
Navy Inventory Control Point International Programs Business Plan

By

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The International Programs Directorate at the Naval Inventory Control Point (NAVICP-OF) serves as the Security Assistance Directorate at the Naval Supply Systems Command (NAVSUP 07) and operates in three different, but complementary, environments: supply chain management and secondary item support, foreign military sales, and weapons system management. Recognizing our position in these environments, NAVICP-OF/NAVSUP 07 has developed a strategic business plan that serves our constituencies, using touchstones that keep us focused on the main thing, delivering combat capability, through robust logistics support, to our allies.

NAVICP-OF/NAVSUP 07 serves primarily as the Navy's International Logistics Control Office (ILCO). An ILCO's fundamental responsibility is to act as a liaison between the service's logistics system and the logistics systems of customer countries. Integration of these ILCO functions within the NAVICP brings to bear an impressive array of supply chain management, weapons system management, and secondary item support expertise.

With respect to its programmatic foreign military sales (FMS) role, NAVICP-OF/NAVSUP 07 develops secondary item support policy, manages secondary item support cases, and maintains a balanced financial and material portfolio of Navy FMS cases with a value in excess of \$45 billion. In this programmatic role, NAVICP-OF/NAVSUP 07 is responsible for achieving the Navy International Programs Office (NAVIPO) and the Defense Security Cooperation Agency's (DSCA) vision for improved international support.

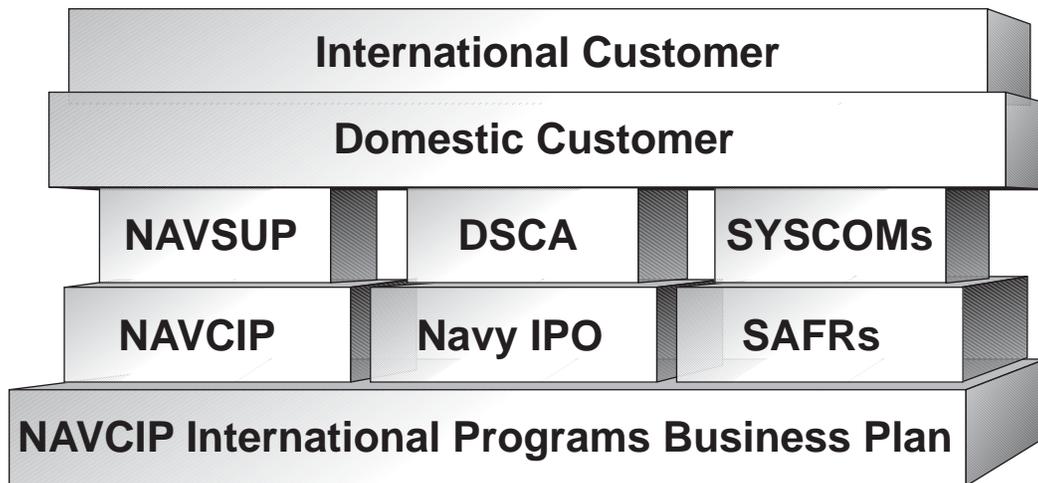
As home to resident security assistance foreign officers (SAFRs) from eighteen different countries and given the Integrated Logistics System (ILS) and weapons system support mission of the ICP, there is a driving responsibility to help both these constituencies achieve their goals of improved and tailored support with greater efficiency and reduced total ownership cost.

It is with these interests in mind, that NAVSUP 07/NAVICP-OF 07 Strategic Business Plan was developed, a plan that seeks to establish a cohesive path to achieving the vision and interests of these different, but related, constituencies by leveraging NAVICP-OF talent, expertise, relationships, and resources. The intent is to recognize, prioritize and resource an optimal mix of initiatives; give each employee a clear understanding of the organization's interests and their role in achieving them; and demonstrate to our various sponsors and customers exactly how we are committed to their success.

Touchstones:



There was a time when touchstones were used to determine the purity of gold or silver by the color of the streak that was left after rubbing the piece of gold or silver across its black, flint-like surface. Today it is a term that applies to any test that can be used to confirm the genuineness of a thing. For the NAVICP/NAVSUP 07 Strategic Business Plan, we picked four touchstones: expand the business base, reduce net cost, integrate, and measure. Every initiative we pursue must move us closer to one or more of these touchstones. Many of the initiatives support more than one touchstone, all other things remaining equal, increased throughput also results in reduced net cost per item.



The use of touchstones gives everyone a simple but quantifiable point of reference. It also significantly reduces the risk that two or more objectives have conflicting goals that might cancel the benefits of each during implementation. Once an initiative meets the touchstone test, it is evaluated on its support to our constituencies' strategic plans. After passing these two steps, the initiative becomes designated an objective and a NAVICP-OF "owner" is assigned. The objective owner then develops an approach, methodology, and identifies the resources necessary to support an aggressive implementing action plan. Finally, senior management within NAVICP-OF evaluates each of the objectives, aligns resources or eliminates objectives where resources have been fully allocated, and prioritizes the objectives that remain.

The "Expand Business Base" category focuses on secondary item support with the goal to increase throughput in terms of productivity, capacity, range, depth, value, and/or utility. The military, both domestic and international, seeks to increase capability, that is what "Expand Business Base" delivers.

Every business seeks to release constraints to productivity or throughput. Doing so increases capacity through efficiencies and increased capacity releases resources that can be devoted to additional workload. Objectives include Dual Track (Hybrid/FMS Express), Repairable Item Replacement Option, Worldwide Redistribution Services, Repair Services, Follow-On Technical Support, Customer ADP, FMS Market Pricing, Integrated Logistics and Financial Management Services, and NAVICP/DFAS (Defense Finance and Accounting Service) Partnership.

The "Reduce Net Cost" category leverages NAVICP-OF expertise in establishing best business practices to sustain or improve the range and depth of support services in an environment of steady or declining resources, efficiencies deliver more power per dollar. International

customers, seeking to improve their combat readiness and capability, are able to buy more support without increasing their investment level.

On the process side of the equation, efficiencies produce savings that can be invested in further improvements. The objectives within this category are FAS2000/PROS II (Commercial Buying Services), Case Execution, Online Capability, Data Integrity, Customer Training, Performance Based Budgeting System, and Employee Development.

The objectives within the “Integration/PSICP” category strive to eliminate artificial barriers between domestic and international support processes, to the mutual benefit of the Navy and our international customers. Many of the barriers between domestic and international support are more perceived than real and artificial barriers must be removed. Many barriers were created as process controls information technology can deliver the same control without convoluting the process. The objectives being pursued are back orders against direct requisitioning procedures cases (BB/DRP), cooperative logistics supply support arrangement investment, repair reporting, performance based logistics, allowance development, and enterprise resource planning.

The final category, “Metrics,” relates to the total business plan and is the measurement of the output and outcome of each objective. There are four reasons to measure and develop meaningful metrics. First, you need to understand and measure the process to identify opportunities for improvement. Second, you need to be able to measure the impact of your initiatives—were the intended results achieved? Third, you need measure performance from an internal, customer and stakeholder perspective. Finally, it is a proven fact that people play harder when you keep score. With this in mind, NAVICP-OF will deliver performance measures to the customer with “drill-down” capability, use activity based costing to measure and identify opportunities to improve the FMS process, and will support the NAVIPO initiative to use available information to track the timeliness and value of case execution. The metrics packages will be web enabled through the NAVICP International Programs Directorate website to provide global visibility to our customers and stakeholders.

The future of Navy FMS lies within the NAVICP-OF Business Plan. The plan is innovative, structured, goal oriented, and aggressive. It applies sound business principles and takes maximum advantage of the legacy talent within NAVICP to deliver improved combat capability to our international customers. It embraces the future and challenges traditional notions of foreign military sales. NAVICP-OF will not be successful in every initiative, but we will win more than we lose and continue to be the Navy’s premier site for FMS expertise, management excellence, and innovation.

For more detailed information about the NAVICP Code OF business plan, to review the FMS E-business suite, or to find links to other important FMS websites, visit us at <http://www.navicp.navy.mil/of/ofhome.html>.

About the Author

Captain Tom Steffen’s recent tours have been as Commander, Naval Support Activity, Mechanicsburg and Philadelphia, Pennsylvania, and in the Office of Chief of Naval Operations.