SPECIFICATION

SUPPLIER SCORECARD

CONFORMITY INDICATORS

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RECORD OF REVISIONS

English version
based on the original French issue

EDITION NUMBER	DESCRIPTION OF CHANGE	EDITION APPLICABILITY DATE
01	Original	Jan 5, 2015
02	Addition of a measurement option of the NOE type to the IER indicator	October 31, 2021

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TEXT

1. Purpose

The purpose of this document is to define the conformity indicators for the supplier/customer scorecard, as well as the rules and principles for calculating these indicators.
Paragraph 2 of this document describes the general provisions and requirements regarding this supplier/customer scorecard. *(Paragraph 2 below is an integral copy of the punctuality scorecard specification's §2. Should there be any inconsistency or difference between this document and the punctuality specification it is the latter that serves as the reference.)*

2. General approach

✓ Define a common scorecard that can be shared by all the stakeholders (customers/suppliers) in the industrial chain.

✓ This scorecard must be complied with by all customers and suppliers, but without limiting any clarifications/discussions that might be necessary between each customer and supplier (information, additional calculations, collaboration, etc.).

✓ Basically this scorecard will make it possible to consolidate the supplier's performance for all of its customers.

✓ The notion of calculation data per site will make it possible to make different consolidations by group of sites: calculations for one customer site or group of customer sites regarding one supplier site or group of supplier sites (sector):

- For a given supplier, the indicators relative to all of its customers,
- For a given sector, for a given customer,
- For a given sector, all customers taken into account.

- If possible the notion of product lines within any given site shall be used when segmenting the calculation data.

- The notion of calculation data per site will eventually make it possible to define and manage sectors, supplier families and customer families.

- The notion of calculation data per site will eventually make it possible to manage changes (eg: change of legal entity to which sites are attached).

✓ This scorecard will not prevent a specific scorecard being established between supplier S and customer Cx, and this specific scorecard will not prevent the consolidation of the all-customer scorecard, or consolidation by group of supplier or customer sites.

✓ This scorecard may be completed at a later time with indicators making it possible to cover the products' complete life cycle (Development, Production, Services, Customer Support).

✓ The documentation structure and configuration management regarding this scorecard shall be based on a list of documents that shall, in turn, be configuration-managed.

✓ For the moment this list of documents consists of:

- the punctuality indicator specification,
- the conformity indicator specification (this document),
- the scorecard format specification (visual representation).

3. Reference documents

SCMH Section 5.1.2 – IAQG

SCMH: Supply Chain Management Handbook
IAQG: International Aerospace Quality Group

4. Conformity indicators

Conformity shall be established on the basis of two indicators

- Item Escape Rate (IER),
- Concession Rate (CR).

✓ The indicators shall be calculated for each individual industrial site. (See paragraph 2 for the calculation assumptions by site or group of sites.)
✓ The indicators shall be based on the production deliveries: new products and spares.
✓ It shall be indicated whether the calculation was made with or without “collaboration” between customer and supplier.

✓ Complex systems may be managed according to specific conditions (example of complex systems: aircraft structures, aircraft engines, etc.).

4.1 Item Escape Rate (IER)

✓ This indicator shall be calculated monthly over a rolling six-month period.
✓ This indicator represents the rate of non-conforming items delivered to the customer. It therefore applies to the non-conformities detected between delivery and the end of the complete production cycle, that is to say the end of the end-product’s (aircraft, satellite, etc.) customer/supplier “supply chain”.
✓ Before collaboration, when the liability cannot be clearly established, non-conformities are considered to come under the supplier’s responsibility.
✓ Collaboration will make it possible to remove non-conformities from the customer’s responsibility at a later time.
✓ The IER includes non-conformities detected by the customer and non-conformities detected by the supplier after delivery.
✓ It will be possible to adjust the indicator after collaboration, for example: removal of non-conformities declared by the supplier, that have been the subject of a request for concession accepted by the customer.

✓ The IER indicator does not trace the serial numbers, it is based on the activity for the period only.

$$IER = \frac{\text{Number of non-conforming items detected during the period}}{\text{Number of items delivered during the period}}$$

The indicator is expressed in "parts per million" (PPM) by multiplying the above ratio by 1,000,000.

Period: six months by default.

NOTE 1
Industrial experimentation with the scorecard will make it possible to draw up application guidelines that may, among others, describe a parameter-setting principle for this IER measurement period.

- *Items: products / components / documentation, and service in the broad sense, as defined in the purchase order.*
- *The units used to calculate the number of items are those used in the purchase order.*
- *Non-conforming items: an item that has one or more characteristics that do not meet the requirements.*

NOTE 2
It is possible to complete the IER indicator with a Notice Of Escape (NOE) measurement. This measurement can be carried over to the IER graph.
See Annex 1 for the definition of the NOE indicator.

4.2 Concession Rate (CR)

✓ This indicator shall be calculated monthly over a rolling six-month period.
✓ The concessions to be taken into account are those resulting from non-conformities under supplier liability (before delivery only).
✓ A concession is a written authorisation to use or release a product that does not conform to the specified requirements. A concession authorises the internal/external supplier or subcontractor to deliver a product that has specific non-conforming characteristics

$$CR = \frac{\text{Number of items covered by a concession accepted during the period}}{\text{Number of items delivered during the period}}$$

The indicator is expressed in "parts per million" (PPM) by multiplying the above ratio by 1,000,000.

Period: six months.

- *Items: products / components / documentation, and service in the broad sense, as defined in the purchase order.*

- *The units used to calculate the number of items are those used in the purchase order.*
- *Items covered by a concession: non-conforming item that has been accepted by the design authority, external regulator or customer.*

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ANNEX 1 – Addition of a measurement option of the NOE type to the IER indicator

1- Definition of NOE-type "Escapes"

An NOE-type "Escape" is a nonconformity for the following two cases:

- Detected by the supplier when the analysis carried out by the supplier shows that there is a clear risk that other products with a similar nonconformity have been delivered to the Customer.
  In this case, the Supplier informs its Customer by issuing a "Notification of Escape" (NOE).

- Detected by the customer (inside or outside its Organisation) when the customer's analysis shows there is a risk that other products with a similar nonconformity have been delivered to the customer or to the latter's customers.
  In this case, the customer asks the supplier to initiate and issue an NOE.

  Note: In the production phase, it is agreed that Escapes are established with respect to the definition approved / validated by the Customer.

2- Solution to be applied for measuring the NOEs

The solution to be applied consists of adding the number of NOEs on the IER graph.

This number will display the total number of NOEs issued over a rolling 12-month period.

The "scorecard" principle for measuring the number of NOEs before and after collaboration is maintained.

The measurement of the IER must be maintained over a rolling 6-month period.

Reminder
The IER contains all the Escapes after delivery, including the NOE-type Escapes.

3- Detailed definition of the NOE measurement

Monthly measurement of the total number of NOEs issued over a rolling 12-month period.

Before collaboration, all the NOEs must be integrated in the measurement.

Collaboration will make it possible to withdraw certain NOEs from the measurement, in agreement with the Customer.

4- Implementation of “NOE” collaboration

With the Customer’s agreement, it is possible after collaboration to withdraw the NOEs with a “moderate” impact:

- Products accepted Use As Is, without any later corrections or retrofits.
- Products “corrected” on the Customer site.

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