

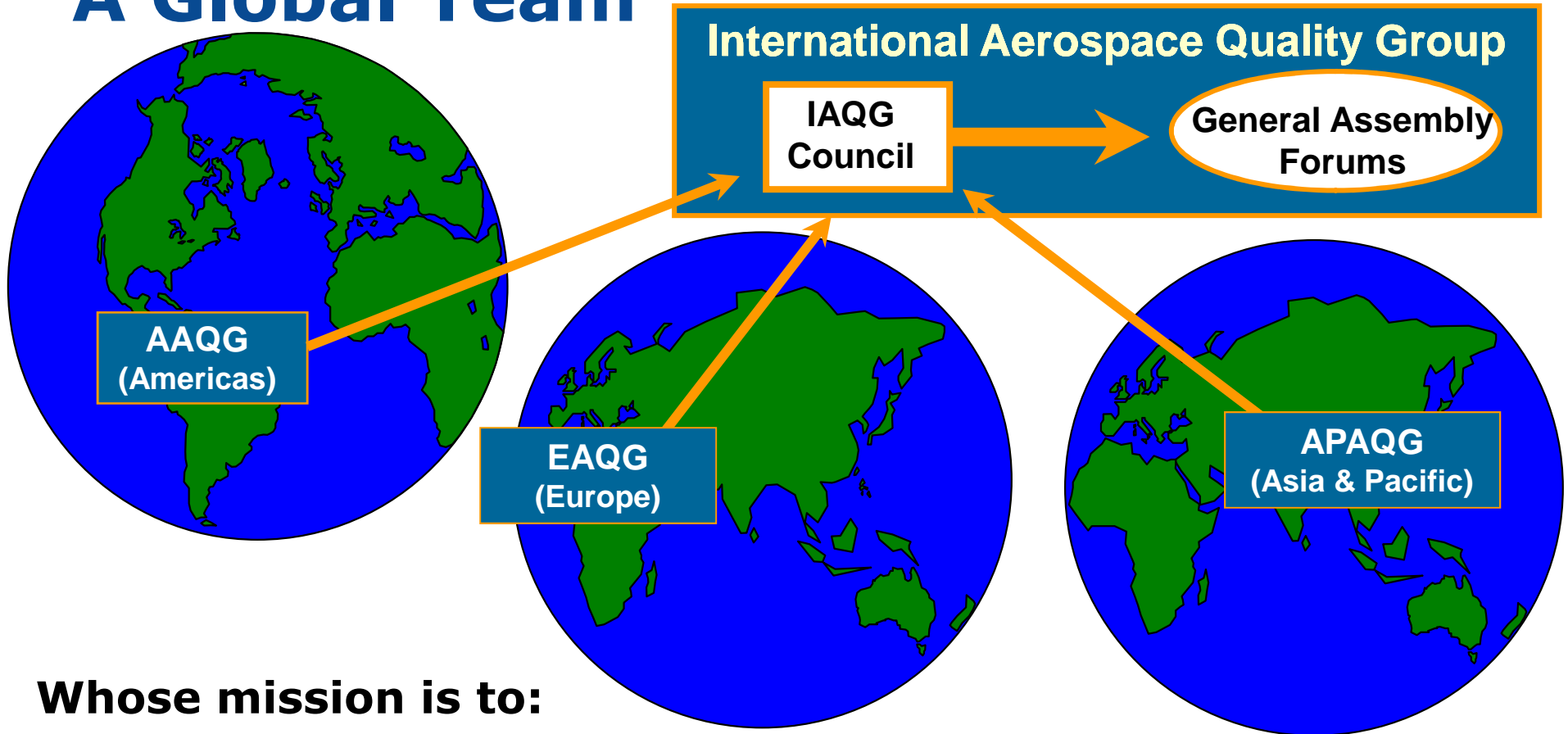
# IAQG SCMH

## "Supply Chain Management Handbook"

Bill Schmiede  
Parker Hannifin

- Brief introduction to IAQG
- Introduction to Supply Chain Management Handbook (SCMH)
- SCMH content example
- Accessing e-SCMH
- Questions

## A Global Team



**Whose mission is to:**

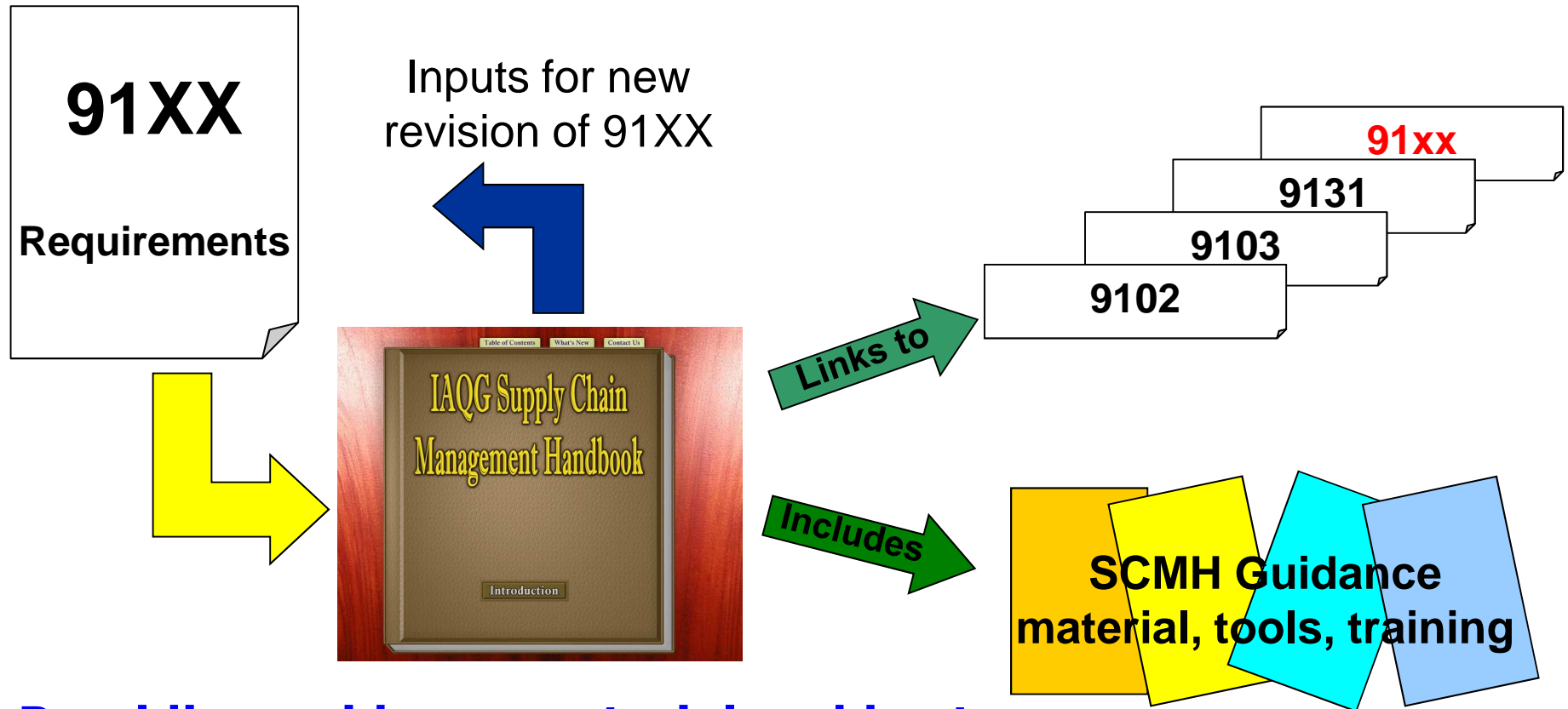
**Achieve significant performance improvements in Quality, Delivery, and consequently Cost, on all products and services throughout the value stream**

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## IAQG produced documents

- Requirements to harmonize the Quality Management System
    - 9100 - Aerospace Quality Management System (Design and Manufacturing)
    - 9110 - Maintenance and Repair Stations
    - 9120 - Stockists & Distributors
  - Requirements to raise Product Integrity
    - 9102 - First Article Inspection
    - 9103 - Variation Management of Key Characteristics
    - 9131 - Non-conformance Management
    - 9134 - Global Supplier Risk Management
    - Etc...
  - Supply Chain Management Handbook to provide guidance material to aerospace suppliers to help them understand requirements and improve their quality performance
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# Focus on "How" through SCMH

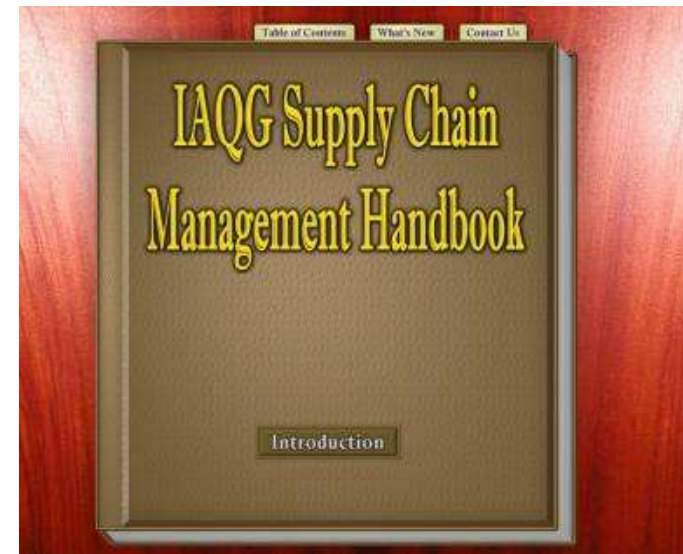


**Providing guidance material and best practices on how to meet requirements and achieve objectives**

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# Supply Chain Management Handbook

- Developed by member company subject matter experts
- Provides “how to” information for various Aerospace Standards.
- A collection of guidance materials, training packages, and best practices for suppliers.
- On-line and **FREE** to use. May be adopted, or adapted by any organization
- Intended for use by companies at all levels of supply chain
- Objective: improve “On Time and On Quality” performance through out the supply chain



Select SCMH link on IAQG Homepage  
or go direct with this link:

<http://www.iaqg.sae.org/scmh>

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# Supply Chain Management Handbook Content - Based on the Product Life Cycle



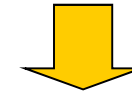
<p><b>1. Sales, Master Scheduling &amp; Sequencing</b></p> <ul style="list-style-type: none"> <li>• Master Scheduling</li> </ul>	<p><b>2. Contract Requirements &amp; Flow Down</b></p> <ul style="list-style-type: none"> <li>• Requirements &amp; Flow Down Templates</li> </ul>	<p><b>3. Design &amp; Development</b></p> <ul style="list-style-type: none"> <li>• Special Requirements &amp; Critical Items</li> <li>• Quality Functions in Design &amp; Development</li> <li>• Software Guidance (9115)</li> </ul>	<p><b>4. Suppliers sourcing selection &amp; approval</b></p> <ul style="list-style-type: none"> <li>• Supplier Selection and Capability Assessment</li> <li>• Product Performance Detailed Assessment Checklists</li> </ul>
<p><b>5. Plant, material, skills, capacity planning &amp; scheduling</b></p> <ul style="list-style-type: none"> <li>• Planning of Product Realization</li> </ul>	<p><b>6. Order Management and logistic (Internal &amp; external)</b></p> <ul style="list-style-type: none"> <li>• Lean Assessment Tool</li> <li>• Order Management and logistic</li> </ul>	<p><b>7. Manufacturing and Inspection</b></p> <ul style="list-style-type: none"> <li>• 9103 Material for Key Characteristics</li> <li>• 9102 Material for First Article Inspection</li> <li>• Foreign Object Debris (FOD)</li> </ul>	<p><b>8. Supplier operational management and product validation</b></p> <ul style="list-style-type: none"> <li>• Notification of Change Tool</li> <li>• Supplier Quality Mgt Basics</li> <li>• Subtier Supplier Management</li> </ul>
<p><b>9. Control of non conformities, corrective and preventive actions</b></p> <ul style="list-style-type: none"> <li>• Root Cause Analysis &amp; Problem Solving</li> <li>• Control of non conformities</li> <li>• Preventive Action</li> </ul>	<p><b>10. Customer Support (Control of service operations)</b></p> <ul style="list-style-type: none"> <li>• Counterfeit Part Prevention</li> <li>• MRO Guidance Material</li> </ul>	<p><b>11. Business Management &amp; Customer Sat. Monitoring</b></p> <ul style="list-style-type: none"> <li>• Work Transfer</li> <li>• Risk Management</li> <li>• Configuration Mgmt.</li> </ul>	<p><b>Appendices</b></p> <ul style="list-style-type: none"> <li>• 9100 Rev C Deployment Support</li> <li>• People Capability PCAP 001</li> <li>• Link to IAQG Dictionary</li> </ul>

# Supplier Selection & Capability Model Example

**Objective:** Assessing Supplier Maturity for 11 Business Processes covering the entire product life cycle process

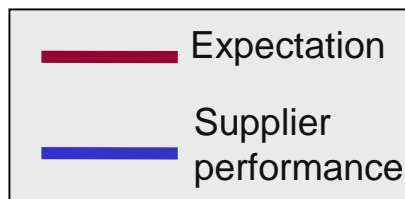
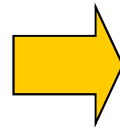
## Five levels of maturity:

- 1: Undefined and not capable
- 2: Defined and applied, but not 100% efficient or not applied everywhere in the company
- 3: Defined, applied and effective
- 4: Predictable
- 5: Optimized



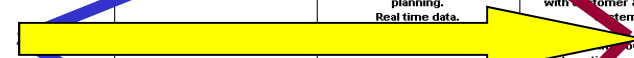
## Four domains assessed:

- Process
- People & Organization
- Tools & Data
- Performance Metrics



	1	2	3	4	5
Process	Process not defined. Short term planning only, not taking into account customer medium and long term demand. No forecast and planning based on effective orders only.	Unidirectional process, top down limited, no feedback loop from operations to sales. Actual orders and forecasts shared between functions with no systematic revision actions. Medium term planning of load vs.capacity on random basis and reactive mode.	Regular joint review between all relevant functions, with feedback loop from operations to sales. Periodicity of Medium long term planning revision based on updated forecast of customer constraints (e.g. longest lead time).	3+ Integrated Process between all functions including feedback loop from operations to sales. Integrated planning process, monitored and updated. Supply, demand, financial requirements integrated and needs based.	4+ Expertise optimized (Suppliers / partners and customers involvement). Rules based forecast models and continual demand management (anticipation, event capable and results oriented).
People and organisation	Accountabilities (organization, roles, responsibilities, and authorities), skills and competencies not defined.	Accountabilities defined across various functions (Sales, Planning, Product Management, Manufacturing, Purchasing, Finance & Human resources) as required, but redundancies or gaps exist and no integrated approach.	Accountabilities shared and integrated between all relevant functions, covering medium term.	4+ Evidence of continual improvement culture mind set partner and customers involvement.	
Tools and data	No tools or local tools, (e.g spreadsheets only). No data or short term data only (sales, capacity, resources...).	Basic Planning Tool: Data from different sources (static), shared but not integrated between functions and/or covering medium term only.	Existence of data from different sources shared and integrated between all relevant functions, and covering medium term.	4+ Event capable A.P.S. (anticipation of production rates changes and unplanned events, company results oriented...) collaborative with customer & suppliers systems. Scenario and constraint based planning. Real time data.	
Performance metrics	No measurement.	Basic metrics (orders vs expected sales, short and medium term planning variations, ...) available but not systematically used to drive operation. Actual performance metrics (scrap & rework rates, stock turns, machine utilization rates...) locally available, but results not shared between functions and not regularly used in planning of resources and needs.	Metrics (orders vs expected sales, capacity margin, scrap vs needs, medium term planning variations, ...) available to drive customer needs vs operation. Actual performance metrics (scrap & rework rates, productivity, stock turns, machine utilization rates...) shared between functions, and results regularly used in medium term planning of resources and needs.	3+ Top level metrics and associated targets (Customer Demand, On-time on Quality delivery, factory utilization, days of supply...) used in long term planning of resources and needs. Medium and long term forecast performance results integrated and periodically accuracy measured and reviewed.	4+ Metrics efficiency and effectiveness reviewed and optimized to support continual improvement, (profitability, inventory optimization and delivery performance).

Areas of potential Supplier Development if deemed necessary



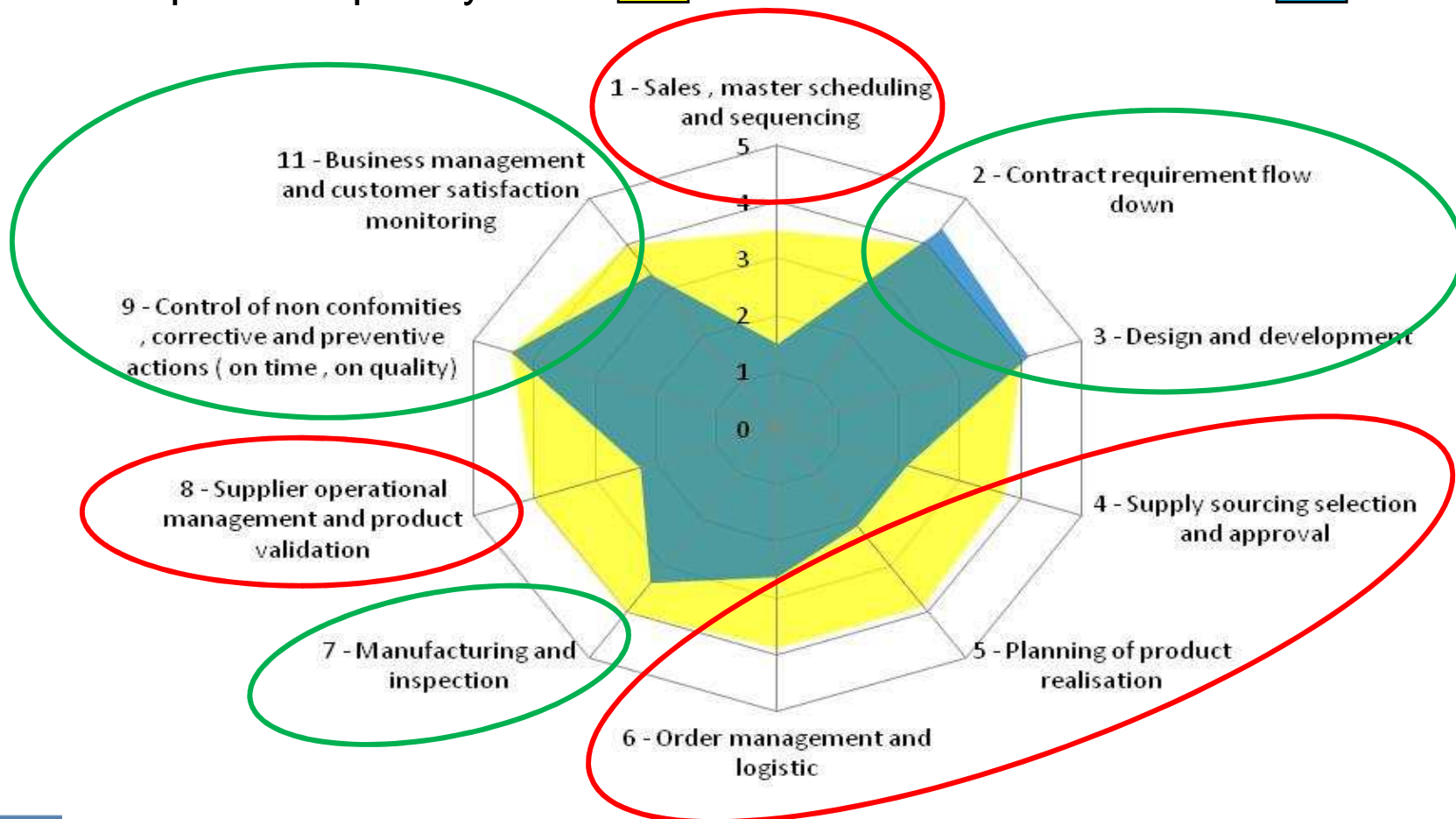


# Supplier Selection & Capability Model Example

Results synthesis: show strengths and weaknesses  
(10. Customer support not assessed in this example)

Expected capability level 

Assessment results 



This model has been successfully tested

# Easy access to SCMH

- <http://www.iaqg.sae.org/iaqg>
- <http://www.iaqg.sae.org/scmh>



**IAQG**  
International Aerospace Quality Group

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**Organization**  
The IAQG is a cooperative global organization of companies providing:

- Aviation and Space products and services
- Land and Sea based systems for defense applications

**9100, 9110, 9120 Published - Click Here for Deployment Support Materials**

**Quick Links**

- Members Only
- OASIS Database
- 9100 Deployment Support Materials
- Supply Chain Management Handbook (SCMH)**
- American Aerospace Quality Group (AAQG)
- Asia-Pacific Aerospace Quality Group (APAQG)
- European Aerospace Quality Group (EAQG)

**Organization Structure:**

```
graph TD; Council[Council] --> Leadership[Leadership Team]; Council --> Strategy[Strategy Working Group]; Leadership --> Communications[Communications]; Leadership --> Ops[Operating Management System]; Leadership --> Finance[Finance]; Strategy --> Other[Other Party Management]; Strategy --> Growth[Relationship Growth Strategy]; Strategy --> Improvement[Improvement Strategy];
```

**Mission & Vision**  
**Purpose & Objectives**  
**Strategic Focus**

- Civil Authorities - Production
- Space
- Defense
- Maintenance Repair & Overhaul
- Trade Associations

Requirements  
People Capability  
Product & Supply Chain Improvement  
Performance

# Easy access to SCMH



Search  GO

**IAQG**  
International Aerospace Quality Group

Quality Leadership Communication

## Supply Chain Management Handbook (SCMH)

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**Immediate and  
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# Thank You

