SOLVING COMPLIANCE
& DATA MANAGEMENT CHALLENGES IN THE
AEROSPACE & DEFENSE INDUSTRY

Q&A eBook Featuring Insights from Assent Compliance

OVERVIEW

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What are some of the biggest regulatory and compliance challenges aerospace and defense manufacturers face?

The "Once an Article, Always an Article" ruling under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation has had a significant impact on aerospace and defense companies. They must now evaluate their products for substances of very high concern (SVHCs) under the regulation. Many parts produced by industry manufacturers are complex, containing several subparts and undergoing a range of processes that could potentially introduce restricted chemicals to the end product. Each of these must be evaluated individually in accordance with the article interpretation.

The list of chemicals restricted under REACH is also growing considerably and will continue to do so over the coming years. Companies must manage business continuity risk as more SVHCs are restricted, denying them access to substances that are critical to the ongoing maintenance and repair of their products.

Companies must also manage a range of emerging human rights legislation that require them to show year-over-year due diligence efforts to mitigate the risk of human rights violations in their supply chains. Key markets that have introduced disclosure requirements include the U.S., the UK, France and Australia.

Additionally, the industry is threatened by a rapidly shifting trade landscape that includes fluctuating tariffs, sanctions and free trade agreements.

How can aerospace and defense manufacturers use technology to ensure product compliance?

Companies can benefit from data exchange technology by gravitating toward standardization. In relation to product compliance, this includes the implementation of the IPC-1754 standard into their supply chain due diligence programs. Manufacturers can utilize the standard to report on substances used in the production, maintenance, repair and/or refurbishment of products, and roll up responses from the lowest tier to the government contracting primes and major commercial OEMs. The AD-SRT and IPC-1754 allow companies to acquire complete data on regulated substances under any declarable substances list, notably the AD-DSL, to meet the requirements under a range of regulation associated with product compliance.

Technology allows companies to establish a cross-regulatory supplier profile to forecast and identify risk across a wide variety of critical regulations impacting the industry. By leveraging centralized compliance platforms, the tools will provide a holistic view of compliance, risk and opportunities for market access across the globalizing aerospace and defense market.

What strategies can manufacturers employ to streamline their inspections and audits?

Companies can enhance their audits by integrating these efforts with their due diligence activities, as well as supplier training systems. Integrating supply chain surveys into the inspections and audits process is critical to reducing the costs associated with audit fatigue and ensuring consistency in reported results. Moreover, this ecosystem approach can allow significant cost savings driven by the efficiency of integrated data transfers and streamlined workflows.

How can compliance technology drive effective supplier management?

The majority of risk posed to aerospace and defense companies currently originates from third parties, whose compliance programs and security are not as robust as those of the prime contractors and OEMs. Implementing a comprehensive platform approach to acquire a full range of supply chain compliance data is critical to mitigating tangible risks associated with scrutiny from the U.S. Department of Defense (DOD) and other strategic customers. Access to this data will also introduce cost savings and operational efficiencies to any program, allowing companies to create individualized supplier profiles that address risk holistically and precisely by focusing on the actual risks posed by each supplier.

What is the process that manufacturers will have to undertake to onboard and leverage compliance software?

This is dependent on software functionality, which can vary. An integrated enterprise application or database solution can take years to set up properly and match the required data points between legacy systems to the new software application. In contrast, modern software-as-a-service (SaaS) data management solutions can be operational within weeks to months, depending on the complexity of the implementation and quality of existing data.

SaaS applications can be updated quickly and seamlessly with little-to-no downtime and hosted by FedRam service providers with security that restricts access to U.S. persons. Consequently, data management service providers that control technical data are revolutionizing and streamlining complex compliance programs.

What are the quantifiable outcomes your clients have seen once they have implemented the software?

Clients leverage real-time analytics to track the progress of compliance campaigns down to the regulation, individual contract/flowdown requirements, products and component levels. Clients can also adjust the level of engagement required to meet compliance deadlines under a fixed fee agreement by leveraging software vendors that specialize in compliance program management. As a result, the cost of compliance can be reduced by 400 percent or more, while improving the quality of the chain of custody from supplier responses.

What makes Assent Compliance's solutions unique, or why do aerospace and defense manufacturers choose to work with Assent Compliance?

Assent provides the most comprehensive platform from which companies can manage each of their regulatory requirements. While we already collect the most important data types for the aerospace and defense industry, the platform's built-in configurability allows us to help companies address unique challenges and updates to the evolving regulatory landscape without lengthy custom work.

Assent also offers an AWS GovCloud-hosted, International Trafficking in Arms (ITAR) regulation-compliant service that is administered by and only accessible to approved and trained U.S. persons, which allows Assent to manage controlled technical data in the secure environment required by aerospace and defense companies.

Assent's subject matter experts have participated in the development of both the AD-DSL and IPC-1754, and informed the development of our solutions as we prepared to help companies acquire data through these standards. No other SaaS solution can establish a complete compliance chain of custody, from materials sourcing to the end user, and centralize all data under one roof. This functionality, combined with Assent's data governance, ITAR-compliant data service and security standards, make the organization a superior choice.

Companies also benefit from Assent's database of 250 million part declarations and compliance contacts, allowing clients to cross-validate declaration data, leverage public disclosures of commercial-off-the-shelf components and launch programs efficiently, with a variable completion rate established before the first campaign email has even been sent.

Assent Compliance is the trusted compliance partner for thousands of customers and suppliers globally. Companies face a growing and changing set of regulatory and compliance challenges. These challenges range from compliance with restricted substances lists to ethical sourcing, supplier data procurement and validation, inspections, deploying and collecting custom surveys, and much more.

Assent's cloud-based enterprise software platform solution automates processes, reduces manual workload, increases efficiencies and, ultimately, helps companies dramatically save on compliance costs. Our software division is fully supported by a team of highly experienced industry consultants providing our clients with turnkey compliance solutions.

Travis Miller, General Counsel at Assent Compliance, will speak at the 2018 American Aerospace & Defense Summit on his topic "Now Preparing for Takeoff: Responding to Market Access Restrictions". He will discuss why materials compliance is a critical business continuity risk for aerospace and defense companies, how the European Court of Justice's "Once an Article, Always an Article" ruling impacts the industry, and best practices for gathering compliance information for bills of materials that effectively balance privacy, tariffs, controlled technical data and trade secret concerns. He will also provide insight into pending compliance issues and regulatory changes that will affect aerospace and defense supply chains over the coming years.

To find out more, visit our program.

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