



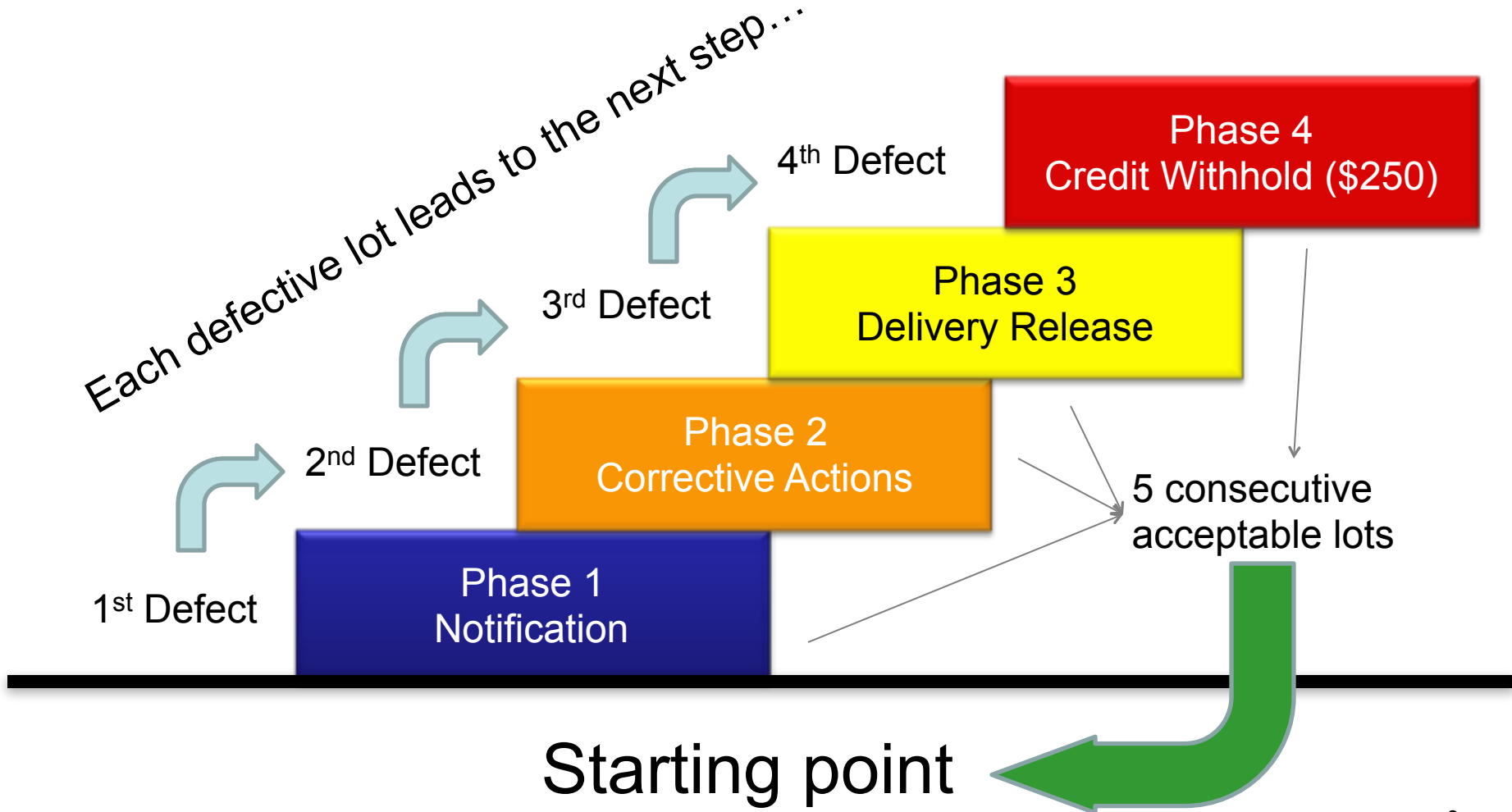
Supplier Improvement Program Update

PIA Government Systems Meeting
St. Louis, MO
26 August 2011

Background

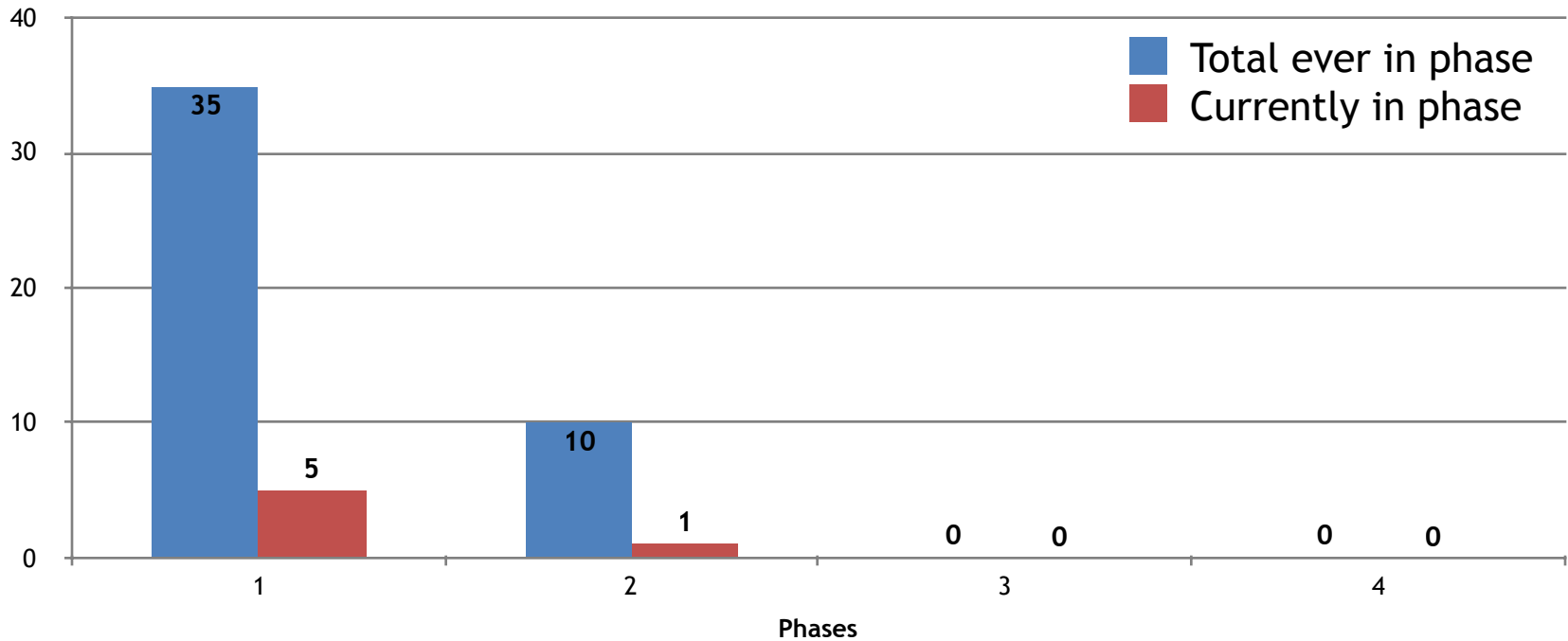
- Joint prime manufacturers team created to improve systemic supply base issues – August 2010
- Team using data to drive decisions
- Data identified Paperwork as largest supply chain issue by frequency
- Team jointly implementing Paperwork Improvement Program that has 4 phases

Paperwork Improvement Phases



Current Status

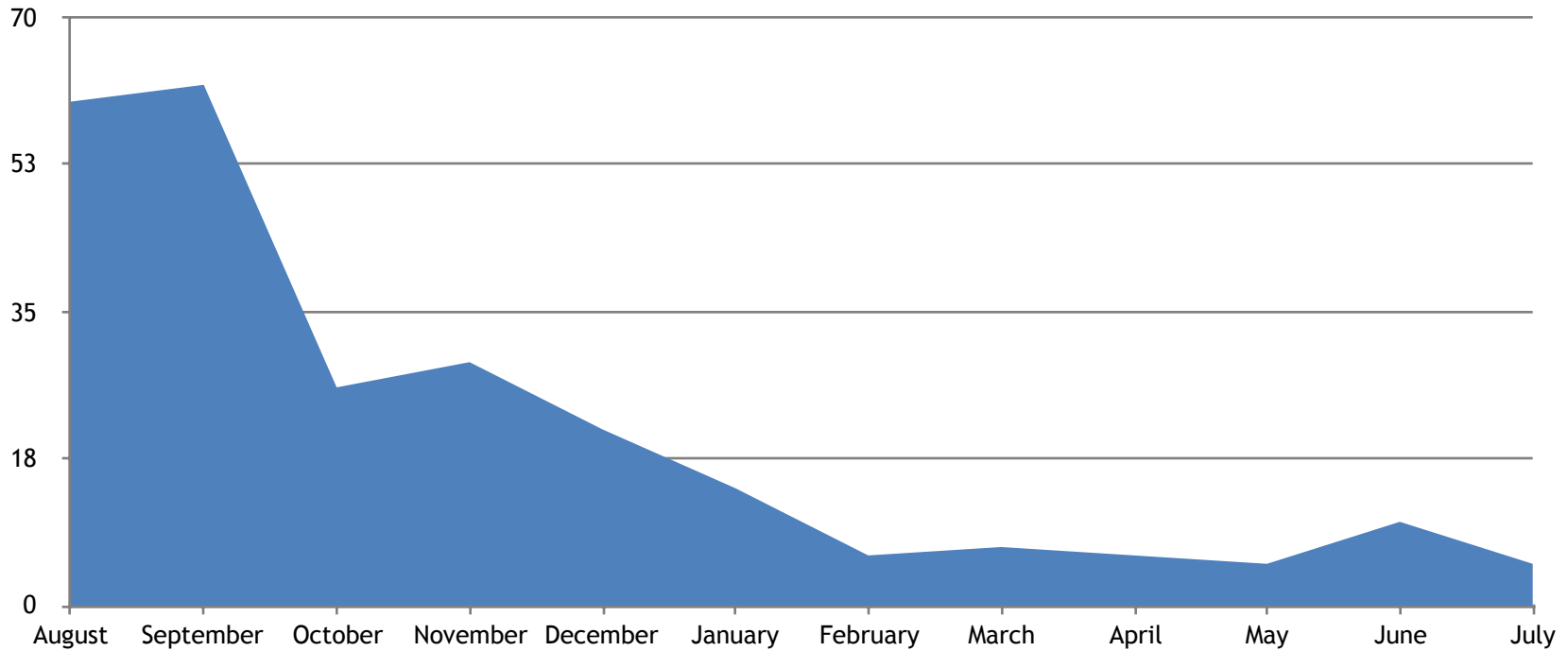
Total Suppliers per Phase
Airborne Systems CA - August 2011



No suppliers ever made Phase 3 or 4

Results

Paperwork Rejections Airborne Systems CA - 2010/2011



Reductions in paperwork issues sustained

Summary

- Improvements seen early are being sustained
- Spikes related to new supplier introductions
 - Opportunity to strengthen new supplier orientations
- Going forward
 - Continue monitoring of performance
 - Identify any new/additional systemic supply chain issues
 - Consider renewing industry wide audits on Berry Amendment
 - Other topics/issues???

Current results have plateaued, reduction of ALL issues would require new/adjusted approach