

THE SUPPLIERS' VOICE



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SMC Delivers for Defense

By Bill Lewandowski, AIA Vice President, Supplier Management

Twice recently, the Supplier Management Council delivered on its charter by providing valuable customer support for new Defense Department policies and practices.

In one case, the Defense Contract Management Agency was concerned about manufacturing defects from second- and third-tier suppliers escaping the attention of primes and first-tier suppliers and reaching users.

The SMC arranged a meeting between DCMA and prime contractors down to third-tier suppliers to identify the problem and determine steps needed to eliminate escapes.

Associate Member Renaissance Services, Inc., analyzed some 700 incidents, concluding that escapes are mainly caused by misinterpretation and ambiguity in the flow down to suppliers of design intent, functionality, and specifications.

As an initial solution, primes and first-tier suppliers are adding field quality engineers to perform more in-depth product conformity audits, going wherever the trail leads them into the sub-tier levels of the supply base.

For a longer-term cure, industry is developing a combination of new profiling software, supplier ratings, and other data to predict escapes before they happen.

Overall, DCMA saw that industry has taken the issue seriously and is reducing problems and implementing long-term technological solutions.

In the second case, DoD has initiated the use of radio frequency technology to identify the contents of pallets and packages being shipped to military forces and, separately, to use 2D bar code technology to identify products and parts throughout their life.

Both systems will require the defense supply base to tag packages and parts, and requirements will appear in contracts and subcontracts.

Representatives of SMC prime contractor members developed two master classes on the identification processes for the spring SMC meeting to better understand the initiatives and determine needed investments in training and equipment.

Now, AIA regular and associate members are ready to implement the new shipping processes and improve asset management and product accountability in support our military units.

The SMC delivers.



Lewandowski

Business Ethics and the Aerospace Supply Chain

By Bob Sprole, Chairman, SMC Supplier Code of Ethics Working Group and President and CEO of Therm, Inc.

We've heard from customers about the importance of establishing a documented code of ethics for our businesses and employees. With some primes an ethics code is a prerequisite for suppliers to bid on certain contracts.

Why?

There are two sound reasons: because your customer insists on it to protect his own interests by showing compliance training that identifies improper activities and, second, to safeguard your own business and stakeholders.

We like to believe that we and our employees always want to "do the right thing." But, with the labyrinth of laws, regulations, and practices involved in dealing with U.S. and global customers, the right thing isn't always obvious.

Training people on what to ethically ask of themselves or where to look for answers is no less important than training on quality management systems or any other good business practices.



Sprole

Ethics continued on back

Associate Members Exhibit with AIA at Paris

AIA is enabling cost-effective participation for regular and associate member companies at the 46th International Paris Air Show June 13-19. Participating in the AIA exhibit space in Hall 4 are:

Allen Aircraft Products, Inc.*
American Pacific Corp.
Avexus, Inc.*
HITCO Carbon Composites, Inc.
iBASEt*
DynaBil Industries, Inc.*

NMC Group, Inc.*
Precision Tube Bending*
Radant Technologies, Inc.*
Remmele Engineering, Inc.
Texas Composite, Inc.*

*Associate Member Company

For details about exhibiting under the AIA banner at future Paris and Farnborough air shows, contact Trish Maguder Ward at 703-358-1061 or trish.ward@aia-aerospace.org.

Parker Aerospace Executive Offers Insights

Supplier Management Council members were offered an insightful view of the industry at the organization's spring meeting from an executive of Parker Aerospace, one of the most successful U.S. aerospace suppliers.

Mike Romito, Parker's group vice president of marketing and customer support, described how aerospace suppliers, no matter how big or small they are, share the same issues and can have common visions and goals.

Parker Aerospace is a \$1.3 billion aerospace company that works with aircraft manufacturers to create entire aircraft systems and is a leader in the design, development, and manufacture of fuel, hydraulic, pneumatic, and electronic components.

The firm employs 45,000 people, subcontracts to 1,900 U.S. suppliers, and works through 13 divisions, several under \$50 million in sales like many of AIA's associate members.

Romito highlighted two aerospace industry paradigm shifts that have occurred and will continue for the foreseeable future.

In the first, global competition has redefined the industry, requiring a more high-performance culture, responsiveness to customer needs, long-term relationships, and shared risks and rewards.

In the second paradigm, prime contractors are offloading more and more product-oriented work and are applying added discrimination in choosing fewer suppliers — those who demonstrate an array of capabilities and the ability to manage, innovate, and collaborate.

Challenges for suppliers, whether large or small, are the same, Romito explained, citing growing pension, medical, and liability costs, rising material and labor costs, an aging workforce, and lack of funding for new research and development initiatives.

What Parker has done — and recommends all suppliers do — is grow and not retreat, strive for perfection, recognize and address weaknesses, work closely with customers, ask for help and collaboration, and continuously improve.

AIA Adds Associate Membership Manager

Leonora Hansford has joined AIA as manager of associate membership.

Hansford, part of the association's membership services department, will work to grow the associate member organization and coordinate support for members.

She has more than eight years experience in marketing, membership management, and events planning, including work with the National Board for Professional Teaching Standards, the Radio-Television News Directors Association, and the Smithsonian Institution.

Hansford is a graduate of Mount St. Mary's University in Emmitsburg, Md., where she earned a bachelor of science degree in business and finance with a concentration in marketing.

She can be contacted at 703-358-1098 or at Leonora.hansford@aia-aerospace.org.

SMC Welcomes Newest Associate Members

Astronautics Corporation of America	Jabil Circuit, Inc.
Designed Metal Connections	Lockmasters, Inc.
Haas TCM	Performance Software Corporation
Heart of Georgia Metal Crafters	QC Graphics, Inc.
Heizer Aerospace	Universal ID Systems, Ltd.
	Vishay

Ethics continued from front AIA's Executive Committee last year asked the SMC to "develop an effective, cost-efficient, and user-friendly ethics program for small aerospace suppliers."

So, the SMC Supplier Code of Ethics Working Group was established and has collaborated with the Defense Industry Initiative (DII) on Business Ethics and Conduct to develop ethics information and low-cost options for SMC members to join the DII.

DII has made 10 slots available at its annual meeting in June for SMC members. Contact SMC staff if you're interested. The SMC and DII are planning more sessions this year to help suppliers develop ethics programs.

Also, the working group and AIA staff have developed an ethics and business code of conduct template based on language suggested by larger AIA member companies.

Further, an array of information on ethics is available in the members-only section of AIA's Web site.

Looking ahead, the working group and SMC's Executive Committee will consider a means to share training materials among member companies and address whether having a written code of business ethics and conduct should be a requirement for associate membership as it is for regular AIA companies.

To participate in ethics projects or for comments or questions, contact me at rrsprole3@therm.com, Bill Lewandowski, or Varun Nikore.

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