



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' 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 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. We 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 starts with material requirement generation and ends with a “pickable” product 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. The two-way dialog typically results in actions for both the Supplier and NNS. We conduct the assessment at the Supplier's location. To prepare, NNS sends a SDCI Worksheet to focus our dialog on those processes deemed more critical than others. An agreed upon custom agenda is generated; however, the process remains flexible to provide time to discuss any emergent areas of interest while on site.

Value Chain Assessment - Process

Pre:

- The Supplier receives the SDCI Worksheet two weeks in advance at minimum
- The Supplier and NNS fill out the worksheet independently. Space is provided for comments.
- SDCI Program Management consolidates and shared the worksheets with the Supplier and the NNS stakeholder team
- The worksheet assists in developing the agenda, the tool set and approach to target discussions to ensure the conversation covers the most important subjects

- SDCI Program Management provides an opportunity to answer questions via email and/or conference calls prior to arrival

During:

- Examine, discuss and clarify the activities of our business processes, both shared and internal to NNS and the Supplier
- Tour the flow of operations
- Capture the issues and actions associated with opportunities for improvement
- Identify process improvements, changes or confirmation of expectations
- Demonstrate NNS eCommerce tools and online resources

Post:

- Provide a customized electronic copy of the VCA map to the Supplier
- Encourage NNS and the Supplier to embark on the improvement activities using resources, internal and/or external, that satisfy the action items
- Conduct on-going status dialog and updates, at a minimum of 1-month or maximum 3-month intervals from the original assessment, 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, quality and logistics that are knowledgeable in their business processes as they relate to the components and systems for Newport News Shipbuilding. We will add other business process owners as needed.

Who is needed from Newport News Shipbuilding?

NNS may include representatives from procurement, project management, supplier quality, engineering and the SDCI Program leads. NNS may recruit representatives from the local NIST MEP network to facilitate the engagement (see Partnering Information below).

Partner Information

NNS may contract 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 may choose to engage the 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 people, products and processes

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