Supplier Management Council

THE SUPPLIERS' VOICE

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Evolving the SMC in 2004

By Vince Hrenak, Supplier Management Council Chair

This is the last of a two-part series in which SMC Chair Vince Hrenak, vice president, supply chain, Raytheon Company, describes an evolving vision for AIA associate members. In the first part, he discussed the concept of an Integrated Supply Chain serving the needs of the aerospace industry. In this segment, Hrenak looks at strategies the SMC is using in support of suppliers in 2004.

Hrenak

To begin the process of maximizing value for its members in 2004, the SMC has developed a series of SMC events, and we've developed an action plan to carry out an SMC-inspired 2004 Top Ten Issue for the association: "Ensure the Competitiveness and Survival of the Commercial Aviation and Defense Supply Base."

Examples of strategies looking outward include SMC interface with Congress, executive departments and agencies, and other AIA councils and committees — support needed to remove impediments to the competitiveness of small businesses, small disadvantaged businesses, and woman-owned small businesses.

In addition, we're driving hard for affordable insurance for aerospace suppliers, assurances of research and development funds for parts and components, adequate funding of the Manufacturing Extension Program, and removal of barriers to suppliers seeking global business. Government support is

Evolving SMC continued on back page

BTC Building New HQ

BTC Electronic Components is constructing a new headquarters in Wake Forest, N.C., a suburb of Raleigh.

The new state-of-the-art facility will utilize more than 20,000 square feet and will be home for all departments of BTC, including sales, marketing, production, and warehousing.

The company, which plans to move into its new facility by the end of June, will maintain sales offices in Plainview, N.Y., and Summerlin, Nev.

Currently headquartered in Raleigh, BTC is a value-added distributor, building and supplying connectors, connector accessories, relays, heat shrink products, and other electronic components to defense, aerospace, and other industries

For more information, visit www.btcelectronics.com

Marotta Controls Selected For USAF Bomb Program

The U.S. Air Force recently selected AIA Associate Member Marotta Controls as part of The Boeing Company team for continued development of the Small Diameter Bomb (SDB) system for manned and unmanned aircraft.

Marotta will be responsible for the firing valve and accumulator assemblies, which are a key part of the pneumatic stores ejectors and have a potential contract value of $20 million to Marotta over the life of the program.

The Small Diameter Bomb, 70 inches long and 7.5 inches wide, allows for an increased weapons load on each aircraft. Weapon carriages hold four SDBs and quadruple the number of possible targets per combat sortie.

Marotta Controls is teamed with The Boeing Company for development of the Small Diameter Bomb system.

Marotta Controls, based in Montville, New Jersey, with facilities in Cheltenham, England, and Dublin, Ireland, manufactures fluid control systems, valves, and actuators for military, commercial aerospace, and industrial markets.

PMM Wins Prestigious Nunn-Perry Award

AIA Associate Member Precision Machine & Manufacturing (PMM) recently received a prestigious Nunn-Perry Award from the U.S. Defense Department (DoD) as half of a mentor-protégé team that included The Boeing Company's Integrated Defense Systems unit.

The award recognizes outstanding teams formed under DoD's mentor-protégé program, which encourages contractors to help small, disadvantaged businesses, organizations that employ the severely disabled, and women-owned small businesses develop technical and business capabilities.

PMM Vice President Tony Caudill said the program "has been a very positive experience. We've had nothing but benefits from it. We're confident that the training we have received will help us better serve Boeing and DoD."

Precision Machine continued on back page

Upcoming Meetings

June 1-3, 2004 SMC Summer Legislative Meeting, Washington, D.C.

June 22-23, 2004 AIA Northwestern Regional Meeting, Seattle, Wash. Sponsor: Crane Aerospace & Electronics

July 19-25, 2004 Farnborough Air Show, Farnborough, England

ESIS Offering Smaller HOM

ESIS has begun marketing a streamlined version of its Harmony Order Management product for smaller companies.

The new HOM Standard version allows companies with fewer than 100 trading partners to quickly and cost-effectively enable their supply base. HOM is used by hundreds of large manufacturers across multiple industries to exchange customized purchasing documents with their suppliers.

Founded in 1992, ESIS provides e-commerce solutions for procurement. **For more information on the San Diego-based company, see www.esisinc.com.**

Precision Machine continued from front page

"Diverse, skilled suppliers are key to our ability to be agile and innovative. Mentor-protégé programs like this are vital in helping us build a high-performing team," said Norma Clayton, vice president of supplier management for Boeing Integrated Defense Systems.

Located in Grove, Okla., PMM is a Native American-owned, small, disadvantaged business that provides Boeing with machined parts for a variety of military products, including the F/A-18 E/F Super Hornet and the C-17 Globemaster III airlifter

For more information, visit www.precisiongrove.com

As mentor, Boeing provides on-site training to help PMM become more productive and more profitable. It includes training in high-speed machining of aluminum and performance machining of titanium.

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Sunbelt Industrial Supply Co. Inc
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UGS PLM Solutions
Xerox Corporation

Evolving SMC continued from front page

crucial as well for immediate aerospace supplier access to low-interest loans when disasters strike.

A critical objective will be the adoption of a code of conduct and acquisition ethics. Details will be discussed at upcoming SMC events.

When accomplished, these initiatives will reduce supplier costs, increase productivity, open new markets, advance product technology, and promote security — ensuring the competitiveness and survival of the commercial aviation and defense supply supplier base, as stated in the 2004 AIA Top Ten Issue.

Coupled with the growing trend in supplier outsourcing, these efforts strengthen the value of the Integrated Supply Chain process and enable the SMC to assist aerospace and defense suppliers in maneuvering the path toward win-win integration with primes. The SMC's outward vision assures that suppliers will have added influence as the council grows larger and stronger with new, active members.

It's exciting to be part of the SMC as it navigates through today's industry challenges, discovering increased value and benefits for our remarkable associate supplier organization.

Exhibit with AIA at Farnborough 2004

Participating AIA members will receive these benefits:

- Reduced cost
- Various booth sizes: 3-, 4-, 5-, and 6-square meter booths
- Strategic booth location near exhibitor lounge, Cyber Café, and conference rooms
- On-site assistance with appointments and contacts
- Invitations to luncheons in AIA member chalets to meet with purchasing executives
- Invitations to U.S. Ambassador's Reception and SJAC Reception

Price also includes booth furnishings, shared conference room, lighting and electricity with at least one outlet per company, show and pavilion directory listings, and at least two exhibitor passes.

To sign-up or receive more information, contact Varun Nikore, director of supplier management, at 703-358-1092, e-mail nikore@aia-aerospace.org, or visit www.aia-aerospace.org.

See you there!

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