

# WEAPON SYSTEMS VALUE CHAIN MANAGEMENT

*“Doing What Really Matters”*

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# Weapon Systems Value Chain Management

Integration of functions and production resources across the “Enterprise”, including business partners, through the entire value chain to synchronize flow of value-added products, services, and information to make warfighters successful.

- Warfighter Driven, Anticipating Warfighter Needs
- Unified, Seamless Process
- Agile, Reconfigurable
- Boundary spanning, Single Entity Behavior

# Why is it Important?

- **Combat Capability Less than Optimum**
- **Value Chain Costs**
  - **Inventory Buffers**
  - **Premium Transportation**
  - **Material Expedites**
  - **Production Perturbations**
  - **Manpower Inefficiencies**
  - **Cannibalizations**

# Traditional Process Improvement

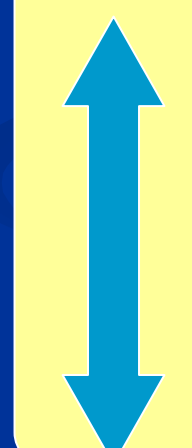
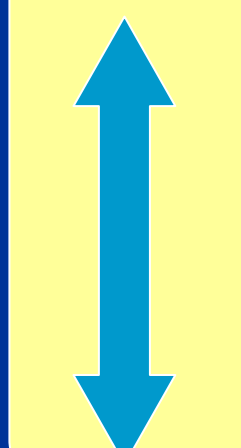
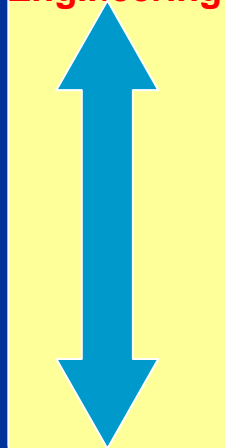
Combat  
Capable  
Weapon  
System

Service  
Engineering

Maintenance

Supply

Transport

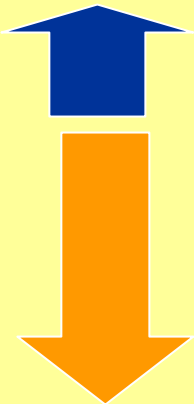


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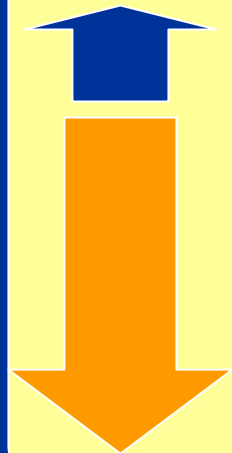
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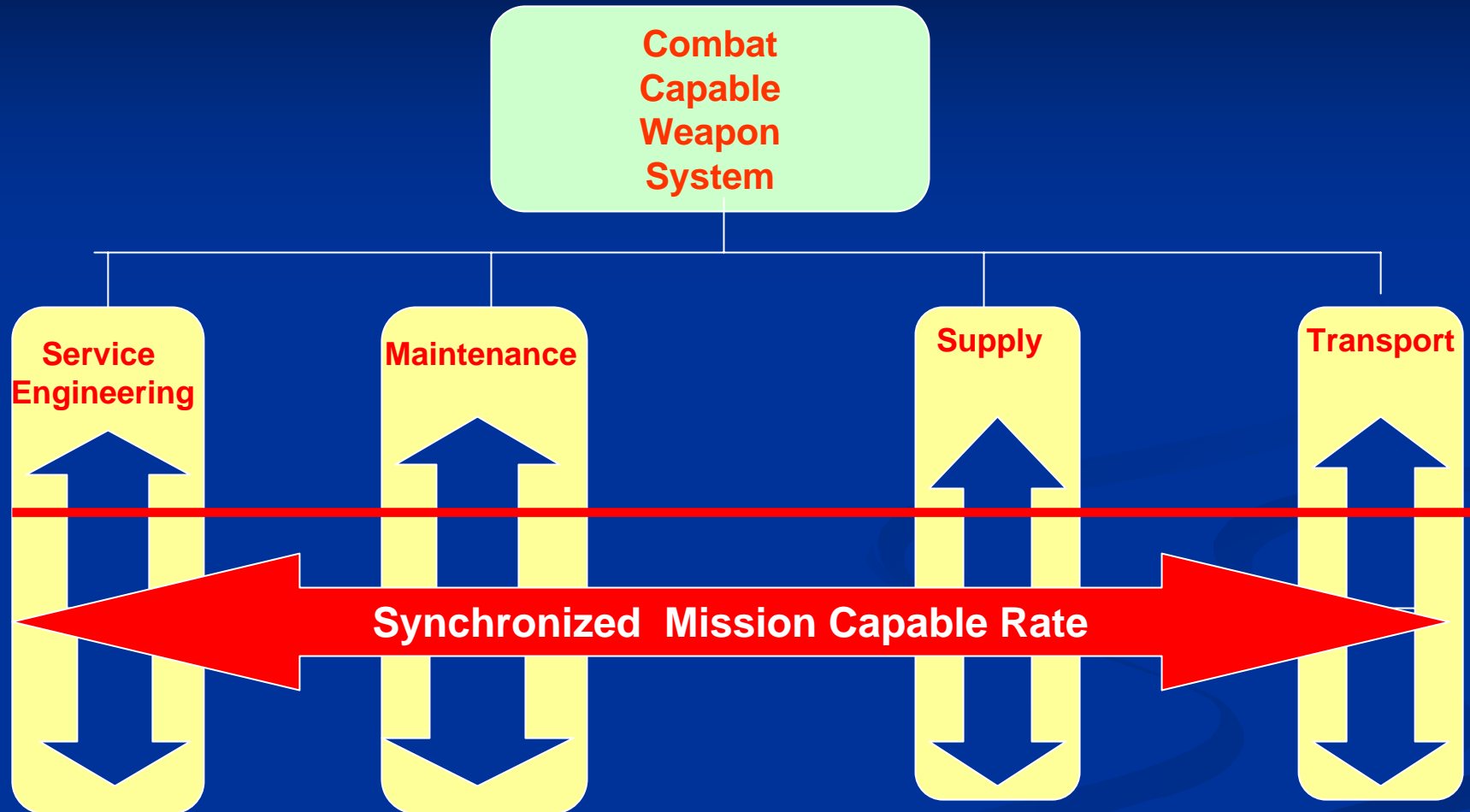


Transport



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# The Value Stream Perspective



....How do we address inter-functional value streams at the command level?

# Value Stream Optimization = Doing What Really Matters

- Horizontal View of Enterprise Value Stream (EVS)\*
  - Focuses on What Really Matters.....Customer Value
  - Analyzes Total Value Creation Process.....Cross Functional / Organization
  - Identifies Waste, Disconnects, Gaps, Bottlenecks
  
- Critical Questions to Improve Processes:
  1. Can this be Eliminated?
  2. Redesigned / Improved?
  3. Reassigned? Re-sequenced?
  4. Is this on EVS Path? Is EVS Synchronized?

\* Enterprise = Command

# Implementation Plan

Opportunities / Issues :

- Categorized into:

- “Do-its”
- Rapid Improvement Events (RIEs)
- High Value Initiatives

- Prioritized, Resourced, & Scheduled

- Command Implementation Plan
- Accountabilities Assigned (Who, What, When)
- Scheduled Performance Reviews

**Focused on Weapon System Value Chain**  **Combat Capability**



# Value Stream Optimization - Methodology

## Organize

Scope & define the “enterprise.”

Establish plan of attack.

Get organized.

- Determine high level objectives, goals, & metrics
- Identify major core & enabling processes
- Bound & scope the “enterprise”, or command
- Assign process owners & integration Structure

## Analyze

Document current state Enterprise (or command) Value Stream (EVS). Identify issues & opportunities for improvement.

- Understand customer needs
- Map EVS for current state & collect data
- Identify opportunities for improvement:
  - Eliminate / Improve?
  - Move/redesign/resequence work
  - Improve interfaces/bottlenecks

## Decide

Develop “to be” EVS. Develop action plan to address gap between current & future states.

- Develop Vision/Goals for Future State
- Design Future State EVS
- Develop integrated implementation plan

## Implement

Implement plan & sustain gains.

- Implement Plan
- Establish Performance Review Schedule
- Institutionalize / standardize Improvements
- Check Progress

# Change Leadership from the Top

## Leaders' Critical Role & Responsibility:

- ✓ Top Level Commitment / Passion
- ✓ Boundary Spanning Leadership
- ✓ Active Participation
- ✓ Clear Vision, Direction, & Decisions
- ✓ Delegate Responsibility for Implementation
- ✓ Lead Accountability for Performance Results

# SUMMARY

- **DOD Sustainment Processes Should :**
  - **Efficient**
  - **Create Warfighter Value**
  - **Focus and Synchronize on What Really Matters**
- **Essential Enabler: Leadership to Integrate the Weapon System Value Chain**