
Naval Aviation FMS Logistics Process Improvement Team

By

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The Naval Aviation Foreign Military Sales (FMS) Logistics Process Improvement Team (LPIT) was officially chartered by VADM W. C. Bowes (Commander, Naval Air System Command) and RADM R. M. Moore (Commander, Naval Supply System Command) in August 1993 to integrate and streamline the processes that logistically support Naval aviation FMS programs.

The LPIT consists of the FMS logistics steering committee (LSC), the international logistics enterprise team (ILET), the FMS customer advisory group (CAG), the industry advisory group (IAG), and the logistics support office. The team works together at conferences and in separate meetings to create and enhance logistics processes that improve life cycle support for naval aviation FMS weapon system programs. The LPIT also examines technical FMS logistics processes to develop innovative solutions for FMS logistics problems.

Lou Fusco envisioned the need for a Naval Aviation FMS LPIT when he was the NAVAIR Director for FMS Logistics. Lou Fusco realized that the U.S. was entering an era in which the nation would reduce the fiscal resources it could expend in the Department of Defense (DoD) for weapon systems. The anticipated reduction in fiscal resources would directly impact the Navy's weapon system industrial/production base as the nation decreased major weapon system acquisition and production. The continued national security of the U.S. would depend on teaming with international customers and U.S. industry to ensure interoperability of the U.S. and allied countries' weapon systems. Shoring-up the defense and Navy's industrial base through recapitalization was an important part of the triad partnership.

Important to the LPIT strategy for the Navy was the enhancement of its position for FMS programs in the global marketplace. Life cycle logistics support for these programs is a key factor in that competition. Reducing the cost of a potential customer's initial investment and tailoring support to satisfy a customer's desire for self-sufficiency are important factors as well. To enhance competitiveness in FMS aviation programs, the Navy has to provide flexible, integrated logistics support (ILS). That dictates that Naval Aviation investigate its own FMS logistics processes to determine what measures can be taken to improve procedures and define innovative processes which will enhance the Navy's reputation as a world class provider of weapon systems with superior logistics support. The integrated logistics support program solutions must maximize the use of existing Navy domestic and FMS resources. Although the volume of future weapon systems sales will fluctuate, tailored and generic FMS follow-on logistics support (spares, repair of repairables, and publications) will generate a constant and significant program baseline. In addition, innovative FMS processes will reduce costs, improve performance, and facilitate future sales.

The first steps anticipated in this strategy were to establish a Naval Aviation team to investigate and improve the systems. The team needed to be led by a steering committee with input from the advisory groups. In addition, the team needed to receive administrative and technical support from a separate office or entity. Finally, the team needed to meet on a recurring basis to discuss and synthesize significant logistics issues and problems to benchmark what

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courses of action would be necessary to improve those processes and in turn, improve Navy competitiveness in the international FMS arena. The steering committee needed to consist of members from key Navy FMS logistics organizations. The advisory groups needed to represent the significant functional participants in the FMS process. These advisory groups represent the FMS customer and the defense industry, which provides products and services to the international community.

The initial Logistics Steering Committee (LSC) member organizations are shown in Figure 1 below. There have been many changes in personnel and some organizational/reorganizational changes as reflected in the latest LSC member organizations that are shown in Figure 2, but the philosophy remains the same. That philosophy is to improve the way FMS logistics business is done in the Naval Aviation community so the Navy's FMS customers will continue to be satisfied with the support being provided.

Logistics Steering Committee Members (1993)
<u>OFFICE</u>
AIR-410F
ASO
AIR-103
CO, NAVILCO
SUP 07
NAWCD Lakehurst
SPCC
PMA205
AIR-43B
NAWC WD
CO, NATSF
Navy IPO

Figure 1

Logistics Steering Committee Members (2000)
<u>OFFICE</u>
AIR-3.0C
NAVICP-OF
AIR-1.4
Navy IPO 02
CO, NATEC
NAWC WD 3.2
PMA205-1
AIR-6.1.1.2.1
DLSC/CI
NAWC AD Lakehurst

Figure 2

LPIT Membership and Missions

Logistics Steering Committee

MEMBERSHIP: The LSC is comprised of members from offices throughout the Navy, which determine policy and procedures used in Naval aviation FMS logistics operations. Membership is designated to a senior official in each office/activity. The incumbent from that organization is automatically assigned as a member of the LSC.

MISSION: The LSC will function as a collective body to review FMS logistics issues, synthesize those issues which require action or correction, and select those issues which warrant staff investigation for change or corrective action. Membership in the LSC implies willingness to assume staff responsibility to investigate or research applicable issues and initiate corrective actions within the power of that organization. If policy or procedures required are beyond the scope of that organization, the LSC member shall develop recommendations for external staff review as necessary.

International Logistics Enterprise Team

MEMBERSHIP: The ILET was formed in 1995 as a subset of the LSC organizations to provide “hands-on” technical support to develop the innovative solutions to logistics issues and concerns highlighted by LPIT advisory group members. The team meets with the LSC and also separately from other LPIT organizations in video teleconferencing sessions and smaller working groups.

MISSION: The ILET takes action items from the LPIT conferences and meetings and turns these ideas into answers. They resolve logistics issues with technical solutions. This could be the development of a database like the FIST discussed in this *Journal* (see page 20), or finding ways for customers to access logistics information as done by DLA, NATEC, and NAVICP ILET members. They will present FMS logistics solutions to the LSC and ensure that the solutions are appropriate to be adopted throughout the Navy FMS community.

FMS Customer Advisory Group

MEMBERSHIP: FMS CAG membership will be open to all Naval Aviation FMS customers.

MISSION: The FMS CAG has the opportunity to present to the LSC the FMS logistics issues which have a significant impact on FMS programs in that country. Special attention is given to opening lines of communication between Navy FMS personnel and the customer country. The overall aim is to promote ongoing dialogue on significant FMS logistics issues between Naval Aviation senior leadership and the aviation FMS customers.

Industry Advisory Group

MEMBERSHIP: Membership in the IAG will be determined by the LSC. Selection will be made from those commercial defense contractors with significant international business and may contain members from support services companies or commercial companies with related aeronautical international business. Membership on this Advisory Group can be rotated to provide additional input from industry to the LSC.

MISSION: The IAG has the opportunity to present significant FMS logistics issues to the LSC for consideration. Special attention will be given to cost savings when determining solutions to logistics problems. Commercial solutions to logistics issues will be encouraged for adoption.

LPIT Conferences and Meetings

The first LPIT conference was held on 18-20 May 1993 at Cameron Station Officer’s Club in Alexandria, Virginia. The goals of the conference were to establish the LSC and the advisory groups to make recommendations to the LSC to improve existing Naval Aviation FMS logistics processes and policies and also to approve the LPIT Charter. Another objective of the conference was to discuss the main FMS issues and concerns of the PMA community. Aircraft briefings were provided by PMA222 and PMA225 (out-of-USN inventory and out-of-production), PMA231 (E-2C), PMA257 (AV-8B), PMA259 (AIM-7/AIM-9), PMA265 (F/A-18), and PMA290 (P-3).

The guest speakers at the initial conference were VADM W. C. Bowes, Commander, NAVAIR and RADM Don Eaton, Assistant Commander for Fleet Support in NAVAIR. Both VADM Bowes and RADM Eaton stressed the importance of the FMS customer to the U.S. Navy, and that interoperability was key to the U.S. goal of “Global Presence, Global Power”.

Some of the top issues from this first conference were improving training for FMS personnel, enhancing FMS communication internally within NAVAIR and externally with the FMS community, and creating a logistics life cycle management plan. Others included developing a long-term support strategy, ensuring consistent letter of offer and acceptance (LOA) pricing, and standardizing repair of repairables tracking.

The second LPIT conference was held on 1-3 August 1993 in Philadelphia, Pennsylvania. The purpose of this conference was to meet with the newly formed LPIT Industry Advisory Group (IAG) and discuss Naval Aviation FMS logistics issues from an industry perspective. The focus was on the U.S. government Naval Aviation community becoming a partner with industry to improve FMS logistics processes. Approximately forty people from industry representing over twenty-five companies were in attendance. Industry personnel separated into six panels:

- In-production aircraft
- Out-of-USN production aircraft
- Avionics and electronics
- Engines
- Missiles
- Customer services and support to discuss FMS logistics issues

Areas for consideration that were recommended were technology transfer/releasability, out-of-U.S. Navy inventory support, lowering weapon system life cycle support costs, streamlining logistics support systems, establishing and unifying customer user groups, improving the sale of FMS logistics packages, and enhancing information reporting to FMS customers.

The IAG panels highlighted a need to involve industry in the original pricing process when LOAs are being developed and to change the current policy to include organic repair as a part of the initial LOA when technology transfer procedures permit. They further recommended establishing a FMS business office as a focal point to improve communications and developing a tailored logistics approach with industry inputs as alternatives. In all, twenty recommendations were made by the IAG.

The third LPIT conference was held with the new FMS CAG on 1-4 November 1993 in Annapolis, Maryland. Over twenty-five FMS customers representing approximately fifteen countries attended. Presentations from the CAG were made by representatives from Australia, Finland, Israel, Italy, Norway, and the United Kingdom. Five subgroups were established to develop issues the LPIT should work. The subgroups were:

- Repair of repairables management (ROR)
- Customer relations
- LOA process and case management
- Expanded program coordination
- Cartridge actuated devices (CAD)/propellant actuated devices (PAD)

Issues highlighted by the FMS CAG included the extended ROR turnaround time, ROR tracking, access to the FMS management information system, and repair and exchange program options. Others discussed by the CAG were CAD/PAD long lead times, length of the LOA process, exchange of spares between FMS customers, and accurate LOA pricing. In total, 24 issues were mentioned by the CAG as ones needing to be reviewed for improvement.

The LSC met on 17 December 1993 in Philadelphia to discuss the Naval Aviation FMS logistics issues discussed at the previous conferences with the CAG and the IAG. LPIT issues were separated into eleven categories. These were:

- Repair of repairables
- LCLSP
- Expanded program coordination
- CAD/PAD
- Spares and support equipment tracking
- FMS business office
- FMS pricing data
- Customer relations
- LOA process/case management
- Technical coordination groups
- Public and private consortiums

The LSC identified approximately seventy issues in these categories to be worked.

Since these initial meetings in 1993, there have been additional individual conferences with the FMS CAG and IAG and “all-hands” conferences where the entire LPIT partnership attends. At these conferences, the status of issues from the previous conference are discussed, briefings are given, panels are used to provide information, and conference facilitation is done to highlight future issues that need to be considered.

The LPIT functions throughout the year by having ILET video teleconference meetings to discuss the specific work they are doing on the current LPIT issues. Approximately one month after these video teleconference meetings, the ILET briefs the LSC to request FMS policy and procedure changes related to the issues, funding required to start and complete the projects, and approval to add new issues and close completed ones. As shown previously, there have been many changes in the personnel who started the LPIT, including the first LSC chair, Lou Fusco.

One LPIT member has been a part of the LSC since its inception, but he has done it while being in three different locations. Captain Mike Dougherty, now the Head of the Security Assistance Department in NAVAIR Headquarters in Patuxent River, Maryland, also served on the LPIT when he was the Commanding Officer of NATSF (now NATEC) when it was located in Philadelphia, Pennsylvania. He was also a LPIT member in Lakehurst, New Jersey where he served as the Commanding Officer of the Naval Air Engineering Station. His leadership has been a consistent thread that has helped the LPIT keep moving forward to improve logistics support for the Navy’s FMS customers. Others, who have not been LPIT members as long, have also provided their time, leadership, and technical skills to improve Naval Aviation FMS supportability processes. Their efforts have also paid dividends.

The LPIT has opened doors for enhanced communication with our FMS customers and industry partners, and the team continues to work the tough supportability issues for Naval Aviation FMS programs. Some of these issues are discussed in other articles in this *Journal*. The work continues to be done to resolve these issues, and it is a pleasure to be a part of this team to provide those innovative solutions.

About the Author

Mr. Stephen N. Bernard is the Director of the FMS Logistics. Mr. Bernard graduated from U.S. Army Flight School in 1969, serving in the Republic of Vietnam and Germany. In 1975 he received a BA in experimental psychology, and an AAS in aviation technology from Southern Illinois University. He holds the Federal Aviation Administration Office of Airports and Programs and commercial helicopter licenses. He served as a tech data and production manager at NADEP Cherry Point, North Carolina from 1975 through 1984. In 1981 he received an MS in acquisition logistics from the Air Force Institute of Technology as a Secretary of the Navy Management Fellow. From 1985 through 1991, Mr. Bernard was Assistant Program Manager (Logistics) for the Navy's H-46 and F/A-18 (Kuwait) programs. Currently, he is Director of FMS Logistics at the Naval Air Systems Command.