



Supplier Development and Continuous Improvement: Value Chain Assessment of Shared Business Processes

Background

Newport News Shipbuilding (NNS) partners with our supply base in a series of engagements designed to share the mission of shipbuilding and the Navy, link our shared business processes and improve communications to foster good relationships. NNS utilizes a range of industry wide best practices and tool sets, modified to complement the expectations and requirements DOD shipbuilding.

The NNS **Supplier Development and Continuous Improvement Program (SDCI)** contributes to the Supply Chain Management mission of developing a healthy supply base, lowering NNS acquisition costs, improve quality and seeks to compress lead times to satisfy planned and emergent demand. The Program's tools sets range from on-line / in-person training, operational assessments, lessons learned events and the analysis of our shared value stream. The process methodically improves our supplier's understanding of doing business with NNS, compliance with the technical requirements and provides the means for the supplier to become a capable, reliable partner to meet both our quality and delivery requirements.

Value Chain Assessment – Overview

A **Value Chain Assessment (VCA)** is an opportunity to discover areas of improvement in the value stream by discussing our businesses processes for new or improved understanding of how to do business with one another. We use a pre-made detailed map as a centerpiece of our discussion, to guide us through our shared outputs and inputs and make note of process difference that are specific to the type of work NNS invokes and the size of the organization. The scope of the VCA covers material requirement generation to pickable at NNS warehouses and everything in between.

This two-day engagement provides an opportunity for the supplier and NNS to discover areas of improvement with our shared processes as well as feedback to both supplier and NNS processes. Resulting actions are for both the supplier and NNS. NNS and the supplier conducts the assessment at the supplier's location. NNS sends a SDCI VCA preparatory worksheet to gage and focus our dialog on those processes deemed more critical than others to customize the agenda. However, the process is flexible and provides time to discuss items discovered while on site.

Value Chain Assessment - Process

Pre:

- SDCI Program Management sends a SDCI Worksheet to the supplier in advance. The worksheet identifies the improvements NNS and the Supplier seeks or seeking as well as the shared process areas to discuss and develop
- The Supplier and NNS fills out the worksheet independently
- SDCI Program Management provides an opportunity to answer questions via email and/or conference calls prior to arrival
- NNS consolidates the worksheets and shares internally and with the supplier

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- The worksheet topics of interest develops the agenda, the tool set and approach to target discussions and ensure the conversation covers the most important subjects over others

During:

- NNS and the supplier utilize their time to systematically examine, discuss and clarify the activities of our business processes, both shared and internal to NNS and the supplier
- NNS and the supplier identifies process improvements, changes or confirmation of expectations
- Capture the issues and actions associated with opportunities for improvement

Post:

- NNS will provide an electronic copy of the supplier value chain assessment map, including the tie points within the value stream
- NNS and Supplier are encouraged to embark on the improvement activities using resources, internal and/or external, that satisfy the action items
- On-going status dialog and updates, at a minimum of 1-month intervals or up to 3-months maximum from the original assessment, performed by conference call or in-person visits when necessary

Who is needed from the Supplier's Organization?

Full time participation from representatives of sales, contracts, engineering, production and logistics that are knowledgeable in their business processes as they relate to the commodities, components and systems made or procured for Newport News Shipbuilding. The Supplier and NNS will identify other business process owners and add them as needed.

Who is needed from Newport News Shipbuilding?

NNS may include representatives from procurement, project management, supplier quality, engineering and supplier development and continuous improvement. NNS may engage representatives from the local NIST MEP network to facilitate the engagement (see Partnering Information below).

Partner Information

NNS contracts the GENEDGE alliance to assist and administer the Value Chain Assessment. GENEDGE is the Commonwealth of Virginia's Manufacturing Extension Partnership (MEP), part of a nationwide MEP network under the National Institute of Standards and Technology (NIST) and the Department of Commerce. NIST MEPs work with U.S. manufacturers to help generate and retain jobs, increase profits, and save time and money through the application of tools, training and experience. NNS utilizes our local MEP, GENEDGE, to contact and contract the Supplier's local MEPs across the nation. The Supplier can contract the local MEP after the Value Chain Assessment as a partner for innovation and improvements.

Benefits

- Build individual and process relationships between NNS and Supplier
- Share the mission of NNS and Navy Shipbuilding
- Jointly optimize the performance of actions and activities relating to NNS DOD people, products and processes

For more information, contact the Newport News Shipbuilding Supplier Development and Continuous Improvement Program at NNSSDCI@HII-NNS.com.