

DeCA Europe Director Michael J. "Mike" Dowling



Dowling

Ready for CHALLENGES

In August 2009, Michael J. "Mike" Dowling returned to the Defense Commissary Agency's (DeCA) European Region as its director after serving as the agency's acting chief operating officer (COO) (see E and C News 9/2009), his second such tour of duty with the agency.

As the U.S. military footprint continues to shift with transformation and force repositioning, Dowling leads a region that is likewise changing to meet the region's evolving needs.

In this exclusive interview with E and C News, Dowling talks about those challenges and opportunities, and how his region is ready for the task at hand.

E and C News: You have returned to DeCA Europe after a tour at headquarters as acting chief operating officer. What changes do you see in the region since you left a few years ago, and how are your new personnel settling in?

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Michael Dowling: The deli/bakeries have made significant progress. I was fortunate when I was DeCA East director to have had the opportunity to work with Northeast Military

Sales, Military Deli & Bakery Services, and Favata Bakeries, which operated many outstanding deli/bakery operations in our stores. They offered wide selections of products while striving to provide outstanding customer service.

I think we understand the customer service side of the business, but we need to continue to work on product mix. While we don't have the same business model in Europe, there have been significant strides in this area, but there's still work to be done.

When I departed DeCA Europe in 2007, we had just finished the transfer of the subsistence contracting activity from Defense Supply Center Philadelphia (DSCP) Europe to ourselves. Upon returning, I have seen the progress that has been made in this area and the possibilities for the future.

We continue to reduce our footprint as the services continue to realign their force structure. In Germany, our stores in Darmstadt, Hanau, Dexheim, Wuerzburg and Idar Oberstein have closed since I left to be DeCA East director in 2007.

Our new operations director, Mike Yaksich, and our new chief of logistics, Victor Claar, arrived in April and have "hit the ground running." Ernestina Vasquez joined us from Bitburg AB, Germany, to lead our store operations team and immediately hit the road overseeing inventories and providing store assistance. Barbara Sannino at Zone 31 and Monique Mings at Zone 32 have assumed their zone manager posts and seem to have settled in nicely.

E and C News: Looking back over the past year's accomplishments, what adjustments is the region making, and what challenges does it continue to face?

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Dowling: Our New Item marketing campaign has been very successful since its inception. New items are published monthly and the flyer is sent to all stores and made available to our patrons. Information is also placed in the Army & Air Force Exchange Service's (AAFES) weekly "Buddy List" e-mail distribution,

DeCA EUROPE PHOTOS BY KARIN T. HAND



In a photo taken in April 2010 during DeCA Europe's Zone Manager Meeting, Dowling (center) is joined by (from left) Bavaria Zone 31 Manager Barbara Sannino; U.K. Zone 30 Manager Ken Chastain; DeCA Europe Deputy Director Cheryl Conner; Ramstein, Germany, Zone 32 Manager Monique Mullin-Mings; Mediterranean Zone 37 Manager Salah Ud-Din and Senior Enlisted Advisor Sgt. Maj. Linda Ricker, USA.

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6-8



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HONORABLE MENTION
Anchorage

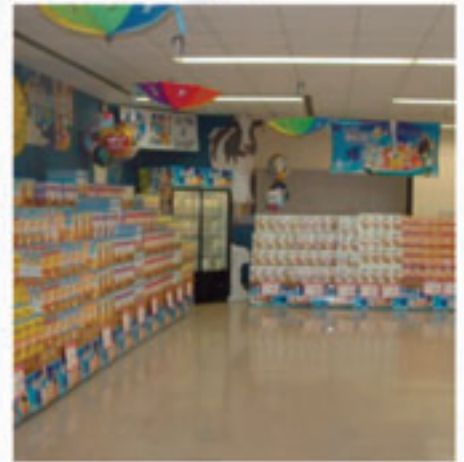
Bands
9-11



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PERFORMER**

McGuire AFB

Bands
9-11



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MacDill AFB

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9-11



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PERFORMER**

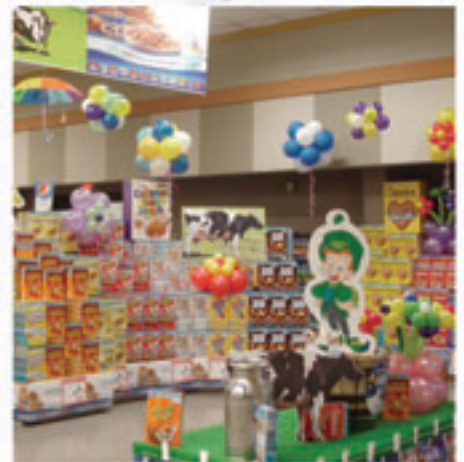
**Fort Bragg
South**

Bands
12-14



HONORABLE MENTION
San Diego NB

Bands
12-14



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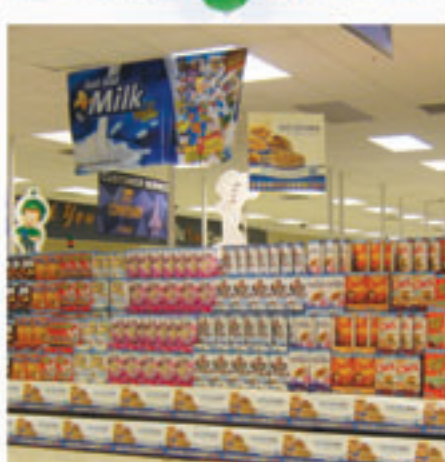
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sent to installation public affairs offices, placed on the DeCA Europe Web page, sent to Armed Forces Network (AFN) and also sent as a link on any Action Line responses sent from the region.

We have successfully completed 93 percent of our accountable inventories this year with all departments in tolerance. We will continue to deal with deployments and redeployments and the “roller-coaster” effect that has on store operations. Foreign currency rates will continue to be an ongoing challenge, especially in light of the recent European Community financial actions.

I’m particularly interested in seeing what we can do to enhance our shelf presence. We will be looking at what computer-assisted ordering (CAO) could do for us. We will certainly be reaching out to our industry partners to see what ideas they might have in this regard.

E and C News: *What has driven the region’s fiscal 2009 sales increase? How are sales thus far in the Europe Region year-to-date fiscal 2010, and what is the outlook for the remainder of the fiscal year?*



Dowling: Many factors drove our sales increase of 3.7 percent for fiscal 2009. Soft drink sales were up 5.5 percent. We introduced additional lines of energy drinks, focused on quarterly club pack promotions and also increased our assortment of case lot items. In Germany, the Ramstein AB Commissary and the USAG Schweinfurt store opened self-service bakeries, and additional items such as flatbreads and bread sticks were added to all bakeries throughout the theater. We have added salad bars, rotisserie chicken and self-service bakeries in selected locations where it made sense.

Our buyers continue to work with our industry partners to review our categories and remove slow sellers and replace them with new items from the CONUS assortment.

Currently, we are operating with a sales increase of 2.2 percent and sales look solid for the remainder of the fiscal year, with strong expectations of exceeding our \$498-million target.

The sales increase can also be attributed to the dedication and hard work of our store, central distribution center (CDC) and DeCA Europe personnel



Dowling (left) with Jimmie Holzhauser, who recently retired as store director at USAG Grafenwoehr, Germany, Commissary. This photo was taken in Atlanta, Ga., during the ALA/DeCA Worldwide Summit, where the Grafenwoehr Commissary won the Dan Daniel Award for the Best Large Commissary Overseas.

who continuously strive to improve processes and come up with new initiatives and ways to enhance the delivery of the commissary benefit.

DeCA Europe has also initiated a monthly theme contest, whereby stores compete by showcasing their displays. This contest, as well as the other operational-type awards, also contributes to the increase in sales.

Case-lot sales and club packs continue to be popular events throughout DeCA Europe. We recently completed the May case-lot sale, and preliminary reports look very favorable.

E and C News: *Please tell us a little about any recent store openings in your region, and what future-oriented concepts do they bring to patrons in your region?*



Dowling: We had one grand opening and two ribbon-cutting events the last nine months. The RAF Alconbury, U.K., Commissary underwent a major renovation project and reopened in December 2009; a new commissary was built at Chièvres AB, Belgium, which opened in January; and the Kelley Barracks Commissary in Stuttgart, Germany, which underwent a renovation to improve its entry and exit by relocating it to reduce a high-angled entry, had a ribbon-cutting event the end of April.

All three stores provide their communities with an enhanced shopping environment, new refrigeration, additional sales floor and items, and state-of-the-art front-end equipment.

The new Livorno, Italy, Commissary opened in June 2009 and the community is very pleased with the store. I visited Camp Darby earlier this year and walked through the store — a big difference compared to the old store. The old store was in a warehouse converted to a commissary. The new store has so much more space, items and

conveniences to offer the community.

All four communities have received favorable comments regarding their new and upgraded stores adding to patrons’ quality of life.

E and C News: *Are any major new store openings on the horizon for your region, and what is the status of the Ramstein AB Commissary renovation? Will DeCA be able to retain some of the special flavor of the old store that made it a special destination?*



Dowling: Major construction projects include a new commissary at USAG Ansbach and a major renovation of the Ramstein AB Commissary, Germany. Ansbach is a fiscal 2011 project that we hope to accelerate into this fiscal year with a contract award. It is a joint project with AAFES that will greatly enhance the commissary benefit. The Ramstein Commissary is a fiscal 2010 project and construction should begin late this year.

Ramstein will see enhancements to both the store and the parking lot. The sales area will increase in size by 17,000 square feet, which is desperately needed, as the current store is too small for the flagship community it serves.

The renovation project will occur in phases, and a temporary building will be erected adjacent to the commissary. This allows the store to remain open. The improvements will result in a new, expanded produce department, a centrally located combined bakery-deli department, new entrance, new refrigeration display cases and a high-efficiency refrigeration system.

The new Ansbach Commissary will replace a store that is located in what had been a helicopter hangar. My goal is for it to be DeCA’s “greenest” commissary.

E and C News: *Please tell us about the ongoing role suppliers play in keeping DeCA stores in-stock in the American merchandise that patrons seek in your stores. Has anything changed in the DeCA Europe warehousing and distribution system? How is direct store delivery (DSD) handled in Europe?*



Dowling: We have had an outstanding relationship with our industry partners for a number of years. We work closely with the local American Logistics Association (ALA) chapter and its commissary committee. The distribution support we receive from MDV-Nash Finch continues to be responsive, flexible and very customer-oriented.

Our central distribution center (CDC) operations will receive a technical refresh of their warehouse management system (WMS) in 2011. Our European team is working with Shirley Marshall, WMS program manager at headquarters, and they are currently working the functional flow and mapping of data.

WMS is a leading commercial, off-the-shelf application supplied by Manhattan Associates and used by companies like UPS. It has been tremendously successful in managing our distribution processes and inventory. One example: distribution centers (DC) in Gernersheim and Kaiserslautern, Germany, are the only two accountable entities in the agency that

ANSBACH: 'Green' Store of the Future Prototype

The design for the new Ansbach, Germany, Commissary calls for skylights with a daylight harvesting lighting control system; photovoltaic power generation; a green roof; a high-efficiency product refrigeration system with condenser heat reclaim; glass doors on all product refrigeration display cases; additional thermal insulation on walls and roof; variable frequency drives for the heating, ventilation and air conditioning system; and high-efficiency boilers.

conduct wall-to-wall inventories on a five-year cycle vice annually. This is due to their effective cycle-count programs.

Daily CDC cycle counts and posting, which are facilitated by WMS, have been validated by an outside auditing firm and based on a commercial standard.

In addition to the upcoming WMS refresh, a modern transportation management system (TMS) is currently being developed which links WMS, load planning and management of our multi-million dollar transportation program.

What is normal DSD item stocking in CONUS is stocked in Europe by a variety of sources, such as vendor-stockers, various merchandisers or store staff.

E and C News: *We understand organic milk is extremely popular in your stores; how do you ensure you get U.S. grade organic milk?*

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Dowling: Organic milk is very popular with our customers. Organic milk, which is part of the Women, Infants and Children (WIC) Nutrition Program, has been in distribution in Europe since 2005. We carry four items in our assortment — whole, 1 percent, 2 percent, and no-fat — and although the product has a 60-day shelf life from date of manufacture, we ensure this product is expedited through our logistics system to allow at least 21 to 28 days of remaining shelf life once the product arrives at our stores. Sales for the items are tremendous, with average sales in excess of 55,000 units a month.

We receive organic milk from the U.S., so our customers are very familiar with the milk we sell. In addition, our locally procured milk, although not “organic,” is very close, as the production is strictly controlled within the European Union and is considered hormone and antibiotic-free. It is made to U.S. specifications, to include the addition of vitamins A and D.

E and C News: *How has your region adapted to military transformation and repositioning in the last year?*

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A store visit to the Livorno, Italy, Commissary in April 2010 included (left to right) Mediterranean Zone 37 Manager Salah Ud-Din; Dowling; Grocery Manager Daniele Cerrai; Store Director Giuseppe Ricci; Deputy Store Director Paolo Lemmi; Senior Enlisted Advisor Sgt. Maj. Linda Ricker, USA; Mediterranean Zone Administrative Assistant Tiziano Rapezzi; and DeCA Europe Region Commissary Management Specialist Robert Byrne.

Dowling: Although we have closed a number of stores in the past few years, our overall sales are strong and growing. Supporting production and distribution volume from our meat plant and CDC operations is at an all-time high.

We find that military stationing in Europe has shifted active-duty personnel and their families in locality rather than eliminating them completely from the theater. We are here to support the current and future footprint of Department of Defense (DoD) stationing in U.S. European Command (USEUCOM). We are closely involved in planning at the highest levels within USEUCOM — U.S. Army Europe (USAREUR), U.S. Air Forces in Europe (USAFE), and U.S. Naval Forces Europe (USNAVEUR) — as well as U.S. Central Command (CENTCOM), whose area includes Egypt and Saudi Arabia.

In some cases, major buildups are planned. Germ-

ersheim AD, Germany, will ultimately become the major logistics hub for USEUCOM. The Defense Logistics Agency (DLA) has just broken ground on a \$50-million distribution center, and once completed, AAFES distribution is scheduled to move from Gies-sen, Germany, in 2014. This will further complement the DeCA, DLA, and Army Material Command presence already located in Germersheim.

E and C News: *Do you have any thoughts or messages that you would like to convey to store and zone management out in the field?*

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Dowling: First, I would like to express my appreciation and thanks for all the effort that is expended at the stores, distribution centers and the meat plant. In all my visits and conversations with our customers I have received nothing but positive feedback.

Recently, I had an opportunity to sit down with a senior leader at an installation. When I asked how we were doing, he expressed his satisfaction. He also added that the commissary was one of the few activities on the installation that he had not had any negative feedback about during his entire tenure. That is a real compliment.

That said, my next comment is, What’s next? What challenge are we going to take on next? The worst thing we could do is get complacent and maintain the status quo.

We must always be thinking about what we can do to further enhance the benefit to meet the rising expectations of our patrons. They can be assured that with the new folks coming on board at DeCA Europe, we will be looking for new opportunities to improve their commissary benefit.

—E and C NEWS



Dowling (third from left) visited Aviano AB, Italy, in April, and met up with (from left) Deputy Store Manager Roberto Miller; Store Manager David Parker; Store Director Ron Foster; and Mediterranean Zone 37 Manager Salah Ud-Din.