

NDIA Logistics Management Division Executive Committee Meeting

NAVY TRANSFORMATION

Improving Enterprise Support through Logistics

Presented by

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**Director, Supply, Ordnance, and Logistics Operations
Division**

1 December 2006

The Case for Change

The changing environment ...

- National military strategy requires us to “fight and win today and in the future”
 - *Sustain the readiness of today’s force*
 - *Build future force/capabilities*
- DoD Budget expected to be under pressure for additional reductions
 - *Growing entitlement programs*
 - *Domestic priorities*
- DoD has own internal challenges
 - *Growing manpower costs*
 - *Aging force structure/infrastructure*
 - *Cost of war and reset cost*



***Our burning
platform***

... we cannot deliver without transforming!



Discussion Topics

- Enterprise Overview
- Surface Warfare Enterprise (SWE) – a closer look
- Logistics Initiatives
Examples of Success Stories and Initiatives



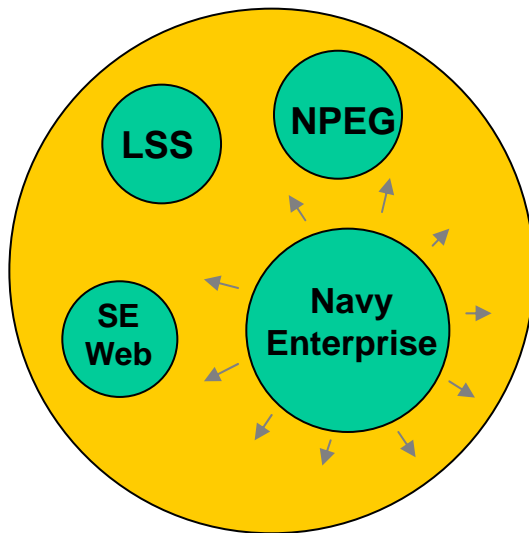
Enterprise Overview



Sea Enterprise

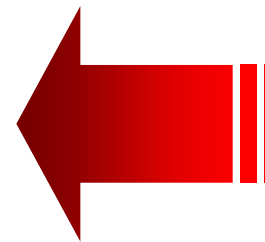
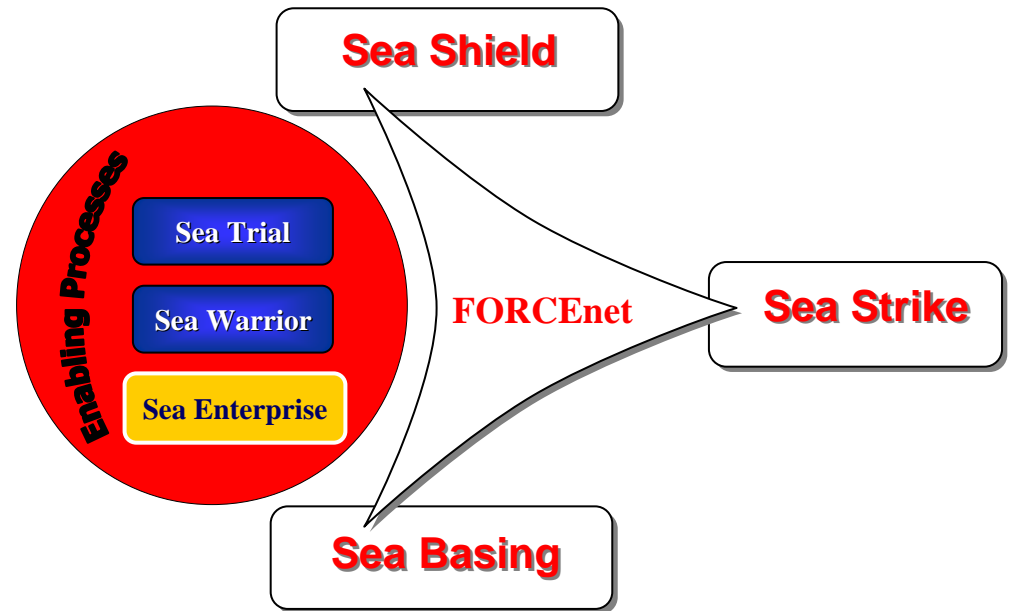
The vision behind our enterprise progress ...

Activity



Sea Enterprise

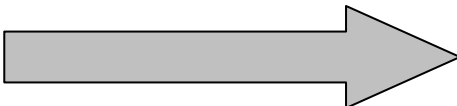
- Structure
- Activity

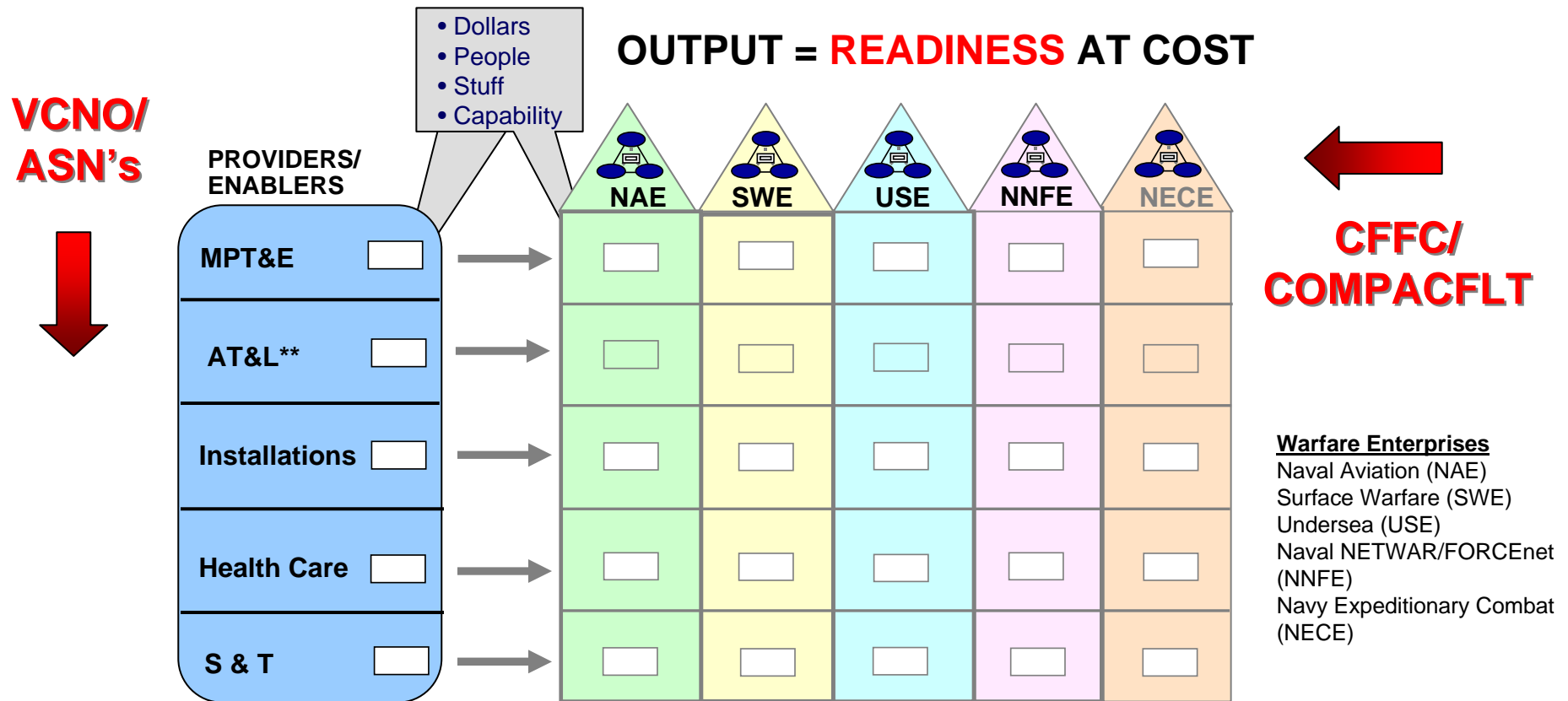


Vision



Navy Enterprise Structure

PROVIDERS/
ENABLERS  WARFARE
ENTERPRISES
(Supporting Warfare Enterprises) (Delivering Combat Capability to COCOMs)

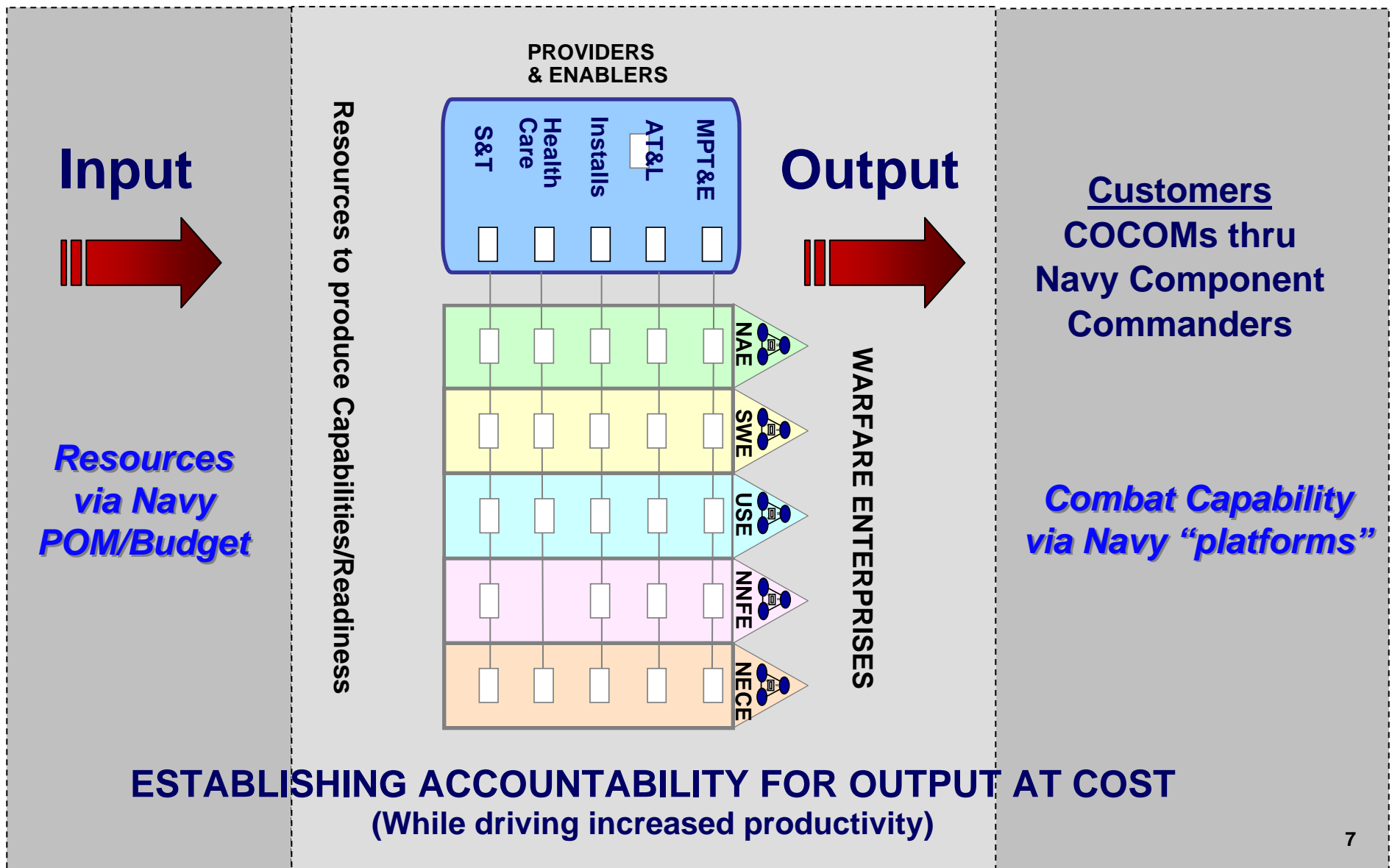


**Note: ATL includes PEOs, SYSCOMS

BEHAVIORAL VS ORGANIZATIONAL MODEL
(Authority to act rests within the Chain of Command)



Navy Enterprise Structure

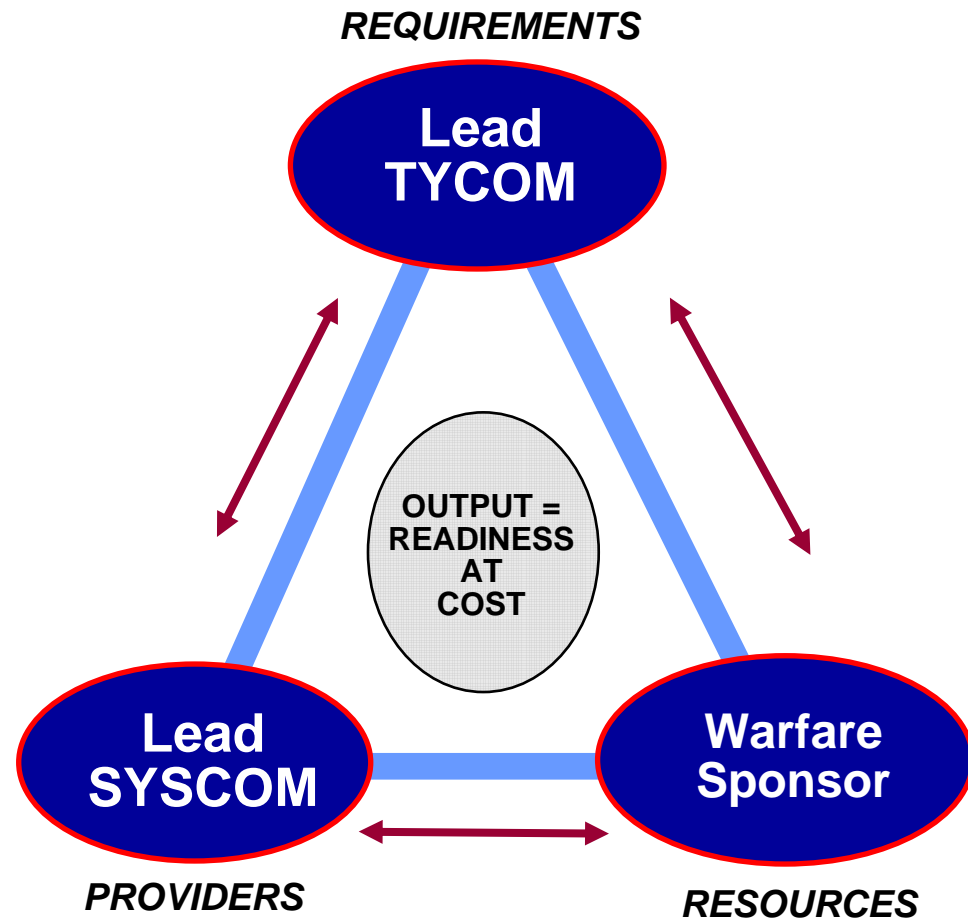




Navy Enterprise Structure

PRODUCTIVITY DRIVERS:

- Priorities
- Behavioral changes
- Common processes
- Common metrics
- Integrated capabilities
- Transparency of information

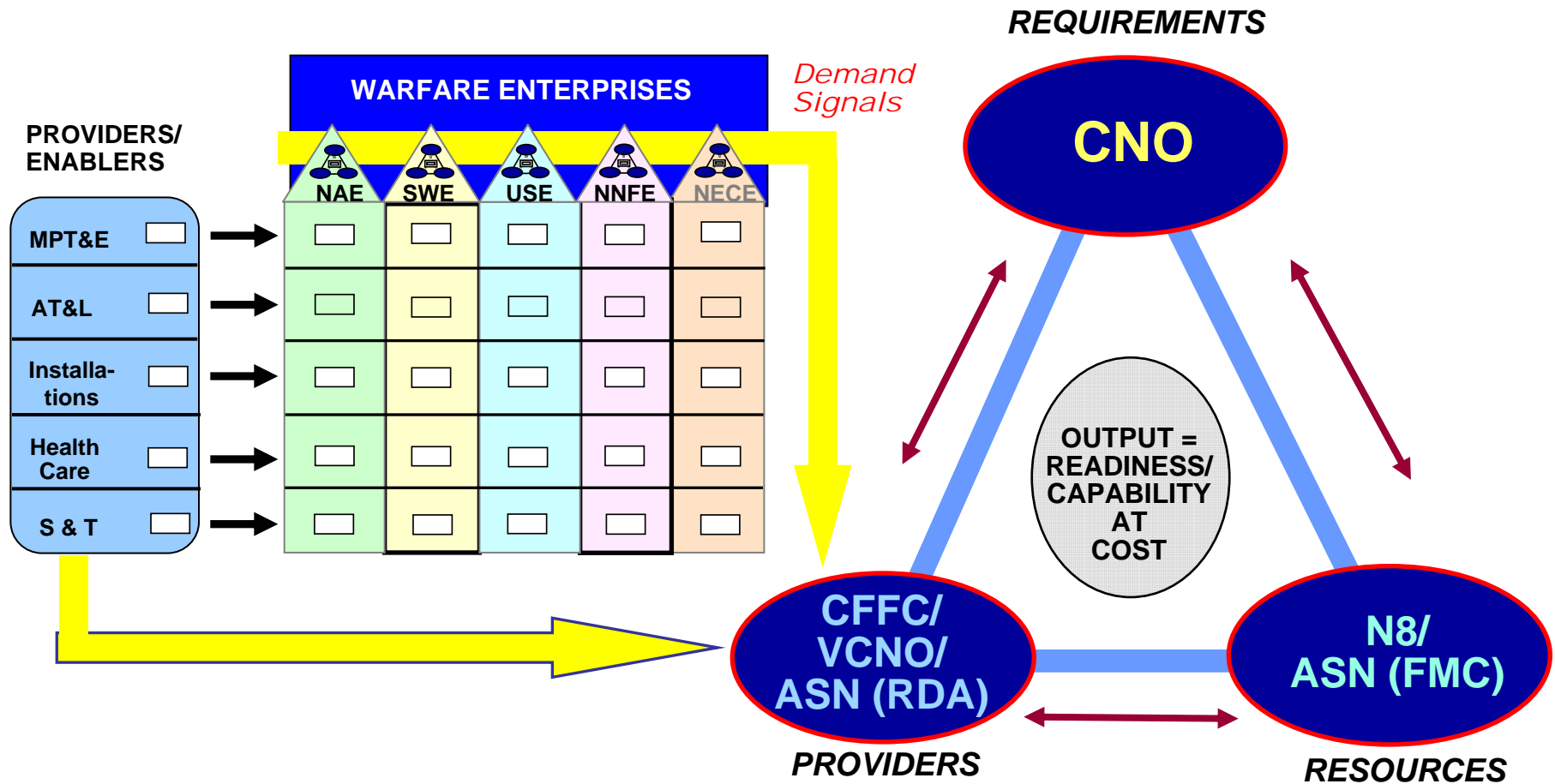


Collaborative teams focused on delivering warfighting capability to Combatant Commanders; and increasing effectiveness and efficiency across their Domain



Navy Enterprise Structure

The Top Triangle



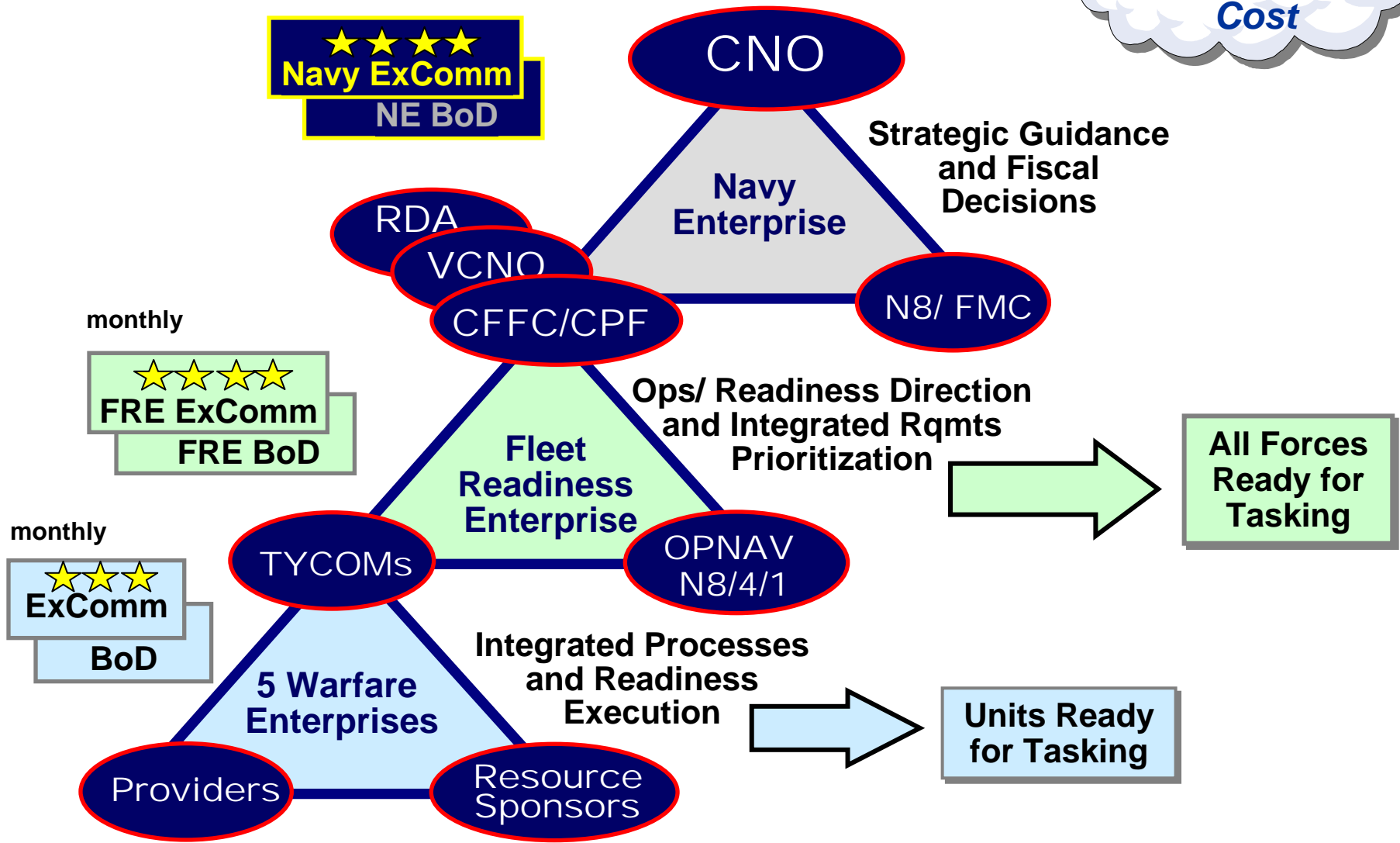
Completing the governance model



Navy Enterprise Structure

Three tiers of related activity

*Output₁ =
Readiness at
Cost*





Implementation Plan

"Parallel path Ops"

	YEAR ONE	YEAR TWO	YEAR THREE
	Sep 06	Sep 07	
WEs	MATURE WARFARE ENTERPRISES - Define / refine Single Fleet Driven Metrics.	CONTINUOUS OPERATIONS - Focus on barrier removal and gap-to-entitlements iso current then future readiness. - Expand deliberations to inform POM cycle.	
Enablers	MATURE ENABLER DOMAINS - Focus initially on baselining Domain operating costs in support of current readiness. - Guide/govern operation of Domains.	CONTINUOUS OPERATIONS - Refine metrics based on NE direction. - Focus on barrier removal and gap-to-entitlements in support of current then future readiness. - Measure effectiveness at year-end.	
NE	STAND UP NAVY ENTERPRISE TO INCLUDE METRICS - Gain cost understanding in Domains. - Develop common Domain metrics. - Initiate NE drumbeat. - Focus initially on cost-wise current readiness / increasing productivity.	MATURE NAVY ENTERPRISE - Develop future capability metrics. - Follow on with future readiness. - Measure effectiveness at year-end.	CONTINUOUS OPERATIONS - Strategic leadership of WEs & Enabler Domains. STRATEGIC COST MANAGEMENT (People, Dollars, & Stuff)

Surface Warfare Enterprise

A Closer Look

Surface Warfare Enterprise (SWE) Overview

*** EXCOMM**

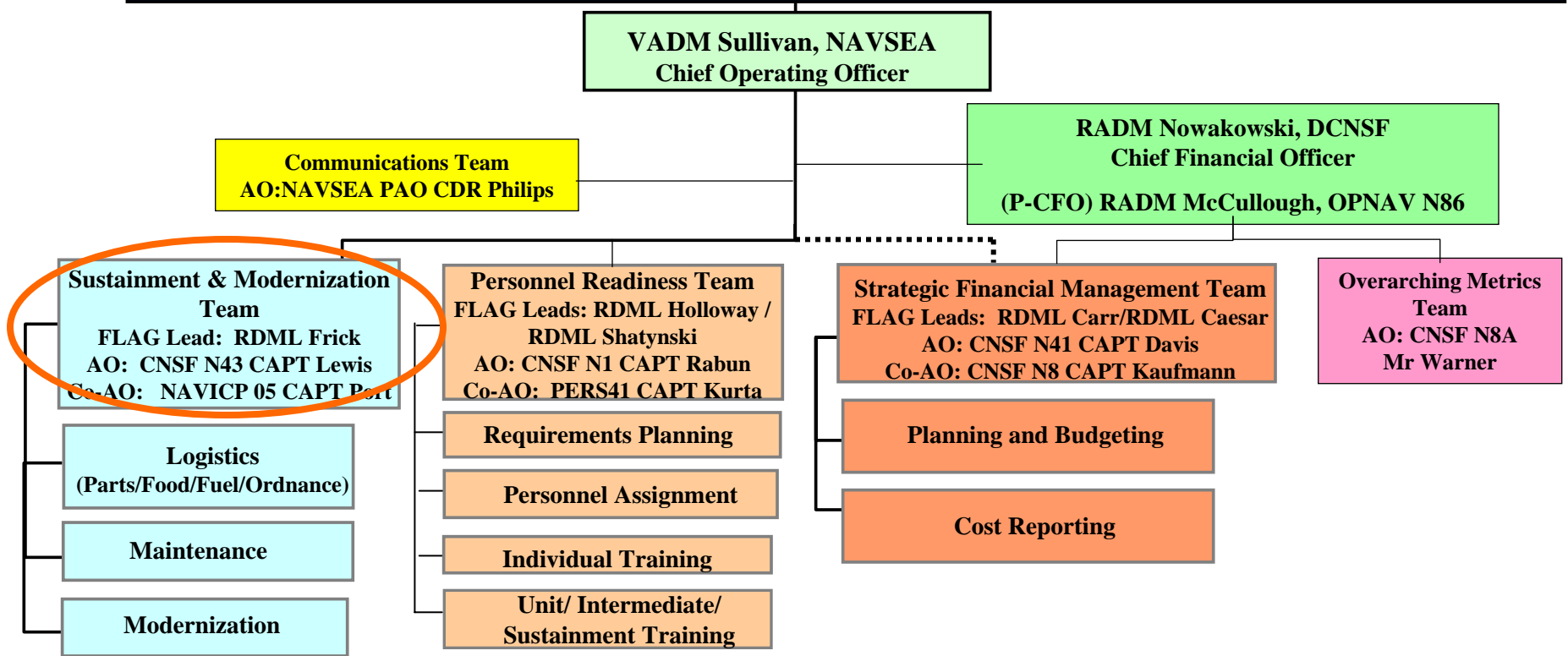
- *VADM Sullivan, NAVSEA
- *RADM Nowakowski, DCNSF/CNSL
- *RADM McCullough, OPNAV N86
- *MGEN Benes, OPNAV N85
- *RADM Hamilton, PEO SHIPS
- *RDML Campbell, OPNAV N43B

SWE Board of Directors (BOD)

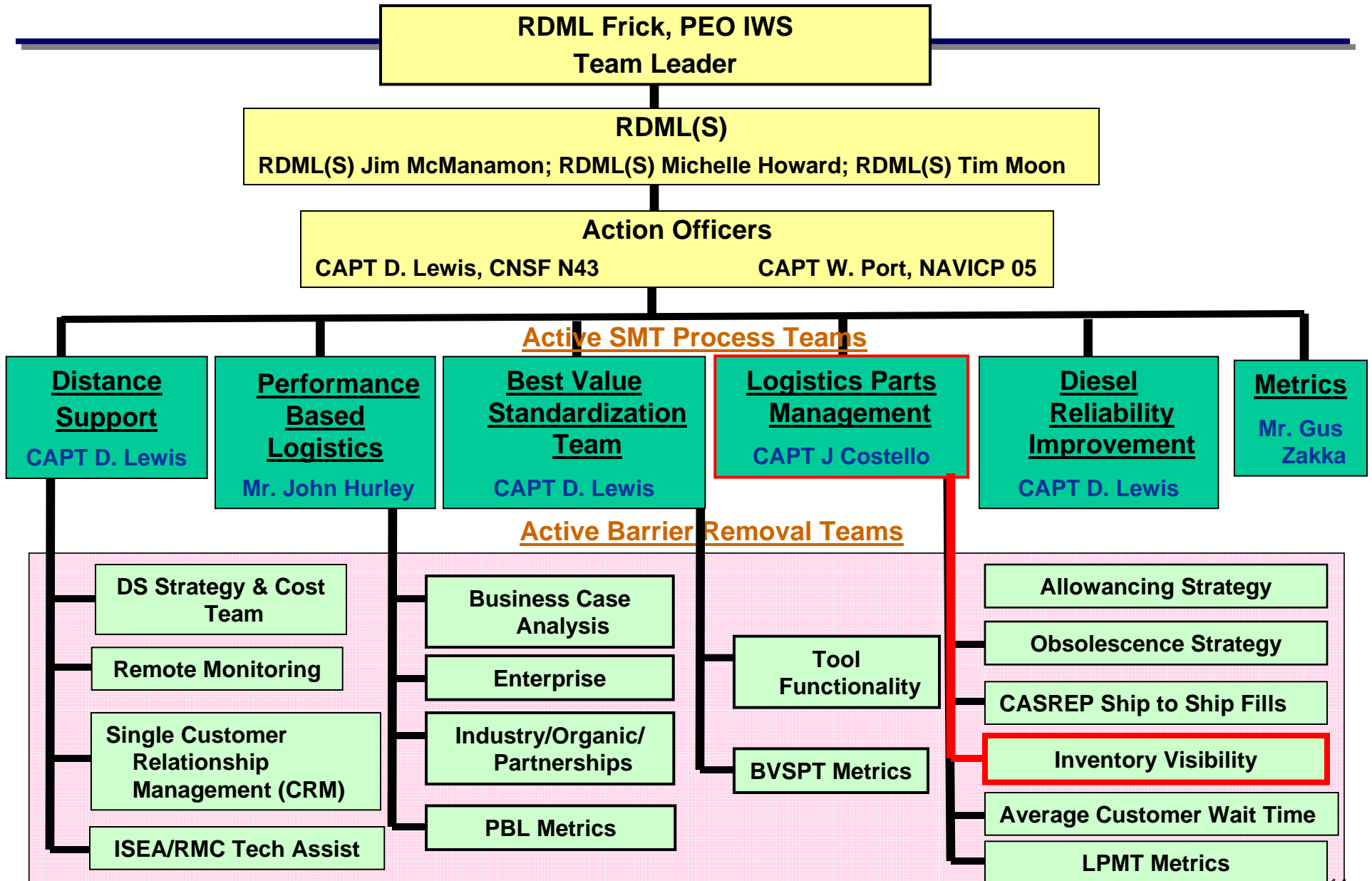
*VADM Etnyre, CNSF

- RADM Brooks, CFFC N43
- RADM Thompson, OPNAV N41
- RADM Stone, NAVSUP
- RADM Reilly, MSC
- RDML Holloway, PERS4
- RDML Frick, PEO IWS

- RDML Carr, OPNAV N86F
- RDML Goddard, V-NAVSEA
- PEO LMW
- RDML(sel) Shatynski, CNSF
- RDML Pottenger, MSFSC
- RDML Buzby, OPNAV N86B
- RDML Deets, NNWC

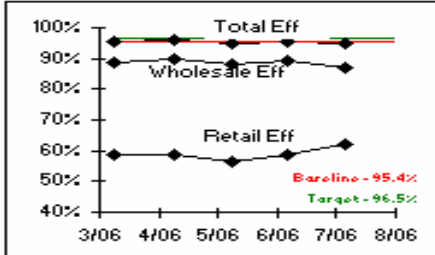


Sustainment & Modernization (SMT) Team

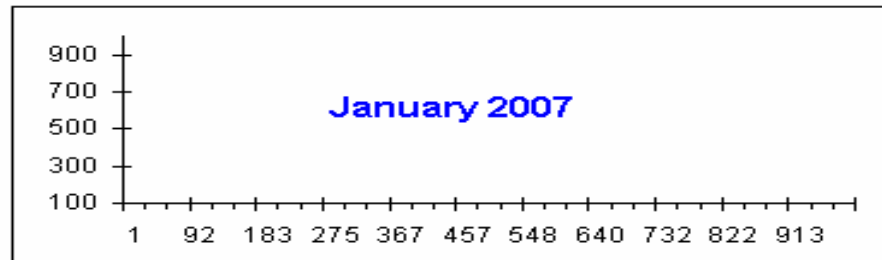


Logistics Parts Management Team Bridge Plot

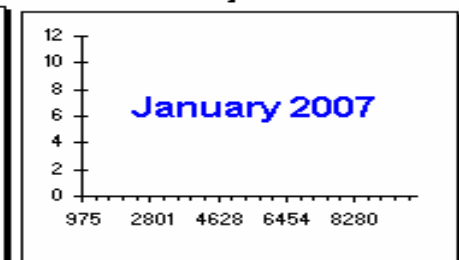
First Pass Effectiveness



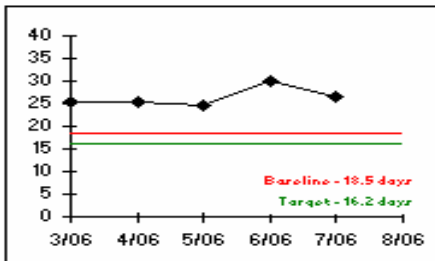
Parts FOM



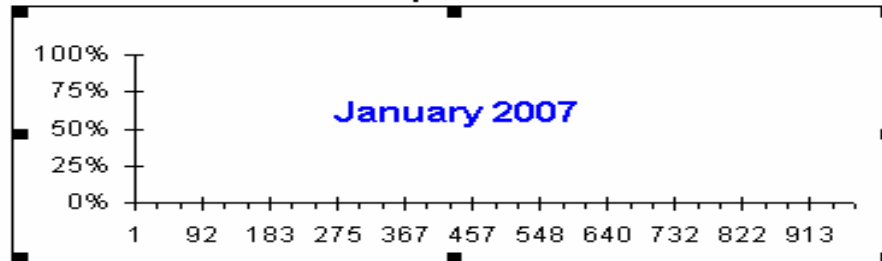
\$ Inventory vs \$ Sales



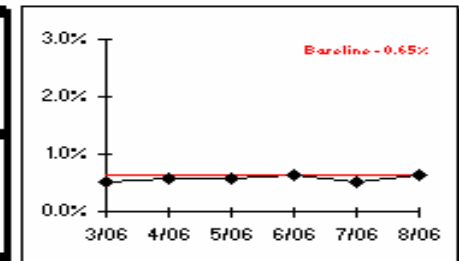
ACWT



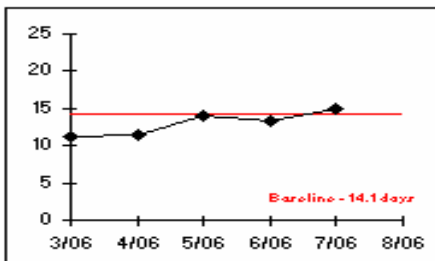
Cost per \$ Sold



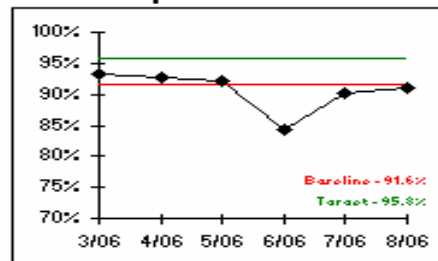
CASREPs as % Total



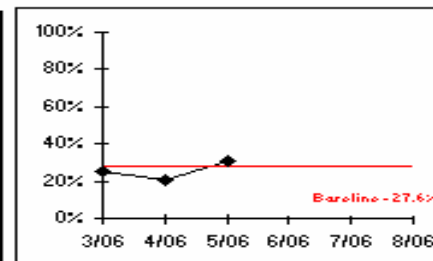
CASREPs MRRT



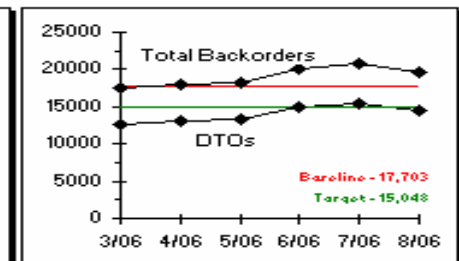
Requisition FPY



Procurement FPY



Backorders



30 / 120 Day Forecast of SMT Process Teams

Completed items last 30 days

- Metrics
 - *Modified existing bridge plot by adding Fuel and Ordnance Panels*
 - *Completed Supply Figure of Merit (SFOM) Basis for Measurement (BFM). Defined Logistics Figure of Merit (LFOM) Assignment Readiness BFM*
 - *Defined and provided the Over-Arching Metrics Team Information Technology (IT) requirements.*
- Distance Support (DS)
 - *Requirements Policy Document approved by SWE Executive Committee, submitted to DS Governance Board (10/03/06) for thirty day review.*
 - *Established Technical Assist (TA) cost savings capture team. Completed ICAS equipment capabilities and fleet use review.*
- Performance Based Logistics (PBL)
 - *Three of Five charters have been approved*
 - *The Gas Turbine Generator (GTG) Engine Pilot Program kick-off meeting was held on 10 October at NAVSESS, Philadelphia. The product support strategy was completed, contracting trade offs identified and the POA&M to contract award developed. Contract award is scheduled for 31 Oct 2008.*

Next 120 days

- Metrics
 - *Develop Ordnance Figure of Merit (OFOM) Basis for Measurement (BFM) (31 Nov.)*
 - *Complete OFOM Gap Analysis (31 Nov.)*
 - *Future State Bridge Plot - Supply Figure of Merit (SFOM) Assignment Readiness Panel, add and analyze one ship class. SFOM Productivity Panel add and analyze one ship class with cost*
- Distance Support (DS)
 - *Receive DS Requirements policy document approval from DS Governance Board, submit final instruction to CNO early December 2006.*
 - *Finalize Technical Assist (TA) "to be" process (10/25/06), Develop TA "to be" process business rules (11/30/06). Document and validate TA Cost Savings Model and results.*
 - *Complete Bridge Plot Panel Basis for Measurements, (10/25/06) and set Baseline and entitlements, (10/31/06).*
 - *Complete Remote Monitoring (RM) "to be" process and resolve current ICAS system issues.*
- Performance Based Logistics (PBL)
 - *BCA Team will host a cross SWE Lean event on 24-26 October to develop the baseline BCA process.*
 - *The Enterprise Team will develop the SWE standard PBL templates (i.e., Statement of Work (SOW), Contract Data Requirements Lists (CDRLs), Contract Line Item Numbers (CLINs), etc.) and simulations piloting those products on the GTG Engine Pilot.*
 - *The Industry Team provided a marketing research survey with a recommended list of corporations to survey to identify barriers.*
 - *Develop Guidebooks for SWE PBL and Business Case Analyses.*

Major SWE Products

- Diesel engine maintenance savings
- Distance support leadership for Navy
- POM 08 end game enterprise behavior
- PR 09 process integration
- LCS fleet introduction
- CLASSRON standup
- School/NEC documentation cost avoidance
- SHIPMAIN



Logistics Enterprise Activity

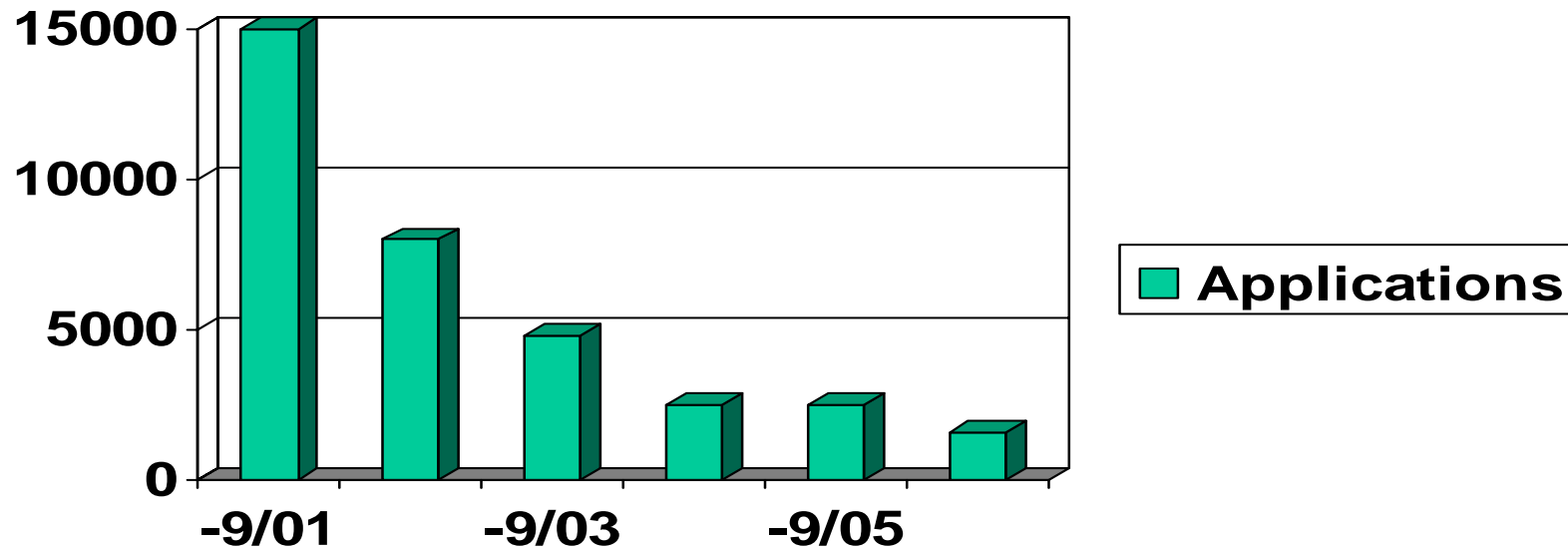
- Structure
 - *IT rationalization*
 - *One Shipyard*
 - *Fleet Readiness Center (FRC)*
- Process
 - *Navy Performance Excellence Guidebook (NPEG)*
 - *Performance Based Logistics (PBL)*
 - *Lean Six Sigma*
 - *Distance Support*
- Technology
 - *Enterprise Resource Planning (ERP)*
 - *Radio Frequency Identification (RFID)*

Structural Initiatives



IT Rationalization

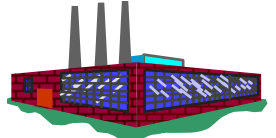
- *90% reduction in applications in 5 years*
- *~12% server reduction in one year*
- *~20% network reduction in one year*





NAVSEA One Shipyard

Leveraged global maintenance capability delivering \$65M in annual savings by 2011



- PUGET SOUND NSY & IMF
- Pacific Northwest RMC



- Navy Foundry and Propeller Center (NFPC)
- Naval Sea Logistics Center

➤ SUPSHIP BATH

- GD Electric Boat
- SUPSHIP GROTON



- PORTSMOUTH NSY
- SUBMEPP / SHAPEC

➤ NAVSEA HQ & PEOs

- CVN Depot Maintenance Facility
- Southwest RMC



- NORFOLK NSY
 - NG Newport News
 - SUPSHIP NEWPORT NEWS
 - Mid-Atlantic RMC
- NORTHROP GRUMMAN**



➤ Japan RMC

➤ SUPSHIP GULF COAST

➤ Southeast RMC



- PEARL HARBOR NSY & IMF
- Hawaii RMC

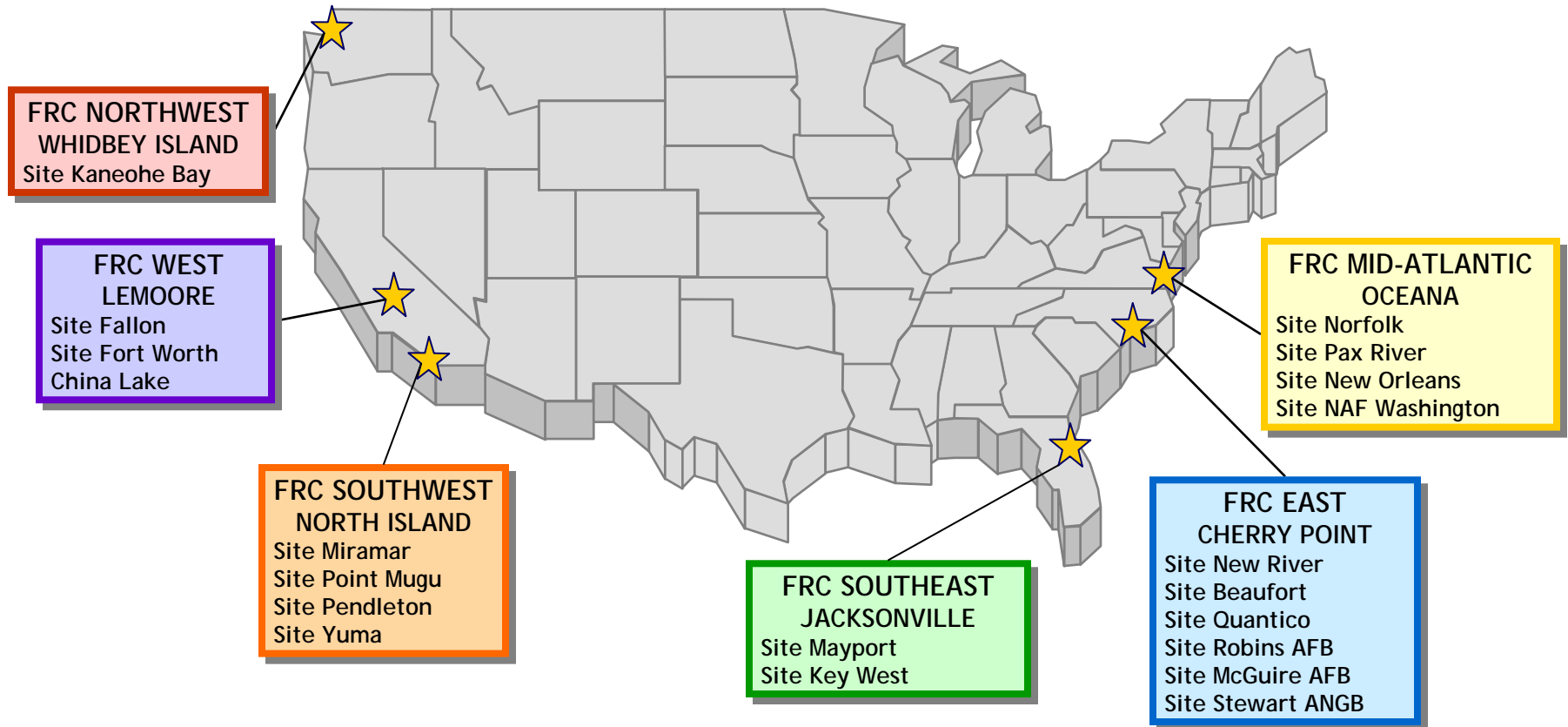
➤ South Central RMC



Fleet Readiness Center Alignment

- Area Command Headquarters & Sites -

**Consolidated CONUS maintenance capability
delivering \$324M+ in annual savings by 2011**





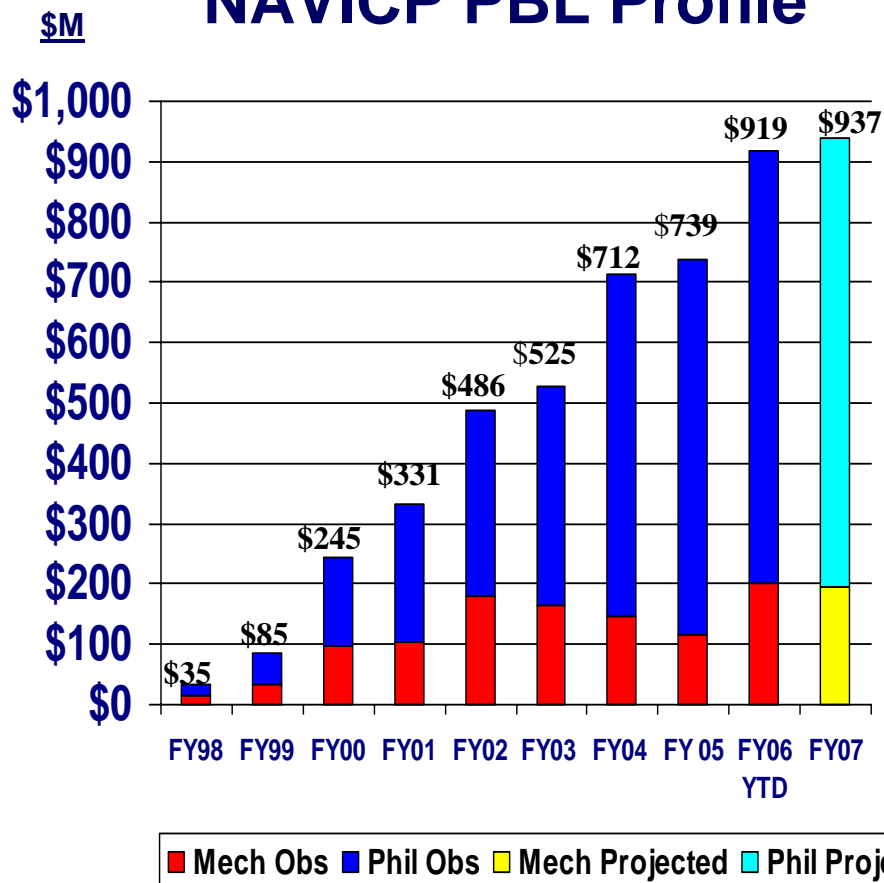
Process Initiatives



PBL Program Status

Billion dollar business – 22% of demand base

NAVICP PBL Profile



Business Scope

- 176 arrangements
- 40,515 line items
- 21.6% of total demand

Dramatic improvements

- Material availability
- Response time
- Repair turnaround time
- Backorder reduction

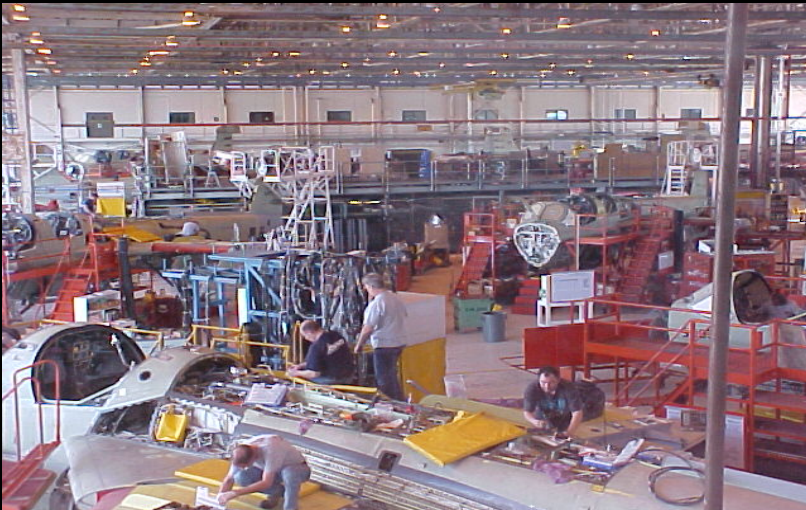


Jacksonville Lean Six Sigma

EA-6B rewing production

EA6B

WORK-IN-PROCESS **BEFORE**



MANAGEABLE

WORK-IN-PROCESS **AFTER**



- TAT = 594 DAYS FY03
- WIP = 16
- Walk distance 45,125 ft.

- TAT = 358 Days FY05
- WIP = 8 in FY05
- Walk distance reduced to 8,670 ft

RETURNED TWO SQUADRONS OF AIRCRAFT TO THE FLEET
INCREASED ON-TIME DELIVERIES (OTD) FROM 31% TO 83%



Distance Support

Overarching Concept: A Navy-wide ship to shore infrastructure. DS moves workload ashore, provides informational content afloat.

Components:

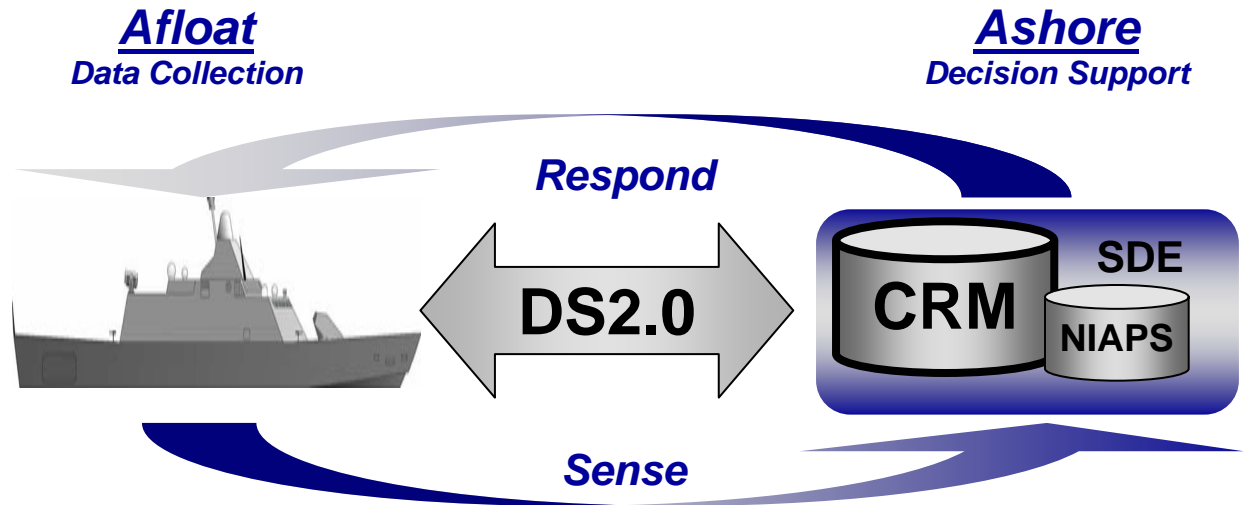
DS 2.0/NIAPS: Ship to shore infrastructure. Includes hardware, software, and installation costs for servers, applications, and data content.

Customer Relationship Management (CRM) Shared Data Environment (SDE): Integrated link to the Navy’s infrastructure and Source of Support (SOS) providers.

Transition to POR:

Distance Support is transitioning to a Program of Record (POR) under PEO EIS and resourced by OPNAV N6.

Distance Support will be a total enterprise asset.



Technology enables workload moving ashore



Leveraging Technology



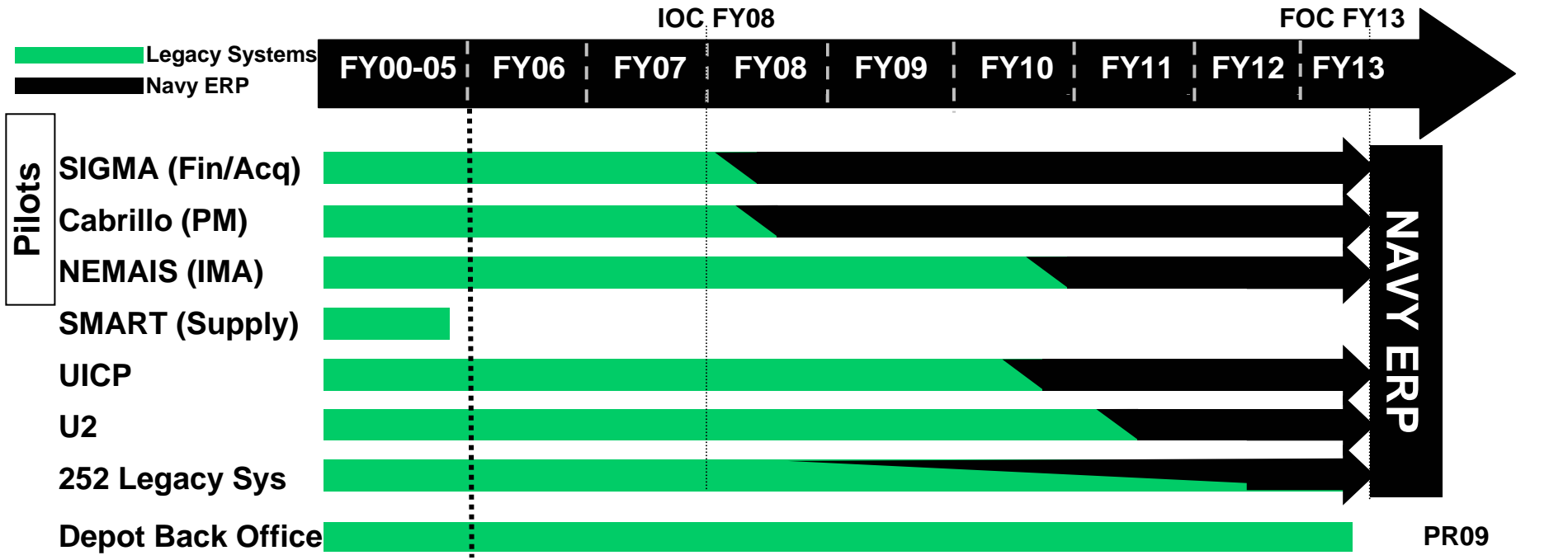
Navy ERP Objectives

Navy ERP transforms management systems that drive the Navy's business: People, Money, Programs, Equipment, Supplies, and Maintenance

- Improves, standardizes business processes
 - ***Best commercial practices are modeled***
 - ***Common data supports real time information, exchange, reporting***
 - ***Enables transformational implementation of Lean/6 Sigma, Activity Based Costing***
- Simplifies operations, supports requirements
 - ***Single entry, single source data***
 - ***End-to-end connectivity, visibility***
 - ***Federal Financial standards compliance***
- Saves money, returns equity for other uses
 - ***Retires legacy systems, reduces number of applications***
 - ***Reengineered processes improve efficiency***
 - ***Asset visibility allows reductions in inventory***



Navy ERP Deployment Plan

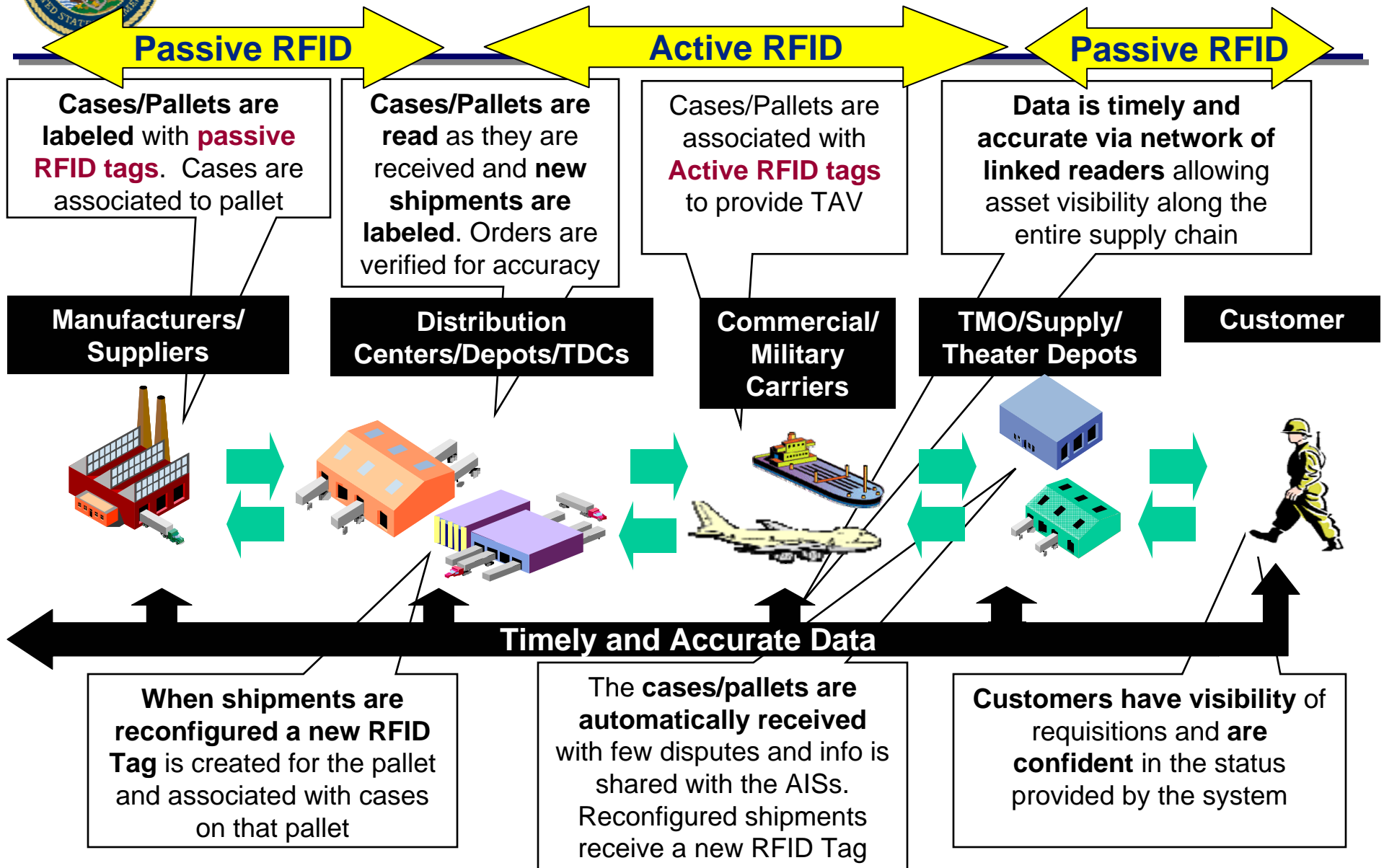


Deployment Locations

- Echelon 1 and 2 Financials
 - CNO (FMB/N8)
 - Echelon 2 Financial Offices
- Aviation
 - NAVAIR HQ
 - Warfare Centers
 - NAPRA
 - TSD Orlando
 - NATEC
- Fleet
 - Fleet Forces Command HQ
 - Aviation Intermediate Maintenance Departments
 - Regional Maintenance Centers
- C4I
 - SPAWAR HQ
 - SPAWAR System Centers
- Maritime
 - NAVSEA HQ
 - NAVSEA Logistics Centers
 - NAVSEA Warfare Centers
 - Naval Submarine Support Facility New London
 - SUBMEPP Portsmouth
 - SUPSHIPS
- Supply
 - NAVSUP HQ
 - Naval Inventory Control Point
 - Fleet Industrial Support Centers
 - Fleet Supply Activities
 - NOLSC Norfolk
- Other
 - NAVFAC HQ
 - ONR
 - SSP
 - NCIS



RFID Enables the DoD Supply Chain





CNO's Perspective on Change



"I also believe that the only constant in our future is change — that real success in the world in which we live today and the one our grandchildren will inherit will come only as a result of hard work and the willingness to adapt."

(From Assumption of Command remarks, 22 July 2005 at U.S. Naval Academy.)

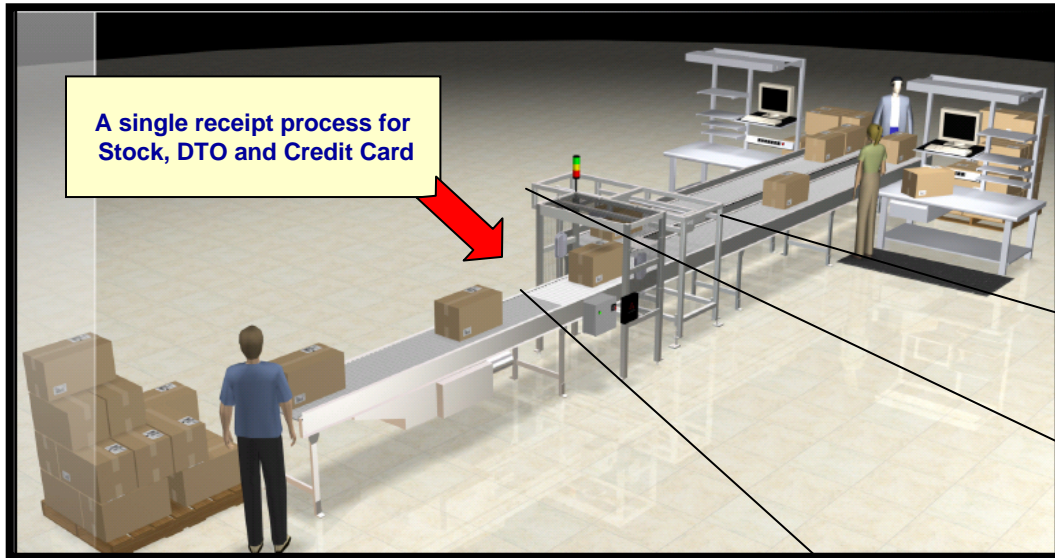
***We're always
looking for new
ideas***

<http://usn.hq.navy.mil/SeaEnterprise>

BACK-UPS



Passive RFID Success... Transforming Navy “Receiving”



pRFID Inbound Solution:

- *LEAN Event drove Design*
- *Re-engineering 3 separate receiving processes into 1*
- *Now a single process for Stock, Maintenance & Credit card receipts*

“At TRF Bangor, we’ve Integrated Passive RFID with SAP’s Warehouse Management System”

- Reads/uses DLA’s pRFID solution (ASN plus Tags)
- 1-time AIS conversion vs. multiple
- Serial Number/Batch Management
- Scalable and Web enabled
- CAC Card secured

“Bangor Went Live 17 March 2006...delivering ERP early”



RFID is accelerating Navy’s logistics transformation



Naval Aviation Integrated Engine Budget

- Created in late 90's to balance investment against repair funds
- Engine Reliability Fix program
 - *Strategic Investment program begun in POM04 to improve engine reliability and reduce turn-around-time (TAT)*
 - *\$200M invested, >\$240M savings harvested for recap from Engine depot maintenance and Flight Hour Budgets*
 - *>\$500M reduction in Life-Cycle Costs*



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 - **Asset visibility allows reductions in inventory**



Navy Enterprise

- Navy Enterprise is about driving **efficiencies** into our Navy processes to **maintain readiness today** and **deliver the fleet of tomorrow.**
- **Collaborative teaming** of the right decision makers, meeting on a **regular drumbeat,** to facilitate best decisions.
- Processes are **metrics driven** and **linked to outputs.**

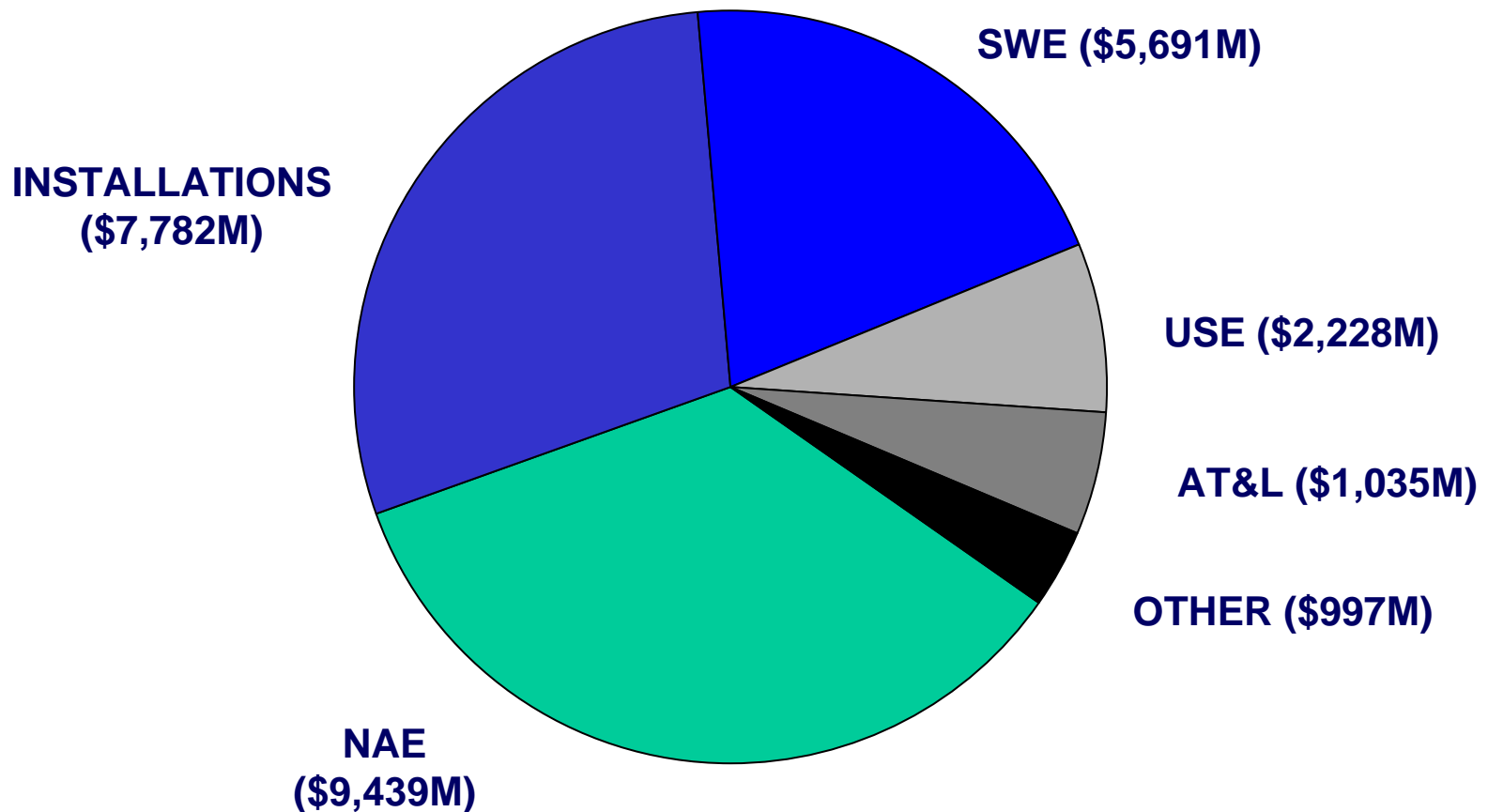
Improving the Business end of our Business



Logistics as a Navy Enterprise Enabler

What we (OPNAV N4) sponsor.....

OPNAV N4 FY-08 Resources by Enterprises
Total=\$27.2 Billion





Sea Enterprise Impact

Some of what we've accomplished...

☐ Aligned & Streamlined Organizational Structures

- ☐ **Commander, Fleet Forces Command**
- ☐ **Commander, Navy Installations**
- ☐ **Assistant Chief of Naval Operations (IT)**
- ☐ **Virtual SYSCOM integration**
 - ☐ **NAVSUP/NAVFAC**
- ☐ **MPT&E**

☐ Improved Business Processes

- ☐ **Task Force Lean (NAVSEA)**
- ☐ **AIRSpeed (Naval Aviation Enterprise)**
- ☐ **SHIPMAIN (Naval Surface Forces)**

**\$44.9B in savings,
FY03 to date**

*How are we
doing?*

Sea Enterprise is a journey ... we have begun!



Logistics as a Navy Enterprise Enabler

What we are doing.....potpourri of efforts

SOME EXAMPLES:

- NAVAIR Fleet Readiness Centers – transformed non-deployable intermediate and depot level maintenance centers into six Fleet Readiness Centers and numerous FRC sites across the NAE.
- NAVSEA One Shipyard Concept – integrating 4 public and 2 private shipyards for more efficient support of the warfare enterprises
- NAVFAC Field Activity Consolidation - consolidated from 25 to 16 component commands aligned with CNIC regions...FECs dual-hatted as Regional Engineers
- Navy Technical Data Repositories - Reduced technical data (drawings, tech manuals, etc) repositories from 36 sites to 2
- Environmental Enterprise Consolidation - Regionalized shore installation environmental management programs...centralized/consolidated HAZMAT management functions
- Virtual SYSCOM (V-SYSCOM) – Integrates and consolidates to cross-SYSCOM/cross-functional efforts to extend the boundaries and scope of collaboration across the five System commands to support Navy priorities and satisfy fleet demands....
- NAVSUP Transformation – Phase I focusing on consolidating business units, eliminating redundancies, streamlining infrastructure to provide efficiencies and cost savings in support of Sea Enterprise

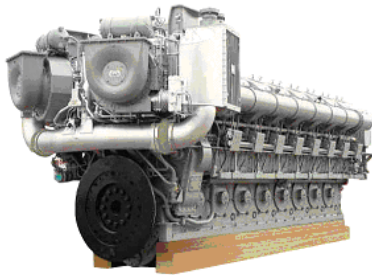
Business Transformation: Optimizing Enabler Domains for Improved Warfare Enterprise Support



Main Propulsion Diesel Engine

Process Improvement

Maintenance⁴⁰



USN PC 2.5 $A_0 = .55$

USN

48 Engines

\$2,229,167 per engine/year

\$107,000,000 per year



MSC PC 4.2 $A_0 = .93-.97$

MSC

56 Engines

\$319,728 per engine/year

\$17,904,800 per year

Improving diesel engine readiness through fluid quality monitoring and performance monitoring



Engineering Drawing Repository

- **Phase 1 Goal: Reduction of 16 sites to 10 sites was completed in FY05**
- **Phase 2 Goal: Reduction from 10 sites to 2 primary and one back up site (ECD end of FY-07)**
 - *Lean Six Sigma (LSS)*



Navy Technical Manual Maintenance Activities (TMMA)

- **Goal - Reduce 36 independent TMMA sites and associated applications and infrastructure to 1 Primary site and 1 Continuity of Operations (COOP) back up site**
 - *Primary site completed in late FY06*
 - Content Management and Publishing applications and required infrastructure centralized and consolidated at the Navy's largest TMMA, NAVSEA Philadelphia
 - Secure Web based, NMCI, FAM, NETWARCOM approved tools enable remote access to applications and data to authorized authors and editors
 - *COOP site ECD 2nd Qtr FY07*
 - NATEC San Diego
- **Facilitated an 80% reduction (~\$800K yearly recurring cost) of Navy commercial-of-the-shelf (COTS) content management and publishing software requirements**
 - *Organic life cycle management of Navy Technical Manuals, Preventive Maintenance System (PMS) data and Engineering Operational Sequencing System (EOSS) data*



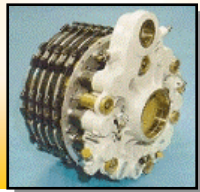
Response To Challenge

A Different Acquisition Strategy

Pre - 1996 / 1997 - 1999 / 2000 and Beyond →

Traditional Inventory Mgmt

Buying Parts to Address Failures



Supply Chain Management

Attacking Logistic Failures

- ✓ Improve Reliability
- ✓ Resolve Obsolescence
- ✓ Integrate Support Solutions

Managing Supplies



Managing Relationships and Outcomes

- ✓ Customer Focused Goals
- ✓ Gov't/Industry Partnerships

Turning to Commercial/Government Best Practices →



PBL Performance Examples

- Close In Weapon System (CIWS)
 - *Material availability: 85% ➡ 95%*
 - *Backorders: 200 ➡ 3*
- Auxiliary Power Unit (APU)
 - *Material availability: 65% ➡ 97%*
 - *Backorders: 125 ➡ 0*
 - *Repair turn-around-time (RTAT): 162 days ➡ 38 days*
 - *Response time: 35 days ➡ 5 days*
- F404 Engine
 - *Material availability: 43% ➡ 99%*
 - *Backorders: 718 ➡ 0*
 - *Work in process reduced by 75%... RTAT by 25%*
- AEGIS
 - *Material availability: 62% ➡ 94%*
 - *Backorders: 155 ➡ 6*

Leveraging best practices

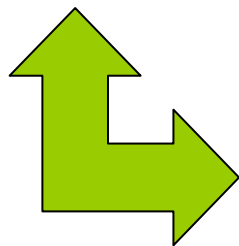
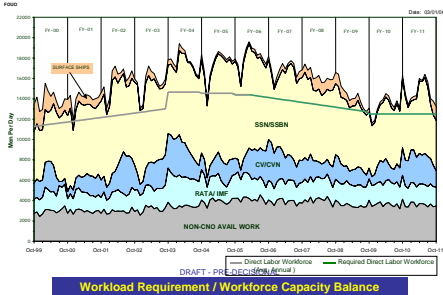


NAVSEA One Shipyard

What has this yielded

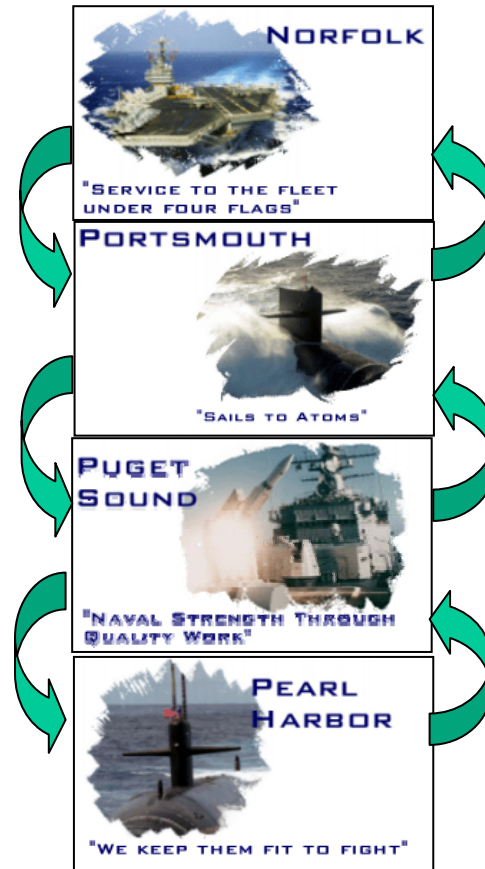
Public Shipyards

Workload Requirement
Naval Shipyard Workload Forecast

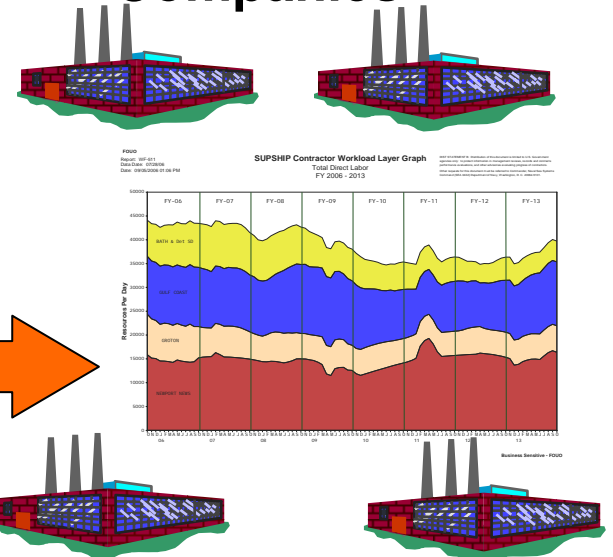


Assign/Contract Work

Skills & Facilities Sharing Public



Private-Sector Companies



Skills & Facilities Sharing Public & Private

- Options Used:**
- Multi Ship Multi Option (MSMO)
 - Multiple Award Contracts (MAC)
 - Partnerships (CITE)
 - Indefinite Delivery Indefinite Quantity (IDIQ)
 - Competitive Contracts

Resource and Infrastructure sharing across the boundaries of Public/Private

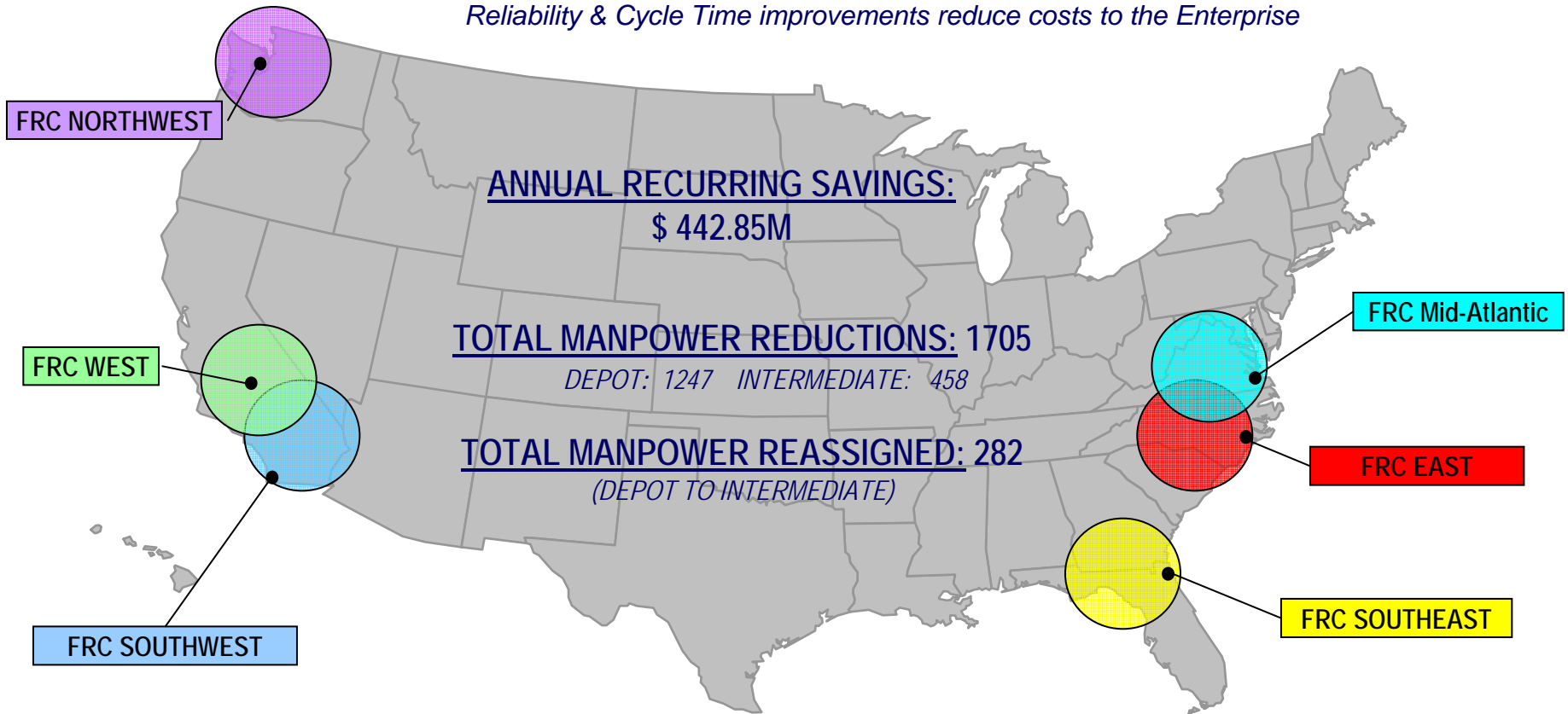


NAE Fleet Readiness Center

Summary stats

IMA / MALS / DEPOT INTEGRATION

Reliability & Cycle Time improvements reduce costs to the Enterprise



Transforming aviation maintenance

FLEET READINESS

COST WISE

TIME ON WING

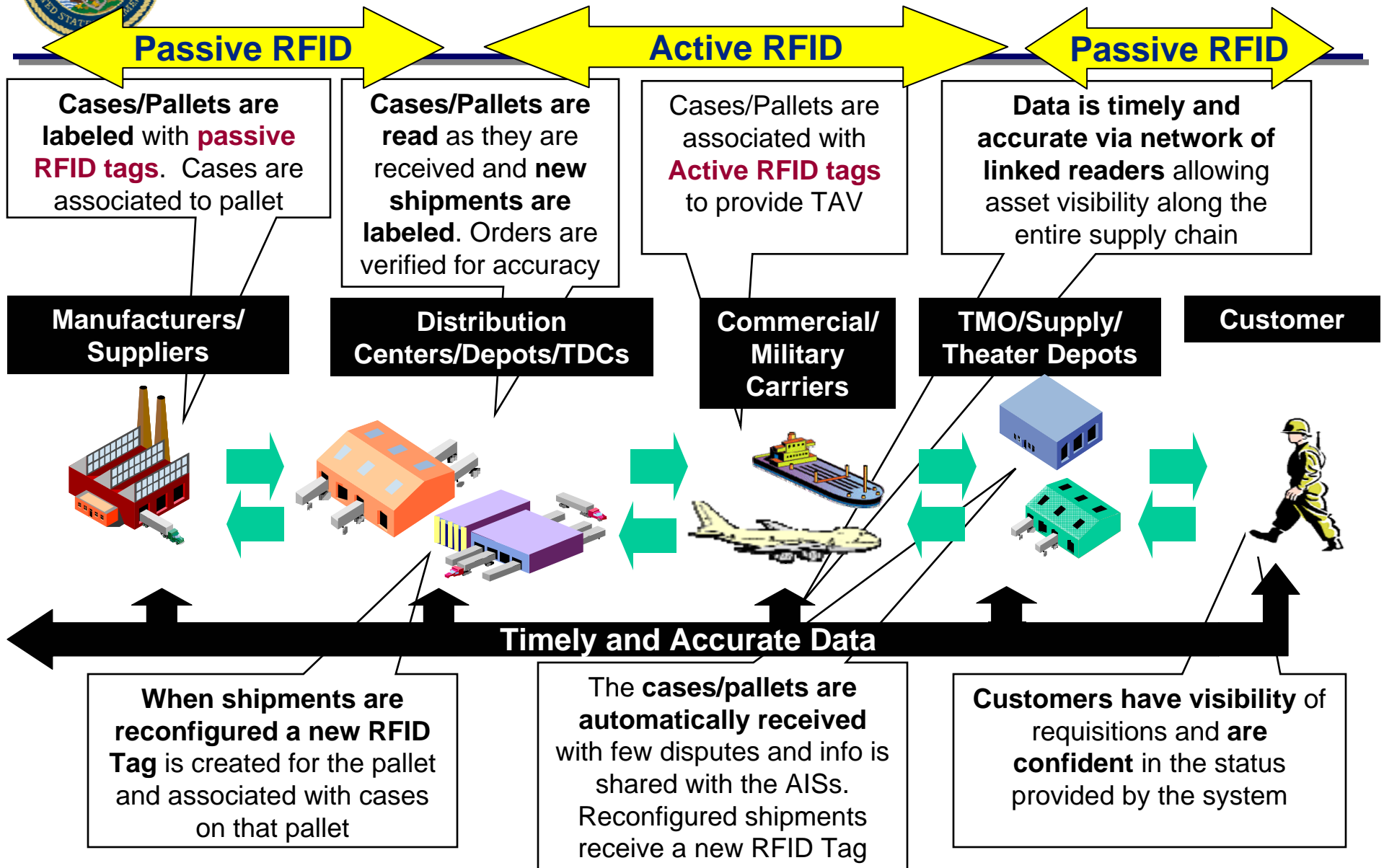
SPEED

PEOPLE





RFID Enables the DoD Supply Chain



SWE SMT eRMS Quick Win

Team:	SWE SMT eRMS Quick Win			Date:	28 AUG 06
AIP:	<p>The objective of the eRMS quick win is to schedule and complete installation (to include all training) of the Electronic Retrograde Management System (eRMS) across all ships within SURFOR (except MCM/MHC/PC classes) and select CLF platforms (T-AFS/T-AKE/T-AOE). This will enhance the tracking of retrograde repair parts through the supply system, which will minimize retrograde/DLR carcass charges. The major obstacle is potential at-sea connectivity problems for ships without SHF SATCOM.</p>				
Scope:	<p>All ship classes under SURFOR (except MCM/MHC/PC classes) and select CLF platforms (T-AFS/T-AKE/T-AOE). Additionally, business rules for use of eRMS will be reviewed with NAVICP and promulgated along with an MOA. Initial barriers with at-sea connectivity have been identified and solution is dependant on SHF install.</p>				
Physical Deliverable:	TYCOM installation schedule and eRMS business rules.				
Successful Completion Criteria:	<ol style="list-style-type: none"> 1. Team leader skills and perspective 2. Team member skills and perspectives (by function not necessarily names) 3. Commonality of team members to process metrics efforts 4. Team structure 5. Additional resources-data architecture, storage, consolidation 6. Reporting structure 7. Finalize architecture recommendations 8. Present to SFMT leadership 9. Present to BoD 			Benefits:	<p>Cost avoidance estimated at approximately \$2.0M-\$2.5M across SURFOR (revised 5 Jun 06).</p>
Start Date:	26 Jan 06		Team Leaders:	<p>CAPT Dana Weiner, CNSL N41 CAPT Will Port, Bev Thomas, Donna Lark, NAVICP</p>	
Estimated Finish Date:	Dec 06		Team Members:	<p>CNSF N6; NAVSEA; Fleet Supply Policy Council (FSPC).</p>	

30 / 120 Day Forecast of SMT Process Teams (Cont'd)

Completed items last 30 days

- Logistics Parts Management Team (LPMT)
 - *Established and created Inventory Visibility and Obsolescence Management Barrier Removal Team charter and drumbeat.*
 - *Recommended Average Customer Wait Time (AWT) data flow linkage improvements*
 - *Developed cost estimate proposal to automate Bridge plot metrics reporting*
 - *Developed six metric panel Basis for Measurements (BFMs) with associated baselines and targets*
 - *Constructed methodology to estimate retail effectiveness of current COSAL model (PS .5+ FLSIP)*
- Best Value Standardization Team (BVSPT)
 - *Established Best Value Standardization (BVS) Tool Functional Capability Barrier Removal Team. Established BVS Metrics Team.*

Next 120 days

- Logistics Parts Management Team (LPMT)
 - *Identify cost savings linked to results*
 - *Identify all current inventory visibility initiatives/tools. Identify all material locations and quantity, reporting methods, and systems*
 - *Populate the remaining three panels on the LPMT Bridge plot to include baselines and targets*
 - *Establish "drill down" metric plots for Bridge plot panels.*
 - *Report findings on effectiveness of current PS COSAL allowance initiative and other "zero demand" modeling/investigation*
- Best Value Standardization Team (BVSPT)
 - *Evaluate Progressive ILS Readiness Response system to determine methodology, functionality and ranking for use in BVS Tool*
 - *Develop notional historical bridge plot*
 - *Stand up BVS Tool algorithm Barrier Removal Tool*

EMM Items are on track except:

Item 63a – LPMT- define critical resources consumed by the process has been re-scheduled for NOV 2006.

30 / 120 Day Forecast of SMT Process Teams (cont'd)

Completed items last 30 days

SHIPMAIN

- **Completed integration of Cross Functional Team (CFT) 1 and CFT 23 into a single organization, continued implementation of the entitled planning processes at the Regional Maintenance Centers (RMCs).**
- **Completed the 8020 focus on Continuous Maintenance Availabilities (CMAVs) and began observing CMAV performance metrics. Cost estimates for 2Ks are approaching entitlement levels. MST training and implementation continues, should complete in a couple of months**
- **SHIPMAIN metrics hosting was transferred to website hosted by NSWC, Corona. Metrics automation efforts continue**
- **Received the monthly 8020 and metrics reports from the RMCs. Premiums Paid goals of 7.75% will be achieved. Thrusts for FY07 were developed and assigned action**

Next 120 days

SHIPMAIN

- **Develop POA&M to improve work package On Time Delivery (OTD) & On Time Accomplishments (OTA)**
- **Roll Navy Maintenance Database (NMD) change 064 which will bring team closer to completing metrics automation**
- **Complete the model tailoring for each port and identify support to finish training requiring Regional Maintenance Centers (RMCs) to report quarterly on port loading conditions and planned actions**
- **Evaluate CFT123 functions and migrate some of these to RMC BOD**
- **Complete Proration Barrier Removal Team (BRT) and modify Joint Fleet Maintenance Manual (JFMM)**
- **Prepare training for Alteration Installation Team (AIT) sponsors on the SHIPMAIN modernization process**
- **Push 2K writer training to 20% of ships/maintenance teams with lowest 2K First Pass Yield (FPY) based on historical positive effectiveness**

30 / 120 Day Forecast of SMT Quick Wins

Completed items last 30 days

- METBENCH Calibration Management System (MCMS)
 - *First installation completed (USS Preble)*
 - *Testing USS PREBLE installation*
 - *Validated USS PREBLE CRL list*
 - *Proposed Installation and Sustainment Plans*

- Electronic Retrograde Management System (eRMS)
 - *Implemented eRMS on a total of 70 ships, eight additional since last report.*

- Diesel Reliability Improvement Initiative
 - *8 of 13 Baseline Assessments completed, USS Gunston Hall: 13-27 September 2006*
 - *Established Diesel Technical Bulletin process and issued the first three*
 - *Joint Fleet Forces Manual (JFFM) changes drafted and currently being reviewed.*

Next 120 days

- METBENCH Calibration Management System (MCMS)
 - *Complete at Sea testing*
 - *Update TAMS-EB & Fleet N43's*
 - *Define FY07 Installation Schedule, Tentative: 47 DDG 51 class*
 - *Rename for Production: METBENCH Calibration Readiness System (MCRS)*

- Electronic Retrograde Management System eRMS
 - *Developing metrics to measure financial impact, currently researching/developing a viable means to accurately track cost avoidance and/or process improvement.*

- Diesel Reliability Improvement Initiative
 - *Complete 5 Baseline Assessments*
 - *USS Whidbey Island: 17 November – 6 December 2006*
 - *USS San Antonio: 16-27 October 2006*
 - *USS Fort McHenry: 8-17 November 2006*
 - *USS Harpers Ferry: 8-18 January 2007*
 - *USS Germantown: 5-16 February 2007*
 - *Complete 2 Doctor Installations*
 - *USS Fort McHenry: 23-30 October 2006*
 - *USS Pearl Harbor: 25 November – 5 December 2006*



Performance Excellence Process

