



Newport News
Shipbuilding

NNS Supply Chain Continuous Improvement: Business Performance Assessment

Background

In March 2012, Newport News Shipbuilding (NNS) refreshed their Supplier Development and Continuous Improvement (SDCI) Program to develop a sound and sustainable approach to supplier continuous improvement that is integrated into the NNS value stream. Suppliers that are more efficient and the processes shared between the Supplier and NNS should reduce program costs, improve NNS and Supplier profitability, and lead to a more robust and responsive value chain.

Process Overview

NNS selects Suppliers for the SDCI Program based on performance history, strategic procurement outlook, and an understanding of a Supplier's continuous improvement maturity. To start, Suppliers may participate in a 1-day introductory session and tour at NNS, followed by a Supplier on-site assessment workshop. We will capture and follow-up on shared actions, improving our partnered processes.

The Business Performance Assessment

The Business Performance Assessment is a 2-3 day maturity assessment, providing an objective, holistic appraisal of the total business health of an organization against industry best standards and practices. It provides the Supplier and NNS a baseline and a benchmark for improvement. The process requires a teaming of the Supplier and NNS resources, assessing areas such as delivery reliability, quality systems, financial and inventory management, planning, capacity, and operational capabilities and agility.

The Business Performance Assessment may be the first step into the NNS Supplier Development and Continuous Improvement Program. The Supplier initially self-assesses before NNS arrives to review and discuss results. The output provides a basic understanding of the gaps to improvement performance in the following business elements:

- Commitment to Continuous Improvement
- Delivery Reliability, Predictability
- Quality Compliance & Quality Systems
- Financial and Inventory Management
- Sales and Operations Planning, Capacity, Level Loading, Forecasting
- Planning, Project Management, Communication
- Understanding How to Do Business with NNS
- Understanding of Technical Requirements
- Operations Agility, Flexibility, Lean
- Operational Capabilities Identification and Application
- Lead Time Reduction Efforts
- Material Management, NNS & Sub-Tier Relationship and Control
- Support to New Product Development

A DIVISION OF HUNTINGTON INGALLS INDUSTRIES

4101 Washington Avenue • Newport News, VA 23607 • Telephone (757) 380-2000 • www.huntingtoningalls.com

The gaps in performance can be mitigated through the application of additional tools sets NNS has to offer that dives deeper into the assessment's business elements. These include: Value Chain Assessment, Technical Supplier Development Workshops, a Lean Assessment, Capacity and Capability Analysis and even specific supplier training subjects that cover such items as sub-tier flow-down, meeting NNS document requirements, etc.

Prior to our on-site engagement, NNS forwards the Business Performance Assessment workbook to the Supplier for a self-assessment performed at minimum two (2) weeks prior to NNS arrival. The NNS on-site review is conducted over two to three days and may consist of several knowledgeable representatives from NNS business units as determined by the size of the supplier's operations, time frame allotted, and available resources from both the Supplier and NNS.

A success assessment results in:

- A thorough understanding of the business undertones, health and processes affecting the performance of the supplier.
- Connects the relationship between the improvements we both seek and the portion of the Supplier's operation that influences the performance NNS requires.
- Begins the dialog and sets the baseline from which a continued partnership can develop between NNS and the Supplier.
- An understanding of additional tools sets to improve the Supplier's performance and the performance of shared processes with NNS.

For the NNS on-site assessment, who is needed from your organization?

- Subject matter experts in the areas of the assessment should be available to speak with the assessors.
- A representative from your organization needs to be dedicated to the assessment process to keep the process moving, doing things such as tracking down people/subject matter experts when question arise, supporting last minute items, logistics, necessary escort, etc.

Post Assessment:

- NNS will compile the data and prepare a completed, scored, assessment that includes the Supplier's own self-assessment.
- NNS will follow-up with the Supplier at intervals of 1 month, 3 months, 6 months and 1 year in the forms of conference calls or visits to support the partnered relationship, check on progress, challenges, and celebrate successes.
- The Supplier is encouraged to embark on the improvement activities using resources, internal and/or external, that meet the suggested needs through a supplier self-funded mechanism.

For questions and additional information, contact the Supplier Development and Continuous Improvement Program at:

NNSSDCI@HII-NNS.com