Our efforts are aligned with the Chief of Naval Operations’ (CNO) Sailing Directions: Warfighting First, Operate Forward, and Be Ready.
The men and women of the Naval Supply Systems Command (NAVSUP) Enterprise and the Supply Corps provide responsive and agile support to global warfighting and theater security efforts. We integrate with Naval, Joint and coalition warfighting efforts, and we partner with logistics providers across the Department of Defense (DOD), coalition allies, and industry to deliver decisive maritime combat readiness to the Fleet and quality-of-life services for our Sailors and their families.

We do this by managing a Navy supply chain that globally provides the right material at the right time, place, and cost. This requires us to be a proactive customer of, and partner within, a larger Joint Naval Support Network comprised of Fleet, Defense Logistics Agency (DLA), United States Transportation Command (TRANSCOM), General Services Administration (GSA), Systems Commands (SYSCOMs), commercial partners, and others. This “network” employs a myriad of logistics processes, systems, and operations to responsibly influence and optimize end-to-end supply chains. Network optimization ensures warfighters receive the right products and services. As we address the strategic initiatives contained in this guidance, we cannot lose focus on the basic supply chain business processes that deliver readiness.

We are stewards of our nation’s resources, counted upon to serve with the highest ethical standards. Every day we earn the public trust placed upon us by our nation. Governed by the highest standard of integrity, the NAVSUP and Supply Corps team’s steadfast commitment to doing the right thing builds on this reputation. I thank you for all that you do every day to maintain our nation’s trust and ensure our maritime forces are ready for sea. As we move forward, we must remain committed to making the tough call to ensure our actions represent what is right for the Navy.

Our efforts are aligned with the Chief of Naval Operations’ (CNO) Sailing Directions: Warfighting First, Operate Forward, and Be Ready. Our everyday actions generate logistics support to ensure combat maritime capability is ready whenever and wherever Naval presence is required. A key focus area is supporting “Quality of Service,” which underscores the importance of Quality of Work and Quality of Life. Quality of Work includes ensuring service members have the materials, tools, and training needed to be successful in their jobs. Quality of Life includes household goods movement, Navy Exchange (NEX), postal, Navy Lodges, and afloat services, such as ships stores, food service, and disbursing. Given our two core mission areas – logistics and quality-of-life support – NAVSUP is uniquely positioned to help the Navy improve both critical aspects of Quality of Service.

Foreword

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

To Optimize the Naval Support Network to Meet the Operational Readiness and Quality-of-Life Requirements of Our Maritime Forces

Naval warfighters depend on the NAVSUP and Supply Corps team as their staunch advocate within the Naval Support Network to provide them with what they need to win the fight. Our ability to optimize the Naval Support Network allows us to support U.S. Fleet Forces Command (USFF) priorities such as “Managing Wholeness,” the three-pronged approach comprised of Attacking Cost to Own, Delivering Optimized Fleet Response Plan (O-FRP), and Managing Surge Capacity, to live within our means in the current fiscal environment. Specifically, by leveraging our resources across the network, we are able to provide more accurate parts support and work to reduce logistics and transportation costs, attacking cost to own. Through Enterprise Resource Planning (ERP) and predictive modeling, we are able to forecast demand for parts and have them available when and where they are needed, supporting O-FRP. Finally, we aggressively manage disparate supply chains to comprehensively sustain our forces, supporting surge capacity.

Our Mission

To Deliver Sustained Global Logistics and Quality-of-Life Support to the Navy and Joint Warfighter

We perform critical duties that contribute to the defense of our nation. We support Navy, Joint and coalition warfighting efforts afloat and ashore, help enable weapons systems and platforms that define our nation’s combat capabilities, and provide service members and their families with valued quality-of-life products and services. We support and respect our military operators as they are our brothers and sisters in arms, and we assist their families through our quality-of-life programs as if they are our own.
Our Guiding Principles

As the Navy’s business professionals, we are responsible for delivering the logistics enablers that allow the warfighter to operate anywhere in the world. We must maintain the highest standards of ethical behavior in both our personal and professional actions. The NAVSUP Enterprise and the Supply Corps must take personal ownership of ethics and hold ourselves accountable. As such, we must rededicate ourselves to 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, teamwork, individual integrity and accountability, and mutual trust and respect.

Our Vision

To Be Navy’s Primary Agent for Effective, Efficient Naval Logistics and Quality-of-Life Support, and the Bridge to Our Naval Support Network Partners

We take responsibility to leverage our relationships with provider, Joint, coalition and industry logistics partners. While recognizing that we do not “own” the end-to-end network, we work closely and tirelessly with our “networked partners” to ensure Navy, Joint and coalition requirements are met whenever and wherever the need arises.
Building on Success
The past year has brought many successes to the NAVSUP Enterprise and to the warfighters we support. Each accomplishment speaks to the talents and hard work of our NAVSUP workforce.

World Class Workplace
• Created a formal NAVSUP Headquarters culture program addressing communication and empowerment issues identified during NAVSUP’s most recent workforce survey.
• Established policies for recruiting individuals with targeted disabilities and wounded warriors to further enhance workplace diversity.
• Led the Navy in disability hiring, exceeding the President’s established goals.
• Awarded the first Navy task order to the National Industries for the Blind in support of our contract closeout mission.
• Spearheaded efforts to use the National Institute for the Blind in support of national mail centers.
• Selected for inclusion in Latina Style Magazine’s list of top 50 companies for promoting diversity and providing career advancement opportunities.

Unity of Effort
• Championed forward positioning efforts for high demand items in the 5th and 7th Fleets, dramatically increasing material availability rates to those units.
• Collaboratively identified excess wholesale inventory and allowed stakeholders (SYSCOMs, Program Executive Offices (PEOs), and Fleet) the opportunity for further use and retention.
• Successfully completed Military Standard Requisitioning and Issue Procedures (MILSTRIP) Round II testing for material, fuel, subsistence-in-kind, and allowance and outfitting (APN-6/OPN-8) as the Navy Financial Improvement Program (FIP) and the Financial Improvement and Audit Readiness (FIAR) segment lead for MILSTRIP.
• Worked closely with Fleet, NAVSEA program managers and Office of the Chief of Naval Operations (OPNAV) resource sponsors to increase planned operational availability levels and corresponding storeroom allowances for AEGIS cruisers and destroyers.

Effective, Efficient Performance
• Reversed declining inventory performance on board ships and improved operational readiness by reinstating bi-monthly allowance updates for Fleet units after a hiatus during ERP implementation.
• Deployed the shore-based distance support plan and Logistics Support Team (LST) for the minimally manned Littoral Combat Ship (LCS). Executed the construct needed to sustain combat and training operations out of Singapore, bringing together manpower and infrastructure to support contracting, warehousing, hazardous material, and other logistics services.

Data Driven Decision Making
• Achieved standardized financial transparency and total asset visibility for more than 88,000 end-users at more than 100 locations around the world, by leveraging ERP to create a single, consolidated global inventory picture and strategy.
• Remained on track to achieve congressionally-mandated auditability goals across FIP/FIAR segments.
2014 Focus Areas and Strategic Objectives
In the document, “Charting our Course,” released in January 2014, we outlined 12 broad focus areas. In support of each focus area, there are several strategic objectives that describe specific actions we, as an enterprise, will achieve this year to move toward the desired end states.

As we pursue these strategic objectives, we must not lose sight of the importance of sustaining a high level of performance in our basic business with the balance of doing what is right. Every member of the NAVSUP and Supply Corps team is critical to our basic business operations to provide world-class global logistics support. I challenge you to examine everything we do in a new light. We all have a responsibility to improve our business processes to function more effectively and efficiently to ensure our Navy remains a ready and capable force while addressing the current fiscal constraints.

We must take personal ownership of ethics and hold ourselves accountable. By doing so, we have a foundation to guide us at work, in our personal lives, and in the community. We must strive for moral excellence in all that we do and never forget that our actions must be right, good, and honorable. Our actions and our steadfast commitment to doing the right thing builds our reputation. Integrity and moral behavior cannot be compromised, regardless of the situation. Our nation, our Navy and the taxpayers deserve no less.
GOAL:

World Class Workplace
1 Build and maintain an environment of sound judgment and integrity across the NAVSUP Enterprise.

STRATEGIC OBJECTIVE

1.1 Develop and launch a “continuum of ethics education” spearheaded by the NAVSUP and Supply Corps Committee on Ethics whose focus includes process improvements, compliance, interactive training, and awareness that will reach members of the NAVSUP Enterprise and Supply Corps team, ashore and afloat. (OPR: OGC)

2 Develop a comprehensive strategy that attracts, develops and retains a diverse, innovative and professional workforce, aligned with budgetary guidance.

STRATEGIC OBJECTIVES

2.1 Develop civilian workforce initiatives supporting workforce culture, training, and development to ensure the workforce is correctly aligned based on requisite skill sets. (OPR: N1)

2.2 Leverage existing hiring programs to maximize our diversity hiring potential in order to attain a workforce that reflects the nation’s labor force. (OPR: N1)

2.3 Deploy and implement subsequent corrective actions on an organizational assessment survey to obtain a comprehensive snapshot of NAVSUP’s organizational climate and employee satisfaction. (OPR: N09CC; Supporting: N1, N5)

2.4 Ensure Supply Corps professionals, including contracting and financial management disciplines, have necessary expertise to provide holistic solutions to execute assigned tasks during assignments at Fleet commands, DLA, TRANSCOM, and SYSCOMs. (OPR: OP; Supporting: N3/4, N1)
Unity of Effort
Conduct an in-depth assessment of our ability to flex our support and supply chains within the Naval Support Network to ensure we are able to support the Naval and Joint warfighter.

**STRATEGIC OBJECTIVES**

3.1 Collaborate across all PESTONI pillars (Personnel, Equipment, Supply, Training, Ordnance, Networks, Infrastructure), utilizing the USFF Readiness Kill Chain (RKC) methodology to evaluate the health of each pillar and recommend improvements. (OPR: N3/4; Supporting: WSS, GLS)

3.2 Develop a business plan to address availability risks of NAVSUP-owned logistics IT systems, specifically focusing on possible impacts of cyber threats. (OPR: N6; Supporting: N3/4, N5, BSC)

3.3 Collaborate with stakeholders to fully execute NAVSUP’s forward positioning, transportation, and requisitioning policies across all numbered Fleets. (OPR: N3/4; Supporting: WSS, GLS)

3.4 Engage with the Fleet, Naval Air Systems Command (NAVAIR), NAVSEA, and Space and Naval Warfare Systems Command (SPAWAR) to support variance reduction initiatives. (OPR: N3/4; Supporting N5, WSS, GLS)

3.5 Collaborate with SPAWAR and other stakeholders to validate sustainment strategies for Fleet logistics IT systems, to include programs of record requirements. (OPR: N6; Supporting BSC, N3/4)

3.6 Validate contingency operations logistics support strategies for noncombatant evacuation operations, humanitarian assistance, and disaster relief operations, ensuring NAVSUP is ready to support at Phase 0. (OPR: N3/4; Supporting GLS, WSS)

4. Partner with other provider enterprises to support their sustainment strategies for new and existing weapon system platforms.

**STRATEGIC OBJECTIVES**

4.1 Collaborate with OPNAV, Fleet, and SYSCOMs to reconcile APN-6 and OPN-8 funding shortfalls. (OPR: N3/4; Supporting: WSS)

4.2 Publish support-from-ashore logistics strategy, defining the over-arching concept. Work with Fleet, SPAWAR, and other providers to address possible IT issues in support of operational requirements. (OPR: GLS; Supporting: N3/4)

4.3 Collaborate with the Joint Program Office, coalition partners, United States Air Force and the Fleet to develop and finalize an affordable sustainment strategy for Joint Strike Fighter (JSF). (OPR: N3/4; Supporting: N6, N8, WSS)

4.4 Complete capitalization of PMS505-owned interim spares inventory and collaborate with NAVSEA to develop shore spares support strategy for LCS sea frames and mission modules. (OPR: N3/4; Supporting: WSS)

4.5 Collaborate with Fleet, DLA, and SYSCOMs to refine acquisition strategies to ensure sustainment of weapon systems fielded under “speed to fleet” scenarios. (OPR: WSS; Supporting: N3/4)

4.6 Complete realignment of NAVSUP Weapon Systems Support (WSS) organization to better support Maritime PEOs, platforms, and weapon systems. (OPR: WSS; Supporting: N1, OP)

4.7 In collaboration with SYSCOMs and Naval Support Network partners, implement pilot programs to test a single supply system concept to procure and manage interim spares. (OPR: N3/4; Supporting: WSS)

...continued on page 15
4.8 Update NAVSUP policy for establishing Material Support Date for contractor furnished systems within maritime acquisition programs. (OPR: N3/4; Supporting: WSS)

4.9 Support completion of Fleet-led reviews of requisition expediting efforts, standardization of Naval Air Station supply organizations, excess material redistribution, and material positioning across the Navy, utilizing the efforts of the Fleet Supply Policy Council. (OPR: N3/4; Supporting: N6, WSS, GLS)

4.10 In partnership with NAVSEA, execute the NAVSEA Logistics Competency Strategy (Human Capital, Workload, Processes) to foster long-term improvements in logistics product support. (OPR: N00AL)

4.11 Collaborate with PEO Submarines and Fleet stakeholders to identify and resolve Integrated Product Support Element deficiencies affecting VIRGINIA Class submarine readiness. Coordinate with OPNAV N97 and DLA to resolve shortcomings in the Supply Support Element. (OPR: N3/4; Supporting: WSS)

4.12 Collaborate with SYSCOMs during the initial sale of weapon systems to international customers to ensure early integration of life cycle follow-on support solutions that leverage the Navy supply chain. (OPR: WSS)

5 Develop a strategy to ensure the Naval Support Network is providing the appropriate level of support to Naval Special Warfare and Expeditionary Forces.

STRATEGIC OBJECTIVES

5.1 Identify opportunities to expand NAVSUP’s partnership with the Naval Special Warfare Community, to include supporting United States Special Operations Command (USSOCOM) efforts to manage Special Operations Forces (SOF) Inventory. (OPR: N3/4; Supporting: WSS, N8)

5.2 In conjunction with the Fleet, U.S. Marine Corps, Naval Facilities Engineering Command (NAVFAC), and other SYSCOMs, establish integrated logistics support of general purpose organizational clothing. (OPR: NEXCOM)

5.3 In conjunction with USFF and other stakeholders, advocate for Navy Expeditionary Combat Command (NECC) unique logistics IT requirements within the Naval Tactical Command Support System – Open Architecture (NTCSS-OA) program of record. (OPR: N3/4; Supporting N6)
**STRATEGIC OBJECTIVES**

**6.1** Work to incorporate necessary logistics process changes to support FIP/FIAR compliance across the portfolio of platforms. (OPR: N3/4; Supporting: N8)

**6.2** As the designated segment lead for Navy, continue to refine framework for FIP/FIAR assertions and sustainment efforts in MILSTRIP, existence and completeness of inventory, transportation of things, and transportation of people. (OPR: N8; Supporting N3/4, WSS, GLS)

**7.1** Collaborate and integrate with the Fleet, SYSCOMS, OPNAV N13, and DLA Troop Support to stand up configuration management, quality assurance, and product management of Navy uniforms. (OPR: NEXCOM)

**7.2** Implement Retail Operation Management (ROM 3), the modernized ships store software solution, at an initial site in preparation for future roll-out. (OPR: N6; Supporting: BSC, NEXCOM)

**7.3** Launch first phase of the Navy Exchange e-commerce solution to expand services and modernize customer experience. (OPR: NEXCOM)

**7.4** Implement United States Postal Service Address Standardization for all personnel assigned to afloat and mobile units. (OPR: GLS)

**7.5** Work with the Fleet and DLA to monitor 5th Fleet prime vendor support for 9M (provisions) and 1Q (ships store) material to deploying ships and ensure performance is aligned with Fleet expectations. (OPR: N3/4; Supporting: NEXCOM)

**7.6** Assist Commander, Navy Installations Command (CNIC) with developing strategies to improve ashore galley services for Sailors. (OPR: N3/4)
GOAL:

Effective, Efficient Performance
Partnering with internal and external stakeholders, review existing contracting and husbanding support processes and further develop a holistic solution for administration, execution, and oversight.

STRATEGIC OBJECTIVES

8.1 With Fleet collaboration, review and implement the Global Husbanding Acquisition Strategy to maximize competition and enhance cost-wise support to deployed Commanding Officers. (OPR: N7; Supporting: GLS)

8.2 Develop an enterprise process to identify and take corrective actions for contracts at risk for requiring a bridge contract for continuity of effort, supporting the goal of eliminating bridge contracts in accordance with the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN (RDA)) guidance. (OPR: N7)

8.3 Improve contract oversight by expanding the number of reviews based on requirements identified as “at-risk” during the NAVSUP Requirements Review Board and build corrective action plans based on findings. (OPR: N7)

8.4 Maximize opportunities for small businesses through expanding use of small business set-asides in strategic sourcing vehicles, and increasing small business participation in prime contracts. (OPR: N8; Supporting: N7)

8.5 Collaborate with stakeholders to develop procedures for operational contracting for instances where the Navy is tasked as the lead service in support of Combatant Commanders. (OPR: N7)

8.6 Identify strategic sourcing opportunities that will reduce costs and transaction time. (OPR: N7; Supporting: GLS)

8.7 In coordination with ASN(RDA), and in concert with oversight functions within the Procurement Performance Management Assessment Program (PPMAP), develop a framework to identify at-risk contracts and conduct in-depth contract “Deep Dives” informed by on-site PPMAP reviews. (OPR: N7)

Conduct an in-depth assessment of our ability to support Navy’s requirements in a fiscally constrained environment and develop strategies to address shortcomings.

STRATEGIC OBJECTIVES

9.1 Develop the NAVSUP Enterprise exercise engagement plan, incorporating training objectives to flex NAVSUP planning capabilities. (OPR: GLS; Supporting: N5)

9.2 Execute Stock-In-Transit (SIT) get-well plan to include advocacy of critical Fleet and enterprise training. (OPR: N3/4; Supporting: WSS, N8)

9.3 Lay out functional and IT roadmap and external communications plan for improved allowing processes, including models utilized and IT optimization. (OPR: N3/4; Supporting: N5, N6, WSS, BSC)


9.5 Collaborate with Task Force Energy to support the Secretary of the Navy’s Energy Goals to seek initiatives and opportunities to facilitate the sailing of the Great Green Fleet by 2016. (OPR: GLS; Supporting: N3/4)

9.6 In support of OPNAV N4, collaborate with Fleet, SYSCOMs, and Office of Naval Research to explore opportunities for additive manufacturing. (OPR: N5; Supporting N3/4, WSS)
Develop a business strategy to identify opportunities to drive cost out of business lines and assess how NAVSUP will manage costs in the future.

STRATEGIC OBJECTIVES

10.1 Develop a model of the Naval Support Network that clearly delineates providers’ functional responsibilities and lines of operation. The model will provide a context for understanding, assessing, and improving business processes in order to achieve efficiencies and/or better meet warfighter requirements. (OPR: N5; Supporting: N3/4, WSS, GLS)

10.2 Identify and prioritize targets of opportunity by leveraging ERP (e.g. retrograde management and commercial asset visibility). (OPR: N6)
GOAL: Data Driven Decision Making
Accelerate sustainment planning for leveraging Enterprise Resource Planning (ERP) to reduce costs across Navy’s supply chains.

STRATEGIC OBJECTIVE

11.1 Stand up Navy ERP sustainment capabilities in support of Program Executive Office for Enterprise Information Systems tasking. (OPR: BSC; Supporting: N6, N8)

Establish a center of excellence for metrics development, collection and reporting, leveraging ERP data and standardizing methodologies.

STRATEGIC OBJECTIVES

12.1 In collaboration with SYSCOMs, determine how to best leverage ERP and develop centralized metrics and reporting. Develop an enterprise-wide data strategy, which allows for ad-hoc, high velocity analysis supporting the Single Supply Solution at both a strategic and tactical level. (OPR: N5; Supporting: WSS, BSC)

12.2 In collaboration with the SYSCOMs, acquire and implement an improved solution for increasing data access as a means for enhancing business operations and decision making. (OPR: N6; Supporting: BSC)

12.3 Validate and formalize enterprise-level metrics. (OPR: N5)
Our Navy’s maritime and expeditionary warfighting capability requires us to be a seamless provider that is agile, resilient, and responsive. Thus, we have an obligation to operate effectively, efficiently, and with moral excellence. This obligation must govern our individual actions, as well as our collective conduct. All of us must do the right thing for our Navy in the right way, even when we know no one is watching. It’s about putting Navy and its mission before our individual or command motivations.

Our strategic direction for 2014 lays out the necessary steps to improve how we do business and how we support the Navy’s ability to meet our country’s most critical missions. Thank you for your service, your continued dedication to those in harm’s way, and your commitment to our basic business as well as these important transformational initiatives throughout 2014.