

SPOTLIGHT ON THE CUSTOMER

# Alignment With and Better Service to the Warfighter Enterprises —

## An Interview With Navy Vice Adm. Paul E. Sullivan, Commander, Naval Sea Systems Command



*A native of Chatham, N.J., Navy Vice Adm. Paul E. Sullivan graduated from the U.S. Naval Academy in 1974 with a Bachelor of Science degree in mathematics. He later earned dual Master of Science degrees in naval architecture and marine engineering and ocean engineering from the Massachusetts Institute of Technology.*

*Vice Adm. Sullivan served aboard the USS Detector (MSO 429), where he earned his surface warfare qualification. After transferring to the engineering duty officer community, he served at the Norfolk Naval Shipyard, Naval Sea Systems Command (NAVSEA), as supervisor of shipbuilding in Groton, Conn., and on the staff for the assistant secretary of the Navy (Research, Development and Acquisition). During his engineering duty assignments, Adm. Sullivan earned his submarine engineering duty officer qualification. Upon selection to flag rank, Vice Adm. Sullivan served as deputy commander for Ship Design Integration and Engineering, NAVSEA from 2001 to 2005. He then became the 41<sup>st</sup> commander of NAVSEA in July 2005.*

**(Top)** The guided-missile submarine USS *Florida* (SSGN 728) departs Norfolk Naval Shipyard, Norfolk, Va., en route to its new homeport of Naval Submarine Base, King's Bay, Ga., on April 8, 2006. *Florida* entered Norfolk Naval Shipyard to undergo a refueling and conversion from a ballistic missile submarine to the new class of guided-missile submarines. Navy Vice Adm. Paul E. Sullivan served at the Norfolk Naval Shipyard, NAVSEA, prior to becoming NAVSEA commander in July 2005. (U.S. Navy photo by Photographer's Mate Airman Apprentice Patrick Gearhiser)  
**(Above)** Navy Vice Adm. Paul E. Sullivan, commander, Naval Sea Systems Command (U.S. Navy photo)

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**Communicator:** Please provide us with a brief overview of NAVSEA and its role in the Navy’s overall mission.

**Vice Adm. Sullivan:** NAVSEA — the largest of the Navy’s five systems commands (NAVSEA, Naval Air Systems Command (NAVAIR), Space and Naval Warfare Systems Command (SPAWAR), Naval Facilities Engineering Command (NAVFAC) and Naval Supply Systems Command (NAVSUP) — engineers, builds and supports the United States’ fleet of ships and combat systems. Accounting for nearly one-fifth of the Navy’s budget, NAVSEA manages more than 100 acquisition programs, which are assigned to five affiliated program executive officers and various headquarters elements.

NAVSEA is aligned in the Navy’s enterprise operational construct as a provider command to the enterprises and is actively engaged with the five Navy warfighting enterprises: Naval air enterprise, surface warfare enterprise, undersea enterprise, Naval network/ForceNet enterprise and Naval expeditionary combat enterprise. NAVSEA’s mission is putting the right capability in the hands of the warfighters at the right time and at the right cost.

Our nearly 53,000 military and career civilian team members serve the fleet in four shipyards, the undersea and surface warfare centers, four major shipbuilding locations and at headquarters, located at the Washington Navy Yard in Washington, D.C. NAVSEA’s world-class team of professionals provides virtual support anywhere and anytime to ensure the fleet remains ready and capable, operating around the globe.

In a representative year, NAVSEA has: 37 ships under construction, 92 ships in availabilities in Naval and public shipyards, 20-plus major ship design projects underway and more than

1,800 active projects in the warfare centers. In addition, NAVSEA directs the nation’s diving and salvage capabilities and administers a significant foreign military sales program involving 65 countries and four NATO organizations, with annual sales in the billions of dollars.

**C:** What are your goals and objectives for NAVSEA? How does DCMA help you to meet these goals and objectives?

**VAS:** When I assumed command in 2005, I led a strategic assessment of NAVSEA operations and subsequently issued a three-part commander’s guidance laying out my top five priorities, which I believe are critical to achieving our mission:

- Drive NAVSEA’s behavior with the enterprises
- Transform to a competency-aligned organization [CAO]
- Measure NAVSEA’s output with customer-driven metrics
- Focus on diversity
- Document and improve our processes through Lean/Six Sigma

Each of these priorities is directed toward a single purpose — alignment with and better service to the warfighter enterprises. Let me briefly explain why they are important. The first two priorities relate to one another. As we bring our processes into alignment with our Naval enterprise customers and respond to their demands, we also need to align internally so that we create common responses to common problems. Competency alignment identifies the right person for the right job at the right time, meaning that the talent matches the task. Lean/Six Sigma

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and customer-driven metrics are tools that will help us achieve our desired outcome of producing what the warfighter values. Creating a workplace culture that values and increases diversity — especially diversity of race, ethnicity and gender — is not only the right thing to do, but it is a business imperative for any organization that expects to lead the nation in the 21<sup>st</sup> century. If we are to maintain a competitive edge in the world, we must attract, engage, nurture and harness the power of a wider workforce that looks like the face of America.

Additionally, [Mr.] Pat Tamburrino, NAVSEA executive director, has dedicated a number of his all hands e-mails to the movement toward NAVSEA becoming a CAO. It is a top priority and a must if NAVSEA is to achieve

the flexibility, consistency of process and focus customers demand. As a CAO, the workforce will report to the local commander for execution of tasks, but careers, development and work will be managed by a national competency lead to ensure standardization of skills, tools and processes to increase efficiency while reducing redundancy and costs.

In the NAVSEA CAO construct there are eight disciplines: research and engineering; comptroller; contracts; legal; industrial operations; logistics; corporate operations; and program management. NAVSEA will begin the transition to a CAO in October with contracts. The goal is to be completely transitioned by the beginning of fiscal year 2008.



**(Above)** Sailors man the rails aboard guided missile frigate USS *Boone* (FFG 28) as she pulls into homeport Jan. 31, 2007, after completing a six-month deployment. (U.S. Navy photo by Mass Communication Spc. 2nd Class Susan Cornell)

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**C:** Are there any recent challenges that NAVSEA has faced that DCMA has been integral in resolving?

**VAS:** NAVSEA faces the challenges common to all defense acquisitions operations — to provide the warfighter with the right capability at the right time and at the right cost. This is more difficult during tight budget times when resources are shrinking, the workforce is static and the workload continues to increase. Because DCMA shares a related acquisition mission, we look to DCMA to continually provide efficiencies, ensure quality and seek cost-saving opportunities that will help us all do a better job of serving the warfighter. I believe that as we work together, NAVSEA and DCMA can guarantee that we will put the best possible tools in the hands of our customers — our nation’s warfighters.

**C:** Is DCMA meeting your needs and expectations?

**VAS:** I think we are making progress through improved communications and increased transparency between NAVSEA and DCMA. However, we are still experiencing a high reject rate at our Level I receipt inspection activity. These non-conformances include many repetitive issues that are costly to resolve in terms of time and money and make it more difficult to support the fleet. Also, there is an apparent lack of knowledge among some of the quality assurance representatives (QARs) of the Navy’s product line, requirements and way of doing business. This shows that we need to have better interface between the QARs and NAVSEA’s technical experts. In essence, it’s a two-way street.

NAVSEA has historically had little insight into the day-to-day actions and responsibilities

of the individual QARs. However, under the memorandum of agreement [MOA] NAVSEA and DCMA signed a little over a year ago, we have opened lines of communications and put in place a mechanism to assess the effectiveness of our strategic partnership.

Thus far under the MOA, DCMA has established a dedicated contract management office [CMO], including QARs, who administer contracts for all Navy Special Emphasis Programs [NSEP] suppliers. Those programs are: Naval nuclear propulsion program, Level I and submarine safety [SUBSAFE] programs, deep submergence systems and scope of certification programs, Naval propulsion program, and submarine fly-by-wire ship control systems. DCMA has established a liaison position within NAVSEA to provide onsite support. NAVSEA has established the Supplier Product Quality Group (NAVSEA 04P) for coordinating and improving supplier product quality for Navy ships and submarines, particularly for critical safety items.

Two joint [integrated product teams] have been established, one to review DCMA training and one to develop metrics to assess the performance of the in-plant QARs and the quality of material being produced by our vendor base. In addition, NAVSEA is making a commitment to putting engineering resources in the vendor’s plants on a regular basis.

The strategic partnership and these new efforts are expected to ameliorate the deficiencies that we are seeing today. Our combined efforts are moving forward even though this is a relatively new agreement; however, we must continue to stay focused on the goal of providing quality materiel to the Navy.

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**C:** How would you define good customer service?

**VAS:** Good customer service starts with a clear understanding of customer needs and demands. It is consistent, responsive and timely, meets customer requirements and is totally transparent to the customer. At NAVSEA, good customer service requires direct accountability to the customer, with a focus on overall service to the U.S. Navy.

**C:** What do you see that causes you concern in the near future? How will you look to DCMA to help you ease these concerns?

**VAS:** In addition to the overall budget and workload issues I talked about earlier, one specific area that might be of concern relates to the SUBSAFE certification program. Changes in that program will soon allow more materiel within the SUBSAFE boundary to be overhauled at a contractor’s facility. The changes will put additional pressure on the DCMA QARs to provide more oversight onto a product line that will be continuously changing based on the initial condition of the offloaded equipment. With help from the NAVSEA SUBSAFE and [Quality Assurance Office and Supplier Product Quality Group], DCMA will need to provide additional training and direction to the QARs so they will be attentive to the [objective quality evidence] requirements that are inherent to the SUBSAFE program.

**C:** Did you work with DCMA before you became NAVSEA commander? If so, what was your previous experience with DCMA, and has your relationship with the Agency changed? If not, what were your first impressions of what DCMA brings to the table?

**VAS:** In previous assignments, I rarely dealt directly with DCMA. Since assuming command of NAVSEA, however, I have learned how NAVSEA and DCMA can collaborate on initiatives that will enhance and improve government oversight of the quality of the products for critical materiel used aboard Navy ships and submarines. In November 2005, I co-signed an MOA with [Air Force] Maj. Gen. [Darryl] Scott [former director] of DCMA, laying out our agencies’ respective roles in ensuring improved supplier performance. I am excited about the promise this MOA holds for both our agencies.

**C:** Over the course of your Naval career, has the relationship between the Navy and DCMA changed? If so, in what way(s)?

**VAS:** The primary change has been in formalizing our agency roles through the MOA. In addition, both NAVSEA and DCMA have been in the process of realignment. [NAVSEA is aligning itself with the Naval enterprises, and DCMA has recently moved from a regional to a product-based service system.] Both these realignments should allow us to communicate better with one another and to be more responsive to warfighter demand.

In addition, NAVSEA concurrently stood up a new office (NAVSEA 04P) responsible for improving supplier product quality and being NAVSEA’s single point of contact for supplier quality issues. This office will support the main working-level relationship that NAVSEA has with DCMA. NAVSEA 04P was created to address a series of specific quality problems that were discovered, a consistently high reject rate of critical material and a perceived overall downward trend for supplier quality. These are quality issues that must be addressed before

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they can negatively affect the quality of the Navy’s critical safety items that are installed throughout the Navy’s ships.

DCMA recently established the Navy Special Emphasis Operations [NSEO] CMO to provide exclusive oversight of the NSEP contracts for NAVSEA and other NSEP customers. The NSEO is a positive step toward addressing the quality of these critical safety items.

**C:** Looking to the future, how do you see this relationship transforming?

**VAS:** I think both NAVSEA and DCMA are eager participants in developing a

working relationship that reflects better communications, increased liaison between the QARs and NAVSEA 04P and improved training. I’m encouraged by efforts to develop joint metrics and training, especially the opportunity for technical warrant holders and in-service engineering agents to work more closely with DCMA and the QARs, so that there’s a clear understanding from the outset of NAVSEA’s technical requirements, specifications and products and how to communicate those to vendors. Continuing this open dialogue between NAVSEA and DCMA allows us to improve our working relationships and, ultimately, to improve the quality of the critical materials used on Navy



**(Above)** USS *George Washington* (CVN 73) transits out of the Norfolk Naval Shipyard, Norfolk, Va. Navy Vice Adm. Paul E. Sullivan served at the Norfolk Naval Shipyard, NAVSEA, prior to becoming NAVSEA commander in July 2005. (U.S. Navy photo by Photographer’s Mate 3<sup>rd</sup> Class Mark Martinez)

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ships and submarines, which means that everyone wins — including our customers.

**C:** As you know, DCMA was recently realigned along product lines to provide greater focus on our customers’ needs. How do you see this realignment affecting the Naval Sea Systems Command? Are there limitations to DCMA services that if corrected would allow us to be of greater benefit to you?

**VAS:** I see the DCMA realignment as positive for NAVSEA. Having a group within DCMA that directly supports our programs and is more responsive to our needs can only help NAVSEA reach our goals and objectives. DCMA is now in the process of aligning its QARs and other resources to the products that they are supporting. I understand this process also will identify any gaps in the knowledge and skills of the QARs and ensure that they receive training necessary to oversee production of critical safety items and prevent defective material from entering the Naval shipyards.

**C:** What are your expectations for the new NSEO CMO?

**VAS:** NAVSEA expects that DCMA will establish a consistent set of requirements that will be followed in each NSEP facility and that DCMA management will diligently follow up to ensure that these requirements are fully implemented and carried out by each QAR. With this new dedicated workforce, we expect improved oversight in our vendors’ plants and an improvement in the initial quality of the material the Navy receives. In return, NAVSEA expects to invest a significant amount

of time and effort in this dedicated workforce to ensure that the QARs in the NSEO have the proper training, skills and background to successfully oversee the fabrication of these critical items. NAVSEA also expects that DCMA will generate metrics to show whether these efforts are successful. We would ask that DCMA communicate these metrics to NAVSEA, provide insight into the data and be prepared to make changes based on this information. The entire process emphasizes open and continuous communication between NAVSEA and DCMA.

**C:** The establishment of the NSEO CMO was part of the strategic partnership with DCMA to improve in-plant oversight of suppliers’ product quality for the NSEP and ships critical safety items supplier base. Do you think the NSEO CMO has been effective in reducing the NSEP/critical safety items reject rate?

**VAS:** At this early stage there has been no noticeable change in the reject rate for NSEP/critical safety items material. NAVSEA expects that the NSEO will have a significant impact on the receipt inspection reject rate. Because DCMA is employing a more consistent and thorough oversight of production, we also expect to develop confidence that critical safety item materials meet NAVSEA standards, even when the material attributes cannot be confirmed immediately upon receipt. However, at this early stage, there has been no noticeable change in the reject rate for NSEP/critical safety items material.

*(Left)* A worker from the Northrop Grumman Newport News Shipyard prepares to install the starboard anchor chain aboard the Nimitz-class aircraft carrier USS *Carl Vinson* (CVN 70). The installation is one of the many major projects the ship will go through during the aircraft carrier’s refueling complex overhaul, an extensive yard period that all Nimitz-class aircraft carriers go through near the mid-point of their 50-year life cycle. NAVSEA’s world-class team of professionals provide virtual support anywhere and anytime to ensure the fleet remains ready and capable, operating around the globe. (U.S. Navy photo by Mass Communication Spc. 3<sup>rd</sup> Crystal Vigil)