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# Desired Characteristics of the 21st Century Defense Industrial Base

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## **NAVAL INVENTORY CONTROL POINT**



### ***Desired Characteristics of the 21<sup>st</sup> Century Defense Industrial Base***

***RADM Michael S. Roesner  
16 May 2007***

***Ready. Resourceful. Responsive!***



Naval Inventory Control Point

# *Purpose, Mission & Vision*

## **Purpose**

◆ **Delivering Combat Capability Through Logistics**

## **Mission**

◆ **To provide Navy, Marine Corps, Joint and Allied Forces quality supplies and services on a timely basis**

## **Vision**

◆ **We will be the customers' choice for the best value products and services, where a single request by the customer activates a global network of sources and solutions.**



*Providing Worldwide Support Around the Clock ... 24 / 7 / 365*

## Customer Profile

### AFLOAT



Carrier Aircraft



Marine Corps Aviation



Surface Ships



Helo Detachments



Submarines

3,379 Aircraft  
6,702 Aircraft Engines  
15 Air Launched  
Missile Types

### ASHORE



Naval Air Stations



Marine Corps Air Stations



Other Services and Gov't Agencies  
Coast Guard



Program Managers

206 Surface Ships  
70 Submarines  
115 Nuclear  
Reactor Plants

### FOREIGN MILITARY SALES



Over 80 Countries,  
2,249 Aircraft  
652 Ships

### MAINTENANCE



Navy Depots



Other Service Depots



Contractor Depots

## Global Integrated Supply Chain Mgmt

- *Weapon System LCM*
- *Material Acquisition*
- *Fulfillment*
- *Other Integrated Supply Mgmt*

## FMS Case Mgmt

- *Pre-LOR*
- *Case Development*
- *Case Execution*
- *Case Closure*
- *Business Sustaining*
- *Other Security Coop*

## Allowance Production/Maintenance

- *Product Development*
- *Configuration Mgmt*
- *Program Mgmt*

## Other

- *DLA 339 Processing*
- *Price Fighters*
- *IT Contracting*
- *Ammo Contracting*
- *Naval Logistics Library*

***GISCM Accounts for Two-Thirds of NAVICP Resources***



Naval Inventory Control Point

# Business Profile

(Annual Values)

	<u>NAVICP</u>	<u>Ships</u>	<u>Aviation</u>
Employees:	2,409	1,239	1,170
Sales:	\$4.2B	\$0.8B	\$3.4B
Line Items Managed:	457,844	291,829	166,015
Customer Orders:	648,360	186,614	461,746
Contract Actions:	41,915	30,417	11,498
Repair Actions:	217,422	33,067	184,355

65% of items  
reparable ... highly  
complex supply  
chain



F/A-18 FLIR Optics Stabilizer



Close In Weapons System



F404 Engine

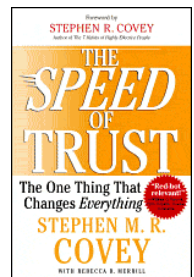


LM-2500 Propulsion System

# Characteristics of the Defense Industrial Base

## Trust and Transparency

- **Myth: Trust is soft. Reality: Trust is hard, real and quantifiable. It measurably affects both speed and cost.\***
- **Trust facilitates transparency not only between government - industry but between industry partners.**
- **High Trust equates to credibility and confidence.**
- **Trust promotes better communication, reliability, accountability and commitment.**



# **Characteristics of the Defense Industrial Base**

## **Responsive and Results Driven**

- ***Industry understands and anticipates DoD requirements...forward looking and risk-sharing.***
- ***Can quickly reprioritize workload to best meet DoD needs.***
- ***Focused on objectively defined results, not just processes.***
- ***Take responsibility for results and ensure progress is effectively communicated to the customer.***

***U.S. Navy is a permanent, long-term, low-risk customer!***



## **Uniform Total Life-Cycle Focus**

- ***Business organizations aligned to provide performance-based support from cradle to grave.***
- ***Standardization of roles and responsibilities...clear expectations.***
- ***Benefits to Life-Cycle approach:***
  - 1) ***Minimizes risk to industry***
  - 2) ***Facilitates longer-term relationships***
  - 3) ***Provides financial incentives to long-term solutions***

## **Strategic Partnerships and Globalization**

- ***Expand joint partnerships between government and industry into new areas of the business.***
- ***Foster partnerships between industry peers to:***
  - 1) ***Enhance performance***
  - 2) ***Reduce costs***
  - 3) ***Diversity (socioeconomic goals)***
- ***Leverage foreign customers and industry to achieve costs savings and increased performance.***

## **Technology and Efficiency Focus**

- ***Leverage emerging technologies/innovations to maintain qualitative technology edge.***
- ***Embrace technology to create efficient organizations and infrastructure reducing cost and procurement lead time.***
- ***Incorporate efficient processes (Lean and Six Sigma) to eliminate unnecessary cost and inefficiencies.***
- ***Utilize IT solutions and Open System Architecture to enhance Supply Chain responsiveness.***

The key variable to all these characteristics is...

**Trust and Transparency**

**Responsive and Results Driven**

**Uniform Total Life-Cycle Focus**

**Strategic Partnerships and Globalization**

**Technology and Efficiency Focus**