



DEPARTMENT OF THE NAVY
PROCESS IMPROVEMENT OFFICE
NORFOLK NAVAL SHIPYARD
Portsmouth, Virginia 23709-5000

5000
Ser 100P/014/10
July 27, 2010

MEMORANDUM

From: C100PI
To: Distribution

SUBJ: FINAL REPORT ON REGIONAL JUST IN TIME (JIT) PAINT PROJECT

Encl: (1) NNSY Report for Regional JIT Paint
(2) Quad Sheet

1. BACKGROUND:

Currently both public and private organizations paint Navy and Coast Guard vessels. Specifically, within the Hampton Roads Area there are marine coating procurement requirements for government specified paint and coating processes. However, these standards and processes for obtaining the coatings, often from the same supplier, are different among organizations. Over the last few years, several of these organizations have completed Lean events and implemented a Just-In-Time (JIT) supply chain process for procuring paint. By understanding these different processes and recent improvements, the potential exists to communize the JIT Paint process, improve different sectors of the process for effected organizations, and continue a cohesive process improvement practice resulting in savings to the taxpayer.

2. DISCUSSION: See the attached report for details

3. See the attached Quad sheet for additional information.

4. Any questions concerning this report may be directed to Doug Smith, Value Stream Champion (757) 396-9018, Priscilla Gober, Black Belt (757) 396-9239, or Glenn Marshall, Director-At-Large Northrop Grumman Shipbuilding(757) 688-2995.

Doug Smith
Process Improvement Director

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LEAN Event Completion Report



Norfolk Naval Shipyard

**Regional Just In Time Paint Project
October 2009-April 2010**

EXECUTIVE SUMMARY

This collaborative regional project focused on sharing the best practices for delivering paint Just In Time (JIT) among organizations within Hampton Roads engaged in painting Navy and Coast Guard vessels,. The team is comprised of representatives from seven Hampton Roads organizations: BAE Systems, US Coast Guard, Earl Industries, Norfolk Naval Shipyard, Northrop Grumman Shipbuilding-NN, Sherwin Williams, and PPG. The potential for this project was identified during a Hampton Roads Quality Management Community (HRQMC) Continuous Process Improvement Community of Practice quarterly workshop. It was recognized that there is a need to communicate, share and potentially integrate some evolving best practices from recent Lean events. Multiple activities conducted events in the process area for procuring “JIT” paint from common prime vendors such as Sherwin Williams and PPG. This project established a forum and structure for communication of current best practices, standardization and streamlining of local JIT procurement processes, explored further collective improvements, and potential “economies of scale” based on a regional procurement approach.

OBJECTIVES

- Improve communication and knowledge sharing of JIT Paint best practices
- Develop further JIT Paint process improvement initiatives on both an individual and regional basis
- Determine if further “economies of scale” are practicable via a common regional procurement process
- Optimize Hampton Roads customer/prime paint supplier relationships

ACCOMPLISHMENTS

1. Using the Lean process, the team identified value added best practices for each organization.
2. Submitted Cumbersome Work Practice Item #287 to reduce or eliminate in-house receipt inspections at NNSY.
 - a. Established a procedure to validate product quality through use of a decision tree.
 - b. Trial period to evaluate the effectiveness of changing the number of required receipt inspection tests from 8 to 3. Recommendation to change FY-13 009-32 dependent on a positive outcome.
 - c. Reduction in cost due to decreased man-hours for paint receipt inspection.
3. Regionally developed a team to communicate, understand, and develop an action plan to improve the JIT paint process.

LEAN Event Completion Report



Norfolk Naval Shipyard

REMAINING ACTIONS

1. Establish a team and event to focus on forecasting process.
2. Establish disposition for regional storage and re-issue.
3. Organize a team to have suppliers control the temperature of paint for a 24 hours paint stabilization and storage period.
4. Review a process for how product is ordered.

POINTS OF CONTACT

Value Stream Champion (VSC): Doug Smith, C100PI Department Head, (757) 396-9018

NGSB Champion: Glenn Marshall, Benchmarking Champion, (757) 688-2995

Team Leader: Priscilla Gober, C100PI Black Belt, (757) 396-9239



Regional JIT Paint



Status Date: 7/27/2010

CRR Serial No.: Y-NO-09-061

I. Project Description:

Current public and private sector organizations painting Navy and/or Coast Guard ships with the Hampton Roads area have similar procurement needs for getting a type of paint, however the organizations have different standards at different levels. To obtain the paint, one from the same supplier. Over the last couple of years, several of the organizations have completed as an exercise and implemented a JIT supply chain process for procurement. By understanding these different processes and recent improvements, the project will be able to compare the JIT paint process, improve the present sector of the process for other organizations, and continue a cost-effective process improvement practice, with a strong savings to the taxpayer.

Projected Outcome:

- Improve examination and starting of JIT paint test practices
- Develop a JIT paint process improvement initiative on both a national and regional basis
- Develop the "reduction of scale" are practicable via a common regional procurement process
- Optimize HR customer time practices for others

POC: Doug Smith

Lean Facilitator: Piscilla Guber

Phone: 757-398-9239

III. Metrics / Benefits: Applied To: Improve CO Improve DU Reduce LI Estimate

Metric	Unit	Base Line	Proj. Change	Pj. % Change	Actual	Act. % Change
Labor	man-hrs	500	3.00	-40%		
Project Inspection	test	8.00	3.00	-63%		

Notes:

II. Status:

ACCOMPLISHMENTS

- Using the lean process, identified value added best practices for each organization
- Submitted Cumbersome Work Practice Item #287 to reduce or eliminate in-house receipt inspections at NNSY
 - Established a procedure to validate product quality through use of decision tree
 - Trail period to evaluate the effectiveness of changing the number of required receipt inspections from 8 to 3
 - Recommendation to change FY-13 009-32 dependent on positive outcome.
- Reduction in cost due to decreased man-hours for paint receipt inspection
- Regionally developed a team to communicate, understand, and develop an action plan to improve the JIT paint process.

Newspaper Items Status: Total: 7 Closed: 3 Open: 4

IV. Cost & Benefits:

Projected Costs:

Labor Cost:	2.2 K
Material Cost:	0 K
Total Cost:	2.2 K

Projected Cost:

Team Cost
\$371/manager/3 team members *2 days=\$2225

Projected Benefits:

Our FY:	09	0 K
FY+1:	10	0 K
FY+2:	11	23.2 K
Total Cost Reductions (3 Year):		23.2
Net Cost Reductions:		21
ROI:		9.54/454

Projected Benefits:
Savings of 2 hr per inspection calculation:
2 hrs @ \$371/manager/8 inspections/day/500 tests/year = \$30560/year

Validated Benefits:

NOTES & CALCULATIONS

QUAD SHEET