASAC) and Navy representatives to help the Defense Distribution Depot Susquehanna PA (DDSP) better serve its FMS customers. USASAC is the organization responsible for managing the Army's Foreign Military Sales Programs. Its Directorate for Logistics Support provides technical and operational support including transportation to support the foreign customers' needs. USASAC, along with DDRE and DDSP work together to improve logistics support.

The freight forwarder for Saudia Arabia provides FMS customs requirements for Saudi Arabian government exports. Conversely, it accepts all imports from Saudi Arabia requiring repair. If the Saudi government is looking for a critical shipment and the freight forwarder does not have it, there could be an impact on that country's military readiness.

DDSP decided to develop new strategies to resolve these hurdles experienced by the freight forwarders. Quick identification of customer dissatisfaction is a cornerstone of the DDSP plan, and sensitivity to the freight forwarder's needs has influenced the depot's transportation strategy. The changes discussed below will benefit all DDSP customers, including Forts Hood, Bragg, and Campbell.

The team integrated the freight forwarder's needs with DDSP's operations and developed a strategy that made everyone happy. The strategy DDSP implemented involves several significant changes to its FMS methodology: face-to-face discussions with the freight forwarder, quicker response time for complaints, permanent staff to handle all inquiries, training for employees in the handling of FMS materiel, and a special FMS packaging area.

DDSP's face-to-face contact identifies the freight forwarder's barriers at an early stage—the longer it takes to identify the situation, the harder it is to determine what happened and why. Personal contact eliminates needed information from having to travel through bureaucratic layers which may distort the situation. Face-to-face contact permits immediate feedback, permitting a determination as to whether the change is having a positive effect.

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DDSP has sent senior personnel to see the trouble first hand. They investigate, offer solutions, and return to discuss alternatives. Many times they can return and implement the needed changes immediately.

Following their visits, DDSP staff discuss these issues with employees and determine what changes are necessary. In addition, once the depot has established the face-to-face contact, it can follow up to verify if the change has achieved the desired result.

“We think that it is a good idea for DDSP to visit a freight forwarder,” said Betty Holden, a supply systems analyst with USASAC. “DDSP people are right at the scene where these items were picked and packed.”

Also, DDSP is working to improve its customer complaint process—to make it faster and more responsive to the customer’s needs. Traditionally, when a customer had a concern, the filing of a Report Of Discrepancy was the sole method of recourse. However, these reports are inherently slow: they are reported in writing and travel through multiple hands before reaching the depot. To solve this, DDSP is working to establish ways for the freight forwarder to contact the depot precisely when the trouble is identified. One of those alternatives is to call the depot directly.

“If they call us, we are going to respond immediately,” said Mike Yost, Deputy Commander, DDSP. “Once we know what the problem is, we can fix it once and for all.”

Fixing it the first time involves training. USASAC and DDSP have established an on-the-job training program to teach DDSP personnel how to manage the transportation and shipping requirements of FMS material.

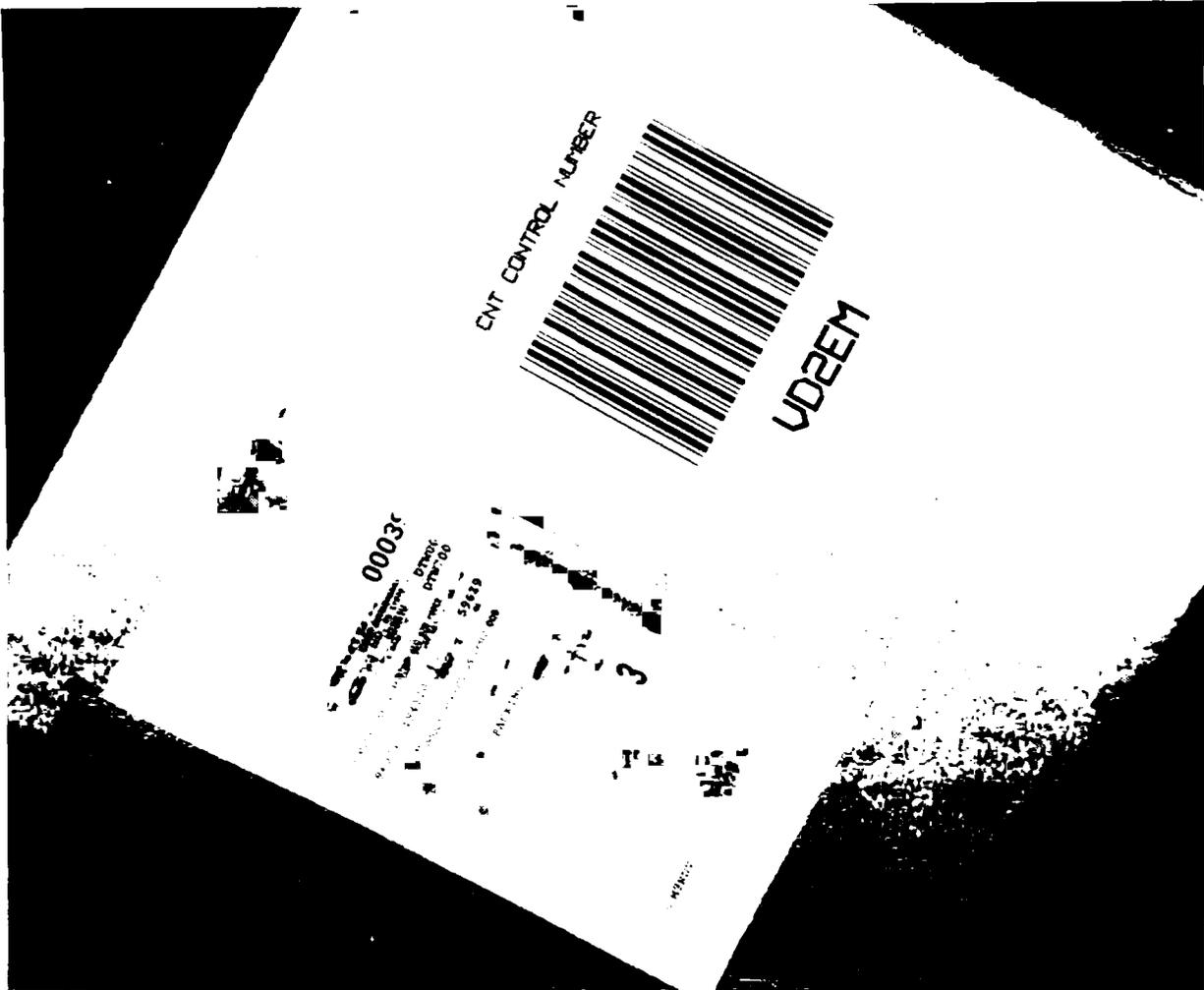
Additionally, DDSP has developed a comprehensive packaging training program tailored to its automation system—the Distribution Standard System, or DSS. The training includes instruction in FMS packaging requirements. These requirements involve the highest standards imaginable. They include packaging protection to meet the most severe worldwide shipment, handling, and storage conditions. Each package must be capable of outdoor storage for a minimum of one year. Other factors include packaging size requirements large enough to accommodate all labels, packing lists, and other markings, without overlapping or overstepping. No markings are to be placed on the ends or the bottoms of the package or box. All seams, corners, and manufacturer’s joint are to be closed. All markings must be clear, legible, and in black.

Before the formal training began in February, personnel met every morning to discuss the specific FMS concerns for that day. Today, even with the training, the meetings continue. “If it is an issue involving a staff member, a packer, who needs the training, DDSP can get that person into training earlier and prevent further problems from occurring,” said Betty Holden.

DDSP has standardized the handling of FMS materiel. To do so, it established special FMS handling lines and FMS stickers to help packers identify these shipments among the thousands of packages that move through the distribution site each day. DDSP has taken several actions to ensure that the right label gets on the right package. By establishing specific FMS lines, proper documentation being affixed to the box’s exterior should be guaranteed. Without the proper documentation affixed to the exterior, the freight forwarder cannot process the materiel for customs purposes. Freight forwarders generally cannot open the box to retrieve a copy of the shipping document. DDSP has established a procedure that ensures that the paperwork is always available on the outside of the package. A perforated

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shipping document allows easier processing for the packer: one copy inside, the second attached outside.



Shipping documents are attached to the exterior of each FMS package making it easier for a freight forwarder to process for customs.

Since the documentation on the outside of the box tells the freight forwarder exactly where that shipment is going, if it is missing, that package isn't going anywhere. "Documentation on the outside of the package can get ripped off during the transportation phase," said Terry Williams of Sofana Freight Forwarder. Today, if Terry has this problem, she calls her point of contact at the depot. "If we don't have the necessary documentation attached to the box's exterior, the freight doesn't get shipped. The documentation is imperative to the export declaration. If we export without documentation, we are fined. Simply put, we will not ship the freight without the documentation."

Panalpina, a company in Harmans, Maryland, represents several foreign countries as a freight forwarder. With limited warehouse space, movement of freight is critical to Panalpina's operations. "Without the proper documentation, the freight sits," said Deb Malloy, who has worked as an export clerk for Panalpina for five years. "DDSP has improved the missing documentation greatly."



Bonnie K. Bitner spots a package with an “FMS” sticker affixed making it easier for her to spot one of these packages among the thousands that flow through the Easter Distribution Center daily.

With these improvements, face-to-face discussions with the freight forwarder, quicker response time for complaints, permanent staff to handle all inquiries, training for employees in the handling of FMS materiel, and a special FMS packaging area, DDSF continues efforts to identify those services that make its customers more competitive.

For example, DDSF offered the Canadian government the option to consolidate its materiel in the container size it desired and the choice of when these containers were delivered. If consolidation is desired for placing several small parcels in one large container and shipped to a single address, the package can be delivered twice a week, or single parcels may be shipped on a more frequent schedule. DDSF explains the advantages and the disadvantages and then lets the customer decide. The depot has customized its operations to meet the customer’s preferred delivery time.

According to Mike Yost, whether it’s correcting a long standing procedure or developing a new one, the consistent thread that runs throughout all these services is that DDSF simply wants to improve the quality of the materiel that leaves its depot.