Are we changing fast enough to provide the right solutions and anticipate the challenges that lie ahead of us? 2012 is set to show contrasts and uncertainties. While we do not yet know what 2012 has in store, we do know that our industry has to continually raise its level of performance.

Our continuing efforts to reach inevitable more pressing ‘on-time, on-quality and on-cost’ targets have been sharply challenged in 2011. Yet, the global supply chain did well in some areas while showing weaknesses in others, with an overall performance being not always where it should be.

Discipline drives the ability of the supply chain to push back stagnating indicators, preserve or return to consistent performance. Discipline for change drives the ability of the supply chain to adjust, and deliver excellence.

This is equally true for big name suppliers or second- or third-line suppliers. Few would disagree that change is necessary to succeed in today’s and tomorrow’s market – certainly not Darwin.

Can the supply chain be changing and still cementing a non-volatile performance at the same time? This may sound contradictory first, but yes it can. There is a lot we can do to improve efficiencies further down the line and better serve our customers. At the best price. With the highest safety levels. Mainly, questioning our business models, processes and methods. Inventing those new equations that will get us ready for the intensifying challenges we foresee - steep production rates, reduced lead times, stringent cost optimisation, complex industrial set-ups. We have to think about those breaking points in design, industrial maturity, production and maintenance that will bring sustainability. And we have to do it fast enough; with everyone predicting another tough year, this is not an option.

In essence, the IAQG is leading the way in the interest of a global improvement in the supply chain. It is its very purpose to kick-start and steer those changes that will help us navigating through the supply chain’s complexities. There are game-changers on the road of continuous improvement.

**Measuring our performance, collectively.** We cannot manage what we cannot measure; we will not chase and remove non-quality at any level of the value stream without such widespread collective effort.

**Cascading the industry’s best practices deep down** the supply chain for a virtuous domino effect. This is the goal of the SCMH.

**Relying on the family of standards that govern our management systems.** Standards are THE enablers of our performance, helping us doing a better job. The big move for transitioning is therefore vital, making it essential for all stakeholders to understand, endorse and drumbeat the deployment of the AS/EN/JISQ standards. This is not to be questioned nor compromised.

All these different levers need to work together and send a coherent and persistent signal to the whole supply chain, which will lead to change. It is certainly IAQG ambition to continue being a role model for others to follow, balancing the equation with the right mix.

Xavier Sahut d’Izarn
IAQG President
VP Quality,
Safran
Scaling up the seeds of performance

How will we scale up those performance seeds that will bloom into a beautiful flower? Common sense tells us all it is essential to measure our performance — or the extent of our progress, to set the next milestones we have to reach and to keep a close watch on the lessons learn if we want to continue to do the right thing.

Yet, while some companies are willingly signing up to the exercise, others may feel less comfortable in doing it. What separates the happy ones from those agreeing without commitment or withholding support? This put the focus on the necessity to clear up some peripheral questions in terms of process in place and required mindset.

Measuring performance: all eyes on data confidentiality

Securing a “gate-keeper” process is essential to creating the “safe space” needed to ensure data protection and data credibility.

IAQG mandated an external independent body —CAPS Research— to self-manage its own performance measure campaign, collect key performance indicators, get them aggregated to industry levels, and generate a genuine picture of where do we stand as one worldwide supply chain. Strict agreements are being entered with each and every contributing member company, under which CAPS Research agrees not to disclose or publish any individual data to any other entity.

But this alone is not enough. It also needs people who feel in a “safe place”, knowing that the right mindset of continuous improvement is shared by their peers and upper management.

Nurturing resolute and constructive changes

Continuous improvement is as much a matter of attitude as it is of knowledge. Fear that there may be unpleasant consequences to showing a performance that will be then benchmarked or possibly criticised, or also areas for improvement that could then dictate new priorities, is unlikely to lead us to sharing what we learnt. No doubt a blaming culture and finger-pointing are show-stoppers. This is true in safety; this is equally true in supply chain quality. In that respect, the attitude of managerial teams is a key lever to instil trust. And get the right to be on the learning curve recognised.

Leading by example ... means looking at what we did best in 2011 and what we need to improve. So, here is a transparent picture of our scoreboard:

Let’s go one step further. Let’s create more engagement. Let’s change fast enough to sustain our supply chain. Together, as one team.

Continuous improvement in organisations striving for high performance is not a one-off project. It’s a journey with no finish line.
In focus: Performance
Christian Buck
IAQG Performance Stream Leader
Corporate Quality International
Relationships, Safran

"Customers need to trust our performance; transparency is part of it"

“One set of metrics for one definition”

2010 Performance index

Performance will never be off the agenda, and its key indicators will continually be scrutinized and challenged. This is particularly true for conformity and punctuality of deliveries, which are essential components of the supply chain’s immediate success, but also making a big difference to its sustainability.

Both performance indicators are governed through quality management system requirements, which are detailed in AS/EN/JASQ 9100:2009 documentation. Both are recognized as the baseline for certification in the entire aerospace and defense supplier base.

On-Time Deliveries and On-Quality Deliveries are therefore naturally tackled by the IAQG strategic plan and its ambitious goal of reaching 20% performance improvement per year.

The IAQG set up a specific task force to drumbeat the challenge and be up to expectations, while providing visibility on where do we collectively stand in the global supply chain.

This is the purpose of the IAQG performance index that has been developed to provide a set of performance data to all stakeholders – IAQG member companies, certification bodies and certified companies. The objective pursued by the IAQG is two-fold: getting trends of progress in our common supply base and fully supporting the efforts of all 9100 certified suppliers on the performance improvement road.

The process is now up and running.

The 2010 performance index consolidates conformity and punctuality data collected from several IAQG members who provided a sample of 187 item escape rates and on-time deliveries from their own suppliers, which are representative of 2010 average deliveries. The data were collected in fall 2011 in a closed loop process by a third neutral party, CAPS Research, that conforms to the essential non-disclosure agreements.

The IAQG Council reviews the estimated performance of the entire supply chain against the yearly performance improvement targets. Any IAQG member company can then access these data that allow to find one’s position in the whole set of data. The performance index is intended as a useful support to any periodic supplier-customer performance reviews.

The first results are now available. What are they telling us?

**Item Escape Rate**: the number of non-conforming items under company liability divided per the number of items delivered by the company during the year, expressed in part per million (ppm).

**On-Time Delivery**: the number of Purchase Orders (lines or items) delivered on due time during a given period divided by the number of Purchase Orders (lines or items) due in the year expressed in %.

**Item Escape Rate** - The population of points spreads from 500000 ppm to 0, meaning from an escape every two deliveries to absolutely no escape (appearing as 1 in the diagram). No average value is calculated. The median value is at 4300 ppm.
On-Time Delivery – The spread is all over the possible spectrum ranging from 1% to 100%. The median value is 80% punctuality.

On-Time Delivery versus Item Escape Rate – This third performance indicator is a good starting point to describe the supplier-customer relationship in its multidimensional aspects.

Median values are at 4300 ppm conformity and 80% punctuality in 2010 (187 supplier data points). This result is to be compared to the 8000 ppm conformity and 70% punctuality evidenced in an early study in 2009 (30 supplier data points). These results are in line with our 20% yearly improvement objective.

Reiterating the Performance Index

The IAQG will continue to build the current picture of the aerospace supply chain by refreshing and publishing the Performance Index as a yearly deliverable.

The 2011 performance data collection has already started and the IAQG relies on you all to maintain the work started by giving your contributions. Contributors bringing in data will get detailed access to the whole set of data points used to draw the Performance Index.

What need to be progressively introduced are further parameters, such as specific technological segments or frequency of deliveries, to better specify and fine-tune performance such as a refined analysis of scatter data.
Creating a Family of Standards

Creating high quality standards is a crucial part of the work; yet it is not about standards alone. Just as important is finding ways to better manage the quality standards we produce.

What is at stake? A greater integration of the IAQQ standards and also compliance to our review cycle. This is what we aim for. The alignment of all IAQQ standards into a consolidated family managed by the IAQQ Requirements Strategy Stream Team is a step forward.

The item was highlighted on the agenda of the Strategy Working Group (SWG), out of the need for better coordination and higher synergy. The draft proposal from the Requirements Team was presented in November in Bordeaux and approved.

Some of the documents — though officially listed as “guidance material” — do in fact act like requirements when customers flow them down as contractual items (e.g. 9102/9103).

Realigning our standards will allow us to be more consistent, thus more effective, in the management of the IAQQ requirements standards. All the work will lead up to improved:

- visibility and focus of the status and revision activities
- coordination of those revisions that effect multiple standards
- compliance with the 5-year review cycle

and will avoid confusion about “who manages what”.

Clearly, the intent of such family of standards is to facilitate integration at a time when we are transitioning to new standards and when more of our standards are becoming interdependent, whether QMS or flowed down.
Early 2012, the 9104-001 “Requirements for Aviation, Space, and Defense Quality Management System Certification Programs” standard was published in Europe as prEN9104-00, in the Americas sector as AS9104/1 and in Asia Pacific as SJAC 9104/1, opening the way to full transition.

This bright start to 2012 comes after an extensive hard work to evaluate the effectiveness of our Industry Controlled Other Party (ICOP) certification process, incorporate the lessons learnt and account for stakeholder feedback.

A robust, timely transition already well underway

Transition requirements and target dates for all stakeholders—Accreditation Bodies (AB), Certification Bodies (CB) and Certified Organizations—are detailed in the Supplemental Rule SR002—"Rules for 9104-1:2012 Transition". Transition has started at the OPMT and Sector Management Structures levels; it will include the ABs and CBs in the second quarter of 2012 and will be over once ICOP-accredited CBs have been re-accredited by their respective ABs. CBs will be contacting their certified clients to implement any required changes that may apply to existing audit programs and certification structures.

Tough agenda for sharp ramp-up

The IAQG Leadership Council has requested that the OPMT launch and manage a very aggressive 9104-001 transition plan. Although clear targets have been established in SR-002, our plan is to accelerate transition by establishing risk mitigation plans that provide for conformance in advance of all required targets. This can only be accomplished by "Working Together", ensuring future communications are timely and accurately covering frequently asked questions that arise during transition. OPMT Leaders are committed to the task. All such materials will be available and communicated via OASIS.

Is it “transition” or “transformation”?

We recognize that any transition activity has an impact on our stakeholders. This is not just a process deployment issue—it’s a driver for change. But again, we strongly believe that the changes in 9104-001, once implemented, will drastically improve the effectiveness of the ICOP certification process. Proving the point it is a win for the supply chain value stream and a win for our stakeholders. Ensuring that it remains "Robust, Recognized and Valued" in a transforming industry.

Thank you for being all set to transition.

9104-001 published, transition has begun!

First anniversary memorial for Japan’s earthquake and tsunami victims

Partial operations of the IHI Soma Works* were restarted as early as March 29th and full operations on May 13th. Looking back, how was this made possible? Our incredibly talented and dedicated on-site workers made it possible. They are one of our greatest strengths.

In the first weeks, our people restored essential utilities and delivered relief items, keeping in quick and close communications with each other using felt pens and paper. Our foremen and team leaders went on diagnosing, adjusting and levelling the machine tools used to manufacture the precision parts to their original levels of precision. Looking back, IHI Improvement Production System scheme paid off and proved to be a strong enabler of such early restoration: frequently changing the machine layout to secure flexibility as per demand, increasing productivity, devising smaller machines, reviewing bottleneck jobs and processes, plus applying our unique, innovative manufacturing technologies and getting things done.

The IHI Soma Works continues to contribute to the recovery efforts of the Tohoku communities and will do so until full recovery for all.

The gratitude of the Japanese people goes to all those around the world who have supported Japan in so many ways.

* IHI Soma Works produces aircraft engine parts

News from the Asia Pacific sector: Shunichi Tsutsui
Former APAQG Chair
Quality System General Manager, IHI

Restarting full-scale operations after the Fukushima tragedy

March 11th 2011
A 9.0-magnitude earthquake and 10-33 meter tsunami hit the Tohoku area, sinking 5 kms of land from the coastline under the seawater. The tragedy killed 19,000 people and left 343,935 evacuees. The IHI Soma Works located 10 kms landward was severely damaged. Fortunately, no one was hurt and we believe this is because the appropriate initial actions were taken as a result of the emergency drills. Sadly, many employees lost family members and their houses.
ATTENTION PLEASE.
There is a widget for you!

Click here to download your IAQG widget.

Here is the IAQG widget, which I’m proud to introduce. The IAQG widget lets you display IAQG information right on your desktop and directly connect to others. We can look at it as an interactive IT goody, a communication channel and a working tool. Hopefully, it will contribute to the overall awareness of IAQG, our engagement and our common working times.

One click and the widget opens up onto 7 bubbles. Another click on anyone of them deploys its content.

Here is IAQG essentials you may want to use to explain IAQG to your customers or for your contributions to industry events.

Here you will find the Supply Chain Management Handbook to help you maximize quality in your company.

These are the IAQG 14 strategic working lines to go forward. The outcome of the various stream initiatives will be posted here as a future feature of the widget.

Give you access to the IAQG e-newsletter and website.

This is a place where you can connect to your IAQG peers and work together. Any user who has an Adobe Connect license can use the platform as a host and leads meetings, whether IAQG or non-IAQG events.

Order the IAQG goodies that you can offer to your customers, partners and subtiers.

There is also Flip, our IAQG mascot. Flip is just born (yet wise!) and will pop up to help and guide you through the widget, but not only. Flip would like to travel with you on the road of continuous improvement.

Any info security concerns?
You may find yourself not completely comfortable with downloading the widget, looking at a possible security breach as you would with any executable programme. Let’s deal with the issue.

There is no concern to have in that respect. The widget runs on AIR, Adobe’s headline software development solution.

Adobe has been focusing its development efforts over several years to bring this tool to maturity and allow deployment of one single application over different systems. Today, AIR equally runs on Windows, Mac, Linux and mobile platforms such as Android and IOS. AIR applications can also be run in full autonomy and therefore do not require the installation of any subsidiary programmes that would require your IT teams to step in. AIR applications are secured and operate within their own memory environment. They only allow restricted access to hard disk files and must always be opened by the user (for files outside the application’s installation directory). The AIR solution was selected because of Adobe’s credentials and the widespread use, ease of installation and data security procedures of its solutions.

The IAQG widget does not feature a tracking system and does not collect nor send data. It simply displays information. In short, the widget is safe.