Supplier Improvement Program Update

PIA Government Systems Meeting
Reno, NV
11 February 2011
Outline

• Background
• Approach
• Data Analysis
• 4 Phase approach
• Current status
• Results
Background

• **Team origin started with MC-6 and T-11 Prime contractor’s**
  – Originated out of PIA discussions
  – Driven by increased Government scrutiny during First Articles and First Production Lots
  – Evidence of common issues across supply base

• **Team Objectives**
  – Enhance the performance of the Parachute Industry supply base
  – Leverage our shared resources to address systemic or critical shared supplier issues
  – Strengthen communication of supplier related issues across the Parachute Industry
  – Identify issues proactively and work on preventive actions
Approach

• Meet regularly via teleconference

• Agree upon most significant supply chain issues facing the industry
  – Use data to guide decisions
  – Consider frequency, severity, and likelihood of detection

• Establish prioritization (pareto principle)

• Determine action plans for top one or two issues
  – Spread the actions across the team as much as possible

• Document meeting with minutes and actions
Data Analysis Results

Data overwhelmingly revealed - Paperwork #1 issue

80% of rejections for paperwork

70% of rejections for paperwork
Paperwork Improvement Phases

Each defective lot leads to the next step…

1st Defect
Phase 1 Notification

2nd Defect
Phase 2 Corrective Actions

3rd Defect
Phase 3 Delivery Release

4th Defect
Phase 4 Credit Withhold ($250)

5 consecutive acceptable lots

Starting point
Current Status

Suppliers per Phase
(Across all Primes)

Phase 1: 38 suppliers
Phase 2: 13 suppliers
Phase 3: No suppliers
Phase 4: No suppliers

No suppliers in Phase 3 or 4 to date…
Results

**Paperwork Rejections**
Airborne Systems CA - 2010/2011

Reductions in paperwork issues reported by every Prime
Summary

• Joint prime manufacturers team created to improve systemic supply base issues
  – Data identified Paperwork as largest supply chain issue by frequency
  – Team jointly implementing Paperwork Improvement Program that has 4 phases

• Significant improvement seen to date across entire supply chain

• Continued monitoring performance going forward