The U.S. Naval Supply Systems Command Security Assistance Reorganization

By

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A milestone was reached on the 30th of September 1996 when the U.S. Navy International Logistics Control Office (NAVILCO) was decommissioned and the Deputy Commander for International Programs was established within the Naval Inventory Control Point (NAVICP), effective 1 October 1996. This article discusses "the why and the how" of the consolidation of the previous Naval Supply Systems Command (NAVSUP) security assistance supply support infrastructure organizations (NAVSUP 07, NAVILCO, NAVICP P037 and NAVICP M102) into the NAVICP.

NAVAL SUPPLY SYSTEMS SECURITY ASSISTANCE PROGRAM

NAVSUP is one of five U.S. Navy Systems Commands which provides for the material support and support service needs of the Navy. NAVSUP develops and issues policies and methods for the acquisition, cataloging, receipt, storage, packing/preservation, distribution, and disposal of naval material and provides supplies and services to naval units and other authorized customers.

NAVSUP and its field activities have a long and proud tradition in security assistance. In 1947 NAVILCO was established at Bayonne, New Jersey to provide military assistance to the governments of Greece and Turkey under the "Truman Doctrine." The first requisition was for 5,000 tents for Turkey. Support grew from the post-World War II Military Assistance Program (MAP) ship transfers, through the major transition from Grant Aid (GA) to Foreign Military Sales (FMS) in the 1960s, and continues as a primary business entity in today's sales and transfers of modern weapons systems. With the major reduction of Department of Defense personnel and funding during the 1988 to 1994 period, FMS has been one of the few business segments to grow with annual sales increasing from under $10 billion between 1985-1989 to over $18 billion annually in the 1990-1995 period.

NAVSUP SECURITY ASSISTANCE COMMUNITY

Over the years, most NAVSUP headquarters and field activity personnel have participated, in various degrees, in providing security assistance supply support, services, training, documentation and data exchange to our foreign customers. Four primary players prior to the 1 October 1996 reorganization were the NAVSUPHQ Security Assistance Directorate (NAVSUP 07), NAVILCO, and the international support units of the NAVICP (P037 [aviation] and M102 [surface]) located in Philadelphia and Mechanicsburg, PA. These four organizations had 442 personnel totally dedicated to the Security Assistance Program, and had existed in the same organizational format/locations for almost 30 years. They managed approximately 1200 FMS cases, processed more than 26,000 requisitions valued at $58.8M per month, and supported 41 on-site foreign liaison officers. Major functions performed by these activities are arrayed in Figure 1.

Figure 1

KEY FUNCTIONS

Navy-Wide FMS Business Management	NAVSUP Case Management
• Navy-wide Records Management • Program Manager for MISIL • Oversight of Supply System Performance • Face to Face Customer Liaison • Case Reconciliation Reviews • Navy-wide Security Assistance Program Supply Policy • Transportation Policy • RODs Management • MILSTRIP and DLA Interface • Commercial Buying Service • DFAS-DE Liaison / Reconciliation	• Case Manager for 25 percent of Navy Active Cases • Cooperative Logistics • Direct Requisitioning Procedures and Repair Of Repairables • Liaison Officer Cases • Supply Support Manager for Hardware Systems Command Cases • Allowance List Publications • Follow on Supply Support • Supply Training • Financial Reconciliation/Case Closure

WHY REORGANIZE?

Several factors drove the need to alter the NAVSUP security assistance supply support infrastructure. One major contributor was the political strategy of down-sizing government infrastructure wherever possible, e.g., Base Realignment and Closure (BRAC) and capitalization within the Department of Defense (DoD).

In addition to the down-sizing changes taking place, the security assistance community is projecting a decrease in revenue due to a downward trend in sales of major weapon systems from new production/new construction business, despite high sales in 1991 and 1993 related to the support of Desert Shield and Desert Storm. The FMS Administrative Budget for out-year infrastructure funding will decline in proportion to reduced FMS sales.

Establishing the NAVICP International Programs organization was a rare opportunity to streamline and unify most Navy FMS processes within one activity. In addition to unifying security assistance organizational units, processes, and practices under a single Flag Officer, the goal was to improve each individual process to ensure Navy support for FMS is efficient and effective. The new organizational team should provide world-class services and support.

THE NEW NAVICP INTERNATIONAL PROGRAMS ORGANIZATION

The consolidation combined the best attributes of the four different NAVSUP organizations with a Security Assistance focus, to create a powerful, professional, single Security Assistance organization under the NAVICP Deputy Commander for International Programs, located in Philadelphia. NAVILCO and NAVICP personnel located in Philadelphia and Mechanicsburg will remain geographically in the same place, while reporting to the NAVICP Deputy Commander for International Programs in Philadelphia. The initial Deputy Commander, Captain Bob Sutton, will wear two hats, serving as the Deputy Commander for International Programs within the NAVICP, and as the Deputy Commander for Security Assistance of the Naval Supply Systems Command.

Planning for the New Organization Focused on Five Major Areas:

Inventory Control Point (ICP) Interweaving

The Aviation Supply Office (ASO), Philadelphia, and the Ships Parts Control Center (SPCC), Mechanicsburg, were interwoven to form a single Navy NAVICP in October 1995. Given the dynamic and evolving nature of the NAVICP interweaving of similar functions, the new organization is flexible enough to capitalize on and adapt to the NAVICP evolution and process integration.

Customer Advocacy

The new organization continues to provide and improve the superb level of service now furnished to both internal (Navy International Programs Office, Systems Commands) and external security assistance foreign customers within the NAVICP. Interests center on specific FMS cases/country programs, weapons systems, and material support. These three areas, taken individually or as a whole, dictate that multiple customer/supplier relationships be considered.

Process Improvement

Within the context of an FMS Case life cycle (development, implementation, execution and closure), the new organization implements enhanced processes which eliminate process overlaps and redundancies, and strengthens accountability and responsibility.

Savings

The new organization generates labor and non-labor savings in the out years. It consolidates similar functions and eliminates some senior and mid-level management positions and redundant functions and billets. By adopting a process focus, the new organization plans to absorb future program cuts in a responsible glide path with minimal impact on people and processes.

People

The new organization creates a vibrant organization that provides opportunities for both program success and increased job satisfaction. Of particular significance, the consolidation promotes pride and professionalism and improves promotion opportunities for career security assistance personnel.

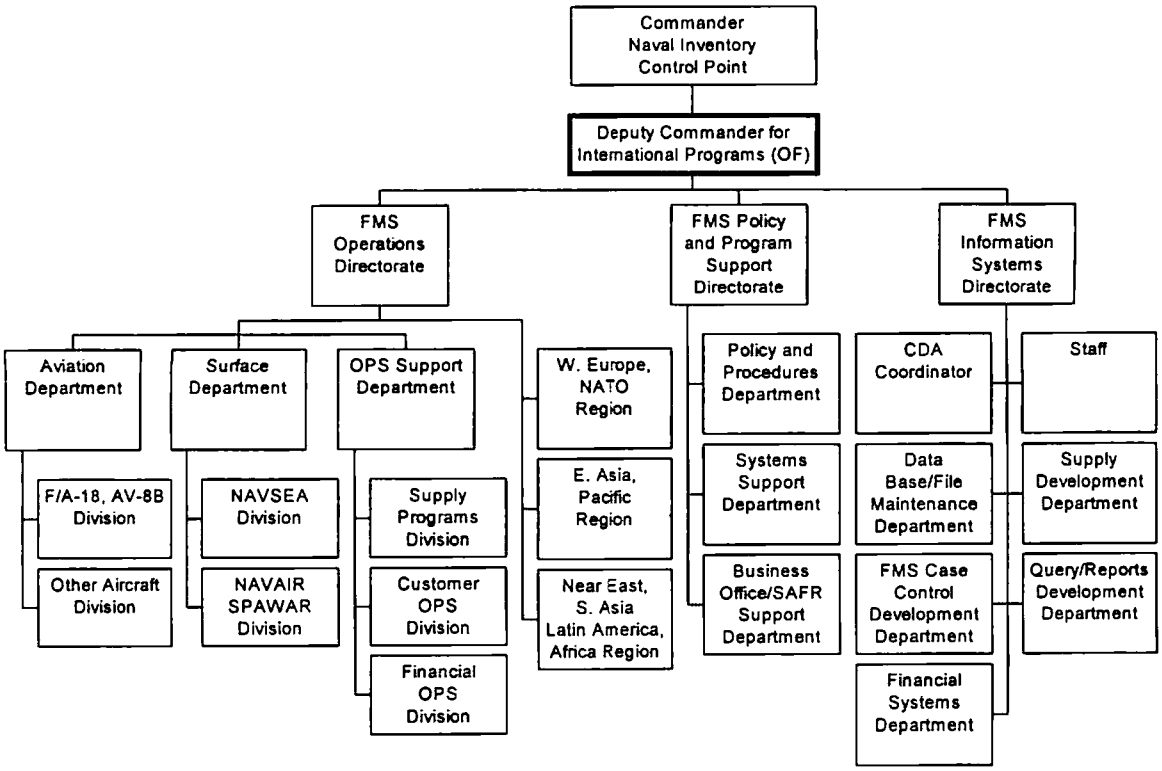
The NAVICP International Programs organization is structured to accommodate the following current core mission functional areas:

- Case Development
- Case Implementation
- Case Execution
- Case Closure
- Policy and Procedures
- Information Systems
- Business Office and Foreign Representative Support
- Administrative Support

The new NAVICP Deputy Commander for International Programs organization is shown in Figure 2. It consists of: FMS Operations Directorate; FMS Policy and Program Support Directorate; and FMS Information Systems Directorate.

Figure 2

NAVICP INTERNATIONAL PROGRAMS ORGANIZATION



There are three distinct areas of responsibilities within the International Programs organization: FMS case life cycle management; the unique "rules and tools;" and the automated management information systems required to manage the supply, financial, and logistics elements of Navy case management.

The Operations Directorate is responsible for the FMS case life cycle, including case development, case implementation, case execution and case closure. The Policy and Program Support Directorate is responsible for the "Rules and Tools" of policy and procedures—Tier II information systems, business office, and budget and administrative support. The Information Systems Directorate is responsible for management, development, and maintenance of the Management Information System International Logistics (MISIL) system and the Navy interface with the Defense Security Assistance Management System (DSAMS) being developed by the Defense Security Assistance Agency (DSAA).

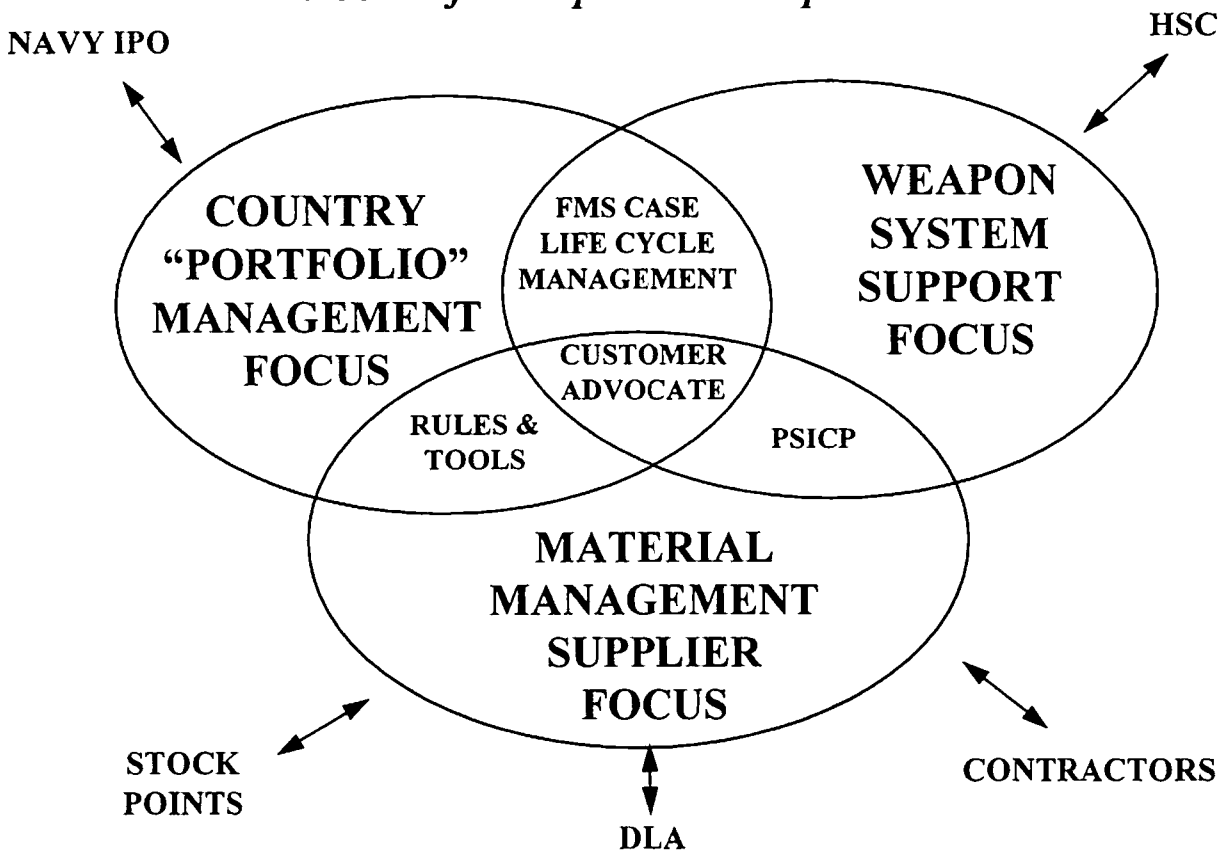
FOCUS OF NAVICP INTERNATIONAL PROGRAMS DIRECTORATE

The NAVICP International Programs organization provides a "one stop" shop for internal (Navy IPO and Systems Commands) and external (SAFR, FLO, in-country) customers, has a common FMS business perspective, and allows "one-touch" FMS supply support.

The Operations Directorate addresses each of the three security assistance business dimensions (country program/case, weapon systems, and material management) within the NAVICP and is focused in three main areas: the international customer, weapons systems management, and supplier community. As the areas are highly dependent on each other, they are interwoven as addressed in Figure 3.

Figure 3

Focus of the Operations Department



"VIBRANT.. FLEXIBLE.. EVOLVING"

The Integrated Country Program Management teams in the Regions—similar to "primary care doctors" in a health systems analogy—are charged with case management ("keeping book") and overall country/supply program management. The Regions are 'pinned' to Navy IPO regions/country desk officers, and serve the international customers in the areas of customer advocate and case managers for the full range of follow-on supply support cases. For example, customer advocacy is strengthened by Region emphasis on country and case management.

The Operations Support department is "pinned" to our primary NAVICP/DLA suppliers and focuses on the fundamental understanding of customer's readiness, sustainability, and material requirements. It interfaces with the supplier community (DLA, GSA, other military services and commercial providers) and facilitates business process improvements designed to provide efficient, optimized support to the FMS customer. Functions driven by the requisition

level nature of our business (requisition processing/follow-up, procurement, repairables, RODs, etc.) are performed more efficiently when focused on the material management aspects of the requisition rather than the requisition itself. This is expected to provide more insight into a wide range of support interests and readiness/supportability indicators and subsequent opportunities.

The Aviation and Surface departments maintain close ties to the Hardware Systems Commands Program Managers involved in the development and production of the weapons systems, as well as the core NAVICP aviation and surface Integrated Logistics Support (ILS) and supply support element network. Although standardizing of shared business processes and procedures for use at both sites was accomplished, requirements determination, provisioning, inventory management, etc., remain intact and continue to be performed at both sites under the direction of the NAVICP. Both the Aviation and Surface departments retain the integrated weapon system/platform management perspective, inherent in the U.S. Navy Program Support Inventory Control Point (PSICP) mission, for major international acquisitions.

The new organization allows for maximum flexibility in staffing—providing the ability to absorb all current billets, to direct personnel to emerging workload horizontally within the organization, and to evolve responsibly as workload, process and resources variables are exposed in greater clarity. It affords distinct international customer advocacy within the NAVICP and clear lines of communications and partnering with external Navy IPO and SYSCOM partners.

The centralizing of all SA/FMS functions in one activity, under Flag Officer leadership, has many advantages. It presents "one face" to our customers, foreign and domestic. It produces savings in administering the program by eliminating housekeeping functions, e.g., mailroom, payroll, human resources office, safety, etc. It greatly reduces overlap and functional redundancies formerly provided by some or all of the four component organizations in the areas of repair of repairables, reports of discrepancy, requisition expediting, reporting, etc.

The new organization allows tailoring of management's requirements. For example, the Regions are structured to "keep the books," manage the cases, interact with higher authority, and act as the primary customer advocate. The Aviation and Surface Departments, relieved of some procedural and reporting burdens, place more emphasis on weapons systems support and service to the Hardware Systems Commands (HSCs). Customer Operations concentrates on generic solutions to repetitive problems and or dealing more effectively with DLA, GSA, Army, Air Force, freight forwarders and other private sector players. Policy and Program Support, with concentrated resources, can more readily develop standard and uniform policies, procedures and practices.

PROMISE FOR THE FUTURE

The personnel coming together to form the NAVICP Deputy Commander for International Programs organization bring with them particular skills and experiences, and a reputation as a customer-oriented, productive partner with the FMS customer. By capitalizing on the combined experience and talent of its "ancestor" organizations, the new NAVICP Security Assistance organization has the opportunity to build on this reputation within the Navy International Logistics community. Integration into a consolidated NAVICP Security Assistance entity allows integration/protection of our core mission of customer advocacy by retaining predominant control of our products and resources.

Our internal organization is paced by the degree to which we seek to control our destiny in the three dimensional operational context (country/program/case, weapon system, and material

support) and the maturing technology of DSAMS and Tier II programs. It allows strengthened partnering relationships with our customers, both external and internal, as we build "one touch" FMS supply support and optimize our efforts accordingly. Additionally, it offers a significant opportunity to assume a Navy-wide leadership role for the security assistance community and to spawn a greater range of analytical tools and system utilities. From a budgetary viewpoint, the new organization allows absorption of potential program cuts on a responsible glide path as relationships and processes mature. Finally, our people are presented with the opportunities to broaden their skills and responsibilities horizontally within our consolidated organization and the wider spectrum of the NAVICP and the Navy-wide security assistance community. We are confident that the new organization will provide improved support to all of our customers, both foreign and within the Navy security assistance support infrastructure.

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