

# Shipyards Transformation Plan



DoD Maintenance Symposium  
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SEA 04X

# Agenda

- Continuing the Path to New Maintenance Philosophy
- One Shipyard Vision
- Shipyard Transformation Plan Overview
  - Structure
  - Initiatives
- Linking the Visions
- Summary

# Continuing on the Path Toward a New Maintenance Philosophy

FROM Commanders Guidance for 2003

- One Shipyard Concept
- Reduce Shipyard Overtime
- Reduce Indirect Costs
- Implement Mission Funding
- Reduce Injury/Illness & Lost Workday Rates
- Integrate with Ongoing Major Initiatives

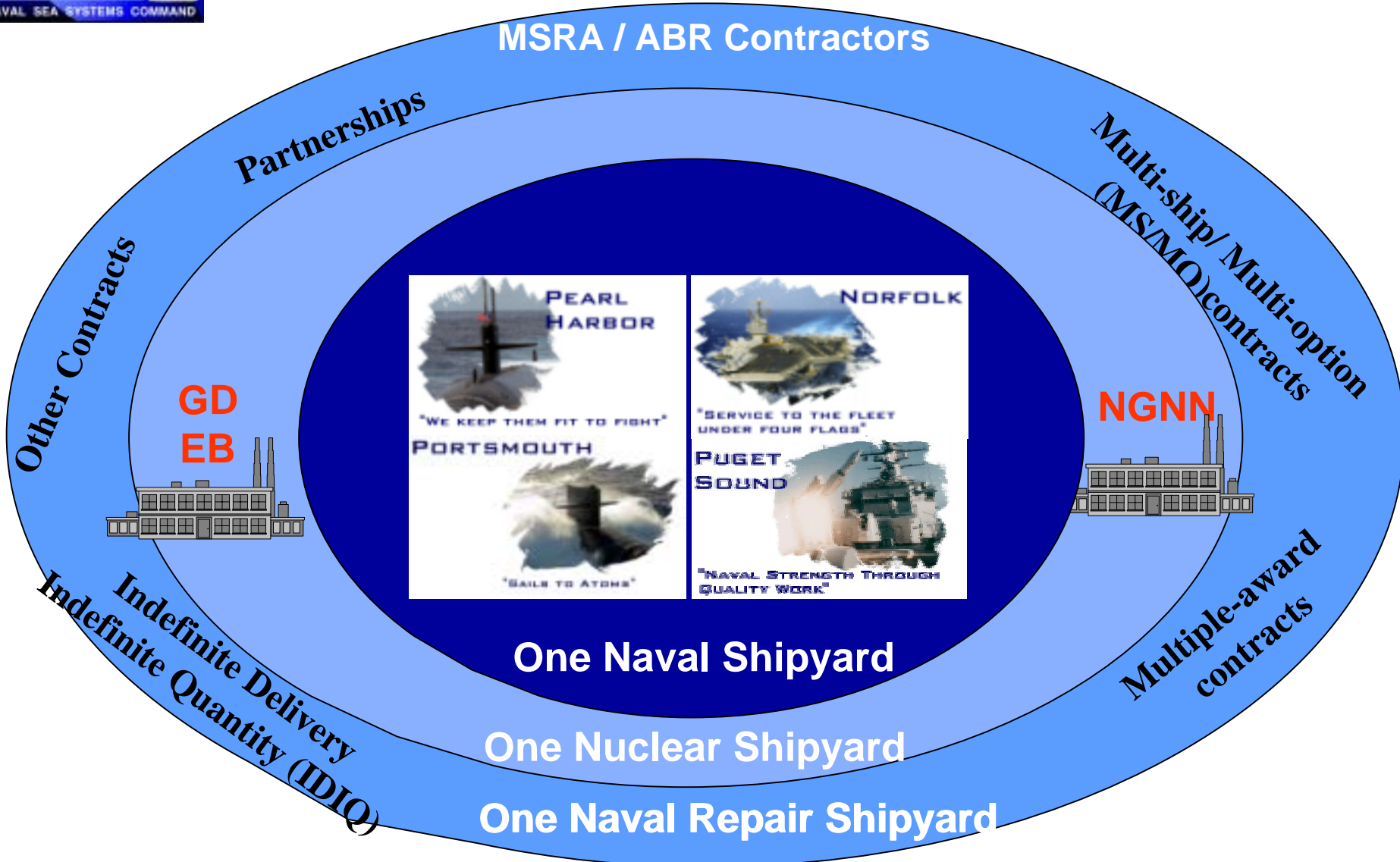
**SHIPYARD  
100 Day Review**

**SHIPYARD TRANSFORMATION PLAN**

Moving Out

**In Support of  
SEA ENTERPRISE  
and  
the FLEET READINESS PLAN**

# One Shipyard



Resource and Infrastructure sharing across the boundaries of Public/Private will be instrumental in providing cost effective Naval Ship construction, modernization and maintenance.

# Shipyard Transformation Plan

- **SURGE RESPONSE**
- **PRODUCTIVITY**
- **INFRASTRUCTURE/ ORGANIZATION**
- **MATERIAL**

**Total Cost Approach**



# Shipyard Transformation Plan: Initiatives

## Initiatives

## Goal

### • **Building Industrial Surge Capability (1)**

- RMS (Mission Fund) all NSYs (single funding system for all NSYs)
- Compatible business processes (Nuclear Shipyards)
- Flexible Workforce / Workload
- Reduce in-yard overtime (5%)

- FY 06
  - Public/TBD Private
  - Ongoing
  - Start in FY 03
- 

### • **Productivity**

- **Theory of Constraints (TOC)/Critical Chain Project Mgmt (CCPM) - All Yards (2)**
- **Electronic Planning & Execution - Pilot Complete (3)**
- **Lead Shipyard Concept - SSN 688 Class (4)**
- Continue technical and industrial process improvements to standardize and share best practices among the ship industrial base.

- End of FY 04
  - End of FY 04
  - FY 04 Avail Starts
  - Ongoing
- 

### • **Infrastructure & Organization**

- Initiate across yard consolidation of functions (local, regional, national)
  - **Local Consolidation of Functions (5)**
  - **Consolidate/Standardize training (6)**
- Improve Supervisory Effectiveness
- Enhance Public/Private partnerships

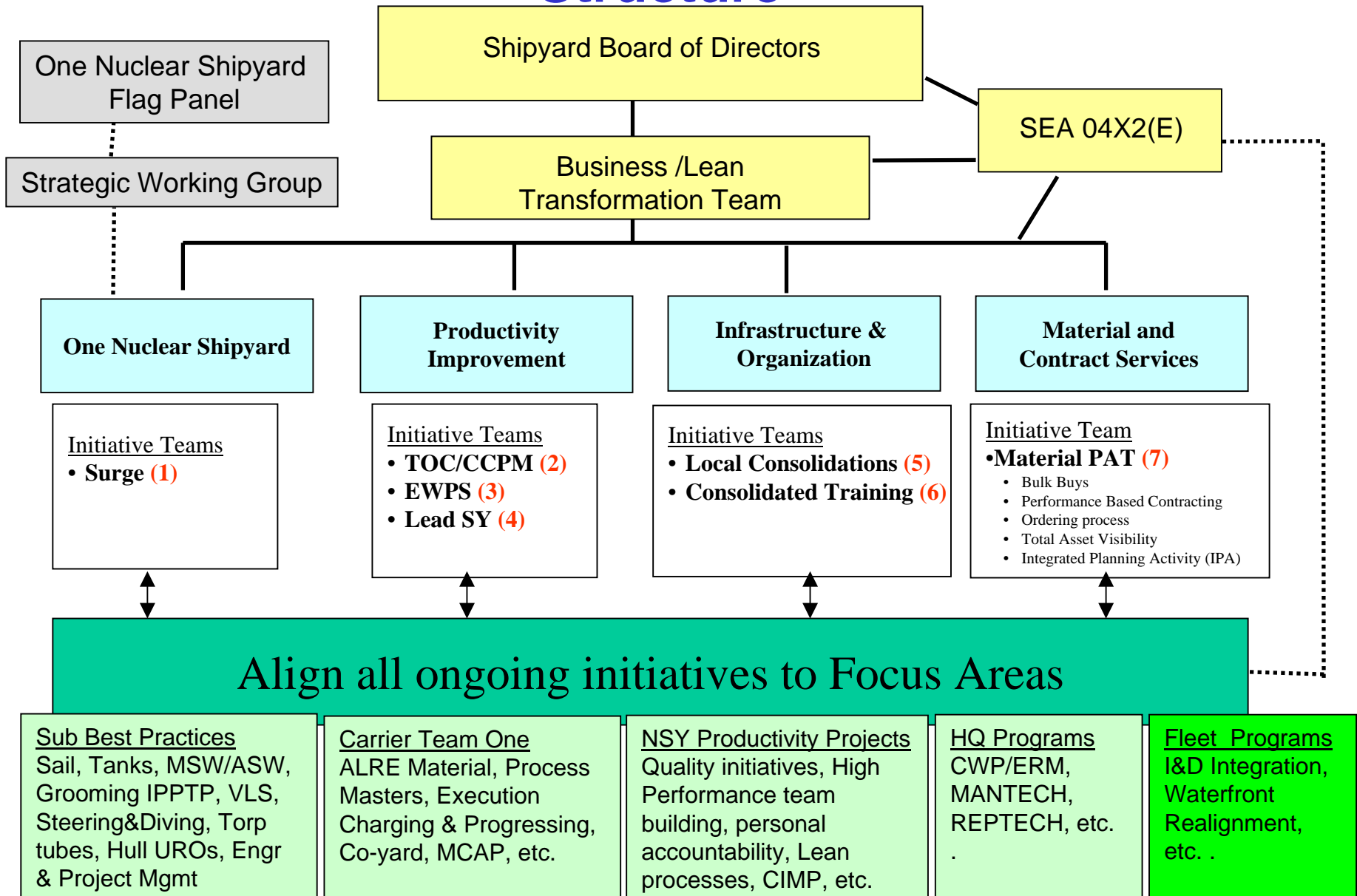
- FY 04
  - FY 04/05
  - In Work
  - In Work
- 

### • **Material and Service Contracting (7)**

- Centralize procurement - complete visibility inventory control, bulk buy for all nuclear shipyards, expand pools to support change out philosophy
- Use Performance Based (PB) approach for contracted services

- Initial contract FY 04
- Pilot use-FY 04

# Shipyard Transformation Plan: Structure



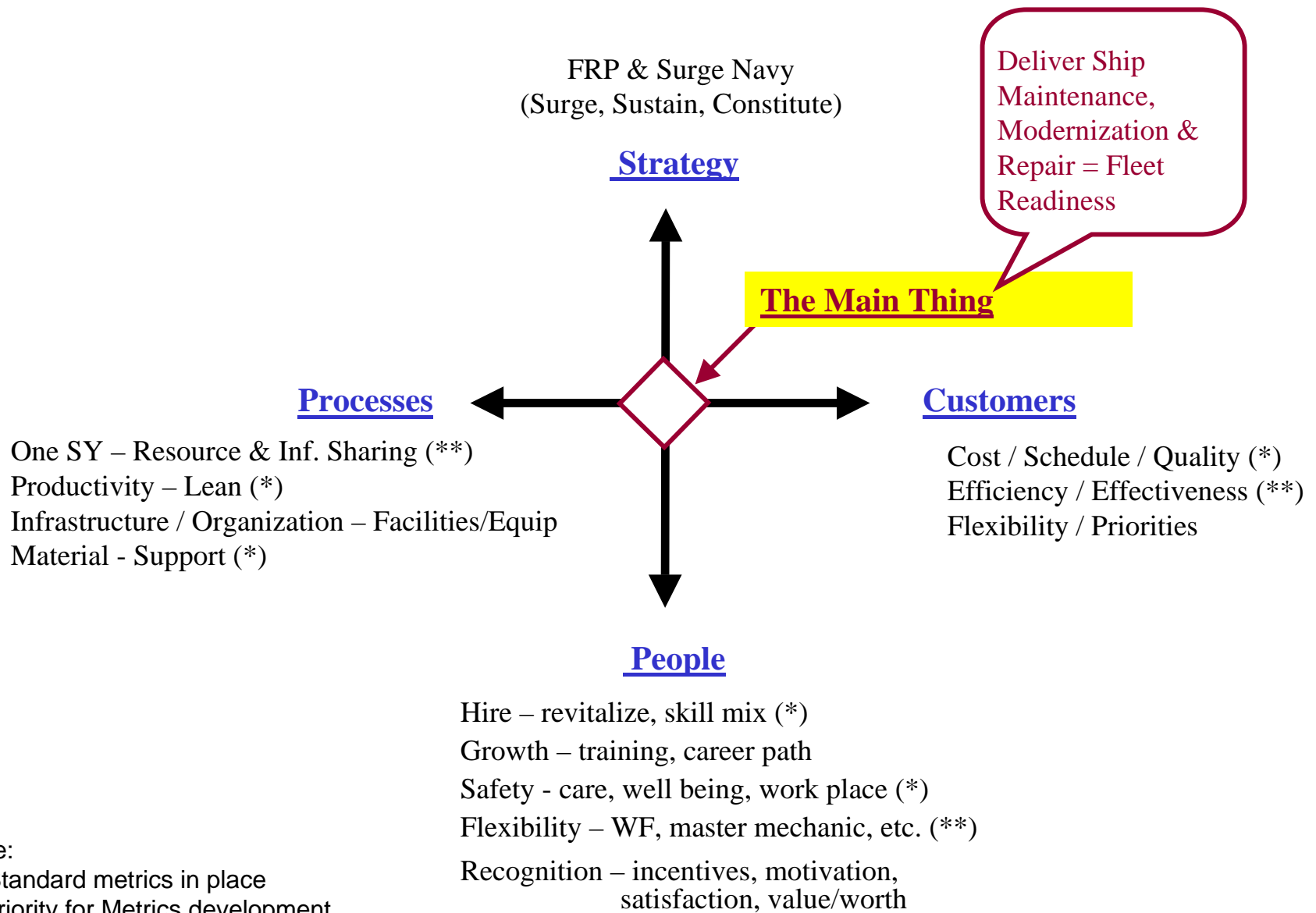
# Progress Towards the One Shipyard

- One Nuclear Shipyard
  - Enterprise Resource Flag Review Panel realigned to the One Nuclear Shipyard Flag Panel
    - Full participation on Production Resource mitigation teams
      - Approx. 400 resources per day are being shared
      - Approx. 100 of those resources involve private sector loans
    - CVN 70 proposed reschedule used the one shipyard process
    - CVN 65 LP Turbine Repairs.
    - Partnerships:
      - » SSGN Conversion (EB/PSNS) and (EB/NNSY)
      - » CVN 71 DPIA (NNSY/NGNN)
      - » SSN 761 DMP (EB/PNSY)
- One Shipyard
  - MSMO contract for LHA work
- Freedom to Manage
  - Flag Panel and Strategic Working Groups operational
  - Status - next slide

# Freedom To Manage Progress

Action Area	Action	Status
1. Financial		
1.a Standardize NSY funding methods	SEA 01/04	Ongoing
1.b Establish "cost-neutral" processes and price structures	SEA 01/02/04	Ongoing
1.c Resolve cross-contractual and cross-funding barriers	SEA 02/01	Ongoing
2. Contractual		
2.a Method to assign/award submarine TBD availabilities	SEA 02/04/07	Complete
2.b Resolve issues regarding liability and indemnity	SEA 01/02/04	Complete
3. Labor Relations		
3.a Proactively engage unions - standardization issues. Obtained National MTC support.	SEA 04/10, GDEB, NGNN	Ongoing
4. Information Technology		
4.a Provide Electronic Connectivity of IT systems	SEA 04	Ongoing
5. Safety		
5.a Standardize ship maint and new construction safety rqmts. Working Three areas : Fall Protection, Personal Protection Equipment, Gas Free and Tank Clearance	SEA 04R	Ongoing

# Executing The Transformation Vision

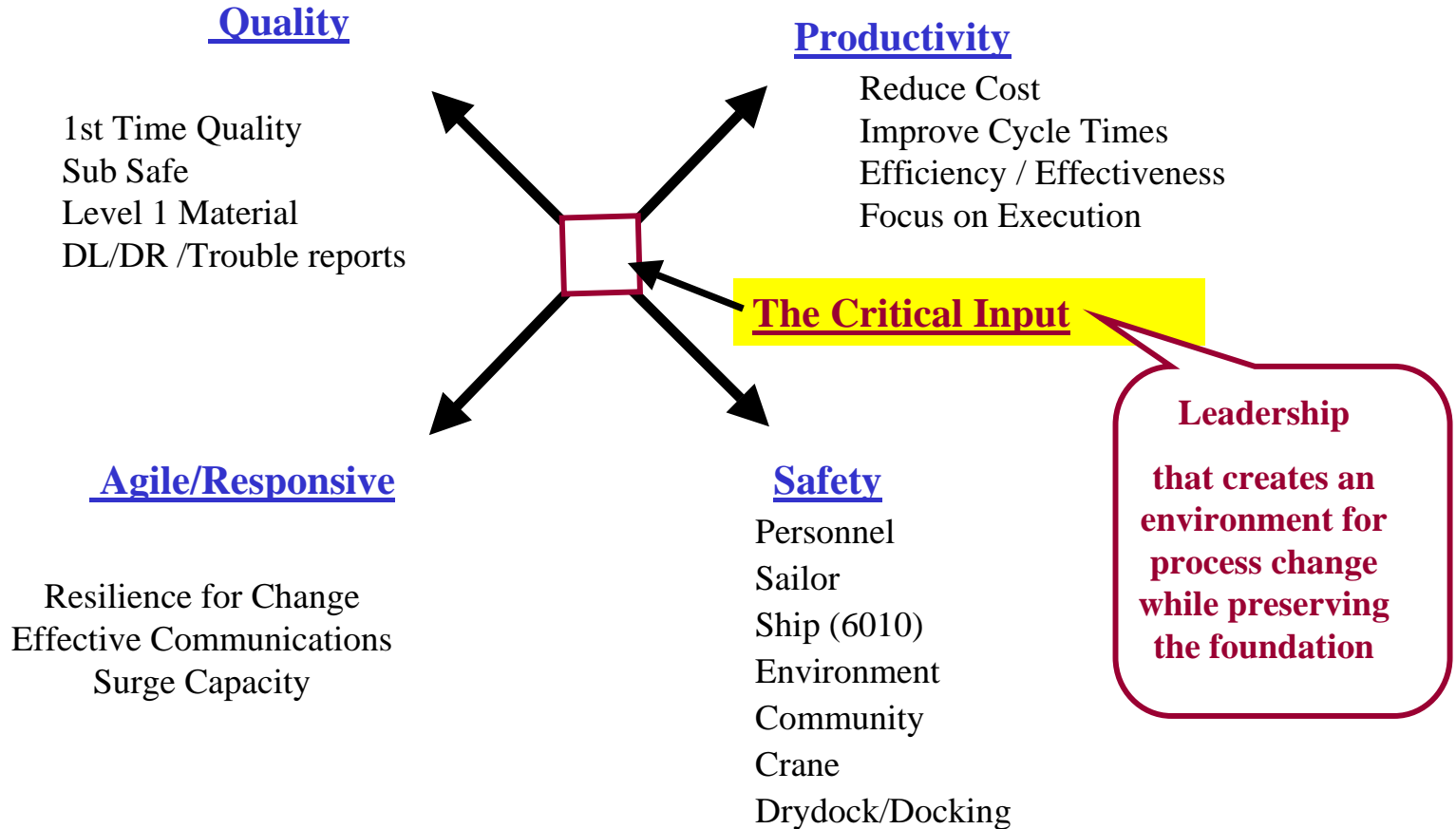


Note:

\* Standard metrics in place

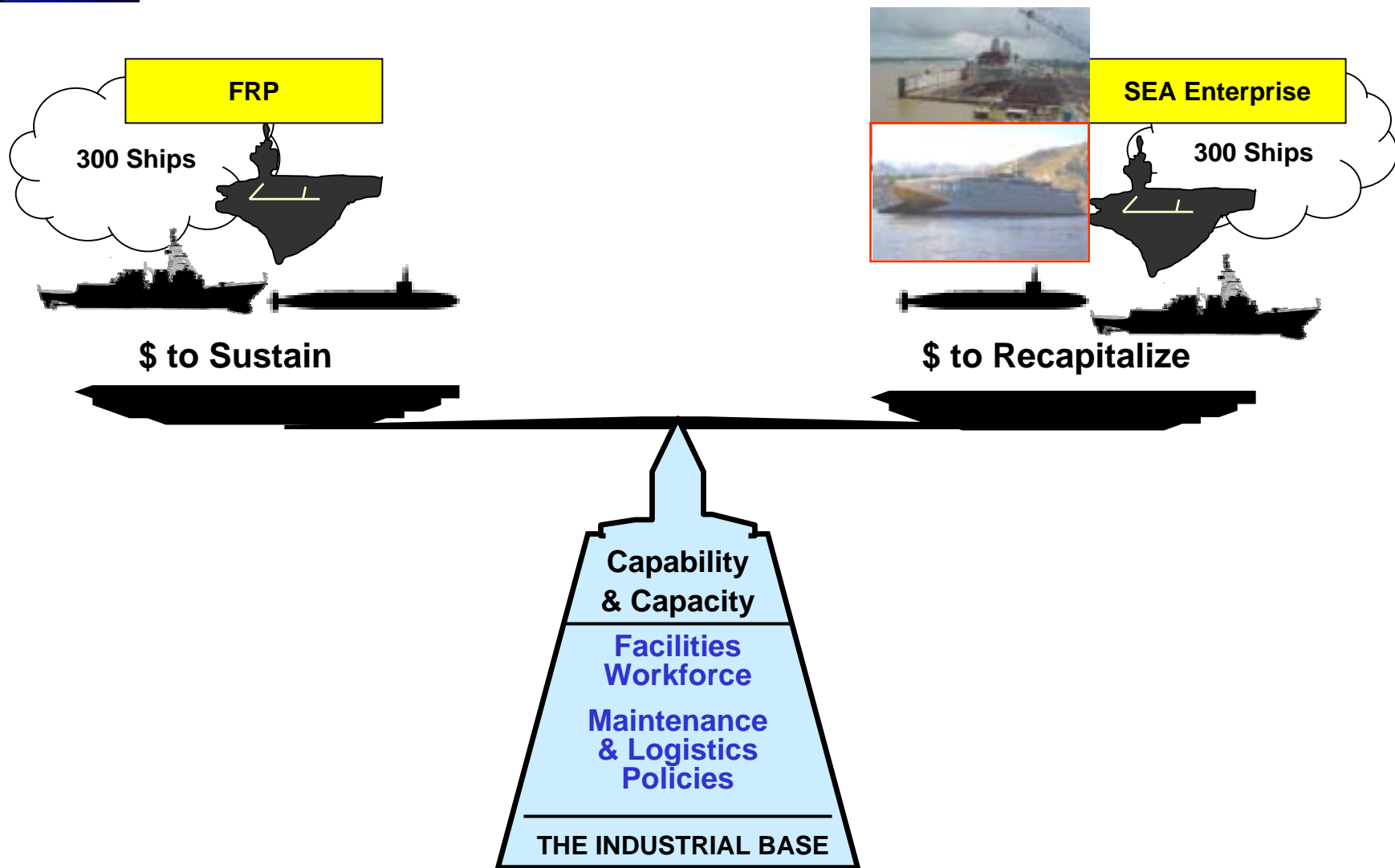
\*\* Priority for Metrics development

# Preserving the Foundation Values



**Transform the Processes  
Preserve the Foundation Values**

# Must Transform to Meet Fleet Needs



Meet FRP while effectively and efficiently managing the national industrial base to achieve future goals.

# Summary

- **The Transformation Plan is Developed.**
- **NSYs are Moving Out**
- **EB and NGNN are active participants**
- **The Plan:**
  - **Supports Fleet Response Plan (FRP)**
  - **Supports SEA ENTERPRISE**
- **Next Steps**
  - **Charter Initiative Teams**
  - **Develop Detailed POAMs**
  - **Develop Savings Execution Plan**

# Questions?

