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Continuing to improve Quality performance all along the supply chain will still be high on the 2012 agenda of the aerospace and defence industry. This is a major challenge common to many companies as On-Time On-Quality delivery has recently levelled off, jeopardizing the IAQG performance objectives.

I am convinced that the **IAQG is our best chance to collectively improve Quality overall in the long run**. The IAQG is unparalleled; it has proved its relevance, yielding value and concrete results to its stakeholders – be it the ICOP scheme and its 14,000 industrial sites certified, or the Supply Chain Management Handbook with 15,000 documents of best practices and recommended methods being downloaded each month, for instance.

I am therefore deeply honoured to become the new President of the IAQG. I feel the responsibility that comes with the privilege of taking over the Presidency of Wayne Brown. I want to recognise Wayne for his outstanding leadership and demeanour through his mandate. He led the IAQG to major achievements and, as importantly, channelled mutual trust between us all. I share my gratitude; he is a success model to me in this exciting yet challenging role.

I am committed to continue developing IAQG leadership, supporting our initiatives in gaining momentum, serving you all.

What are the key success factors I have learned from Wayne's Presidency, which I believe we should maintain on top of the agenda?

We must focus on the **IAQG strategy, vision and objectives set for higher quality flowing through the value stream**. Our strategy needs to be stable and visible to be understood and endorsed by our stakeholders. We need to deploy and communicate on measured values: we are Quality people who know the strength of performance measurements; with no measure, there is no real improvement.

We need to **maximize our own efficiency and concentrate our efforts on clear priorities**. Let's apply to ourselves the methods and practices that have demonstrated their efficiency. IAQG projects are run with limited resources; hence, we must: **1)** work on a limited number of projects; **2)** define and provide the conditions to succeed, including members' involvement; **3)** ensure that we deliver on-time and that we evaluate the outcome of our labours; and **4)** build up rejuvenated communication to all stakeholders.

We must **preserve the values of mutual trust and engagement that make the industry's interests prevailing**. It takes a certain kind of person to bring one's expertise to the group; the IAQG people are such people. We're a great group because we step down from our own interests for the sake of making the IAQG the proper forum to move our supply chain forward. This is the heritage received from the IAQG founders. It must live on; we must make it thrive. Let's listen carefully to the views of all, think 'global' and keep a fair share between all voices.

Our supply chain moves in complex and demanding times. We are all struggling for higher and higher quality performance levels that we will not be able to secure without taking up the challenges altogether. I believe that the IAQG is the right lever, an opportunity second to none, to make a difference. And lead our whole industrial community to excellence.

We are mutually dependent; everyone has a significant contribution to make. Ultimately, our success is the job of each one of us.

Xavier Sahut d'Izarn

IAQG President

VP Quality,

Safran

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Promoting sustained quality in the supply chain

Forward to a colleague



Lessons in

Supply Chain Management:

Thierry Caillard

IAQG Strategy Leader

VP Supply Chain & Quality - Procurement,

Airbus SAS

" Risk management through the entire supply chain is a real lifeline in times of crises and shocks "

Interview -- APAQG sector leader, Naohiko Ito from Fuji Heavy Industries in Japan, says pushing risk management into "worst thinking" is necessary.

How deep the impact of those devastating events was on the global supply chain activities of Fuji Heavy Industries?

Fuji Heavy Industries has a single source supplier that is located in a restricted area following radiations from the Fukushima nuclear power-plant. Therefore, our single source supplier could no longer operate nor deliver the product. This severely damaged the supply chain, and hence, delivery of the final product.

How has Fuji Heavy Industries been coping with the situation?

Fuji Heavy Industries has focused its effort on two actions: supporting its single source so that operations can be resumed at the earliest, even though in a very difficult operating environment, and securing another source in the world. This is how we have been mitigating the impact of such crisis.

Looking ahead, how can sustainability of the supply chain be improved?

We have to better position the supply chain on the long term –being long-sighted– and to do this, we will make sure to keep double sources as a minimum, which need to be geographically "miles apart". This is a pre-requisite if we are to be on the safe side in front of what is unthinkable.

What is the biggest lesson to be learnt from this time of disruption?

We have to prepare risk management plans for the worst case scenario that is beyond expectations.

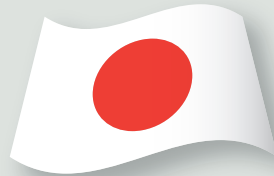
Looking back: *Japan has lessons for us*

The message sent by the cascading tragic events that devastated Japan earlier this year is crystal clear: **risk management must be applied at all levels of the supply chain with no exception.** Sooner rather than later.

Fortunately, most of our suppliers were located away from the afflicted area and the impact of this disaster on our supply chain was kept minimal with no recorded disruptions of the Airbus final assembly lines thanks to excellent teamwork with our Japanese partners.

Solutions were found with our suppliers hit – mostly suppliers delivering engine parts and cabin/cargo – once the situation stabilised, such as increasing production rates and workforce flexibility to catch up, or finding alternative sources or even using spares at first-tier level.

The first challenge was to find out how severe the situation at each supplier's was, getting regular updates and informing and reassuring internal and external customers, in a very short time. Having Supply Chain personnel based in Japan played a crucial role in the management of the crisis: our Field Engineer visited our suppliers at their sites and provided us with first hand information.



GAINING VISIBILITY OVER THE EXTENDED SUPPLY CHAIN

to understand where disruptions were caused and their possible effects on Airbus final assembly lines and manage priorities was key.

A **"Supply Chain crisis team"** was immediately set up to:

- Identify where and by which supplier Airbus' products were produced in Japan, including all sub-tiers;
- Identify risks associated to the products and the supply route;
- **Manage delivery priorities;**
- Increase the communication efforts with our Japanese suppliers and in-house via a daily briefing;
- Ensure all stakeholders were kept informed.

WHAT ARE THE LESSONS WE LEARNT IN SUPPLY CHAIN MANAGEMENT?

Transparency and mutual trust -- Communication is the main driver to ensure control of critical situations, keeping stakeholders fully aware of the situation as it evolves. Our needs in Airbus were to secure our understanding of the total supply chain and visibility over our second- and third-tier suppliers. This should not be left solely in the hands of our first-tier suppliers.

Risk management end-to-end -- We cannot foresee every event; yet we must ensure that we identify our major risks and develop appropriate mitigation plans. This requires a robust process towards our suppliers and that we also drive them to do the same with their own suppliers.

The experience of the Japanese crisis, although tragic, has reinforced the links with our Japanese suppliers and positively pushed for more transparency.

I want to thank all our Japan-based suppliers for the big efforts they deployed to honour their deliveries and find out alternative solutions. I know they will not stop their efforts for a quick recovery of their operations. **I also want to thank the Airbus employees for their hard work in this time of difficulties.**



In focus: OPTM
Tim Lee

IAQG Other Party Management

Supplier Quality Manager,
Boeing Commercial Airplanes

“ There is still a lot of work to be done if we want to be on time for our target of 1st July 2012. Working together is the only option ”

Another achievement and another transition:

The 9104-1 requirements for Certification Programs standard has been approved. This opens another transition starting early 2012. Planning for this transition effort has begun and lessons learned from our 9100:2009 transition efforts will be applied.

Towards all organizations 9100/9110/9120:2009 certified: breaking bottlenecks

All our member companies are onboard and fully committed to working with certified organizations and industry stakeholders to successfully transition to the revised Industry Controlled Other Party (ICOP) Aerospace Quality Management System (AQMS) 9100/9110/9120:2009 standards.

There is still a lot of work to be done to ensure that transition is completed in a timely manner, and established targets met.

Where do we stand today?

Our stakeholders are having challenges with meeting the timelines set for transition. This was clearly evidenced at the latest IAQG meeting held in Bordeaux, France (October 22nd to 27th) thanks to the review of the transition-related data being made available during the week.

The review also shows that the Other Party Management Team (OPMT) did not have sufficient data to make a firm recommendation about the consequences for not completing the transition by the July 1, 2012 target date.

How can we maintain our relevance going forward?

The whole community built a consensus on an aggressive action plan to deliver the necessary changes and obtain the required data and report the transition status. It includes:

- Creating a common reporting matrix for tracking 9100/9110/9120:2009 transition activities;
- Certification Bodies to coordinate with certified organizations to schedule the remaining transition audits and report transition schedules via the common reporting matrix in order to set objectives based on estimated transitions of the whole community;
- Setting a target date for completion of the 9100/9110/9120:2009 certified organization transition common reporting matrix (January 4, 2012);
- Accreditation Bodies to assimilate CB matrix data and report to the OPMT and Sector Management Structure (SMS) committees, and
- Updating Supplemental Rule for 9100/9110/9120:2009 transitions (SR-001) to include matrix completion requirements and consequences for failing to report status or schedule upgrade audits.

Also note that the updated Supplemental Rule will be communicated and made available via the OASIS database.

The OPMT will continue to work with all stakeholders by communicating transition status and progress as we approach the July 1, 2012 target date.

Companies that are "transitioning" are encouraged to use available resources such as the Supply Chain Management Handbook (SCMH) and the IAQG Requirements website, which contains detailed gap analysis and change presentation materials.

We expect certified organizations that have not completed transition yet to focus on planning for success, and provide a declaration of conformance to their certification body by their next required surveillance or re-certification audit.

(!) Congratulations to those certified organizations that have completed transition to the updated standard and received their revised 9100, 9110 or 9120 certificates. This demonstrates commitment to meeting industry expectations and improved quality performance. Thank you!



Geoffrey Shirley

Business Improvement Leader

Rotatives SCU
Shafts and Services
Rolls-Royce

“ Seeing Quality as one
ingredient of Safety ”



Supply Chain Management
Handbook:

Bill Schmiede

IAQG Process/Product
& Supply Chain Improvement

Integrity Manager,
Parker Aerospace

Human Factors for higher quality, and safer operations

What is Human Factors?

Human Factors is a discipline of study that deals with the human behaviour in different situations and under different conditions. Human Factors deals with the psychological, social, physical, biological and safety issues that have an effect on people in work and in interaction with other people and machines/systems. A perfect example is fatigue-related risks as today we come to understand better the correlation between fatigue and performance, and thus fatigue mitigation.

Human Factors is sometimes used synonymously with ergonomics, but ergonomics is actually a subset of Human Factors. It is also known as Human Engineering or Human Factors Engineering.

Our industry has been benefiting from the implementation of Human Factors programs in the Maintenance, Repair and Overhaul areas, for some years now. This has been mainly driven by the regulatory authorities.

The IAQG has recognised that Human Factors programs could be significant in our endeavour to continually improve product and service quality within the new component manufacture linked to our 5 year vision of a 20% per year improvement in product and services quality and delivery throughout the product lifecycle.

How does the People Capability Team sees the future?

All Supply Chain companies would have an effective Human Factors program implemented. This would be constantly supported through detailed guidance material in the SCMh that defines the best approach for different types of companies and professionals. The IAQG would promote Human Factors programs with an Error Management System focusing on a “just” or “no blame” culture. There would be a standard list of defect and cause codes to allow consistent analysis and reporting of Human Factors-related errors, and a system to measure the effectiveness of the Human Factors programs implementation.

Two new sets of guidance material are now available

- The **Quality Aspects of New Products Development** (QANPD) derived from best practices and examples to help organizations better understand the quality aspects involved in a gated process for new product development.
- The **Software 9115 Guidance Material** supporting the 9115 standard that clarifies the 9100 quality management system requirements for deliverable software addressing activities from project planning through product delivery and maintenance.

To access this SCMh guidance material, go to www.iaqq.org/scmh and click on “What’s New”.

Coming soon to the SCMh is guidance material for:

- Preventive Action
- Contractual Requirements Review
- Sub-tier Supplier Control

Thank you to those who have given us feedback in both support of the progress and to improve the SCMh guidance material. If you would like to give us your feedback, go to the SCMh and click on “Take Survey”.



News from the European sector:

Guy Dion

EAQG Chair

Quality VP, Zodiac Aerospace

“ Helping our supply base to meet the IAQG goal of robust processes throughout the supply chain ”



News from the Americas sector:

Colin Clarke

AAQG Leadership Team Chair

Strategic Development Leader, Bombardier



Joining us

• **Steve McGinn** from Honeywell joins IAQG, replacing Scott Collinge in his role of voting member and AAQG, replacing Mark Hermes also in his role of voting member.

• **Darrell Taylor** from Raytheon has been appointed AAQG vice-chairperson, replacing Rich Vinton.

Your feedback and contributions are encouraged.
Please send comments to:

cecile.chadourne@airbus.com

Training materials for better use of SCMH tools will be ready for presentation to the market by year end

The Aerospace Performance Improvement (API) services platform of EAQG has developed two training modules to support deployment of the Supplier Selection & Capability Assessment Model (SSCAM) and Products Performance Detailed Assessment Checklist (PPDAC).

The API Partners initiative brings together a number of dedicated services providers previously selected and assessed by EAQG* with a view to enlarge their portfolio of services and provide fine-tuned solutions in terms of training or coaching to those suppliers looking to further improve performance within their organization.

* EAQG Services Partners

Mike Roberts, from the Boeing Company, recognized by the AAQG Mike Gallagher Award



The AAQG announced Mike as the first recipient of the annual Mike Gallagher Award, in recognition of his outstanding contributions, leadership and engagement in furthering the objectives of the Americas sector. The award honors the memory of Mike Gallagher for his tremendous and unique impact on our industry, in particular related to standards development, oversight and maintenance, and the Industry-Controlled Other Party scheme.

Dear IAQG Team,

Thank you for the wonderful opportunity to serve as your president the past two years. During my time as your president, the IAQG helped to enhance the quality performance of our mutual supply base – deploying a revised version of AS9100, strengthening the third-party oversight system, improving relationships with civil aviation authorities and increasing harmonization of worldwide aviation regulatory interests, improve the long-term sustainability of the IAQG and transitioning to a stand-alone legal entity. I leave you with two thoughts: Relevancy and Relationships. The IAQG must remain relevant to the industry and our respective company leaders: you must continue to strive for real, tangible improvement and be able to demonstrate that the work of the IAQG has a direct effect on the performance of our mutual supply chain. You can do this through effective metrics. Each of you must contribute; it cannot succeed otherwise. The IAQG could not exist without the strong bonds developed between all of you; you must take the time to cultivate the relationships you have with each other. Agreements cannot always be reached; respect and understanding of each of your positions is a must. Never underestimate the power of human interaction!

It has been a pleasure. I will always fondly remember my time with you. Please continue the important work of this great organization.

Wayne

