



Supplier Development (SD) Program Value Chain Assessment (VCA)

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 SD 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 SD Worksheet two weeks in advance at minimum
- The Supplier and NNS fill out the worksheet independently. Space is provided for comments.
- SD Team consolidates and shared the worksheets with the Supplier and 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
- SD Team 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