

WEAPON SYSTEMS VALUE CHAIN MANAGEMENT

“Doing What Really Matters”

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Weapon Systems Value Chain Management

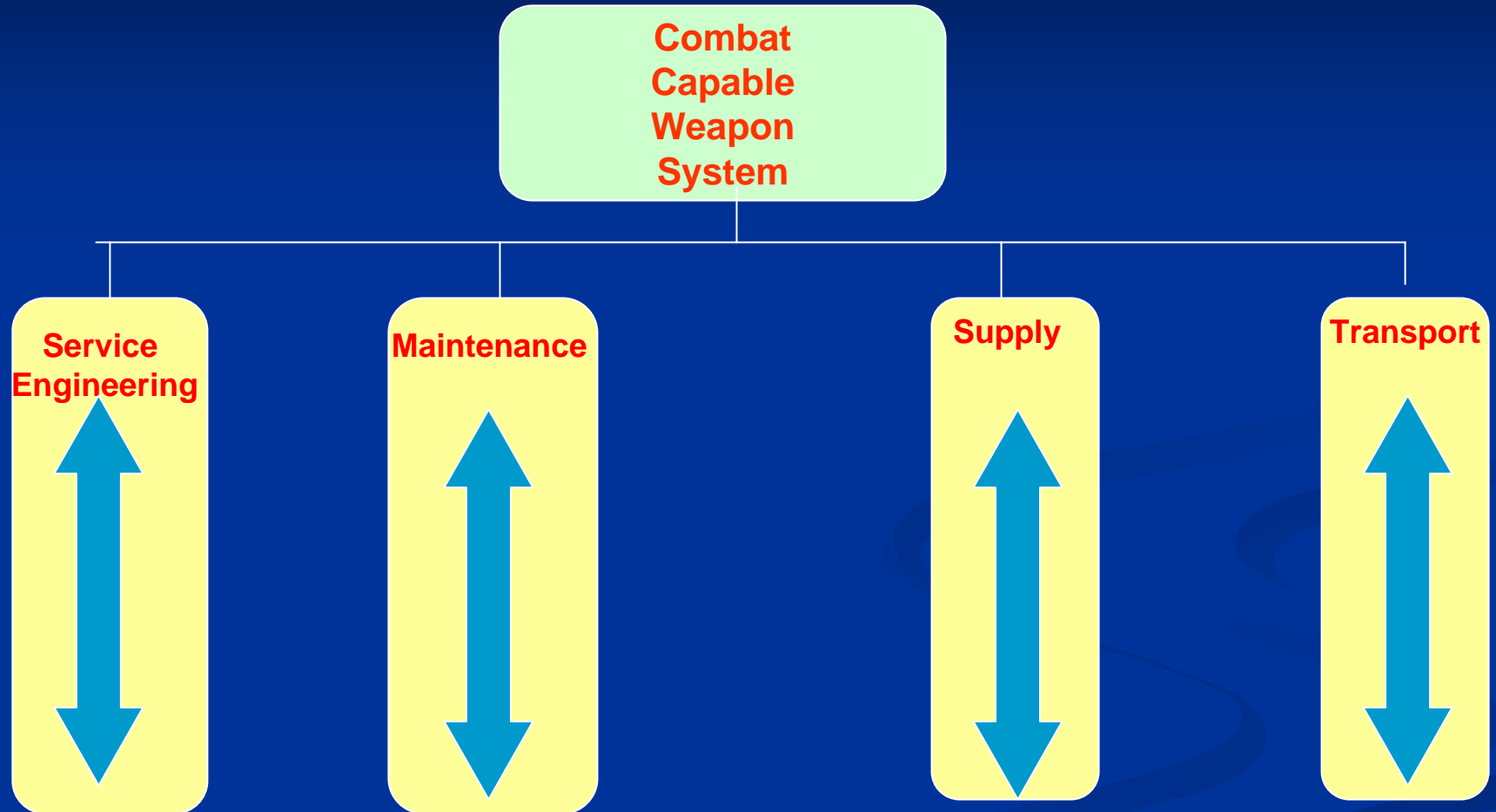
Integration of functions and production resources across the “Enterprise”, including business partners, through the entire value chain to synchronize flow of value-added products, services, and information to make warfighters successful.

- 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

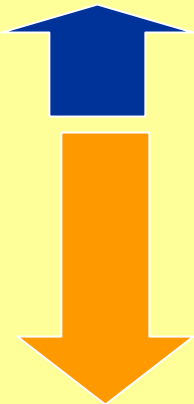


Most process improvements address issues at intra-functional level, but...

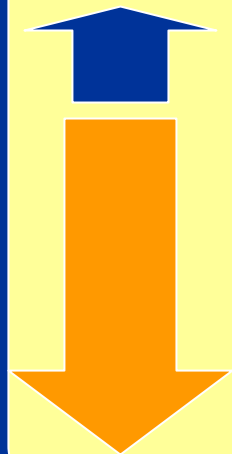
Traditional Process Improvement

Combat
Capable
Weapon
System

Service
Engineering



Maintenance



Supply

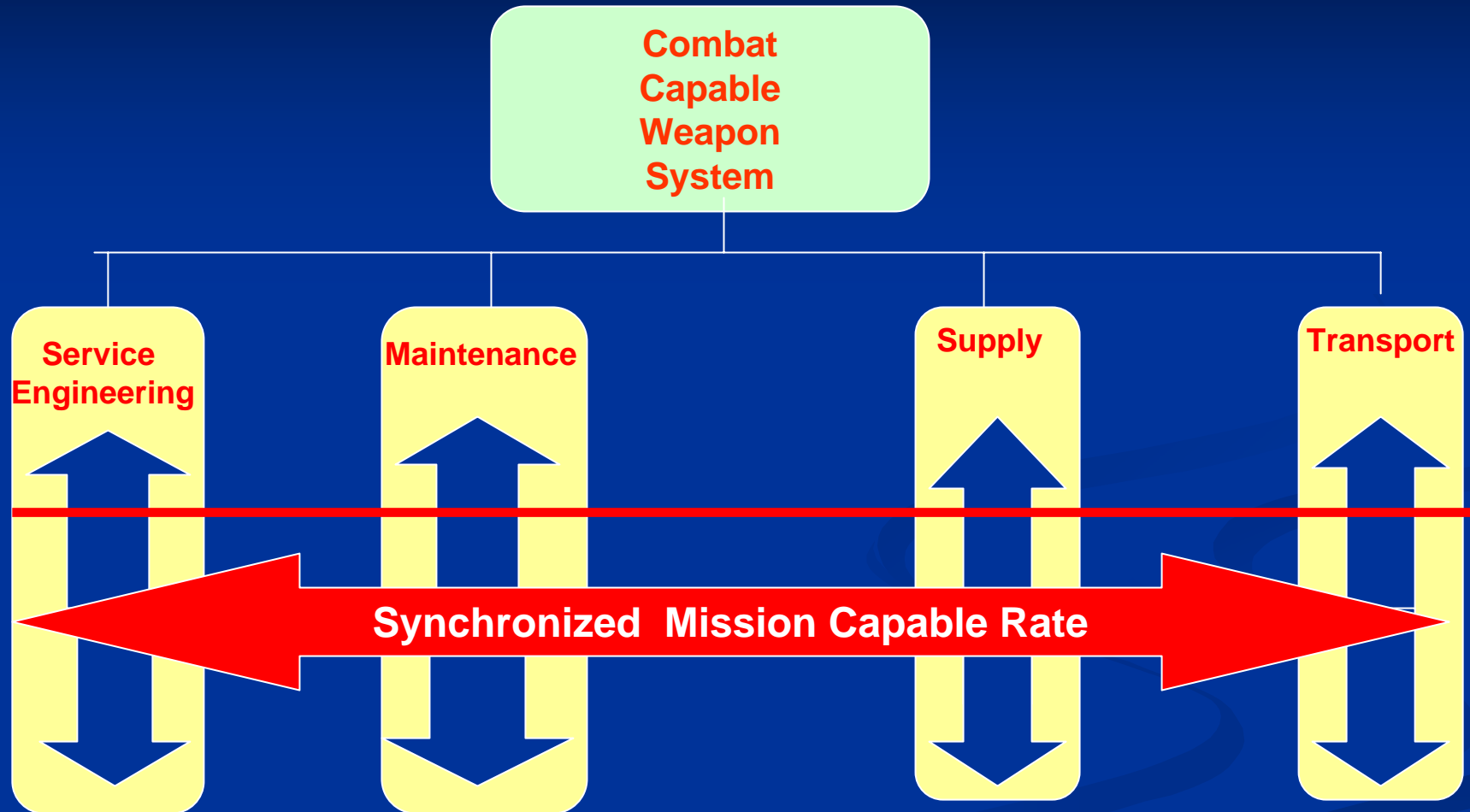


Transport



Most process improvements address issues at intra-functional level, but...

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**