



Committing Your Supplier to Continuous Improvement

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Program Manager – Supplier Development and Continuous Improvement

**Huntington Ingalls Industries –
Newport News Shipbuilding**



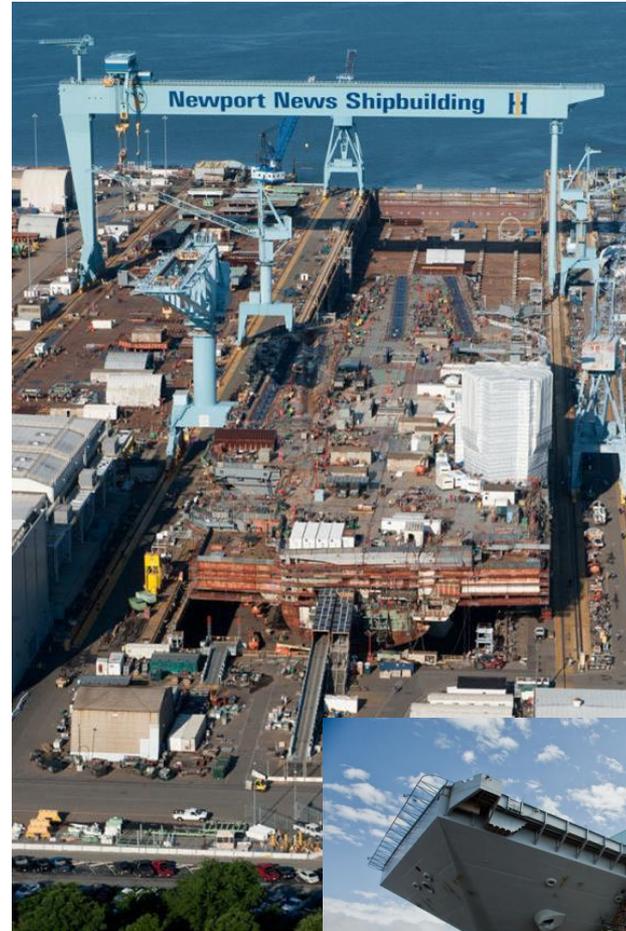
**Newport News
Shipbuilding**



Newport News Shipbuilding (NNS)

- Sole supplier of U.S. Navy Aircraft Carriers
- One of two builders constructing *Virginia*-Class nuclear submarines
- Exclusive provider of refueling services for nuclear-powered aircraft carriers
- Largest non-governmental provider of fleet maintenance services to the Navy
- Largest industrial employer in Virginia – about 20,000 employees
- Home of one of the Western Hemisphere's largest dry docks and cranes



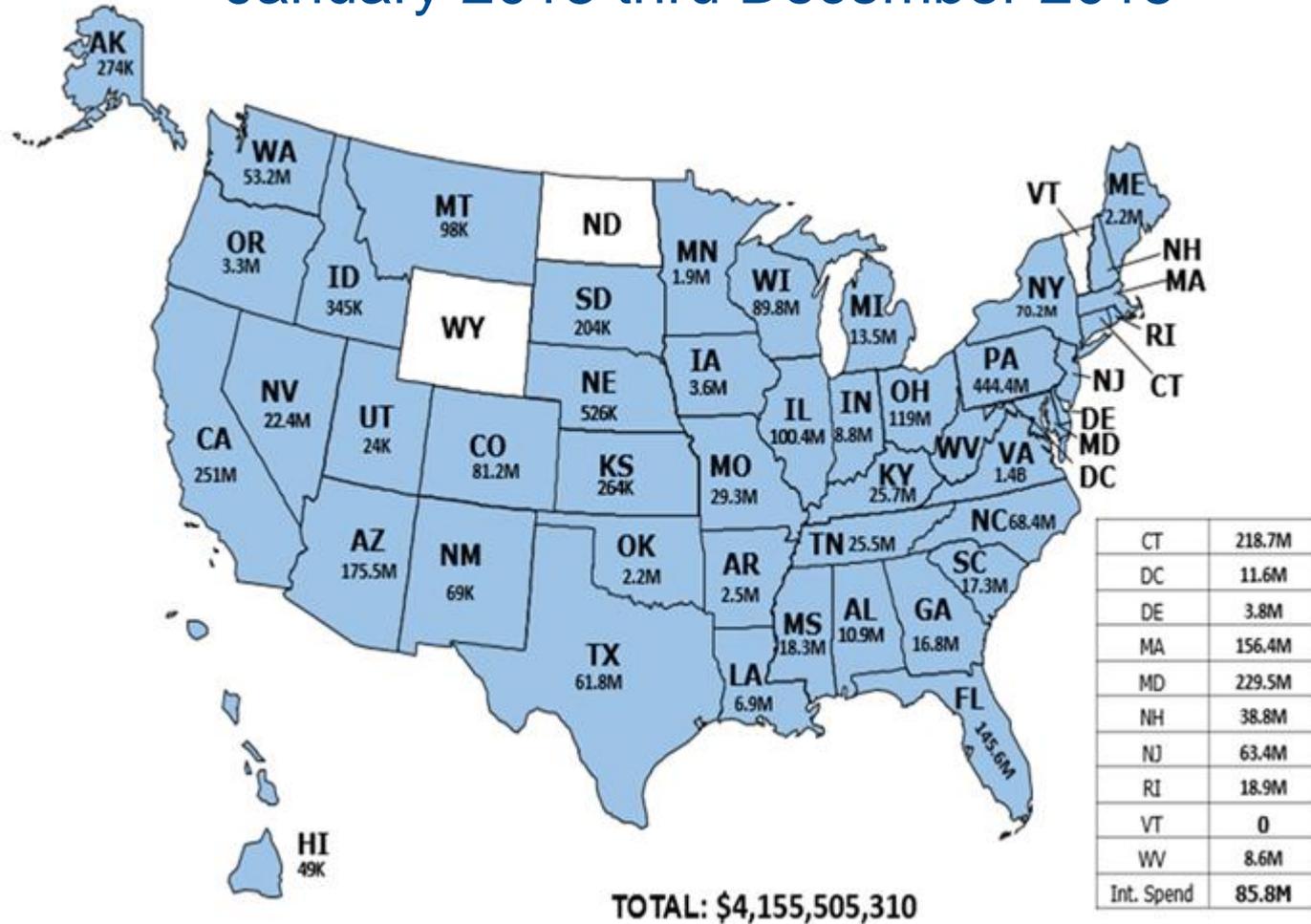


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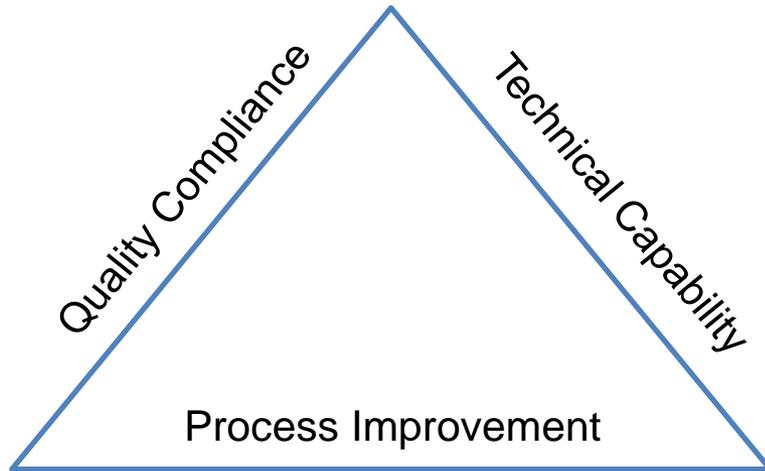
Newport News Shipbuilding Spend Demographic

January 2013 thru December 2015





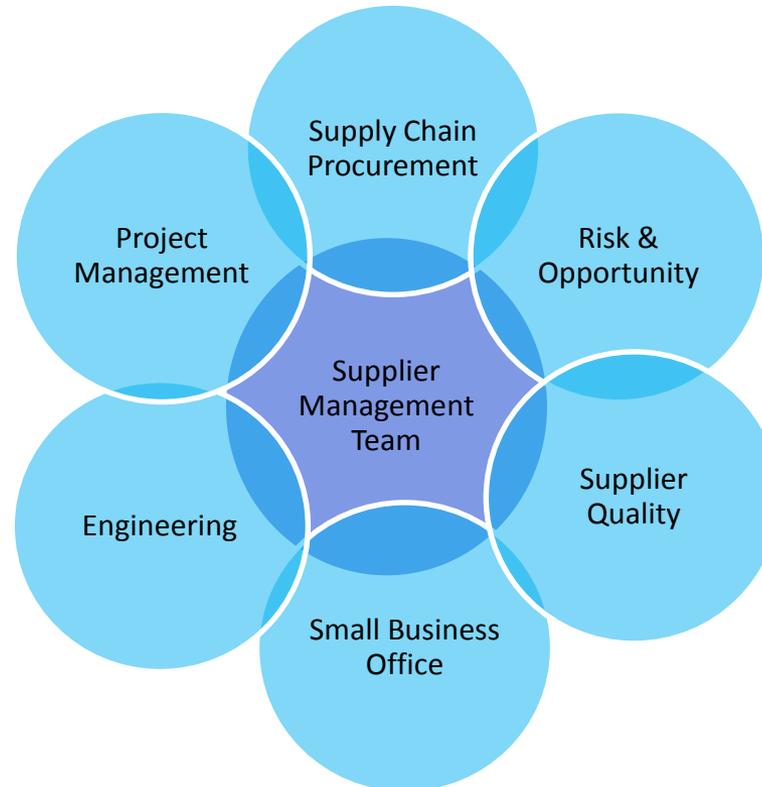
NNS - Supplier Management Program



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Cross Functional Effort





Objectives:

- ✓ Share the Mission of Shipbuilding and Navy
- ✓ Link NNS and Supplier Processes
- ✓ Improve Communications, Streamline Procurement and Foster Good Relationships

Systematic:

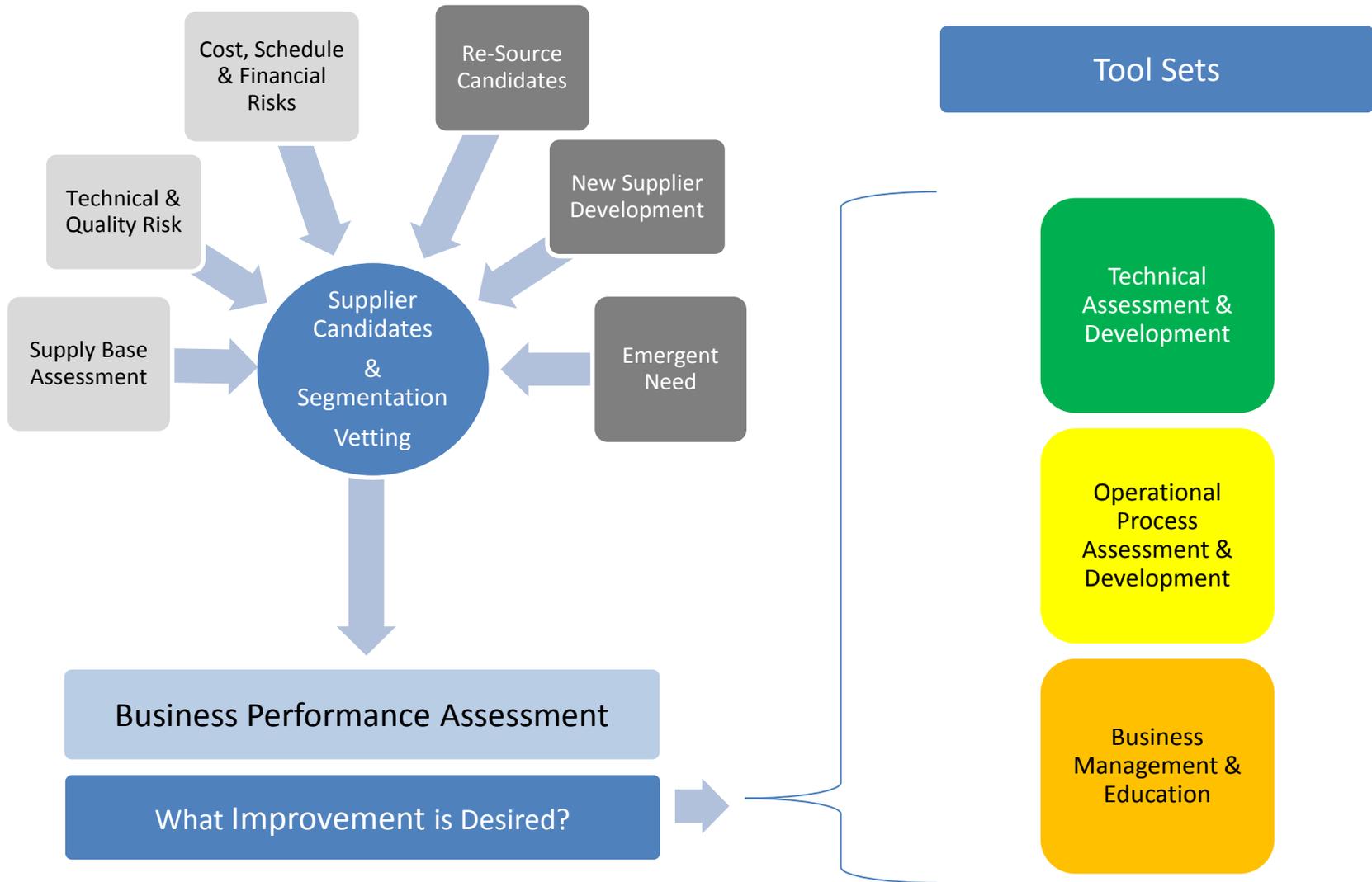
- ✓ Approach
- ✓ Deployment
- ✓ Learning
- ✓ Integration

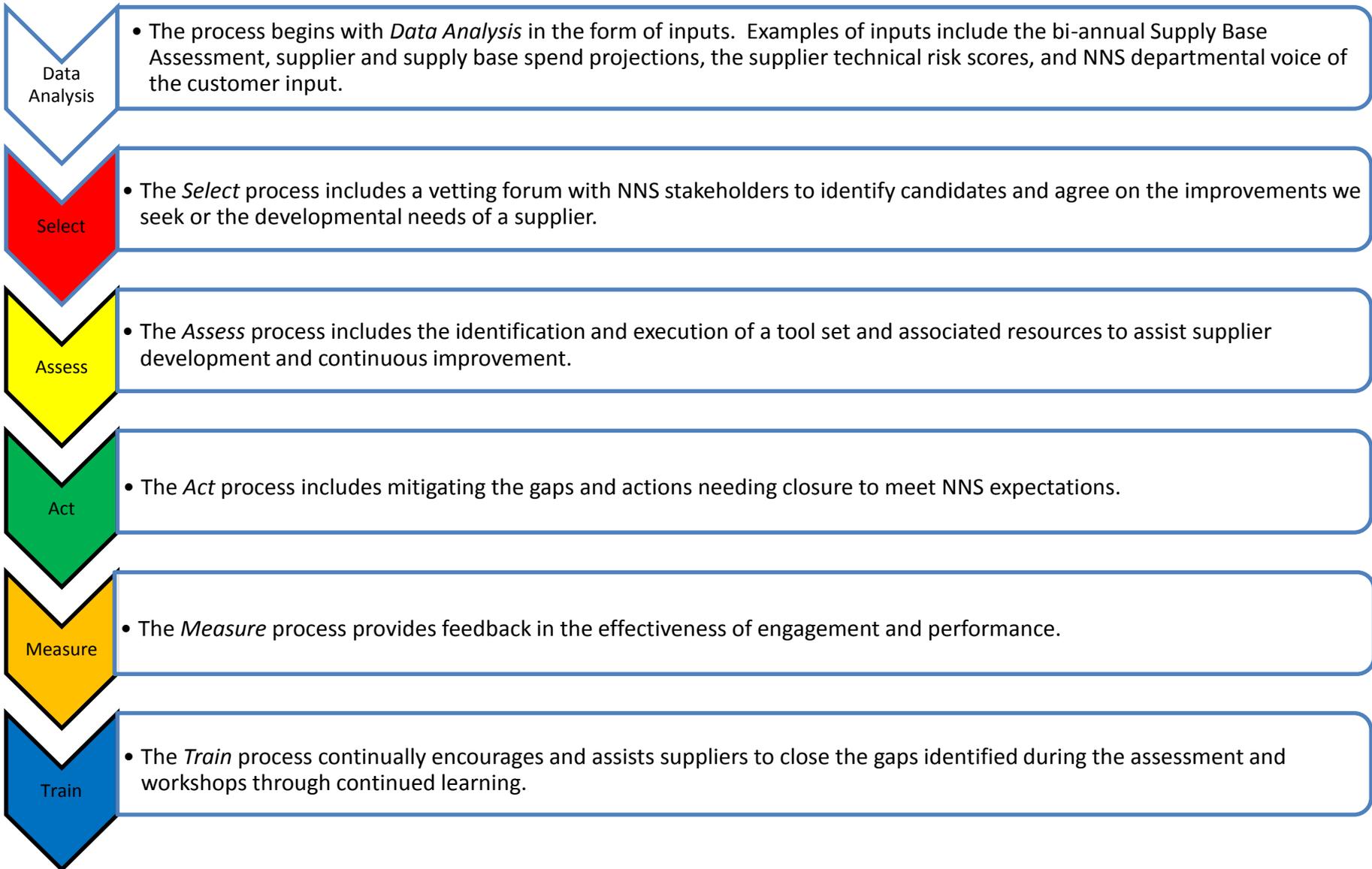
Tool Sets

Technical Assessment & Development

Operational Process Assessment & Development

Business Management & Education







Improvement Categories & Business Demographics

Grow / Diversification

- **Existing supplier** that we wish to source new product with or more of the same for a competitive advantage. In addition, growth can come in the form of a **new supplier** we have not previously done business with but appear to offer significant advantage.

Develop

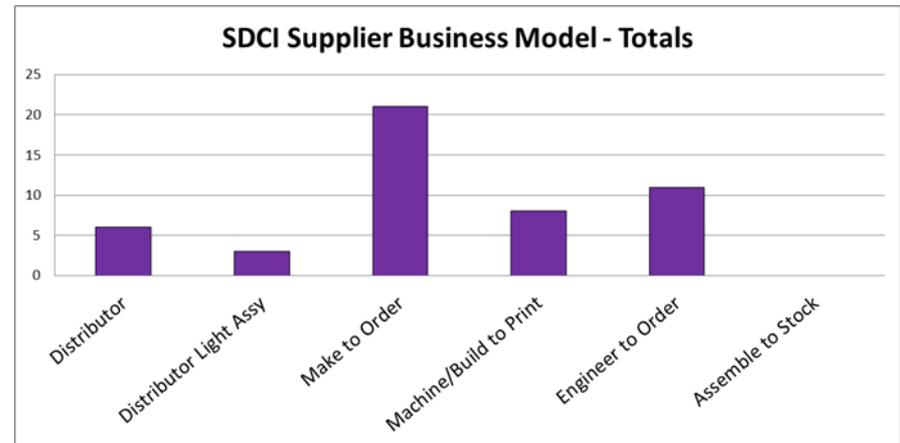
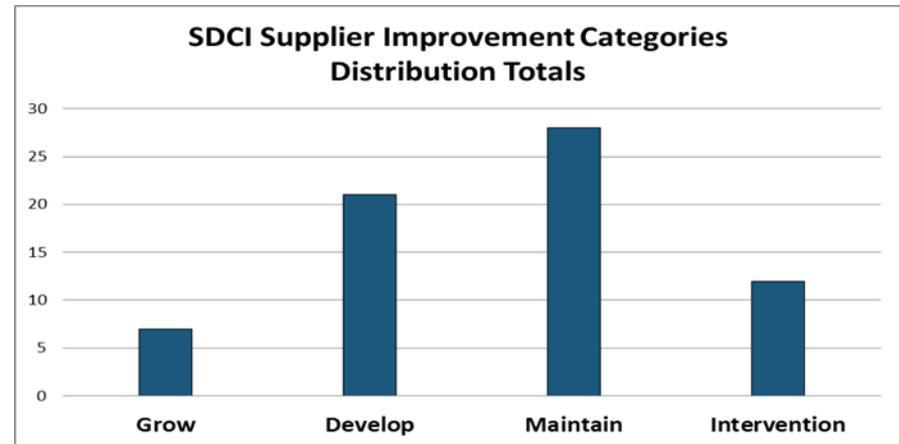
- **Existing supplier** that we wish to source the same product with for a continued competitive advantage but require technical and/or operational assistance in understanding how to do business with NNS and/or the technical requirements invoked by NNS orders.

Maintain

- **Existing supplier** that we wish to continue sourcing the same product with for a competitive advantage that continues to build upon our relationship and expectations.

Intervention

- **Existing supplier** we must rely on but whose performance is adversely affecting quality, technical issues, schedule or cost to the programs



Engagement Deliberately Considers Business Type, Size, Products



Engagement Strategies: Supplier as Your “Customer”

Introduce Suppliers	Open-ended questions to start the dialogue		
	Promote the NNS Supplier Management Program		
	Show Results: Deliver on promises and exceed expectations		
	Implement strong "front line" - initial contact		
	Follow-up, in person or phone call		
	Develop two-way relationship		
	Make the Supplier an insider		
Build Supplier Awareness	Training others to focus on engagement factors	Meet Supplier Requirements	<p><u>Elements of a Partnership:</u></p> <ul style="list-style-type: none"> • Relationship • Financial Ties • Trust • Operational / Standards • Shared Strategic Objectives
	Network the contact list		
	Improve road shows and outreach		
	Demonstrate products		
	Establish a web presence		
	Positive attitude; create rapport		
	Embed in communiqué's		
Retain Suppliers in the Program	Assess the long-term value	Increase Supplier Engagement	<p>Set goals</p> <p>Deliver on-time</p> <p>Install supplier confidence</p> <p>Engage suppliers</p> <p>Deliver as promised</p> <p>Establish timelines for product delivery</p>
	Influence supplier perceptions		
	Deliver quality products		
	Manage NNS expectations		
	Meet suppliers expectations		
		Exceed Supplier Requirements	<p>Offer tours of NNS</p> <p>Meet and greet the people who do the work</p> <p>Navigate the Supplier through the processes</p> <p>Create a pleasant storefront atmosphere</p> <p>Deliver as promised</p> <p>Inform the Supplier of future products</p> <p>Deliver ahead of time, high quality</p> <p>Go the extra mile</p> <p>Be attentive to details; execute flawlessly</p> <p>Be credible, take ownership</p> <p>Deliver before promised</p> <p>Establish timeliness for product delivery</p>

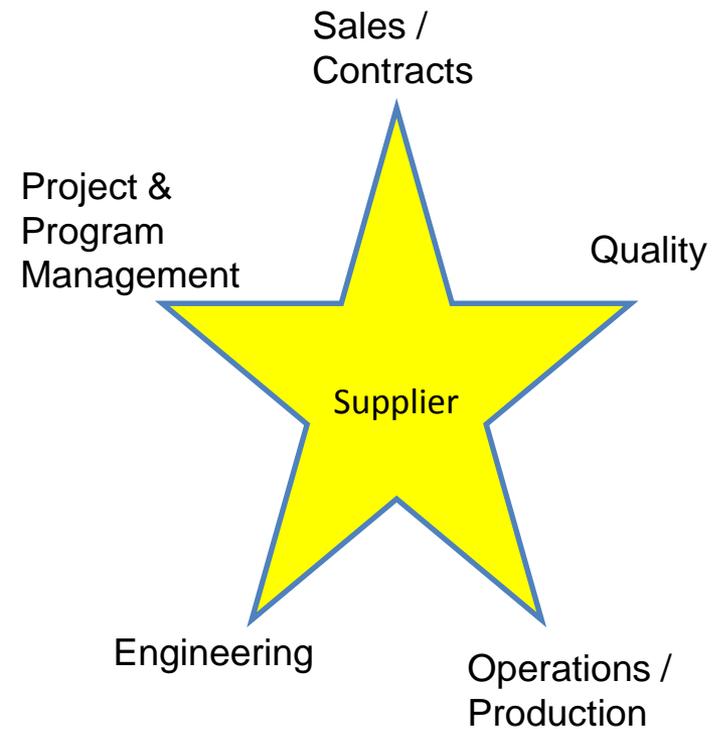
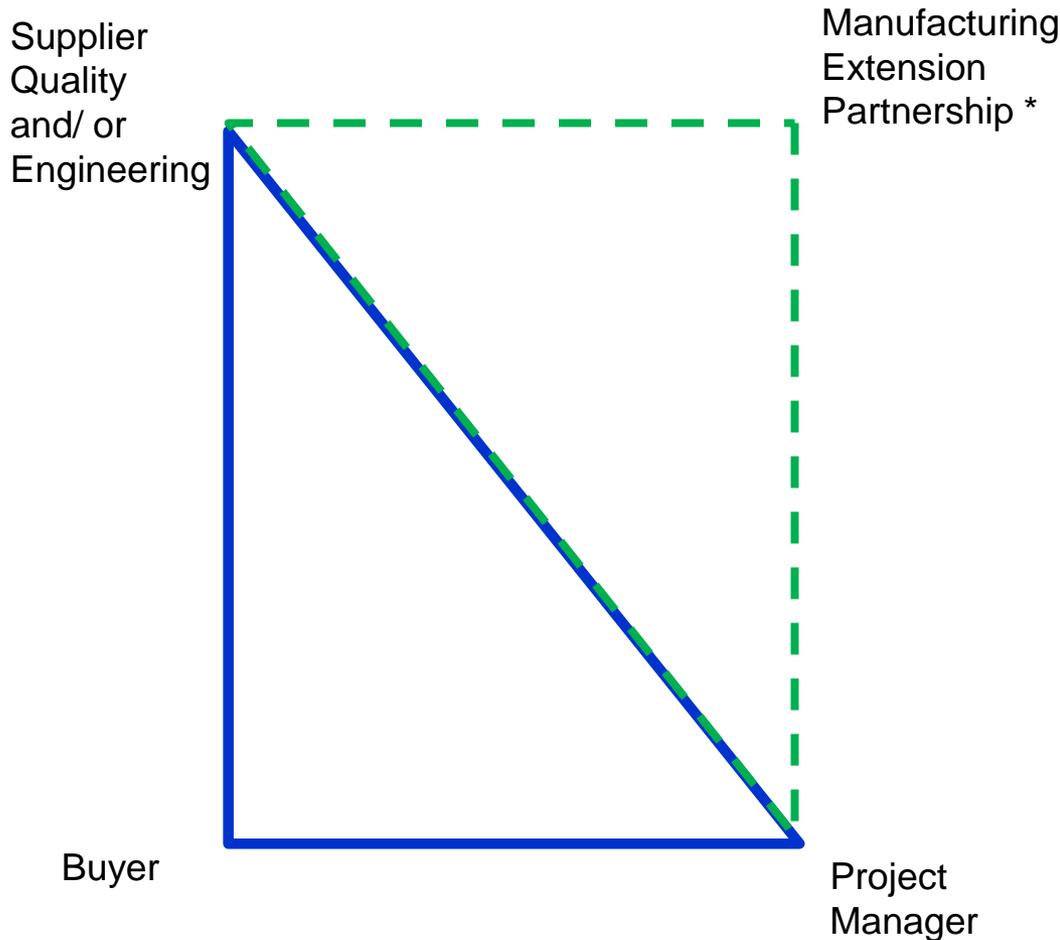


Start-up / Selection Criteria

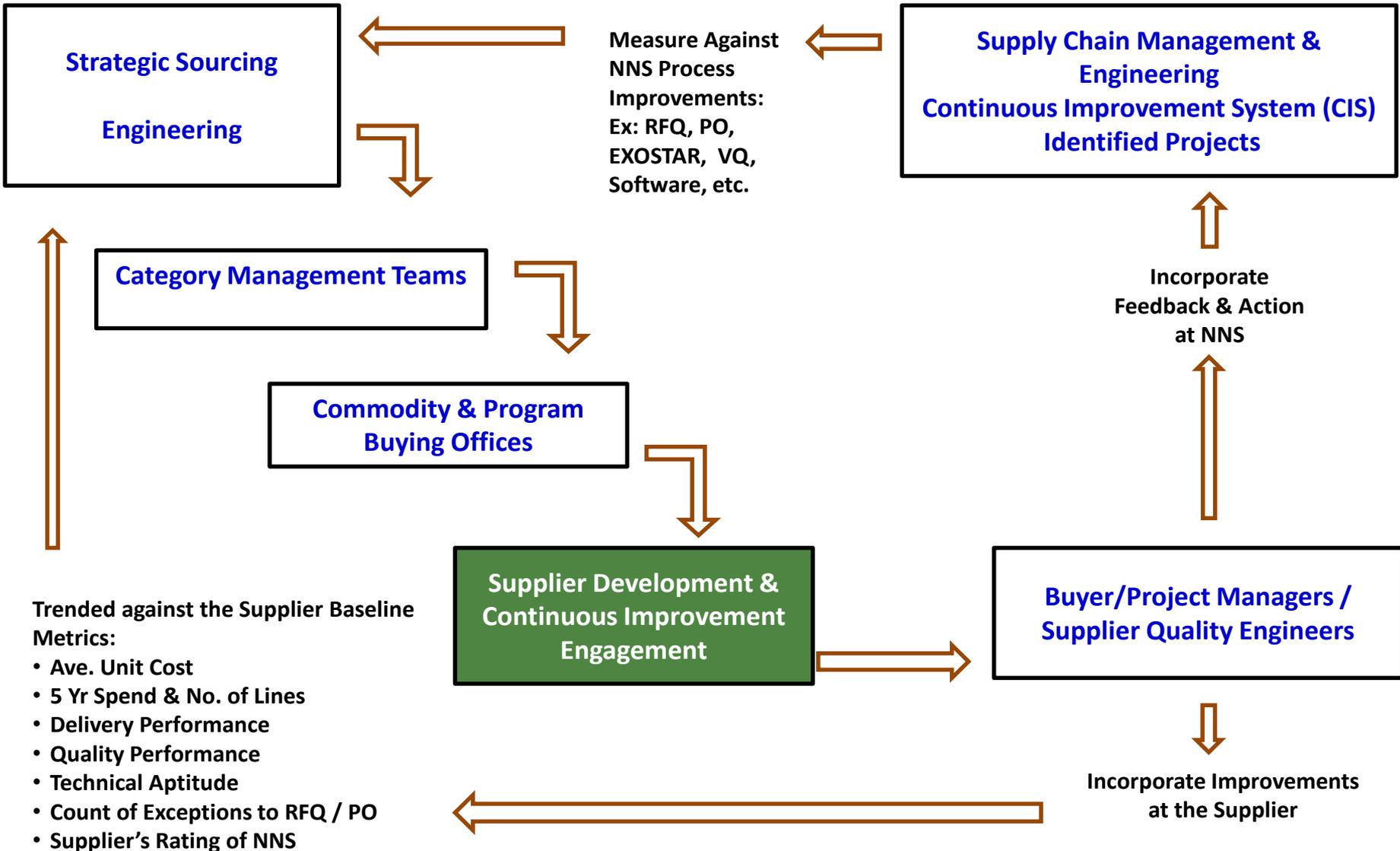
- What is the current and projected performance of the Supplier?
- What improvements do we desire?
- What are the pressing process areas of concern?
- What is the size, business type and demographics?
- Which tool set addresses the strengths, weaknesses, opportunities, threats?
- What resources are required, both of NNS and the Supplier?
- How will we introduce and instill Supplier confidence in our proposed approach?
- What are the Supplier's ideas for engagement?
- Will the time invested produce a result for NNS, the Supplier, or both?

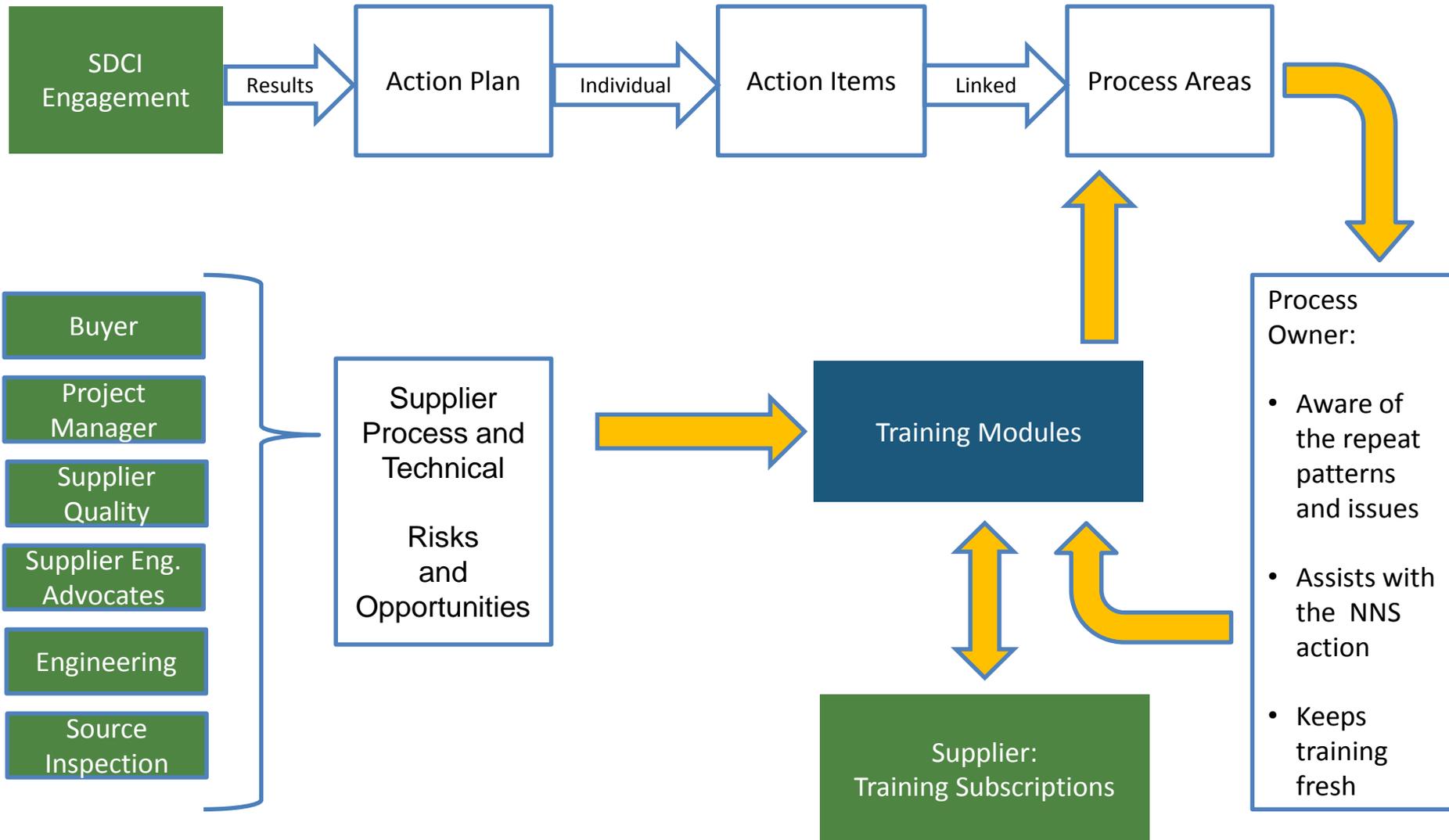


The Partnering Team



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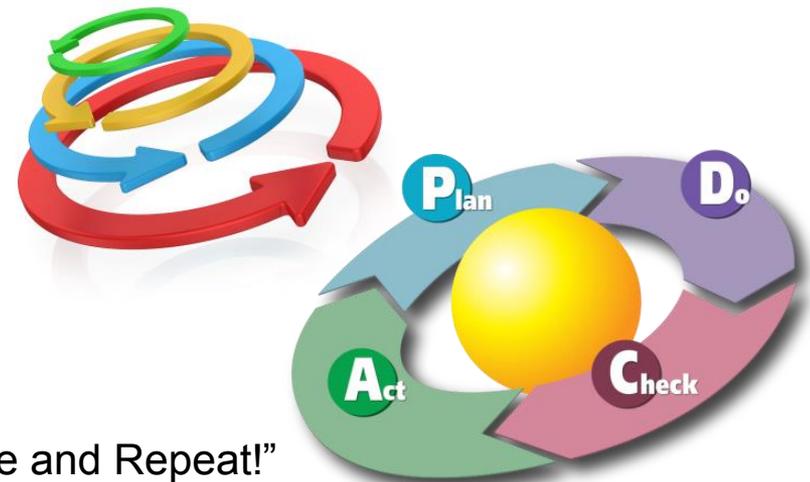


Typical Engagement Order

Initiate Appropriate Tool Set as Needed

Commitment to Continuous Improvement Assessment & Development	On-Line Training Subscriber	Business Performance Assessment and Development	Value Chain Assessment & Development	Supplier Technical Assessment & Validation	Technical Supplier Development Workshop	Operational Lean Assessment & Development	Product Family Requirements Mapping	Lessons Learned Event	Tours & Meet & Greet	In-Person Specific Training
Setting the Expectation of a Suppliers Commitment to CI	Minimum First Step in Intro to NNS	Health of the Supplier / Gaps	Shared Business Process Review	Assess and Develop Complex & Critical Suppliers	Training and Clarity of Technical Requirements	Assess and Develop Operations	Product Variation Reduction	Assess Past to Future Performance	Encouraging Vested Interest & Relationships	Targeted Process Areas of Interest
1	2	3	4	5	6	7	8	9	10	11

- Start with the Appropriate tool set
- Apply the next tool set as needed
- Follow-up intervals of 3 months, 6 months, 1 year



“Rinse and Repeat!”



Tool Set: On-Line Supplier Training

ARTICULATEONLINE Bria

Content History Settings

Welcome to Newport News Shipbuilding Supplier Training
 Update 11/18/14: Welcome to Newport News Shipbuilding on-line supplier training! Check out the ****REVISED**** training mod "Material Control Level". Contact Sheryl McNeil @ Suppliertraining@hii-nns.com if you have any questions. Enjoy your training!

Showing all 48 content items

Actual Total Cost vs. Price
 Everyone knows that price is important. But is price the only characteristic which matters in NNS procurement? No- and let's find out what else matters. a. The total costs to Newport News Shipbuilding and Huntington Ingalls Industries when some event occurs outside of the agreements from a purchase order. These events often add cost to working with the supplied material beyond the quoted price. An event can be a late delivery, a failed component, a shipment without the expected "software" attached and many others. b. The internal costs within a supplier's organization which unnecessarily adds to the cost of material being produced for.

Appendix
 Capacity
 Certification

PO Reformat (00:02 / 18:36)

Understanding & Navigating the New NNS PO Purchase Order Document Reformat Training

Supplier Training Coordinator

Run Time: 18 minutes

July 28, 2014

Menu

1. Purchase Order Refresh Ac...
2. New PO Format
3. New Purchasing Document...
4. PO Distribution Methods
5. PO Transmittal - EXOSTAR ...
6. New vs. Old PO Formatting
7. Page #1 Screen Drop
8. Example: New Purchase Or...
9. Boilerplate Terms
10. Example: Boilerplate Terms
11. Summary Tables
12. Summary Table - Hardwa...
13. Summary Table - Append...
14. Coded Notes to Hardwar...
15. Inspection to Hardware C...
16. PO Line Item Descriptions
17. Example: Old PO Line It...
18. Example: New PO Line It...
19. Example: Old PO Line It...
20. Example: New PO Line It...
21. Coded Notes & Appendices
22. EXOSTAR Suppliers - Hy...
23. Example: Old PO Level A...
24. Example: New PO Level A...
25. Example: Old Line Item A...
26. Example: Old Line Item C...
27. New PO: Line Item Appe...
28. New PO: Line Item Coded...
29. New Fields - PO, Release...
30. Target Submittal Date
31. Example: Old PO Softwar...
32. "Inspect By" & "Inspect A...

- New Suppliers are automatically enrolled
- Direct Suppliers to on-line content first, personal visits and travel second
- Connect Suppliers to process escapes and misunderstandings

Sample of Available 43 Training Modules

- Introduction to the Purchasing Process
- RFQ - Format, Terms and Conditions, Vendor Quotes, etc
- Purchase Order and Work Release
- Coded Notes and Standard Clauses & Appendices
- Basic Drawing Requirements & Expectations
- Capacity and Resource Loading
- Flow Down Expectations to Sub tiers
- Use of eCommerce Tools
- EMI - Electromagnetic Interference, Intro, Flow-Down
- Corrective and Preventive Action Requests
- RFQ and PO Exception Reporting
- Shock Requirements
- Material Control Levels
- Welding Program / Welding and Brazing Procedure Submittal

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Tool Set: Commitment to Continuous Improvement

Commitment to Improvement in Associated Business Goals

Customer Feedback, Satisfaction & Support

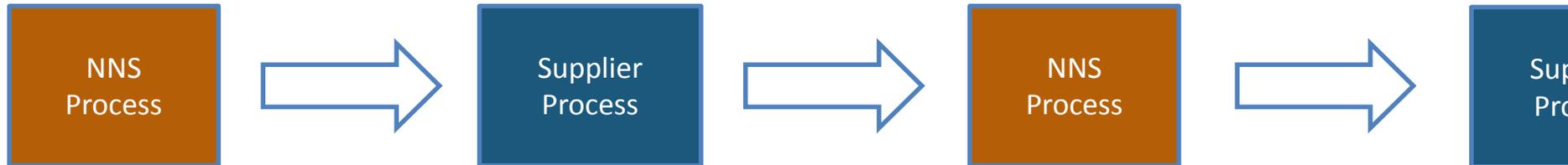
Employee Involvement & Empowerment

Process Improvement Approach & Tool Sets





Tool Set: Value Chain Assessment & Development



Results: Top 10 Process Improvement Areas:

Supplier:

- Manufacturing Execution
- Sub-Tier Mgmt
- Design, Design Reviews, Changes
- Planning, Scheduling, Resource Mgmt
- eCommerce Tools and Processes
- Project and Program Management
- Training - Supplier
- Communications, Relationship Building
- Request for Quote, Review, Acceptance
- Technical Requirements

NNS:

- eCommerce Tools and Processes
- Design, Design Reviews, Changes
- Pre and Post Production Software
- Scorecard, Open Order Reports, Reports
- Technical Requirements
- Training – NNS
- Ship, Ship-in-Place; NNS Receiving
- Request for Quote, Review, Acceptance
- Purchase Order; Award Process
- Inspection – Government Source Inspection



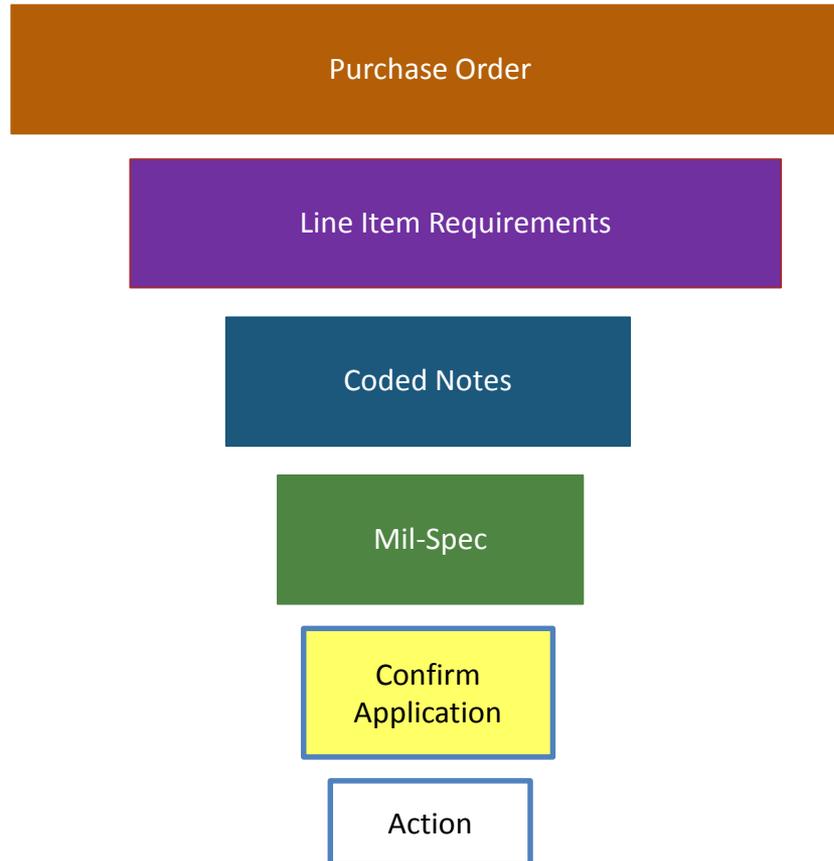
Tool Set: Operational Lean Assessment & Development

LEAN ENTERPRISE "BEST PRACTICES"

- I COMMUNICATION SYSTEMS**
- II ORGANIZATIONAL CULTURE & AWARENESS**
- III LEAN PRINCIPLES:**
 - 1) **Balanced Production**
 - 2) **Pull Systems**
 - 3) **Quality Systems**
 - 4) **Process Changeover**
 - 5) **Standard Work**
 - 6) **Workforce Training**
 - 7) **5S / Workplace Organization**
 - 8) **Operational Flexibility**
- IV CONTINUOUS IMPROVEMENT**
- V SUPPLY CHAIN MANAGEMENT**
- VI MANAGEMENT COMMITMENT / SUSTAINABILITY**



Tool Set: Technical Supplier Development Workshop





Tool Set: Lessons Learned Event

Review the strengths and opportunities for improvement from past contracts



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Capitalize on Opportunities or Prevent Reoccurrence of Risks on New or Existing Contracts



Results: Lessons Learned thus far - 10 Best Practice

- Pursue Lean and incorporate contingent processes for Emergent Work
- Commit to Improving.....Continuously
- Insist on a Clear Channel of Communication and Standardize Pathways / Process
- Make the Abnormal State Visible (5S tenet)
- Establish Clear Succession Plans for Continuity – for both People and Process!
- Define an Exit Strategy before you Turn on a Process (i.e. a new inspection step)
- Know your Procedures. Question your Procedures.....(and Process)
- Add Value at the Last Possible Moment where Value and Delivery is Defined by the Customer
- R-E-L-A-X: Lead, Manage and Work the Problem – through Fact, Tact, and Action
- Quality trumps Delivery

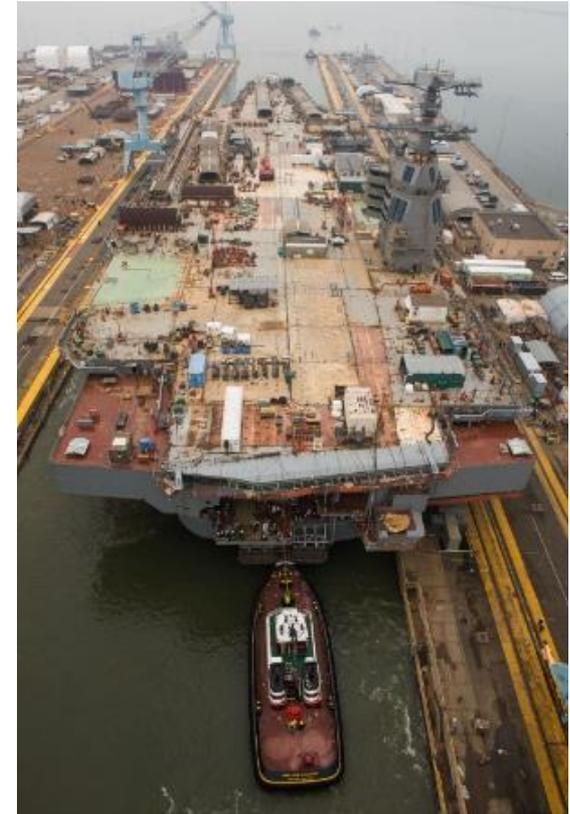


Purpose-Driven Excellence

Supplier Management Program Contributes to the Overall Supply Chain Management Mission

Providing the Trades:

- Quality Products and Services
- Support Cost and Technical Requirements
- Meet Production Demands
- Enable Program Success



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Thank You!

Your opinion is important to us!

Please take a moment to complete the survey using the conference mobile app.

Session: WP/34

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