

## THE SUPPLIERS' VOICE



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## Council Actions Bring Benefit to Members and Industry

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**A**IA's Supplier Management Council, or SMC, provides opportunities for members to increase their chances for success and growth. Over the summer months three initiatives focused on benefit-building.

First, AIA educated the membership on four major legislative areas that would affect their future — research and development for suppliers, keeping overseas markets open, workforce availability, and government support in supplier development. Then, SMC members, organized into groups, presented their views to their members of Congress and their staffs and urged action on behalf of suppliers. (See story below.)

All aerospace companies, including those that are not AIA members, owe these company representatives a real debt of gratitude for taking their time and spending their resources to request action on issues that affect the future success of every supplier in the industry.

Second, the SMC developed a capability database of members that will be sent to supply chain and procurement executives in charge of new aerospace programs at customer companies as a resource for developing their supply bases. Associate members

who wanted to take advantage of this opportunity filled out an electronic, user-friendly survey, responding to questions generated by a group of experts who make decisions on choosing suppliers.

The opportunity to input data is now open and nearly half of the 174 associate members have already responded. The database will also be used by AIA's communications and research organizations

**Actions  
continued  
on back**



**Congressman Steve Israel (left) of New York reviews industry supply chain data with Peter Rettaliata (center), president of Air Industries Machining Corporation in Bay Shore, NY, during the association's summer information blitz on Capitol Hill. At right is Bill Lewandowski, supplier management vice president.**

## Suppliers Carry Messages to The Hill in Record Numbers

**A**IA's Supplier Management Council held a record number of 33 congressional meetings during its annual mid-summer Washington conference.

The meetings with members of Congress and staff were intended to promote a variety of legislative matters that would improve the ability of aerospace companies to modernize and compete in global markets.

SMC members urged their representatives to support the Commerce Department's Manufacturing Extension

Partnership Program (MEPP), a long-range extension of the research and development tax credit, and a bill (HR 758) to create a federal interagency panel on aerospace workforce revitalization, among other issues.

Past SMC lobbying efforts contributed to congressional decisions to increase the administration's MEPP budget by more than \$60 million, and both the House and Senate Appropriations Committees took similar actions this spring and summer by recommend-

ing a \$106 million in MEPP funding for fiscal 2006.

In urging Congress to renew the R&D tax credit, SMC members pointed out that 75 percent of the revenue returned to industry under the benefit goes directly to wages and salaries. The credit also makes it easier for the aerospace industry to manage the cost of testing and improving new weapons systems before they go into production.

Finally, since the

**Messages  
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on back**

## White Papers Provide Solutions to Industry Challenges

The Supplier Council section of AIA's Web site has been updated to add a key element of an SMC initiative on supply chain integration.

White papers provided by service-oriented member companies offer solutions to some of the aerospace and defense industry's most vexing challenges.

The new feature provides a resource for suppliers to apply added technologies to their business processes in order to become more efficient.

Among 20 topics already posted are:

- Cost-effective Supply Chains: Optimizing Product Development through Integrated Design and Sourcing (IBM)
- Eliminating the Paperwork Constraints on the Shop Floor (iBASEt)
- The Nine Basic Rules of a Successful Supply Chain (WAER Systems)

- Security Solutions in the Aerospace/Defense Industry (Pinkerton Government Systems, Inc.)

Contact Varun Nikore at [varun.nikore@aia-aerospace.org](mailto:varun.nikore@aia-aerospace.org) or 703-358-1092 if you have a white paper you would like considered for posting on AIA's Web site.

### Upcoming AIA/SMC Meetings Plan on Attending

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

For more information, contact Trish Ward at 703-358-1061 or [trish.ward@aia-aerospace.org](mailto:trish.ward@aia-aerospace.org).

**Fall SMC Meeting** - Hilton Head, S.C. – October 25-27, 2005. Sponsored by Gulfstream, General Dynamics.

For more information, contact Peggy Boyd at 703-358-1091 or [peggy.boyd@aia-aerospace.org](mailto:peggy.boyd@aia-aerospace.org).

**Messages continued from front** conclusion of the SMC conference, HR 758 attracted several new House co-sponsors, including Majority Leader Tom DeLay (R-Texas) and Rep. Jerry Costello (D-Ill.), the senior Democrat on the House Aviation Subcommittee.

HR 758 follows one of the key recommendations of the Commission on the Future of the U.S. Aerospace Industry, which urged the federal government to intensify its work with industry and academia to expand aerospace-related science and engineering training programs.

### SMC Welcomes Newest Associate Member Telephonics Corporation

FYI

Established in 1997, the Supplier Management Council has become the primary industry forum for improving the relationship between suppliers and customers.

As of August 22, 2005, AIA has 103 regular member and 174 associate member companies.

**Actions continued from front** to support other industry initiatives. Third, one of the SMC priorities is to facilitate supply chain integration. Suppliers who participate in this integration with their customers will be the ones who increase business and grow.

A conclusion of a recent SMC workshop on the subject is that suppliers first need to look internally at their own business processes and make them as efficient as possible. This means applying enabling technologies to their processes.

The SMC has been encouraging service companies to join the SMC and established a Services Working Group to develop a way the association and the council could facilitate suppliers becoming acquainted with companies that can provide these enabling technologies. Using AIA's Web site as the interface, services companies would develop white papers defining a problem or issue that a supplier might face, provide a solution, and name a contact point.

Quite a few white papers are already posted on the Supplier Council section of AIA's Web site. (See story above.)

We expect this section to expand as more AIA and SMC members add white papers and suppliers use this resource to become acquainted with enabling technologies. Those services companies who are AIA and SMC members gain the opportunity for increasing their benefit by posting their solutions on our Web site, and aerospace suppliers — not only members — get technology solutions that, when applied, will make their internal processes more efficient and prepare them to participate in supply chain integration.

What great benefits!

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