

## THE SUPPLIERS' VOICE



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## Expanding Influence: The Evolution of the SMC

By Bill Lewandowski, AIA Vice President, Supplier Management

The Supplier Management Council is beginning its eighth year as an organization within AIA, and each year it evolves as it grows in the mission, size, and benefits it offers to AIA regular members and associate members.

This year AIA President and Chief Executive Officer John Douglass is advancing the SMC further with changes that increase the council's visibility and its scope of responsibility.

Previously, the SMC reported to AIA's Government Division. Now, the council reports directly to Douglass.

The change was made because the council's work has expanded to include supplier interests in the association's Civil Aviation and International councils.

Douglass wants to keep making the SMC a more integral part of AIA. To that end, he is encouraging the SMC to have associate member relationships with other councils and committees.

Expanded SMC influence will increase information flow between customers and suppliers, provide new perspectives in discussions, and encourage all councils and committees to include supplier



Lewandowski

Evolution  
continued  
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## Meet the 2005 SMC Executive Committee

The Supplier Management Council relies on its Executive Committee for leadership throughout the year.

Among its contributions, the committee develops workshops, master classes, speaker invitations, and locations for meetings. In addition, committee members provide studies, presentations, panel participation, and news media interviews, and represent the SMC in an array of venues.

Vincent Hrenak, vice president of supply chain for Raytheon Company, is chairman and William Brown, vice president of business development for Kaman Aerospace, is vice chairman.

Bill Lewandowski, vice president of supplier management for AIA, is the association's representative to the Executive Committee.

Here are the other SMC Executive Committee members for 2005:

**Derek Baggerly**, President and Chief Executive Officer, ESIS, Inc.

**Dennis Bent**, Vice President-Procurement, BAE SYSTEMS North America

**Michael Chanatry**, General Manager of the Global Sourcing Department, General Electric Company

**Blair French**, IDS Director of Procurement, The Boeing Company

**Joseph Murphy**, Chairman, The Ferco Group

**Judith Northup**, Vice President and Chief Administrative Officer, Vought Aircraft Industries, Inc.

**Thomas Plungis**, Corporate Director of Subcontracts and Supply Chain Management, Lockheed Martin Corporation

**Hugh Quigley**, President, DynaBil Industries, Inc.

**Peter Rettaliata**, President, Air Industries Machining Corporation

**Mary Simmerman**, Vice President of Materiel, Northrop Grumman Corporation

**Robert Sprole, III**, President, Therm, Inc.

**Vickie Wessel**, President, Spirit Electronics, Inc.

### 2005 Associate Member/SMC Events

**Spring 2005 SMC Meeting** Los Angeles, Calif., area — March 29-April 1, 2005

**Paris Air Show** Le Bourget, France — June 13-19, 2005

**Summer 2005 SMC Meeting** Washington, D.C. — July 12-14, 2005

**Rocky Mountain Regional Meeting** Denver, Colo. — August 3-4, 2005. Sponsored by Celestica

**Northcentral Regional Meeting** Cincinnati, Ohio — October 12-13, 2005. Sponsored by GE Aircraft Engines

**Fall 2005 SMC Meeting** Hilton Head, S.C. — October-November 2005



## SMC Guide to Codes of Conduct Now Online

AIA's Supplier Management Council has developed an online guide to creating and implementing a Code of Ethical Conduct for suppliers.

It is accessible on the password-protected, members-only section of the AIA Web site.

The guide was developed after a thorough review of codes of conduct from AIA member companies to determine elements common in each that could be part of a model supplier code.

A sample layout of the code has 13 elements, including standards in conducting business, commitments to employees, customers, and others as well as language that addresses shareholder and international business relationships and community involvement.

AIA President and CEO John W. Douglass described the guide as "an excellent resource for our members. On behalf of the Executive Committee, I thank Bob Sprole, president of Therm, Inc., for leading the effort. Ethical compliance must come from the top down, and we look forward to our members using this important and valuable tool."

The guide's introduction points out that small-sized businesses make up the majority of companies suspended or debarred over time from doing business with the federal government.

Also, the introduction points out, Federal Sentencing Guidelines on Ethical Misconduct show that the best insurance for smaller companies to obtain fair and favorable judgment from an investigation is to develop, train, implement, and enforce a code of ethical conduct in the workplace.

The project marks the completion of the first phase of the SMC's effort to encourage its members to have a code of conduct. Phase two will be a series of training seminars conducted in various locations across the country. The first seminar is tentatively planned for March 2005.

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## SMC Welcomes Newest Associate Members

**CMTC**

**H&H Technologies, Inc.**

**Inmedius**

**SAS Institute, Inc.**

**Vulcanium Metals Incorporated**

## Integrated Supply Chain Benefits Buyers, Suppliers

Call it being on the same page, harmonious convergence, or even a united front.

Whatever term you use, the concept of integrated supply chain can lead to efficiencies between a supplier and buyer that can save time — and money — for both.

The still-evolving concept focuses on merging a buyer's requirements directly into a supplier's production schedule, requiring a great deal of communication and cooperation between the buyer and supplier.

But the reward is significant and valuable: the right product to the right place at the right time.

AIA has prepared a report on the integrated supply chain to help members better understand the concept and guide them toward putting it in place for their companies.

See AIA's Web site for the report on integrated supply chain: [www.aia-aerospace.org/issues/subject/subject.cfm](http://www.aia-aerospace.org/issues/subject/subject.cfm)

**Evolution continued from front** issues in their work programs.

Before now there had been limited SMC activities in other councils. For example, associate members have been part of the Quality Steering Group, the Electronic Business Steering Group, the Electronic Enterprise Integration Committee, and the Civil Aviation Leadership Committee.

And, significantly, the council has a seat on the AIA Board of Governors.

This year associate members will play an expanded role in support of the International Council's efforts to overhaul the export control license process. Suppliers will provide examples of the complexity of the licensing process, the problem of timeliness when trying to respond to a request for a quote from a foreign customer, and the requirement to get an export license for commercial items modified for military use.

The role of suppliers is an integral fit in AIA's campaign to raise public awareness of the need for export control reform, enlighten Congress to global competitiveness issues, and open a meaningful dialogue with the administration.

As the aerospace industry is evolving, so is the SMC in meeting its challenges and responsibilities.