NAVSUP Continues to Refine Critical Supply Chain Support



Karen Fenstermacher, executive for strategic initiatives at NAVSUP

The pandemic has taught people around the world about the importance of efficient supply chains. They are even more critical for armed forces, as without reinforcement and supplies even formidable militaries can be stymied or defeated.

When the pandemic hit more than two years ago, Naval Supply Systems Command (Booth 1701), or NAVSUP, was already moving out with a wartime acquisition response plan.

“We were already underway, focused on what I’ll call our strategic portfolio of suppliers,” said Karen Fenstermacher, executive for strategic initiatives at NAVSUP. “That’s really our, our top 10, which reflects about 80-plus percent of our spend.”

COVID-19 largely shut down the United States by March 20, 2020, but thanks to those ongoing efforts, “by that weekend we were up and running with a survey mechanism to pulse our 900-plus suppliers,” she said.

The idea was to ensure NAVSUP had the necessary sensors or triggers “to do everything that we can to ensure that everybody that came into the crisis comes out of the crisis.”

The maritime supply base is prone to very cyclical demand, so “it was very important to keep a bead on the overall supply base, despite whether or not we had an active contract with these suppliers” by using a survey.

That tracked about 14 different dimensions, largely focused in

the beginning on the companies' access to personal protective equipment, or PPE, to enable them to get back to work. It also monitored how the impact on other industries, such as airlines and cruise ships, was affecting the defense industrial base, as many of those companies supply the airline and cruise industries as well.

Speeding Processes

The president invoked the Defense Production Act to help companies financially "and there were a number of other efforts that were underway to be able to provide the defense industrial base, in particular, with the opportunity to access monies," Fenstermacher said.

One such effort was to speed up the payment system so contractors could get paid sooner. Another used the NAVSUP survey to identify at-risk companies to have better access to business loans and investment dollars "to help these companies weather the storm, so to speak."

In recent years, the government has adopted a "whole of government" approach to build resilient supply chains and revitalize manufacturing, such as by expanding key capabilities and capacity, especially in critical areas such as semiconductors.

The ongoing chip shortage is another headwind faced by defense and other industries, but Fenstermacher says she's confident the whole-of-government approach will help, although there will continue to be supply chain challenges.

One of the few major pieces of legislation to be approved this year was the infrastructure bill, which includes $550 billion in new spending to improve the nation's roads, bridges, transit systems and internet access.

"That's going to be a piece of it [the whole-of-government approach]," Fenstermacher said. "Time will tell as the

infrastructure bill evolves and continues to execute, how that specifically impacts us. But I’m anticipating it to be in a positive way.”

Roundtables

Another tool NAVSUP has employed are roundtables with industry. In 2021, NAVSUP held a session with its 50 top industry partners focused on speeding the end-to-end supply chain, particularly for repair turnaround time, and then followed that up by working with the individual companies.

“We found that to be tremendously successful,” Fenstermacher said.

Roundtables help bring industry up to speed on what’s been accomplished already in bolstering the supply chain and what’s coming next. One pending effort will be to leverage public-private partnerships with aviation and ship repair depots.

“So, that’s something that we have on the horizon and are beginning to prepare. We found it [using roundtables] to be a very effective way to communicate and to create these calls to action, if you will, that are required in our space,” she said.