Business as usual” according to Navy Exchange Service Command (NEXCOM) Vice President of Ships Stores Charles Vaughan means a vibrant program that is engaged in everything from new ship designs, to technology that drives cost reduction for the Navy, and an array of quality-of-life merchandise and services for its patrons.

“At the shipboard level, 169 ships stores will open today, somewhere around the world, and serve their shipmates by providing both retail merchandise and service support in barbering and laundry,” Vaughan said. “Ship feedback on that support indicates a high level of satisfaction, so all in all, it is both business as usual in meeting the needs of deployable Sailors and Marines with high quality-of-life services, as well as looking to the future.”

UPGRADING TECHNOLOGY

“On the technology side, we are confronted with having a legacy point-of-sale (POS) system called ROM II that is rapidly becoming obsolete in terms of software support as well as hardware,” Vaughan said. “The fact that ships consistently provided outstanding service in 2011, using floppy disks to move data and ‘A’ drives to load data, is a testament to the tenacity of our workforce afloat to ‘make it work.’

“Our Point-of-Sale (POS) replacement program, called ROM-ES, was terminated earlier this year at the end of its prototype phase when we completed our analysis, and determined that it was not a cost-effective solution with regard to sustainability and maintainability.”

What may have been a setback was, in reality, a boon for NEXCOM’s Ships Stores program, which was able to integrate more modern technologies and communications. “We are now engaged with an upgrade to ROM II that will have elements of distance support but will be more robust; it eliminated the old technology and hardware dependencies, and enabled us to ‘push’ data to ship via a standard Navy communication pipeline,” Vaughan said.

Vaughan expects to have a working prototype in the fleet in about a year.

LOGISTICS PIPELINE

Vaughan said that because NEXCOM Ships Stores program is linked with the Navy Supply Systems Command (NA VSUP) and its Navy-wide supply chain, the program benefits from the larger logistics pipeline. “That means for us that I do not have to figure out the logistics pipeline to every ship everywhere in the world,” he said. “The greater Navy support teams do that, and the program is able to take advantage of the pipeline like the rest of the ship. Likewise, because ships by definition are always deployed, even when tied up to a pier — except...
for yard periods — ships stores function the same in times of conflict or war as they do in peace. So, having a standard process means that while the pace of operations may increase, the basic means to obtain goods or services stays pretty much the same.”

Today, there are around 180 ships deployed somewhere, with no real ships store supply problems, according to Vaughan. Patrons get the merchandise they want, and life on ships continue with quality-of-life services daily. “Many Sailors are working hard behind the scenes but that work is largely transparent to the customer,” he said. “That says a great deal about the professionalism and dedication of the hundreds of officers and ships servicemen who provided that service.”

BRAND APPEAL

Vaughan said the “Y generation or dotcom generation” that works and lives on Navy ships “tend to be brand-conscious, and also favor brands and products that provide convenience for shipboard living.

“Today, the customer expects a large choice of brands and products with lots of features. Our store cube and space limitations do not allow us to provide the products a large NEX or civilian store provides. In a large part, our stores now reflect a convenience store mode of service for a ‘grab and go’ crowd.”

As a result, Vaughan said, “our stores and assortments have changed to reflect those customers, to include self-serve vending for 24/7 service; a snack bar; almost no jewelry sales; electronics including DVD and MP3 players; ‘boom box’ stereos; feature-driven products such as Timex and Casio watches with glow-in-the-dark dials; and easy-living convenience and personal care products. In addition, toll-free 800 numbers and web-based ordering for uniforms have replaced the shipboard uniform store.”

TECHNOLOGY ENHANCEMENTS

NEXCOM ships stores are engaged in a number of initiatives to enhance the quality of life for their afloat patrons. All CONUS procurement by ships is carried out via electronic data interchange (EDI), Vaughan said, and has translated into lower cost to the government and vendors, and better service to the ship. “This has worked so well, our next project is to transition from 100-percent paper submission of accounting records to Defense Finance and Accounting Services (DFAS), to 100-percent electronic submission of end-of-accounting period records,” he said.

On the service side, NEXCOM is completing an R&D project to install an ozone-dispensing module on commercial washers to produce cleaner, fresh, more sanitary wash in lower temperatures. “As an added bonus,” Vaughan said, “the system has a 14-month return on investment (ROI) that will generate savings for the government for many years to come.”

ASSORTMENT CHOICES

NEXCOM’s Ships Store program continues to offer afloat Sailors plenty of choices among its 340 SKUs, including the new Starbucks coffee snack bars, and a large assortment of healthy items. Snickers bars remain the number 1 item in the assortment, according to Vaughan.

“Healthier vending is not a new concept to the Navy and the Ships Store program fully supports this goal,” Vaughan said. “Fit Pick is an updated version of the ‘Healthy Alternatives,’ program that mandated that ship’s snack vending machines stock consist of at least 10 percent healthy items.”

Fit Pick nutritional criteria is based on the dietary recommendations of the American Heart Association, USDA Dietary Guidelines for Americans, and the Alliance for a Healthier Generation Guidelines for Competitive Foods, and is fully supported by Commander, Naval Installations Command (CINC), and all the military exchanges. Healthy items will be labeled and special static clings will be sent to each ship for each of their snack vending machines. The growing awareness regarding health and wellness means that our Sailors and Marines increasingly seek alternative choices to support a healthy lifestyle and we will offer choices to meet their needs.”

KEEPING STORES SHIP SHAPE

Vaughan said NEXCOM provides financial assistance in the form of grants and loans to ships wishing to modernize their stores. On average, 10 locations a year undergo some degree of modernization. “When a ship wishes to modernize or refresh its store or barbershop, we provide design assistance and work with the ship and the contracting officer, to get the best package for the best price,” Vaughan said.

Vaughan said that by being locally owned and operated, ships stores have a good focus on serving their customer base and providing the merchandise and services that their crew demands. “You do not need a very sophisticated customer survey form when the person running the store is sleeping one rack away from you, and you eat with them three meals a day, 180 days a year,” he said. “Customer feedback tends to be eyeball to eyeball.”

EXCITING TIMES

These are exciting times for the NEXCOM Ships Store program, Vaughan said, observing, “We are engaged in new ship designs; we are driving cost reduction for the Navy in our own little area; we are reducing workload afloat; and we are serving the deckplate Sailor by providing quality-of-life merchandise and services. If you add great government partners and a terrific, supportive vendor community, this is a great place to be at this time.”

MATCHING SAILOR AND FLEET NEEDS AT SHIPBOARD LEVEL

In 2008, Commander Naval Surface Forces (COMNAVSURFOR) and the Navy Exchange Ships Store program explored the design and testing of a “Model Stock Plan” assortment for ships stores.

The results of the test demonstrated the extreme difficulty, Vaughan said, “of managing a model stock plan for 169 ships anywhere in the world when there is no central buying office. What we and the Fleet agreed to was to allow the ship to have the authority to stock what meets their crew’s needs and desires, selecting from our catalog listings, but to limit the number of line items a ship is authorized to carry.”

In this manner, Vaughan explained, “the ship makes the decision on what to carry within limits on total line items, or line items in a department, but is free to choose whatever is best for their crew. The goal is to get those items that are or will be ‘best sellers’ for them wherever they are.”