



NAVAL INVENTORY CONTROL POINT



Desired Characteristics of the 21st Century Defense Industrial Base

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16 May 2007***

Ready. Resourceful. Responsive!

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Naval Inventory Control Point

Purpose, Mission & Vision

Purpose

◆ **Delivering Combat Capability Through Logistics**

Mission

◆ **To provide Navy, Marine Corps, Joint and Allied Forces quality supplies and services on a timely basis**

Vision

◆ **We will be the customers' choice for the best value products and services, where a single request by the customer activates a global network of sources and solutions.**



Providing Worldwide Support Around the Clock ... 24 / 7 / 365



Naval Inventory Control Point

Customer Profile

AFLOAT



Carrier Aircraft



Marine Corps Aviation



Surface Ships



Helo Detachments



Submarines

3,379 Aircraft
6,702 Aircraft Engines
15 Air Launched
Missile Types

206 Surface Ships
70 Submarines
115 Nuclear
Reactor Plants

FOREIGN MILITARY SALES



Over 80 Countries,
2,249 Aircraft
652 Ships

ASHORE



Naval Air Stations



Marine Corps Air Stations



Other Services and Gov't Agencies Coast Guard



Program Managers

MAINTENANCE



Navy Depots



Other Service Depots



Contractor Depots

NAVICP Products & Services and Processes

Global Integrated Supply Chain Mgmt

- *Weapon System LCM*
- *Material Acquisition*
- *Fulfillment*
- *Other Integrated Supply Mgmt*

FMS Case Mgmt

- *Pre-LOR*
- *Case Development*
- *Case Execution*
- *Case Closure*
- *Business Sustaining*
- *Other Security Coop*

Allowance Production/Maintenance

- *Product Development*
- *Configuration Mgmt*
- *Program Mgmt*

Other

- *DLA 339 Processing*
- *Price Fighters*
- *IT Contracting*
- *Ammo Contracting*
- *Naval Logistics Library*

GISCM Accounts for Two-Thirds of NAVICP Resources



Naval Inventory Control Point

Business Profile

(Annual Values)

	<u>NAVICP</u>	<u>Ships</u>	<u>Aviation</u>
Employees:	2,409	1,239	1,170
Sales:	\$4.2B	\$0.8B	\$3.4B
Line Items Managed:	457,844	291,829	166,015
Customer Orders:	648,360	186,614	461,746
Contract Actions:	41,915	30,417	11,498
Repair Actions:	217,422	33,067	184,355

65% of items
reparable ... highly
complex supply
chain



F/A-18 FLIR Optics Stabilizer



Close In Weapons System



F404 Engine

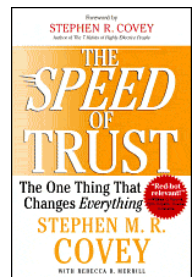


LM-2500 Propulsion System

Characteristics of the Defense Industrial Base

Trust and Transparency

- **Myth: Trust is soft. Reality: Trust is hard, real and quantifiable. It measurably affects both speed and cost.***
- **Trust facilitates transparency not only between government - industry but between industry partners.**
- **High Trust equates to credibility and confidence.**
- **Trust promotes better communication, reliability, accountability and commitment.**



Characteristics of the Defense Industrial Base

Responsive and Results Driven

- *Industry understands and anticipates DoD requirements...forward looking and risk-sharing.*
- *Can quickly reprioritize workload to best meet DoD needs.*
- *Focused on objectively defined results, not just processes.*
- *Take responsibility for results and ensure progress is effectively communicated to the customer.*

U.S. Navy is a permanent, long-term, low-risk customer!

Characteristics of the Defense Industrial Base

Uniform Total Life-Cycle Focus

- ***Business organizations aligned to provide performance-based support from cradle to grave.***
- ***Standardization of roles and responsibilities...clear expectations.***
- ***Benefits to Life-Cycle approach:***
 - 1) Minimizes risk to industry***
 - 2) Facilitates longer-term relationships***
 - 3) Provides financial incentives to long-term solutions***

Characteristics of the Defense Industrial Base

Strategic Partnerships and Globalization

- ***Expand joint partnerships between government and industry into new areas of the business.***
- ***Foster partnerships between industry peers to:***
 - 1) Enhance performance***
 - 2) Reduce costs***
 - 3) Diversity (socioeconomic goals)***
- ***Leverage foreign customers and industry to achieve costs savings and increased performance.***

Characteristics of the Defense Industrial Base

Technology and Efficiency Focus

- ***Leverage emerging technologies/innovations to maintain qualitative technology edge.***
- ***Embrace technology to create efficient organizations and infrastructure reducing cost and procurement lead time.***
- ***Incorporate efficient processes (Lean and Six Sigma) to eliminate unnecessary cost and inefficiencies.***
- ***Utilize IT solutions and Open System Architecture to enhance Supply Chain responsiveness.***

The key variable to all these characteristics is...

*T**rust and Transparency*

*R**esponsive and Results Driven*

*U**niform Total Life-Cycle Focus*

*S**trategic Partnerships and Globalization*

*T**echnology and Efficiency Focus*