



U.S. Department of the Navy

Office of the Assistant Secretary of the Navy (Financial Management and Comptroller)
The Honorable Richard Greco, Jr.

Success Story

NAVAIR Reimbursable Funding Document Process

The reimbursable funding document process at the Naval Air Systems Command (NAVAIR), which sends funding to field activities to work on projects, took too long. This process was streamlined to decrease the cycle time and rework of processing the documents. The anticipated result was increased customer satisfaction with the Business Financial Management Community (B/FMC), improved communications, even though cultural barriers were challenged.

The NAVAIR B/FMC worked with two program offices to develop and pilot the reengineered process. The team engaged in determining customer requirements (the Program Managers and Integrated Project Team Leads), used process mapping tools to define the current process, then collected information to support designing the future state process. The team applied Lean Six Sigma tools to eliminate waste (document queues and multiple reviews), building support for the new method by involving the customer in both design and implementation.

They made the flow visible, measured customer-valued activities, analyzed the flow, organized around the flow, made the flow continuous and managed the flow visually. These efforts led to a root cause diagnosis of inconsistent, late, and non-integrated work assignment planning. Three main changes in the process evolved: (1) Changed the sequence/moving the statement of work planning and preparation up front, (2) Integrated the Field, Headquarters, Business Financial Management, Comptroller and Integrated Process Team planning process via Work Assignment Agreement Conferences, and (3) reduced the number of checks/touch points. As a result, the overall average cycle time was reduced from 28 days to 4 days within the pilot program offices. This process is currently being deployed across NAVAIR.

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NAVAIR AIRSpeed Headquarters Pilot a Success

By Vicky Falcón
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The first test of NAVAIR AIRSpeed within the service environment at NAVAIR headquarters is a success, according to both those who are implementing the pilot process, and the program offices who are seeing the results.

In a pilot test hosted by NAVAIR's Business/Financial Management Community, the approval time for processing a NAVAIR funding document was cut by 85% – from four weeks, to less than four days.

Though AIRSpeed is an overwhelming success in the depot environments, the outcomes of applying those processes to the intellectual capital within headquarters were unknown. So far, though, the results are encouraging.

In May 2004, the B/FMC formed a NAVAIR AIRSpeed pilot project to respond to customer concerns that Reimbursable Funding Documents were taking too long to be approved. The cycle time of a funding document directly impacts the ability of field personnel to efficiently meet the needs of their customer to support the fleet. At that point, the average processing time was 28 days.

Since the main goal of the pilot was to reduce the approval time for funding documents, the Lean tool (which is used to reduce production/cycle time) was chosen from the three NAVAIR AIRSpeed productivity tools – Lean, Six Sigma and Theory of Constraints.

Two NAVAIR program offices (PMA 209 – Air Combat Electronics and PMA 251 - Aircraft Launch and Recovery Equipment) were selected as the test groups for this pilot study. A team was then formed with representatives from the PMAs, their field activities, and the B/FM Community.

"We wanted to work with both a small and a large program office that has multiple appropriations and varying locations that accept reimbursable work," said Joel Carey, NAVAIR AIRSpeed Deployment Champion.

"The program managers were behind us," said Carey. "They had heard positive comments from their leadership so we had good level-one support and that helped us a lot!"

But not everyone was enthusiastic, said Carey. "Some of the team members' attitudes reflected their feeling that this pilot was just another 'flavor of the month' program."

But their attitudes changed very quickly. "Our team soon recognized that this is not another passing productivity initiative that's destined to fail," he said. "This is not another drill – instead, they see it as value-added to them."

The turning point came during a "Kaizen" event. Kaizen means continuous improvement, and is an approach used within NAVAIR AIRSpeed. During Kaizen a repetition of five phases (define, measure, analyze, improve and control) are used to eliminate waste and increase efficiency.

According to Janet Cratty, Other Procurement, Navy B/FM with PMA 251, defining the task and mapping it out was the most difficult part.

"None of us could actually document the process (for approval of a funding document)," she said. "That was a huge task because there were so many multiple reviews – so many people 'touching' the document."

Kathy Dagenhart, B/FM for PMA 209 agrees. "We looked at a process with many players who have the opportunity to either approve or reject a funding document. Each player is an expert in their particular field; they look for specific information in order for the document to be approved," she said. "We found that there were many opportunities for the document to be rejected, which resulted in it returning back to the beginning of the process to be readdressed by the same players multiple times."

The original workflow required more than 30 steps (including 12 reviews for approval) and had an average turn-around time of 28 days. The Lean process now requires just 18 steps and only three reviews for approval – a process that can be accomplished in under four days.

By standardizing and streamlining the process, communication has dramatically improved between the comptrollers, B/FMs and the PMAs.

"Standardization is so important," said Dagenhart. "It engages the customer up front in the process and drastically reduces funding document rejections. It's a real success for everyone involved," she added.

"Now we understand what the next person is doing," said Cratty. "We understand the full cycle that goes into the work flow."

Michelle Fore also works in PMA 209 as a budget analyst. "We anticipated reducing cycle time within funding execution, but we didn't realize how much we were going to learn from the other individuals in the room, with respect to their internal processes," she said. "We're used to working in our own environments."

Though the test was successful there is still a lot of additional work for those involved, including continual refinement of the newly developed reimbursable funding document process.

Fore is also part of a team developing a training package for other PMAs called a Work Assignment Agreement. The agreement will then be deployed to help implement the lessons learned from their test.

"The proof of our success is that other Integrated Product Teams are now coming to us, demanding the same process," said Carey. "Not only have we reduced cycle time and reduced work for employees, but the end result is that the warfighter is getting the product sooner. That's what it's all about."

For more information about NAVAIR AIRSpeed, go to the Web Site at <http://www.navair.navy.mil/navairairspeed/>.