



Finding the Low Risk Supplier

February 2012

SEA

- ✈ Founded 2003
- ✈ Non Profit 501(c)6
- ✈ Founded by primes and tier ones
- ✈ Supplier Advisory Council is supplier CEOs
- ✈ SEA is funded by suppliers and customers may participate at no cost

Supplier Advisory Council



SAC Chair
Doug Greene,
President, Hixson
Metal Finishing



Kenny Heifner,
Senior Director,
Cal-Comp USA



Tim Holland,
President & CEO
Graco Supply
Company



William McGinnis,
President & CEO,
NTS



Mario Robles,
CEO, MPC
Industries

How SEA Reduces Your Risk

- ✈ Suppliers develop an annual improvement plan
- ✈ Supplier submits a quarterly progress report with metrics
- ✈ Suppliers work towards SEA Certification and a higher level of excellence
- ✈ Suppliers adopt a world class process management system

SEA Value Stream

SEA is an unprecedented aerospace and defense alliance led by sub-tier suppliers committed to accelerating supply chain performance.

Visibility

- ✈ Aerospace & Defense Supply Chain Awards
- ✈ Supplier Registry
- ✈ Supplier Speaker's Bureau

Performance

- ✈ Lean Enterprise System/Roadmap
- ✈ Certification
- ✈ Authorized Service Provider

Collaboration

- ✈ Benchmark Site Visits
- ✈ CEO Conferences
- ✈ Outreach
- ✈ Supplier Advisory Council
- ✈ Customer Involvement

What is the Roadmap?

	Stage One	Stage Two	Stage Three
	Stabilization	Integration	Sustaining
Leadership & Culture	1.1.1 Strategic Planning Process 1.1.2 Leadership Communication Process 1.1.3 Organizational Performance Review Process 1.1.4 Continuous Improvement Management Process 1.1.5 Workforce Development Integration Process	1.2.1 Supply Chain Integration Process	1.3.1 New Product Startup Process
Workforce Development	2.1.1 Job Skills & Cross-Training Certification Process	2.2.1 Continuous Improvement Process	
Operational Excellence	3.1.1 Kaizen Process 3.1.2 6S Visual Workplace Process 3.1.3 Quick Changeover/SMED Process	3.2.1 Material Management Process 3.2.2 Production Planning Process 3.2.3 Development Process	
Business Results	4.1.1 Inventory Turns 4.1.2 Sales/Employee 4.1.3 On-Time Delivery 4.1.4 Parts per Million		4.3.1 Process Maturity 4.3.2 Quick Ratio

Certification Level

Bronze OTD 90-94.9%, PPM<15,000

Silver OTD 95-98.9%, PPM<10,000

Gold OTD 99-100%, PPM<2,500

Benchmark Site Visits

What if there were special Benchmark Site Visits free to supplier owners and CEOs that would motivate them to adopt a policy of investment in improvement?

SUPPLIER SITE VISITS

You are cordially invited to attend a supplier Site Visit

- Benchmark Yourself Against a SEA Engaged Supplier
- Plant Tour - Learn From Those Following the SEA Roadmap
- Learn More About Being a Lead Supplier for Our industry
- Determine if You are a Right Fit for the Supplier Excellence Alliance (SEA)

DATE	COMPANY, LOCATION	CONTACT
6/17/10	Energy Dynamics, Inc., Machesney Park, IL	
6/22/10	W Machine Works, Inc., San Fernando, CA INVITATION >>	

SEA Membership Plan

	ASSOCIATE	CONSULTING	BASIC	PERFORMING	SUPPLIER ADVISORY COUNCIL
Membership Process Diagram Membership Application Joining SEA Video	More Info Join	More Info Join	More Info Join Renew Upgrade	More Info Join Renew Upgrade	More Info Join Renew
2012 Fee Schedule	\$125	\$600	\$6,500	\$8,500	\$19,000
CEO Conferences	50% Discount	1 Seat Free	3 Seats Free	3 Seats Free	Unlimited
Supply Chain Summit	50% Discount	1 Seat Free	3 Seats Free	3 Seats Free	Unlimited
Benchmark Site Visit	★	★	★	★	★
SEA Keynotes Newsletter	★	★	★	★	★
LES Implementation Webcasts	★	★	★	★	★
Implementation Support			★	★	★
Quarterly Performance Review			★	★	★
SAC Mentoring				★	★
Process Owner Forum		★	★	★	★
SEA Leader Workshop	50% Discount	1 Seat Free	2 Seats Free	3 Seats Free	Unlimited
Visibility Package		Registry Listing		★	★
Hosted Site Visit				Optional	★
SEA Certification		Webinar		25% Discount	25% Discount
Supplier Development					★
Supplier Advisory Council					★
Customer Advisory Council					Customers Only

Improving Performance Workflow

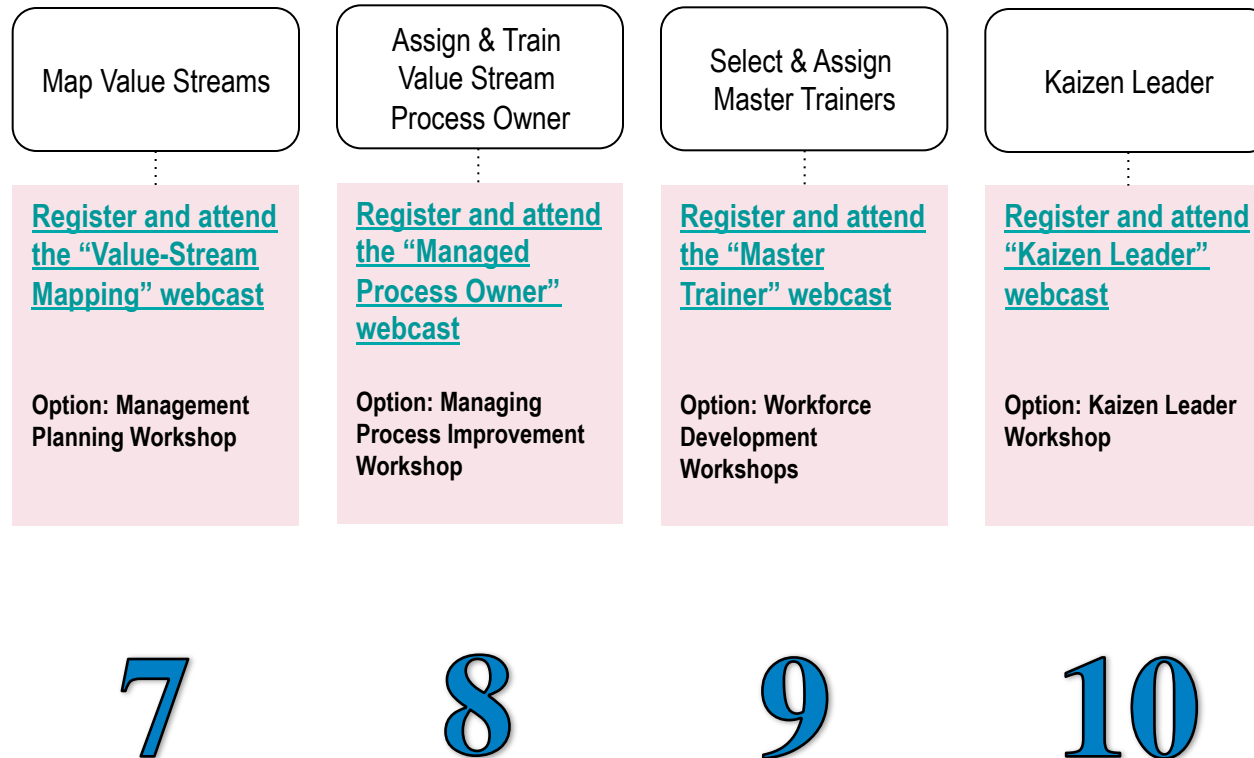
Getting Started

Click on the red box text to go and take the action suggested.



Improving Performance Workflow

Click on the red box text to go and take the action suggested.



Supplier Development

What if there was a step-by-step process that suppliers could use to implement an industry roadmap?

NATIONAL WEBCASTS								
Introduction		Feedback		More Webcasts		More Info		
SEQ	TITLE	SERIES 1	SERIES 2	SERIES 3	SERIES 4	PRESENTATION		TOOLS
0	Getting Started with SEA	9/08/11	02/01/12	11/01/11	01/05/12	PDF	PPS	ZIP
1	LES for Managers	9/15/11	02/08/12	11/08/11	01/12/12	PDF	PPT	
2	Annual Improvement Plan	9/22/11	02/15/12	11/22/11	01/19/12	PDF	PPS	ZIP
3	Assign Process Owners	9/29/11	02/22/12	11/29/11	01/26/12	PDF	PPS	ZIP
4	Roadmap Process Owner	10/06/11	02/29/12	12/06/11	02/02/12	PDF	PPS	ZIP
5	Process Owner Forum	SCHEDULE	SCHEDULE	SCHEDULE	SCHEDULE	MORE INFO		
6	How to Prepare the Quarterly Report	10/13/11	03/07/12	12/13/11	02/09/12	PDF	PPS	ZIP
7	Value Stream Mapping	10/20/11	03/14/12	12/20/11	02/16/12	PDF	PPS	ZIP
8	Managed Process Owner	10/27/11	03/28/12	01/03/12	02/23/12	PDF	PPS	ZIP
9	Master Trainer	11/03/11	04/04/12	01/10/12	03/01/12	PDF	PPS	
10	Kaizen Leader	11/10/11	04/11/12	01/17/12	03/15/12	PDF	PPS	
11	Supply Chain Integration	12/01/11	04/18/12	01/24/12	03/22/12	PDF	PPS	
12	Preparing for the SEA Site Visit	12/08/11	04/25/12	01/31/12	03/29/12	PDF	PPS	ZIP

Process Owner Forum

What if suppliers could participate in best practice forums to compare progress on reaching excellence in every aspect of their business?

FORUMS			
Feedback Get A Day Pass More Info			
The Process Owner Forums give members an opportunity to share best practices and compare notes on the challenges of implementation. Read More Not a SEA member? Join Today!			
TRACK	ITEM	DATE	SIGNUP LINK
Operational Excellence	3.1.3 - Quick Changeover/SMED Process	May 17, 2010	CLICK
Leadership and Culture	1.1.4 - Continuous Improvement Management Process	May 24, 2010	CLICK
Operational Excellence	3.1.4 - Material Management Process	June 7, 2010	CLICK
Leadership and Culture	1.1.5 - Workforce Development Integration Process	June 21, 2010	CLICK
Operational Excellence	3.1.5 - Production Planning Process	June 28, 2010	CLICK
Leadership and Culture	1.1.1 - Strategic Planning Process	July 12, 2010	CLICK
Operational Excellence	3.1.1. - Kaizen Process	July 19, 2010	CLICK
Workforce Development	2.1.1 - Job Skills & Cross-Training Certification Process	July 26, 2010	CLICK
Leadership and Culture	1.1.2 - Leadership Communication Process	August 2, 2010	CLICK
Operational Excellence	3.1.2 - 6S Process	August 16, 2010	CLICK
Leadership and Culture	1.1.3 - Organizational Performance Review	August 23, 2010	CLICK
Operational Excellence	3.1.3 - Quick Changeover/SMED Process	August 30, 2010	CLICK
Leadership and Culture	1.1.4 - Continuous Improvement Management Process	September 13, 2010	CLICK
Operational Excellence	3.1.4 - Materials Management Process	September 20, 2010	CLICK
Leadership and Culture	1.1.5 - Workforce Development Integration Process	September 27, 2010	CLICK

Quarterly Performance Review

What if someone examined each supplier's progress in detail quarterly against objectives standards for process maturity and industry-wide performance?

What if supplier OTD and PPM could be monitored industry-wide and not just for you as one customer?

Annual Improvement Plan

Improvements in SEA Measures - Targets

Measures	Q1	Q2	Q3	Q4
On-time Delivery	96%	97%	98%	99%
Inventory Turns	4.2	5.5	6.5	7.5
Sales per Employee	88000	90000	95000	102000
<input type="checkbox"/> DPMO <input type="checkbox"/> PPM	20,000	15,000	12,000	10,000
Processes at Level 3 or above	11	20	30	40
Improvement Plan % Complete	15%	45%	85%	100%

Leadership and Culture (L&C) Processes

Please describe activities completed during this reporting period

Champion for Leadership Track: James Smith
 1.1.1 Strategic Planning Process – PMM Level: 3 Process Owner Mary Smith Master Trainer Dave Smith Comments - Strategic Planning Process – The strategic planning process begins in April. No tasks were scheduled this month.
 1.1.2 Leadership Communication Process – PMM Level: 3 Process Owner Jerry Blank Master Trainer Tim Timmons Comments - Three all-employee meetings were held this period and 16 executive breakfasts were held. Survey feedback from these activities scored a 8.2 on a 10 point satisfaction scale. Development on the intranet website to provide visibility to company plans and progress is almost complete. We plan to do testing in the next quarter.
 1.1.3 Organizational Performance Review Process – PMM Level 2 Process Owner Amber Williams Master Trainer Jim Kiley Comments – one performance review was completed. Work instructions are complete and training for participants has begun.
 1.1.4 Continuous Improvement Management Process – PMM Level: 2 Process Owner Sara Marshall Master Trainer Sara Marshall Comments - three meetings of executive staff review were held and 12 process owner progress show progress to level 3.
 1.1.5 Workforce Development Integration Process – PMM Level: 3 Process Owner Jane Taylor Master Trainer Jane Taylor Comments – calls for a review of the strategic plan and development of training plan priorities for next year.

Workforce Development (WFD) Processes

Please describe activities completed during this reporting period

Champion for Workforce Development Track: Fred Ward
 2.1.1 Jobs Skills & Cross-Training Process – PMM Level: 3 Process Owner Jim James Master Trainer Laura Smith Comments - we have 15 master trainers and they conducted 18 training sessions and 3 certifications for this period.

Supplier Registry

SUPPLIER REGISTRY

[MORE INFO](#)
[CERTIFICATION CRITERIA](#)
[SEA ROADMAP](#)
[CERTIFICATION LEVEL](#)
[PERFORMING COMPANIES](#)

Company Name	State	Primary Contact	Phone	Email	Video	Industry Type	OTD	PPM
CERTIFIED COMPANIES								
GENTEX Corporation (Respiratory Systems)	CA	Robert McCay General Manager	(909) 481-7667 x3600			Life Support Products - Military Commercial Markets		
Hixson Metal Finishing	CA	Douglas C. Greene President	(949) 645-4800		 	Special Processing - Anodizing, Plating, Brazing, Heat Treating, Finishes, Coating, Sealant		
Midwest Metal Products	IA	Kevin Urban President	(800) 394-6474 x132			Fabrication, Bending, Forming & Sheet Metal		
National Technical Systems (NTS) - Fullerton	CA	Bill McGinis CEO	(866) 787-5746			Engineering Services		
National Technical Systems (NTS) - Boxborough	MA	Bill McGinis CEO	(866) 787-5746			Engineering Services		
TSI Plastics, Inc.	MN	Pat McCready President & CEO	(763) 784-0240		 	Plastics - Parts & Assemblies		
Vaupell Northwest Molding and Tooling	WA	Keith Zeller General Manager	(206) 805-0006		 	Plastics - Parts & Assemblies		
W Machine Works, Inc.	CA	Marzel Necklen President	(818) 890-8049		  	Machining - Machined Assemblies		

On the SEA Website

Conferences

Panelists:

What if there were three opportunities each year for suppliers and customers to meet and exchange ideas on how to improve supply chain performance?



Hal Buddenbohm
Supply Chain Director
ITT Force Protection
Systems



Warren Fox
Procurement Director
Northrop Grumman
Corporation



Shakeb Khan
Supplier Development
Parker Hannifin



Kenny Heifner
Vice President, Quality &
Organizational
Development
SMS Technologies, Inc.



Joe Jahn
President & CEO
Vaupell, Inc.



Marzel Neckien
President
W Machine Works, Inc.

Winner's Circle

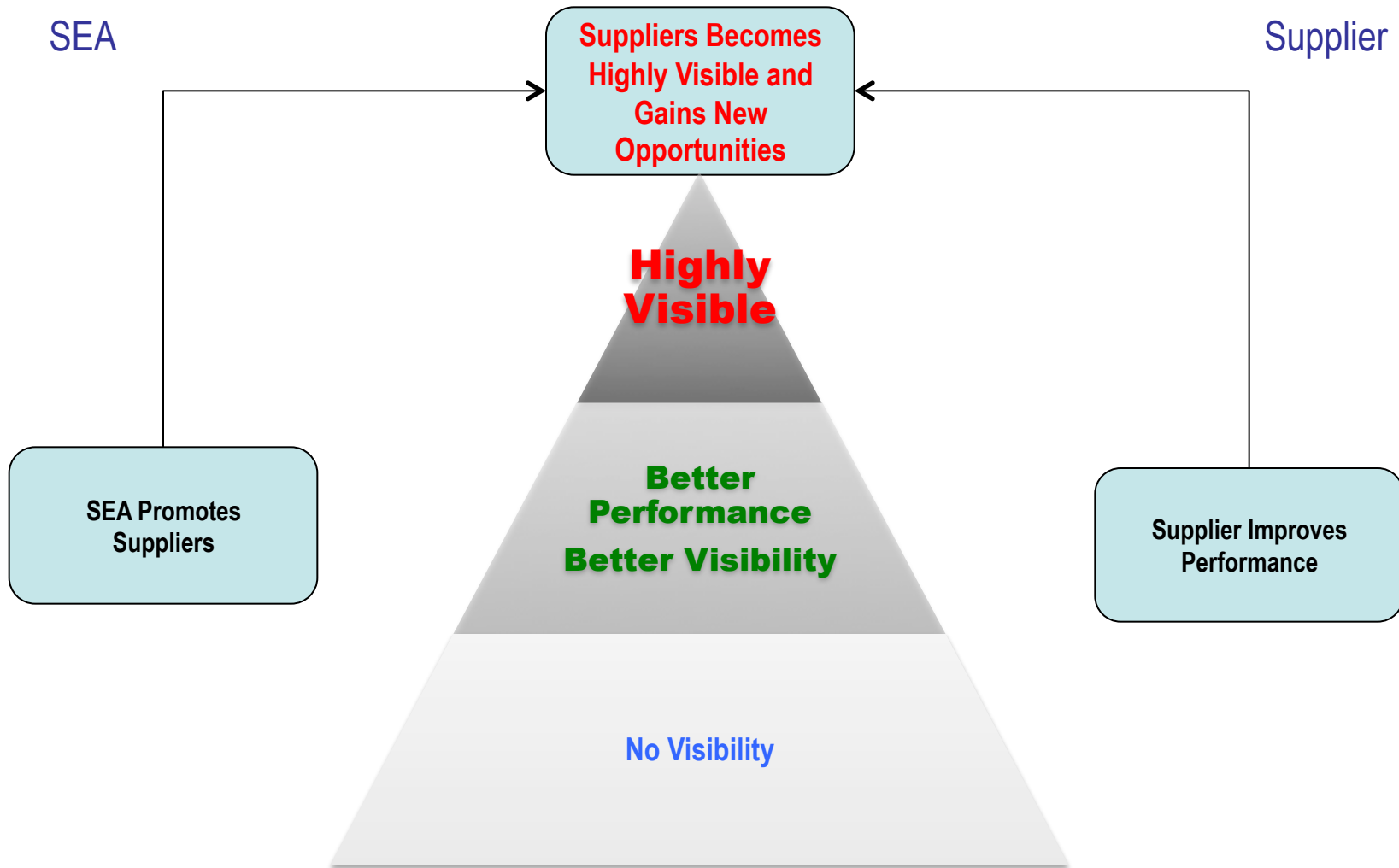


What if there was an industry award system judged by an independent panel of judges to acknowledged suppliers and leaders for their outstanding achievements?



2009	
Leadership & Culture Award	<ul style="list-style-type: none"> Hixson Metal Finishing, Inc.
Workforce Development Award	<ul style="list-style-type: none"> Geater Machining & Manufacturing Company
Operational Excellence Award	<ul style="list-style-type: none"> Tara Technologies Corporation
Supply Chain Innovation Award	<ul style="list-style-type: none"> SMS Technologies, Inc.
Performance Award: Most Improved Using SEA Metrics	<ul style="list-style-type: none"> MD Engineering
Customer of the Year Award	<ul style="list-style-type: none"> Parker Hannifin Corporation, Parker Aerospace
Richard Hall Award for Leadership Excellence	<ul style="list-style-type: none"> Dee Vaidya, TechniGraphics, Inc.

Performance = Visibility



Douglas C. Greene – Hixson Metal Finishing



- ✈ 31.8% Reduction in PPM
- ✈ 41.9% Reduction in Rework Dollars Spent
- ✈ 14.5% Improvement in Inventory Turns
- ✈ 11.9% Increase in Sales Per Employee
- ✈ 99.4% On Time Delivery
- ✈ SEA Stage 1 Certified
- ✈ SEA Awards: Aerospace and Defense Stephen E. Barton Leadership and Culture Award, Supply Chain Innovation Award, Operational Excellence Award, Richard Hall Leadership Excellence Award

Marzel Neckien- W Machine Works



- ✈ Saved \$950,000
- ✈ Reduced cost – 13%
- ✈ Reduced lead-time – 23%
- ✈ Increased capacity – 200%
- ✈ Sales increased – 20%
- ✈ Sales per employee increased – 10%
- ✈ SEA Awards: Richard Hall Leadership Excellence Award

Kenny Heifner – Cal-Comp USA



- ✈ Customer satisfaction increased 36%
- ✈ Productivity increased 38%
- ✈ Additional productivity gains of 45%
- ✈ Inventory turns increased from 7 to 10
- ✈ USAF customer quote... "The best we have ever seen"
- ✈ SEA Award: Supply Chain Innovation Award, Operational Excellence Award, Workforce Development Award

Tim Holland – Graco Supply Company



- ✈ 30% improvement in on-time delivery
- ✈ 41% reduction in defectives
- ✈ 8% increase in sales per employee

Bill McGinnis– National Technical Systems



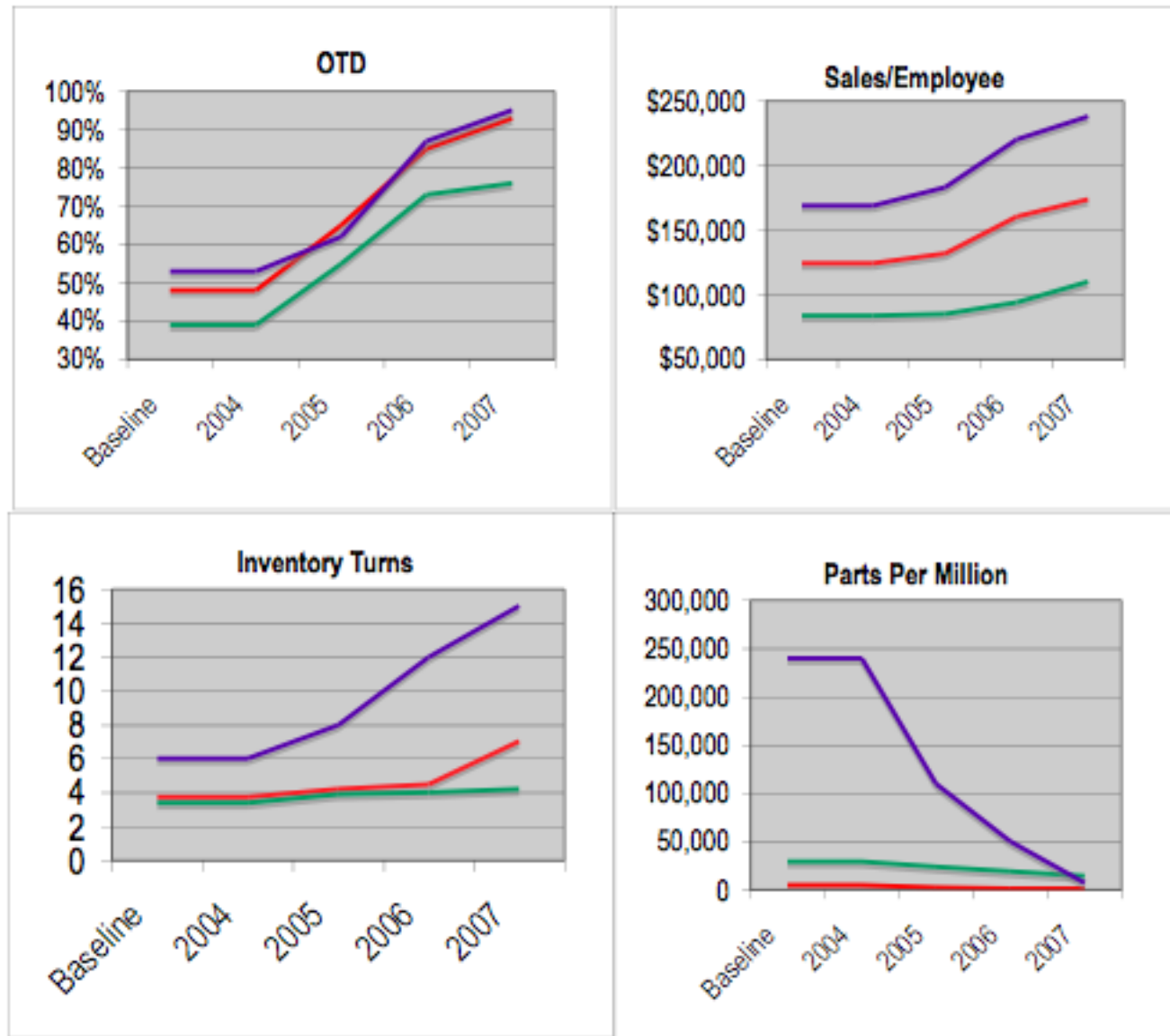
- ✈ 19% increase in revenue
- ✈ 21% increase in revenue per employee
- ✈ 39% increase in net income
- ✈ Cost of goods sold reduced by 2%
- ✈ Client to client recommendations increased by 25%
- ✈ SEA Awards: Stephen E. Barton Leadership and Culture Award, Richard Hall Leadership Excellence Award

Mario Robles – MPC Industries



- ✈ Increased OTD from 92 to 96%
- ✈ PPM from 4874 to 255
- ✈ 24% reduction in cost
- ✈ 24% increase in sales per employee
- ✈ 53% reduction in changeover time in grinding department
- ✈ 55% increase in output in Flat Sheet department
- ✈ SEA Awards: Stephen E. Barton Leadership and Culture Award, Performance Award; Most Improved

The SEA Roadmap Works!



Purple - precision machining
Red - electronic assembly
Green - rubber products and seals

SEA Benefits

- ✈ Overall Features
 - ✈ Proven success with small & mid-size suppliers
 - ✈ Utilizes a comprehensive roadmap
 - ✈ Delivers improved performance
 - ✈ Recognized by supplier's customers
- ✈ Customer Benefits
 - ✈ Proven viable for supplier development
 - ✈ Reduces risk
 - ✈ Provides an extension for existing efforts at no incremental cost
 - ✈ Collaboration with supply chain leadership
 - ✈ Frank, helpful dialogue between suppliers and customers
- ✈ Supplier Benefits
 - ✈ Opportunity to improve business performance
 - ✈ Opportunity to learn from other suppliers
 - ✈ Exposure to current and future customers
 - ✈ Networking with peers

SEA Board of Advisor Engagement Plan

Here are the opportunities for engaging in SEA and recommendations for how to “connect” to get maximum value. These are all optional and may be implemented at any time or not at all according to your needs. There is no obligation or cost when participating in SEA.

Your Objectives	Opportunity	Recommendation	Planned
Influence SEA direction	<ul style="list-style-type: none"> ➔ Help set SEA direction ➔ Participate in SEA Supply Chain Summits ➔ Present at SEA conferences ➔ Present at SEA Awards event 	Appoint a senior-level executive or manager for supply chain management or development with a strong interest in improving supplier performance as a member of SEA Board of Advisors	
Involve your suppliers in SEA	<ul style="list-style-type: none"> ➔ Establish event schedules ➔ Invite suppliers to events ➔ 1-2 hours phone conference once per two weeks ➔ Face-to-face meeting as needed 	Appoint a mid-level manager to the Outreach Committee with a strong interest in inviting suppliers to get involved in SEA	
Learn more about the SEA roadmap	<ul style="list-style-type: none"> ➔ Help suppliers to implement the SEA Roadmap ➔ Learn the common language for SEA and how to coach and assist suppliers in their implementation ➔ Attend a 1-2 day workshop called the SEA Leader Course for Customers 	Appoint one or more supplier development representatives who normally work directly onsite with suppliers to improve their performance	
Make SEA more visible to your purchasing groups	<ul style="list-style-type: none"> ➔ Brief your internal purchasing teams about SEA's website and Registry so that SEA suppliers can compete for business when appropriate ➔ SEA can supply a sample presentation 	Appoint someone to brief purchasing departments about SEA	
Get a SEA supplier CEO to speak at your event	<ul style="list-style-type: none"> ➔ Invite a SEA Supplier CEO to speak at your conferences and events; ➔ They can speak effectively to other suppliers 	Include SEA Speakers in your plans for events	
Interact with more SEA suppliers	<ul style="list-style-type: none"> ➔ Attend 3 SEA Conferences per year plus one awards event ➔ Help to present annual awards 	Board of Advisors and Outreach Committee members are welcome and fees will be waived	

Elevator Speech for Purchasing

- ✈ Supplier: What about this SEA thing?
- ✈ Purchasing to Supplier
 - ✈ Improving performance is a key to our work together
 - ✈ SEA has a proven process for improving performance and visibility
 - ✈ We would like to invite you to a SEA site visit or conference so you can listen to other suppliers like yourself and decide if SEA is for you (these are free)
 - ✈ SEA will ask that your CEO, owner, and/or senior officers attend
 - ✈ The schedule of SEA events is here:
<http://seaonline.org/AboutSEA/supplierbriefings.html>

The Aerospace & Defense Supply Chain Excellence Awards



6th Annual in November

