

COMMANDER'S GUIDANCE / 2016



NAVAL SUPPLY SYSTEMS COMMAND

Ready. Resourceful. Responsive!



The Naval Supply Systems Command will celebrate its 50th anniversary in 2016. The contributions that Navy Supply has made to the Navy extend back much further... earlier incarnations included the Bureau of Supplies and Accounts, the Bureau of Provisions and Clothing, and Purveyor of Supplies. Supply support has been vital to the ability of our Navy to perform its mission since the first U.S. Navy warships raised our nation's flag. While we celebrate our long and proud history, the purpose of this document is to chart our course for the present and into the future. This plan defines the dawn of our next 50 years.

Often used as a future milestone year in everything from formal strategies to popular science, the year 2020 is no longer part of the distant future. The year 2020 is in the current Future Years Defense Program and within scope of this Commander's Guidance. This plan lays out the strategic priorities necessary to best support the warfighter and align us to the Secretary of the Navy (SECNAV), Chief of Naval Operations (CNO), and Combatant Commanders. This document defines the core mission of the NAVSUP enterprise and is the starting point for understanding *how we fight*. Logistics is a warfighting capability, and we fight by providing the warfighters what they need to accomplish their mission.

There is increased national importance on partnerships and alliances, requiring a tighter integration with multiple partners. Innovation will play a significant role in our collective future, helping to deliver efficiencies and increased capability to the Navy. The challenge is how to best harness the power of our great ideas. Lastly, our effectiveness will always be driven by the level of trust placed upon us from Navy leadership, Commanding Officers, the taxpayers, and other major stakeholders. Trust is our foundation.

We have defined our strategic priorities as our people, customers, and processes. Our strategic priorities directly support all Lines of Effort in the CNO's "A Design for Maintaining Maritime Superiority," which focuses on *enhancing naval power, achieving high velocity learning, strengthening our one Navy team, and expanding and strengthening our network of partners*. This guidance details many of our supporting efforts, such as achieving high velocity learning through simplifying supply system user experiences and developing new innovative methods to improve processes and services. Together, the NAVSUP enterprise, the Navy Supply Corps (active and reserve components), and the supply enlisted ratings make up a talented and diverse supply community capable of achieving these critical goals. While this guidance focuses on new strategic actions, our day-to-day business remains vital to the warfighter.

We work in concert with a global network of logistics providers to effectively manage disparate supply chains and support networks. We do so to efficiently sustain afloat and ashore units and the weapon systems they employ and to provide quality-of-life services to individual service members and their families. We will always be good stewards of taxpayer dollars and strive to provide best value in everything we do. The supply community is proud of its past successes and is committed to the Navy's future challenges in enhancing global security and winning our nation's wars.

RADM J. A. Yuen, SC, USN
Commander, Naval Supply Systems Command
Chief of Supply Corps



Foreword

Who we are...

Naval Supply Systems Command (NAVSUP)

NAVSUP's mission is to provide supplies, services, and quality-of-life support to the Navy and Joint warfighter. We manage supply chains that provide material for Navy aircraft, surface ships, submarines and their associated weapons systems. We provide centralized inventory management for Navy's non-nuclear ordnance stockpile. We provide a wide range of base operating and waterfront logistics support services, coordinating material deliveries, contracting for supplies and services, and providing material management and warehousing services.

We are responsible for many of the quality-of-life programs that touch the lives of Sailors and their families every day, including Navy Exchanges, Navy Lodges, the Navy Personal Property Program, and the Navy Postal System. We administer the Navy Food Service Program, with responsibility for the policies and procedures that govern the day to day operations of general messes afloat and ashore.





NAVSUP Weapon Systems Support

NAVSUP Weapon Systems Support provides program and supply support for the weapon systems that keep our naval forces mission ready, exercising centralized control of nearly 400,000 different line items of repair parts, components, and assemblies providing global logistics support to our Navy's ships, aircraft, and weapon systems. NAVSUP Weapon Systems Support also provides logistics and supply assistance to coalition and allied nations through the Foreign Military Sales program.



NAVSUP Global Logistics Support

NAVSUP Global Logistics Support provides global logistics to a global Navy through 11 key products and services in the following business lines; material management, warehousing, integrated logistics support, contracting, global logistics services, fuels, hazmat, operational logistics planning, ammunition supply chain management, household goods, and postal services to Navy and Joint units across all warfare enterprises.

NAVSUP GLS operates eight NAVSUP Fleet Logistics Centers located in Jacksonville, FL; Norfolk, VA; San Diego, CA; Puget Sound, WA; Pearl Harbor, HI; Yokosuka, Japan; Sigonella, Italy; and Manama, Bahrain.

Navy Exchange Service Command

Navy Exchange Service Command (NEXCOM) provides customers with quality goods and services at a savings and supports Navy quality of life programs for active duty military, retirees, reservists, and their families. NEXCOM oversees Navy Exchange (NEX) Retail Stores and Services; Ships Stores Program; Uniform Program Management Office; Navy Clothing and Textile Research Facility; Telecommunications Program Office and the Navy Lodge Program. With the exception of the Ships Stores Program, the command is self-supporting with all profits reinvested in Navy Morale, Welfare and Recreation (MWR) programs and in NEX buildings and equipment.



NAVSUP Business Systems Center

NAVSUP Business Systems Center delivers information technology/information management (IT/IM) solutions with specific emphasis on logistics and financial related products and services. This group is the Navy's premier central design agency with responsibility to design, develop, maintain and secure information systems supporting numerous activities in the functional areas of logistics, supply chain management, transportation, finance, and accounting.



Our Mission

To provide supplies, services, and quality-of-life support to the Navy and Joint warfighter

Around the world, the men and women of the Naval Supply Systems Command directly support the warfighters defending our great nation. In partnership with other logistics providers, we deliver the policies, systems, material, services, and personnel necessary to support and sustain warfighter readiness and improve the quality of life for our Sailors and their families.



Our Vision

To be the Navy's trusted provider of supplies, services, and quality-of-life support

Although we do not own the entire global supply chain, we ensure that it is responsive to our customers' changing requirements. Our extensive community of civilians, Supply Corps officers, and enlisted supply personnel are true experts on Navy business within the Provider Enterprise. Our community's greatest strengths are our common

history, purpose, and vision. These strengths keep our community aligned no matter where we serve in the world, and enable us to meet our customers' logistics requirements as effectively and efficiently as possible. They rely on and trust in us to do so with toughness and steadfast support.

Our Guiding Principles

We always do what's right for the Navy

- We relentlessly pursue customer satisfaction
- We are tenacious, agile, flexible, and responsive in supporting the warfighter
- We foster an environment of innovation, initiative, and mutual trust and respect
- We value individual integrity, courage, and accountability





Strategic Priorities

This Commander's Guidance and our strategic priorities serve as the foundation for planning and decision making for NAVSUP. By partnering with our sister services, DoD, Joint, and international partners, we will ensure effective delivery of products and services to Navy customers. The following three priorities and supporting goals focus on optimizing DoD supply chains while enhancing readiness for the Navy and the Joint warfighter.

Our People

We will continue to emphasize a culture of inclusion built upon the foundations of mutual trust, respect, and the value of diverse ideas. This environment welcomes innovation and courage by placing great value on new ways of thinking and the abilities and backgrounds of Our People.

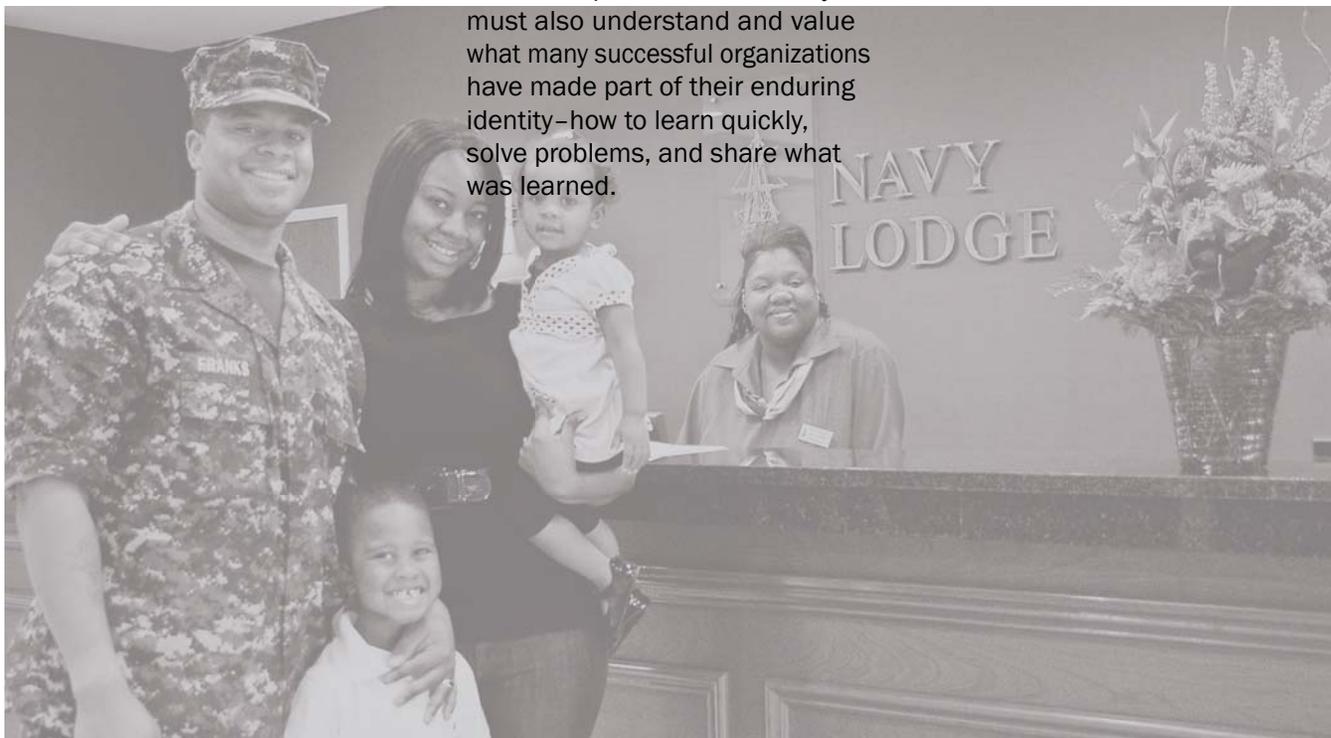


We will always invest in Our People to ensure all have the opportunity to reach their full potential. The value returned by these individual investments multiplies when you consider the whole is greater than the sum of its parts. Our culture will encourage new ideas and information sharing, while embracing the dynamic environment of today's Navy. A diverse and inclusive workforce valuing mutual trust, respect, and teamwork will bring the different perspectives we need to propel an innovative culture and to provide superior customer service. This type of culture will allow us to learn from each other through apprentice and mentor relationships. These strong relationships are necessary to grow our future military leaders, while imparting a sense of the Fleet to our civilians. This year, we will focus our efforts on supporting:

● **1. An inclusive culture that values courage and moral excellence (N00).** We will improve available training and will strengthen community-wide awareness through continued focus on knowing the rules, the intent of the rules, and our guiding principles. We value the courage required to do the right thing and will further refine our ethics processes, compliance, and awareness.

● **2. An increased ability to attract, develop, and retain a diverse and innovative workforce (N1/N5).** To ensure our workforce is capable of meeting the future needs of our customers, we will continue to improve how we attract and develop Our People. We will conduct a comprehensive workforce analysis to identify possible gaps in attracting, developing and retaining the talent we need and will develop a near-term, actionable strategy to address these gaps. It is essential that we emphasize the values of both mentorship and apprenticeship in the development of Our People. Our community must also understand and value what many successful organizations have made part of their enduring identity—how to learn quickly, solve problems, and share what was learned.

■ **3. Noticeable improvements to ease of use for the systems and tools required to meet our mission (N6).** By refining and monitoring the actions to streamline daily work practices, we allow Our People to focus on activities more directly impacting Our Customers. We will employ an effective information technology governance framework to address enterprise priorities for an improved user experience.



Our Customers

We must remain relevant to and trusted by Our Customers. Listening to and collaborating with Our Customers allow us to maintain alignment to their operational and quality-of-life needs. Our Customers depend on our ability to innovate, solve problems, and deliver efficiencies.



We must continue to understand the changing requirements and environments of our customers. We will focus on those core functions that directly contribute to our customers' warfighting missions and quality-of-life needs. In order for us to be fully responsive to the warfighter, we will support the Navy's execution of the Optimized Fleet Response Plan (O-FRP) and improve our understanding of and support for all of Our Customers. We must also understand what is required to fully support legacy weapon systems and platforms with extended life cycles, while carefully planning for future programs. We are only successful as a community if our customers are successful. A dedication to improved logistics responsiveness and a commitment to quality-of-life support and nutrition will build and sustain essential levels of relevancy and trust with our customers. In 2016, we will focus our efforts on delivering:

◆ **1. Sustainment strategies that optimize collaborative supply support to the Navy and Joint warfighter within the naval supply chain (N3/4).**

We will develop and execute a comprehensive management strategy that improves awareness, communication, and collaboration with Navy Warfare Enterprises, Program Executive Offices, Fleets and other key stakeholders to ensure alignment and a collective focus on sustainment of legacy and new platforms in support of operational readiness. We will ensure naval supply chain structure and performance improvements are in place to better support the warfighting requirements of Naval Special Warfare and the Expeditionary communities.

■ **2. Simplified supply system user experience (NAVSUP BSC).** We must ensure accelerated supply system decision making via seamless, secure access to information through user friendly administrative, financial, and logistics web-based capabilities. This requires us to work with our partners to streamline and automate the processes in need of updating. We must also ensure Our Customers have adequate off-line capabilities to fully support operational warfighting requirements.

● **3. NEXCOM Enterprise services that best support Sailors and their families (NEXCOM).** We will maximize Sailor personal readiness and strengthen our Navy family connection by delighting our customers and continually evolving to meet the changing needs of Sailors and their families. We will manage the development, evaluation, fielding, and sustainment of multiple SECNAV, CNO, and Fleet uniform initiatives.

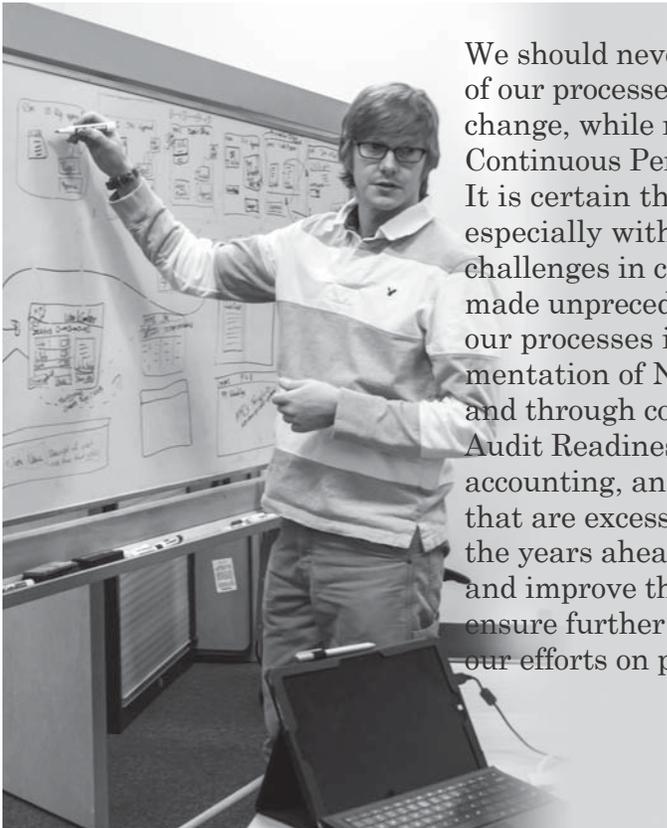
▶ **4. A logistics support framework that executes the NAVSUP enterprise “Supporting –Supported” roles and requirements of Operational Commanders and Region Commanders (NAVSUP GLS).** We are required to codify the command and control relationships with our logistics network partners to best support warfighting capabilities. These partner relationships will support logistics concepts of operation through streamlining commodities and simplifying supply chains, while ensuring proper command and control. We will align our active and reserve components to meet Fleet and Operational Commander requirements for distributed agile logistics supporting operations plans, as well as peacetime and contingency operations. We must assess logistics readiness through Fleet engagement and exercises.

● **5. Innovative solutions to the Navy Food Service experience by ensuring our customers receive healthy meals with diverse menu options (N3/4).** We will leverage technology, standardized equipment, and a variety of delivery options to satisfy customer expectations. To enhance the ability of our customers to select healthy foods and beverages, we will closely monitor Go For Green® (G4G) implementation and maintain open communication with Fleet stakeholders. We will partner with Combat Feeding Research and Engineering Directorate and the Uniformed Services University to educate Culinary Specialists and Navy Food Management Teams on the G4G system in preparation for Fleetwide G4G implementation. We must identify what modifications to doctrine, policy, statute, and systems are required to ensure continuity of food service sustainment to operating forces when communication and resupply are unavailable. We must also maintain viable experiences and training to nurture and challenge our Culinary Specialists throughout their careers.

● **6. Improved personal property services (N3/4).** We will collaborate with government partners and our customers to enhance personal property movement services (Household Goods) and increase customer satisfaction. We will utilize data-driven metrics to ensure quality results for our Sailors and their families in an effective and cost-efficient way.

Our Processes

We must continue to challenge the way we do business, while assuring all we do is auditable and cyber secure. Our decisions will be data-driven and aligned with Fleet requirements.



We should never be satisfied with the efficiency or effectiveness of our processes. This means we must manage and embrace change, while rethinking our processes through the lenses of Continuous Performance Improvement and fiscal stewardship. It is certain that the pace of change will only increase, especially with the budget environment and ever-changing challenges in cyber to safeguard our information. We have made unprecedented advances in improving and standardizing our processes in recent years, most notably through implementation of Navy Enterprise Resource Planning (ERP) and through compliance with Financial Improvement and Audit Readiness. We will maintain adequate administrative, accounting, and operational controls, while eliminating those that are excessive and improving those that are weak. In the years ahead, we must continue to rethink *how we fight* and improve the capability we deliver to the warfighter. To ensure further improvements throughout 2016, we will focus our efforts on providing:

▶ **1. Improved spares support by developing an enduring management and oversight plan to increase naval supply chain effectiveness in support of O-FRP and to minimize cost to own (NAVSUP WSS).** We will continue to focus on enhanced spares support to the Fleet and improved performance from forward stock positioning. We must also continue our work on multi-echelon sparing, standardized parts commonality, and Readiness Kill Chain to realize future naval supply chain performance improvements. In collaboration with our partners, Continuous Performance Improvement will allow us to target key processes from sparing to stock positioning.

▶ **2. Establishment of a Cyber Safety (CYBERSAFE) Program that will successfully detect, prevent, and resolve cyber persistent threats (N6).** To keep the Navy and our nation safe, we must all be cyber aware and properly trained in practicing good cyber hygiene. This requires consistent understanding and application of cyber policy and procedures across the enterprise, allowing prioritization of investments to best address cyber risks. We must manage and protect our networks as weapon systems.

■ **3. Optimized Navy ERP capabilities by focusing fully on improving data integrity to enhance decision support (NAVSUP WSS).** We must ensure Navy ERP transactional data is clean and process improvements are in place with supporting metrics established. Data analytics tools must be used to make improved operational decisions. Through our partnership with Program Executive Office—Enterprise Information Systems, we will ensure the solution supports warfighter requirements.

◆ **4. An efficient and auditable solution for global husbanding contracts that maximizes competitive opportunities (N7).** We will conduct an initial implementation of multiple award contract acquisition strategy that encourages competition and allows for better pricing. We will actively monitor Husbanding Service Provider program health through oversight of contracting functions via Quality Assurance Self-Assessment and the Procurement Performance Management Assessment Program.

● **5. Internal controls sufficient to support full financial statement audit in FY2017 (N8).** We will continue to assess the readiness of our internal controls by reviewing processes and performance metrics and by making necessary adjustments to improve integrated measures of effectiveness. We will conduct our segment lead responsibilities for

Military Standard Requisitioning and Issue Procedures (MILSTRIP), transportation of things, existence and completeness of inventory, and transportation of people. We will identify required policies, processes, and information technology changes to support Financial Improvement Audit Readiness (FIAR) compliance, while considering operational impacts.

■ **6. Innovative methods to improve processes and services (N1/N5).** We will continue to drive towards SECNAV's innovation and additive manufacturing goals and enable NAVSUP Logistics Innovation Cell projects. We will leverage Tactical Advancements for the Next Generation (TANG) for food service innovation.

◆ **7. Accurate future contracting workload projections to allow efficient resource planning decisions (N7).** We must have an efficient automated milestone tracking system that provides acquisition program visibility across the Navy Field Contracting System. We will leverage SEAPORT E to implement milestone tracking providing increased visibility of all large acquisition programs. We must also reduce the reliance on bridge actions through visibility of expiring contract actions.

Way Forward



As we pursue these strategic focus areas, we must also sustain a high level of performance in our basic business. Every member of the supply community is critical to our basic business operations to provide the supplies, services, and quality-of-life support to the Navy and Joint warfighter. Active communication will be necessary if our enterprise is to fully realize the future mapped out in this strategy. Full and open communication must be pervasive within our community and with our external partners and customers. The most important ingredient of effective communication is an earned foundation of trust. A community-wide focus on our priorities will help us maintain and build upon that trust—a trust that is absolutely essential to our long-term relationships.





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