



PRESENTS:

***LEVERAGING YOUR ERP SYSTEM TO
SUPPORT QUALITY REQUIREMENTS***

BY THE WAY!
There are hundreds of ways to meet the cited standards. The methods which follow are merely suggestions!





APPROVED SUPPLIERS



ASA 100 STANDARD REQUIREMENT:

5. C. The distributor shall maintain a list of its approved suppliers and a quality history for each. The distributor shall describe the criteria for supplier approval.

DISCUSSION:

- 1) Various spread sheet or word compilations
- 2) Bulging binders or files with Supplier Surveys
- 3) For suppliers requiring it, inconsistent or lax discipline on assuring the survey is sent and received
- 4) No consistent and disciplined way to tie new suppliers being used, to making the appropriate entry on the spreadsheet



APPROVED SUPPLIERS



A manual, typical traditional legacy method

| APPROVED SUPPLIER LIST | | | | | | | |
|-------------------------------|-----------------------------|------------------------|----------------|--------------------------------|--|------------------|--|
| COMPANY | FAA 00-56 ACCREDITED | AFRA ACCREDITED | AIRLINE | REPAIR STATION/ AMO | OEM OR THEIR AUTHORISED DISTRIBUTOR | ISO/EN/AS | SUPPLIER AUDIT FORM ON FILE |
| Company A | X | | | | | | |
| Company B | | X | | | | | |
| Company C | | | X | | | | |
| Company D | | | | X | | | |
| Company E | | | | | X | | |
| Company F | | | | | | X | |
| Company G | | | | | | | X |



APPROVED SUPPLIERS

Quantum Solution:



Editing Company

Company Info | Company Financial Info | Attributes

Name: ENTURY COMMUNICATIONS Abbrev: 21stCEN Tax Table: NT Discount %: 0

Dept: Code: 21STCENT Phone: 612-890-0442

Contact: Site: Alt Phone:

Attention: Currency: \$US Fax: EDI Phone:

Terms: NET 30 Class: V Cell Phone:

Vendor Terms: SITA: Agent: QI: ILS:

FSCM: Sales: Via: N/A

CAGE: Cap. Rest: NONE Resale:

Balance: 0.00 Markup: Parent:

Def Cons Code: AR Credit Limit: 0 Created B

Delivery Terms: AP Credit Limit: 0 Exchange M:

PD Deferred Receiver Spec 2000 Default

RO Deferred Receiver Restricted Flat Rate

Use Stock Market for RFQ and Quoting RECO Cost+DH

Priority Vendor Export Lic Required Contract Controlled

Internal Customer ACH Vendor

Pmt File Format: Invoice Email: Appr Cod

Manufacturer Ref:

Ship Name:

Office Address | Warehouse Address

Line 1: Misc: VAT#:

Line 2: Email:

Line 3: Website:

City: Groups

State: ZIP: 55337 Customer Consolidate Shij Opt Out Marketi

Country: UNITED ST Vendor EUC Filed QA AUDITED

DHL Duty: DDU VQ Approved No Ship Notice Manufacturer DISPUTED AR

EX-IM INSUREI RPS SCRND PRIORITY CUS

OK Cancel

Groups

| | | |
|--|---|--|
| <input type="checkbox"/> Customer | <input type="checkbox"/> AFRA Accredited | <input type="checkbox"/> RPS Screened |
| <input type="checkbox"/> Supplier | <input type="checkbox"/> ASA Accredited | <input type="checkbox"/> Restricted Country |
| <input type="checkbox"/> Approved Supplier | <input type="checkbox"/> FAA 145 Repair Station | <input type="checkbox"/> EX-IM Insured |
| <input type="checkbox"/> FAA 00-56 | <input type="checkbox"/> EASA Repair Station | <input type="checkbox"/> ISO 9001 Accredited |

User Defined Fields are available in the Company Management Header.



You can customize these in order to better to classify your customers/vendors and flag and report on these fields.



APPROVED SUPPLIERS

Quantum Solution:



CAPABILITIES RESTRICTION

You can use the Capability Restrictions to Enforce PN Repairs On Repair Orders

Editing Company

Company Info | Company Financial Info | Attributes

Name: ENTURY COMMUNICATIONS Abbrev: 21stCEN Tax Table: NT Discount %: 0

Dept: Code: 21STCENT Phone: 612-890-0442

Contact: Site: Alt Phone:

Attention: Currency: \$US Fax:

Terms: NET 30 Class: V EDI Phone:

Vendor Terms: SITA: Cell Phone:

FSCM: Sales:

CAGE: Cap. Rest: NONE

Balance: Markup:

Def Cons Code: AR Credit Limit:

Delivery Terms: AP Credit Limit:

PO Deferred Receiver Spec 2000 Stk Mkt Code:

PO Deferred Receiver Restricted

Use Stock Market for RFQ and Quoting RECO

Priority Vendor Export Lic Required Contract Controlled

Internal Customer ACH Vendor

Pmt File Format: Invoice Email:

Manufacturer Ref:

Ship Name:

Office Address | Warehouse Address

Line 1: 12116 RIVERWOOD DRIVE

Line 2: P.O. BOX 1062

Line 3:

City: BURNSVILLE

State: MN ZIP: 55337

Country: UNITED ST

DHL Duty: DDU VQ Approved

Additional Info 1

Misc: Email:

Website:

Groups

Customer

Vendor

No Ship M

EX:IM IN

OK Cancel

Browsing Company Approved Parts

| Part Number | Description | Type Code | Type Description | Vendor Type | Est Cost | Seq | Preferred | cpc udf1 |
|-------------|-------------|-----------|------------------|-------------|----------|-----|-----------|----------|
| 396276-1 | SENSOR | BENCH | BENCH TEST | Repair | 0 | 4 | | |

SITA: Cell F

Sales: A

Cap. Rest: NONE

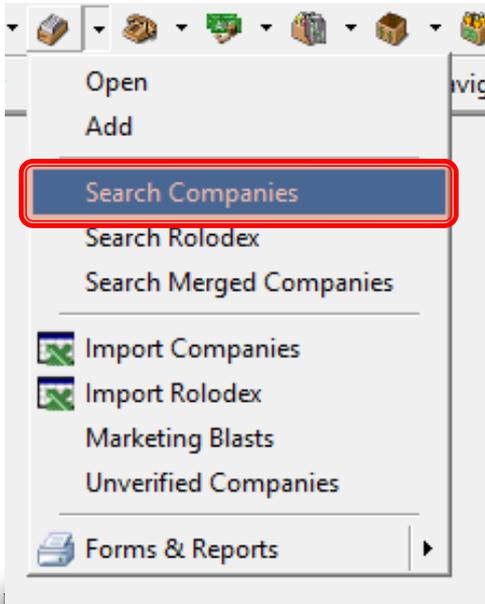
Markup: R

Credit Limit: P

Add Edit Delete Find Notes Prev Next Inspect

- None
- Warn
- Restrict

Put a Block or Warning on a company:

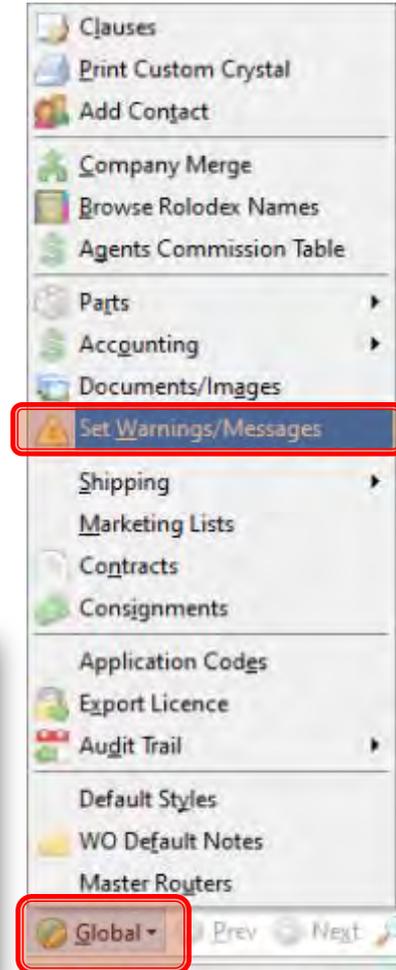


When you go to search Company Records, you will see restrictions...



Browsing Company Entries

| C | V | Company | Code | Allow CQ | Allow VQ | Allow PD | Allow SQ | Allow Invc | Allow RD | Site |
|---|---|---------------------|----------|----------|----------|----------|----------|------------|----------|------|
| X | | BOEING COMPANY | BOEING-S | Yes | Yes | Yes | Yes | Yes | Yes | |
| | X | BOEING COMPANY | BOEING-M | Yes | Yes | Yes | Yes | Yes | Yes | |
| X | | BOEING COMPANY, THE | THEBOE-V | Yes | Yes | Yes | Yes | Yes | Yes | |





APPROVED SUPPLIERS

Pentagon Solution:



Vendors/Customers on Hold:

- Vendors and Customers can be put on Hold or Approved
- Hold – can be overridden, but gives a chance for an employee to double check
- Approved – can not be overridden and stops all use of that company.
- Companies can also have Alerts/Notes that are displayed on document creation

The screenshot shows a software interface for managing vendors and customers. The title bar reads "Vendor(Also Customer) File: Aircraft Inventory Management & Services, Ltd". The interface includes a toolbar with icons for Add, Edit, Del, Prev, Next, Bill, Ship, Remit, Cntct, Callx, Opt, Srch, Cmd, and Close. Below the toolbar, there are input fields for Account (9724880580), FSCM Code, ILS Code (AJNP), Our Code, Alt Code, and Section. A tabbed menu at the top includes General, Defaults, SetUp, Financials, Status, Tax, Misc. Charges, Quality, Ext. Search, and MFG/Repair Certificates. The main content area is divided into several sections: "Account Superseded by (new account)", "Added by" (User Name: Bryan Hancock, Date & Time: 2/17/11 1:02:02 PM), and "Last Modified by" (User Name: Brent Webb, Date & Time: 7/2/19 7:08:23 AM). On the right side, there are two sections: "Approval Information (approved by)" and "Hold Information (hold by)". Both sections have radio buttons for "Yes" and "No" and a "Note" button. The "Approval Information" section has "Account Approved" with "Yes" selected. The "Hold Information" section has "Account on Hold" with "No" selected. Red boxes highlight the "Yes/No" radio buttons and the "Note" buttons in both sections.



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The screenshot shows a software window titled "Vendor(Also Customer) File: Aircraft Inventory Management & Services, Ltd". The window has a toolbar with icons for Add, Edit, Del, Prev, Next, Bill, Ship, Remit, Cntct, Callx, Opt, Srch, End, OK, and Close. Below the toolbar are several input fields: Account: 9724880580, FSCM Code, ILS Code: AJNP, Our Code, and Alt Code. A tabbed interface is visible with tabs for General, Defaults, SetUp, Financials, Status, Tax, Misc. Charges, Quality, Ext. Search, and MFG/Repair Certificates. The "General" tab is active, showing fields for Name (Aircraft Inventory Management & Services, Ltd), Address (14936 Trend Drive), City (Dallas), State (TX), Zip (75234), Region (NA), Country (United States), and Contact information. There are also fields for EDI (Supplier Code, Cust Code), Web, and E-Mail. At the bottom right, there are buttons for Memo, Alert (checked), and Note. A red arrow points to the Alert button.



APPROVED SUPPLIERS

Pentagon Solution:



Certificate Level Information:

- Pentagon can hold multiple certificate information
- Can track when the last survey was sent as well as when the next survey is due to be sent.

The screenshot shows a software window titled "Vendor(Also Customer) File: Aircraft Inventory Management & Services, Ltd". It features a menu bar with options like Add, Edit, Del, Print, Next, Bill, Ship, Remit, Contact, Call, Opt, Search, and Close. Below the menu bar are input fields for Account (9724880580), FSCM Code, ILS Code (AJNP), Our Code, Alt Code, and Section. A tabbed interface includes "Quality" and "MEG/Repair Certificates". A table lists certification details:

| Certification Level | Certified By (Agency) | Certification No. | Certification Expired On |
|------------------------|-----------------------|-------------------|--------------------------|
| FAA 00-56 ISO9001:2015 | ASACB | AIMS-008-09-16-2 | 9/8/19 6:59:25 AM |
| ASA-100 | ASA | 05801010-3 | 9/17/19 |

Below the table, the "Quality" section includes fields for Quality Code (001), No Inspection Required, QA Contact (SCOW), Scott Owens, Standard Transportation time (0 Days), Title (Quality Manager), and Ext. A red box highlights the "Last Survey" (5/5/19) and "Next Survey" (5/5/20) fields. Other fields include New Survey Sent on, New Survey Received, Standard Warranty, Scope of Services, Memo, and Note.



APPROVED SUPPLIERS

Pentagon Solution:



Images / Document Storage:

- Images can be scanned into Pentagon
- Documents or links to documents can be stored as well

The screenshot shows a software window titled "Vendor(Also Customer) File: Aircraft Inventory Management & Services, Ltd". The interface includes a toolbar with icons for Add, Edit, Del, Bill, Ship, Remit, Cntct, and Callx. Below the toolbar are fields for Account (9724880580), FSCM Code, Our Code, and Alt Code. A menu is open, listing various options, with "9. Imaging" highlighted in a red box. Below the menu, there are sections for "Account Superseded by (new account)", "Approval Information", "Added by" (User Name: Bryan Hancock, Date & Time: 2/17/11 1:), and "Last Modified by" (User Name: Brent Web, Date & Time: 7/2/19 7:0). A "Vendor [Documents List] :9724880580" window is also visible, containing a table with columns for Title, Image/File Type, and Attached on date.

| Title | Image/File Type | Attached on date |
|---------------------|-----------------|-------------------|
| ASA-100 Certificate | VNDQA | 7/2/19 7:18:47 AM |

This is valuable if your vendor has a permalink to their certificate, you will not have to update it, you will always have the most up to date copy.

<http://www.acinv.com/Images/certs/qcert4.png>



SHELF LIFE CONTROL



ASA 100 STANDARD REQUIREMENT:

9. A. The distributor shall have a system to adequately identify and control shelf life-limited parts and materials. The program shall specify a system that will assure that no expired material or part will be represented as having remaining shelf life. This program includes component subassemblies containing shelf life-limited parts.

DISCUSSION:

- 1) Inability to generate a report which is capable of ‘pinging’ staff to alert them of parts becoming due.
- 2) Inconsistent methods to change the condition code of the part once it reaches expiration. For example, the part has reached expiration yet continues to show it is in new condition AND continues to be uploaded to marketing systems like ILS and being represented as new.



So when is my SECOND lesson?



SHELF LIFE CONTROL

Quantum Solution:



Setting up Shelf Life Parts Correctly:

By checking the “Shelf Life” Box it will require an expiration date upon receiving every time.

By setting up “Shelf Life Days”, when you receive inventory the expiration date will automatically calculate based on the “Calculate Exp Date” settings below.

VIEWING PART NUMBER 'NAS1611-342'

Main Additional Attributes Manufacturing

Part Number: **NAS1611-342**

Description: PACKING

Application: [] Procurement: BUY

ILS: Y [] Stock Unit: EA [] Purch Unit: []

Remarks: []

Home LP: 1.21 Mfg. LP USD: 1.21 Type: P []

Price Date: [] Exch. Rate: 1.00 LP Currency: USD []

Group: NONE [] Distr Price: [] Min Sell Qty: 0.00

UDF 2: [] Min Qty NEW: 0.00

Material: [] Min Qty OH: 0.00

Manufacturer: [] Min OTHER: 0.00

Warning: [] Buy/Plan Code: []

Stock Defaults: Stock Category: [] Warehouse: M1 [] Location: M1-94 [] Tax Category: []

Qty Multiplier: 0 [] Critical: [] Exclude Part from Mark-Up: []

SO Category Code: [] Allow Printing 8130: [x] Allow Printing CAAC: [x]

Cost Method: []

Exchange Defaults: Home LP: 0.00 Mfg. LP USD: 0.00 Ovhl Cost: 0.00 SO Core Charge: 0.00 Core Value: 0.00 PO Core Charge: []

Default SO Type: Sale Exchange Overhaul Non-Stock

Default PO Type: Purchase Non-Stock Exchange Loan

Default WO BOM Disposition: []

Serialized: [] Hot Part: [] Time Life: [] Expendable: [] Shelf Life: [x] Haz Material: [] Track Reliability: [x] Raw Material: [] AvRef Created: [] Auto Calc Price Lines: [] PMA Flag: [] DER Flag: []

PO Lead Days: [] Mfg Lead Days: [] Safety Days: 0.00 Reorder Point: 0.00 Reorder Qty: 0.00 Reorder Level: [] Reviewed: [] Class Flag: [] Disc. Code: [] R&R Total: 0.00 Markup Code: [] Budget Code: [] ATA Pos Ref: [] EQQ: 0.00

Part RANKING: Number: [] Category: [] Group: []

Shelf Life Days: []

Opened Shelf Life Days: []

Calculate Exp Date: Rec Date Mfg Date Tag Date

Capabilities: Upload Part Capabilities to StockMarket

Manufacturing Certification Overhaul Repair Distribution Exchange

Capability Descriptions: Mfg Desc: [] Cert Desc: [] Ovhl Desc: [] Repair Desc: [] Dist Desc: [] Exch Desc: []

OK Cancel



SHELF LIFE CONTROL

Quantum Solution:



There are settings to prevent expired material to be sold or issued:

- **Allow:** Will not look at expiration dates and will permit reserving/issuing of expired material.
- **Warn:** Will look at expiration dates, if inventory is expired, a warning message will be displayed. However, this setting will still permit reserving/issuing of expired material.
- **Block:** Will look at expiration dates, if inventory is expired, you will NOT be able to reserve or issue the material.

The screenshot shows the 'Inventory Module Settings' window with the 'Options' tab selected. The 'Reserving/Issuing of Expired Material' section is highlighted with a red box, showing the 'Block' radio button selected. Other settings include 'Require Unique Part and Serial Number' set to 'No restriction' and 'Reserving/Issuing of Tools with expired inspection' set to 'Block'.

| Options | User Defined Field Names | Exchange Options | Lot Settings |
|--|--|--|---|
| <input type="checkbox"/> Require Unique PN | | | <input checked="" type="checkbox"/> Activate Stock Line |
| <input type="checkbox"/> Auto Print Part Label after Stock Transfer | | | <input type="checkbox"/> Update Parts Maste |
| <input type="checkbox"/> Filter Catalog Parts By PN Record | | | <input type="checkbox"/> Use Leading Space |
| <input type="checkbox"/> Strip Symbols in PN Search by Default | | | Manual Stock Entry Defa |
| Stock by Geo Code | | | |
| <input checked="" type="radio"/> All - No Filter | <input type="radio"/> Hide - By Order | | |
| <input type="radio"/> Restrict - By Order | <input type="radio"/> By User Geo Code | | |
| <input type="checkbox"/> Use Flat Stock Valuation for WD Exchange Activity | | | <input checked="" type="checkbox"/> Hide Last Found Ri |
| <input type="checkbox"/> Turn In Stock from WD at Master Part Core Value | | | <input type="checkbox"/> Show sales history |
| <input type="checkbox"/> Use alternates for receiving | | | ILS Code |
| <input checked="" type="checkbox"/> Check UOM of new PO for valid conversion | | | <input type="checkbox"/> Use Estimate Price |
| <input checked="" type="checkbox"/> Prompt for reciprocal reference | | | <input type="checkbox"/> Keep original ovhl c |
| <input type="checkbox"/> Prompt copy data to alternate part | | | Default Markup Code: |
| <input type="checkbox"/> Auto update lead days/list price on PO receiving | | | <input type="checkbox"/> Unit Price Read-Or |
| <input type="radio"/> Use PO List Price | <input checked="" type="radio"/> Use PO Vendor Price | | <input type="checkbox"/> Automatically set pr |
| Require Unique Part and Serial Number | | | |
| <input checked="" type="radio"/> No restriction | | | <input checked="" type="checkbox"/> Only UPPERCASE |
| <input type="radio"/> Restrict Part and Serial Number | | | <input type="checkbox"/> PO Exch Adjust Stc |
| <input type="radio"/> Restrict PN/Serial Number/Sys Company | | | <input checked="" type="checkbox"/> Default Allow Printir |
| Reserving/Issuing of Expired Material | | | |
| <input type="radio"/> Allow | <input type="radio"/> Warn | <input checked="" type="radio"/> Block | <input type="checkbox"/> Default Allow Printir |
| Reserving/Issuing of Tools with expired inspection | | | |
| <input type="radio"/> Allow | <input type="radio"/> Warn | <input checked="" type="radio"/> Block | <input type="checkbox"/> Require Verification |
| Alternate Supersede Type Code: [] | | | |
| <input type="checkbox"/> [] | <input type="checkbox"/> [] | | <input type="checkbox"/> Validate Location o |
| | | | <input type="checkbox"/> Restrict Stock Res. |
| | | | Remote Inventory Setti |
| | | | <input checked="" type="checkbox"/> Create activity logs |
| | | | <input type="checkbox"/> Inspect Shipping a |
| | | | <input checked="" type="checkbox"/> Auto Requisitions i |
| | | | <input type="checkbox"/> Allow creation of S |



SHELF LIFE CONTROL

Quantum Solution:



Tracking Key Dates on a stockline:

Stockline for Part Number 'NAS1611-342' -- 'PACKING'

Stock Line

StockLine: 1 Condition: NE Control #: 13220 Control ID #: 1 Receiver #: 13220

Quantity: 12.00 Recv Date: 12/29/2015 MO: Rev: UDN #1

Location: M1-94 Inventory Cost: 1.78 Order Recv Date: PO Cost: 0.00 Alt ID: UDN #2

Warehouse: M1 Price: 0.00 Mfg Date: Core Cost: 0 UDN #3

Owner: Price Visible to StockMarket: Cons Code: P/O # 116365 Orig SL Cost: 0.00 UDN #4

Obtained From: StockMkt Price: 0.00 P/O Category: ILS Flag: Y UDN #5

CAAC StockMkt List: Repair Note: Repair Cost: 0.00 UDN #6

Traceable To: NONE Tag Date: Tag Type: RO Number: Series ID: 0 UDN #7

Part Cert #: Tag Date: Repair Note: Repair Cost: 0.00 UDN #8

Certified By: Tag Type: RO Number: Series #: 13220 UDN #9

Loc Validated: Holding File: Series ID: 0 UDN #10

Shelf Life: Exp Date: 6/30/2019 UDF 8: UDF 9: UDF 10:

Cert Due Date: Open Date: PO Ref Number: UDF 20: UDF 21: UDF 22:

Mfg Lot #: S/N 2: Job No.: 116365N G/L Acct: 1210-00-00-00 RR Number: Freight: 0.00 Shipment #: Ship Invc #: Ship Carrier: Airway Bill: End Item:

Repair Type: OEM PMA DER PMA DER Customs Status: Manufacturer:

Category: StockMarket Category: UDL 1: UDL 2: UDL 3: UDL 4: UDL 5:

Hold Line IR ID View/Update IR Statement



SHELF LIFE CONTROL

Quantum Solution:



Running a list of Expired Parts: Option 1 - The Search

Quantum Control Live Sunvair Database (

- Open
- Add
- Search Master Parts
- Search Stock Audit
- Search Stock**
- Search The StockMarket
- Other Searches
- Stock Issue
- Multiple Stockline Update
- Unverified Parts
- Lot Manager
- Remote Inventory
- Consignment View
- Forms & Reports
- Import

Find for Browsing Stock Records

Part Number

Stock Line

Control Number

Control ID

Received Date

Tagged Date

Receiver Number

Serial Number

Consignment Code

Location

Warehouse

Stock Category Code

Expiration Date 07/16/2019

Part Cert Number

Airway Bill

Visible to StockMarket

All True False

Ranking Number

Ranking Category

Ranking Group

Write Down Ref #

Customs Status

Hold Line

All True False

| | Price | Cost | Rec Date | Exp Date | Part Cert N |
|--|-------|------|----------|------------|-------------|
| | 1.00 | 0.00 | 0.00 | 1/21/1990 | |
| | 12.00 | 0.00 | 1.78 | 12/29/2015 | 6/30/2019 |

| | Adjust Qty | Adjust Cost |
|--|------------|-------------|
| | | |

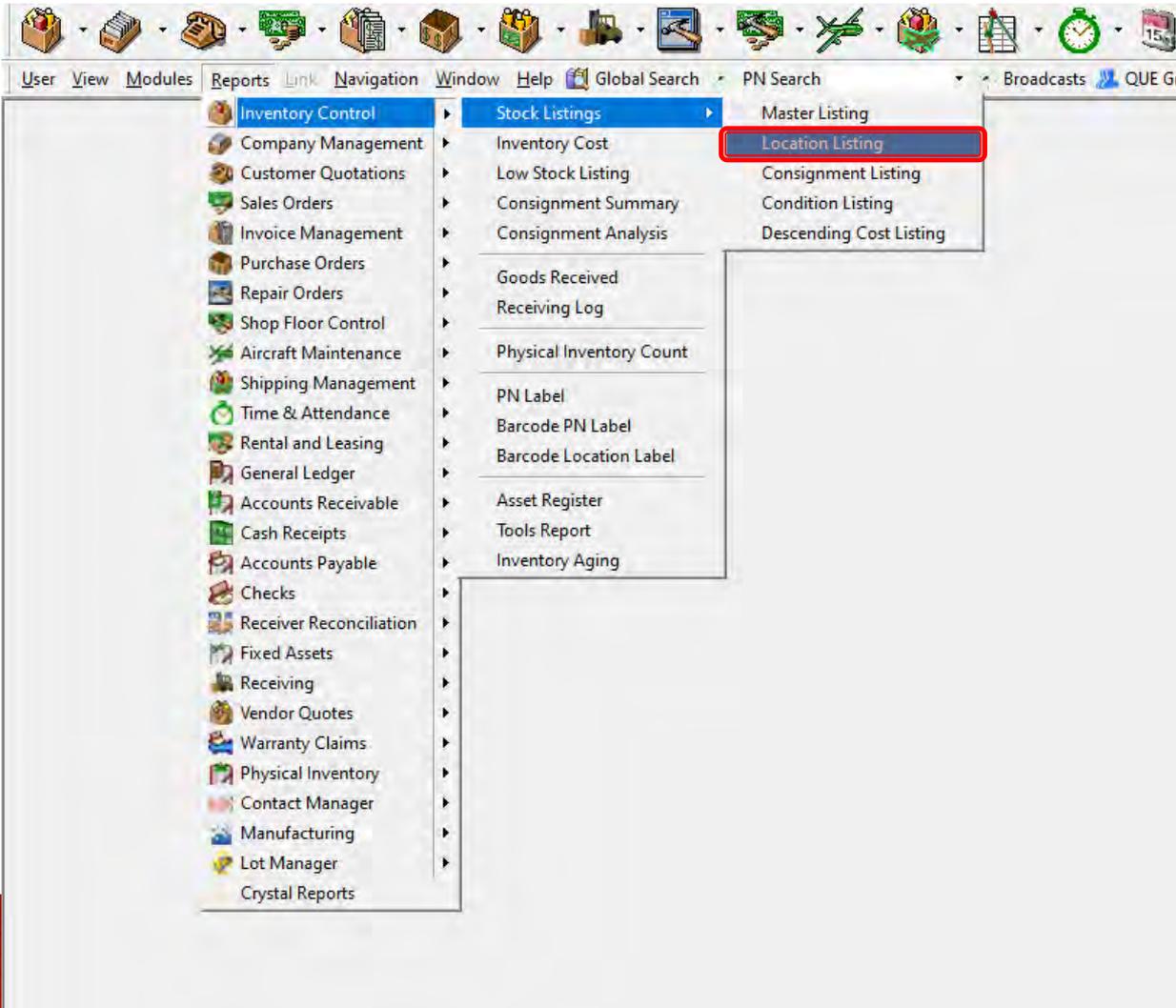


SHELF LIFE CONTROL

Quantum Solution:



Running a list of Expired Parts: Option 2 – The Report



Go to:

- Reports
- Stock Listings
- Location Listing



SHELF LIFE CONTROL

Quantum Solution:



Running a list of Expired Parts (second option)

The screenshot shows the 'Inventory Listing Report Settings (Location Listing)' dialog box. The 'Document' is set to 'Inventory - STD Location Listing' and the 'Destination' is 'Preview'. The 'Sort Order' is set to 'Part Number'. The 'Expr Date' field is highlighted with a red box and contains the date '7/12/2019'. Other fields include 'Starting PN', 'Ending PN', 'Part Type', 'UDF 2', 'Group Code', 'Material', 'Location', 'Description Is', 'Description Contains', 'Include Only Cons Codes', 'Exclude Cons Codes', 'Manufacturer', 'Include Only App Codes', 'Receipt Date From', 'To', 'Include Only Cond Codes', and 'Warehouse Code'. There are also checkboxes for 'Show Historical Stock Records', 'Exclude Reserved Stock', 'Hide Shading', and 'Disable Crystal Format'. The 'OK' and 'Cancel' buttons are at the bottom right.

- Edit the report settings
- Set the Document to Inventory – STD Location Listing
- Select your sort preference
- In the **Expr Date** box put in the date you want the listing of expiration date through (today's date for example).



SCRAPPED PARTS



ASA 100 STANDARD REQUIREMENT:

8. I. 1) The distributor shall *maintain a record* of all serialized and/or life-limited parts scrapped out. The record shall contain a description of the part, its part number, serial number (if applicable), and the date the part was scrapped. The distributor shall retain this record for at least seven years. Retaining any other records for the scrapped parts shall be at the discretion of the distributor.

DISCUSSION:

Variations to record:

- You have the part, and you mutilate it
- You have the part but you have a recycler or scrap dealer mutilate it
- A supplier such as a Repair Station or AMO has the part and you instruct them to mutilate it

BTW: Is your accounting department tied into the transaction of this asset?

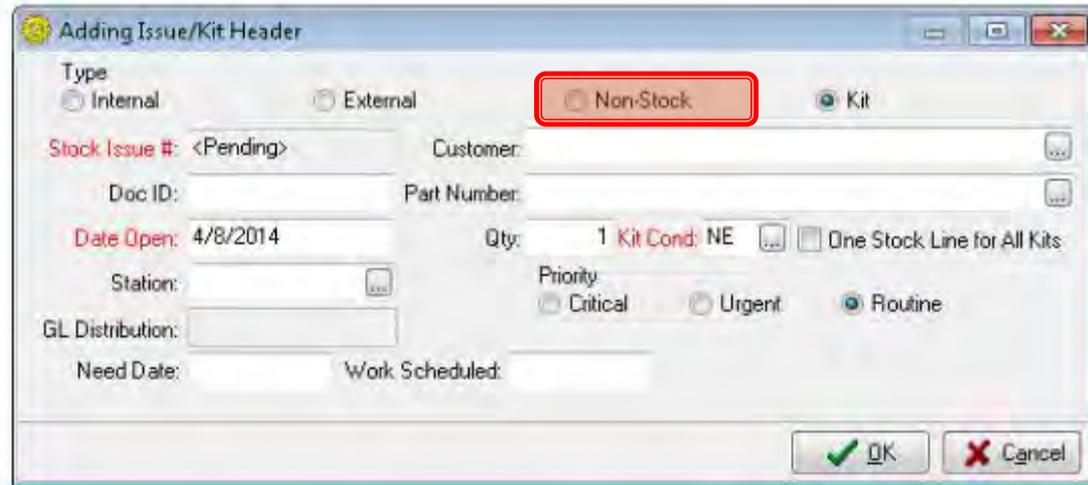
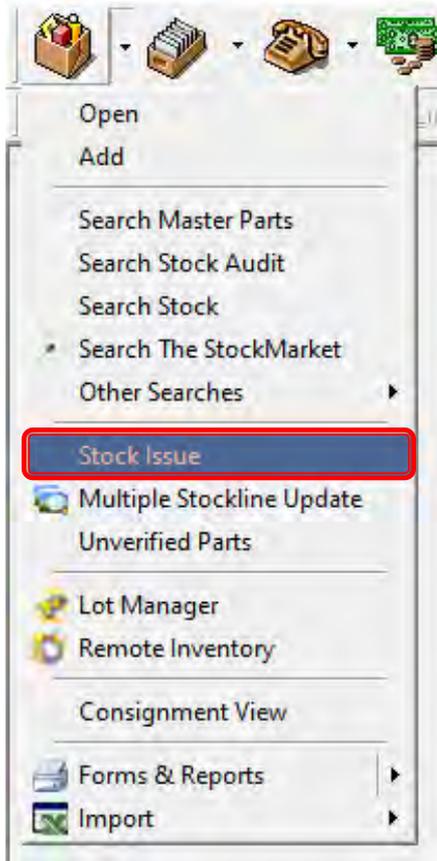


SCRAPPED PARTS

Quantum Solution:



Use the Stock Audit function in Quantum to issue parts out of the system once scrapped.



You can open a Stock Issue as frequent as you like. For example you can have a “Monthly” stock audit in which you can continuously add scrap or expired parts to, as the parts are physically put into a Quarantine Cage. At the end of the month all of the parts can be destroyed or disposed of and removed from the system. Custom reports can be used to properly report, track and issue scrap certificates.



SCRAPPED PARTS

Quantum Solution:



Once your Stock Issue is created...

The screenshot shows a software window titled "Stock Issue/Kit 22". At the top, there are input fields for "Stock Issue #: 22" and "Part Num: 005-02012-0023". Below this is a "Parts Management" section with a table of materials. The table has columns for "A", "Part Number", "Part Description", "Activity", "Task", "Seq", and "Status". One row is visible with "005-01082-0058" as the part number, "EMERGENCY EVACUATION SLID" as the description, "Expendable" as the activity, and "Pending" as the status. Below the materials table is a "Stock Activity" table with columns for "SL #", "PN", "Qty Res", "Qty Issued", "Qty Tum In", "Qty Returned", "CD", "CD Lev", and "Unit Cost". One row is visible with "76" as the SL #, "005-01082-0058" as the PN, "0.00" as Qty Res, "1.00" as Qty Issued, "0" as Qty Tum In, "0" as Qty Returned, "OH" as CD, "8" as CD Lev, and "635" as Unit Cost. At the bottom of the window is a menu bar with buttons for "Stock Issue", "Add", "Edit", "Delete", "View", "Notes", "Stock", "Repair", "Exchange", "Print", "Work Order", "Misc", "Global", "Prev", "Next", and "Insp". The "Add", "Stock", and "Global" buttons are highlighted with red boxes.

Use the Add button to add parts.

Use the Stock button to reserve stocklines.

Use the Global menu to issue stock once completed.



EXCHANGES



ASA 100 STANDARD REQUIREMENT:

II DEFINITONS: *Traceability*: Track parts, processes, and materials to a source. For an accredited distributor, traceability must meet the minimum standards found in the documentation matrix in Appendix A.

DISCUSSION:

ISSUES FOR ACCREDITED COMPANIES REGARDING TRACE

For accredited distributors, the expectation is that trace is always solid. But what about that core that is now the property of the distributor? The distributor must assure that it has standard trace and NIS documents from the airline. For some distributors this has been a weakness, and many times the issue is getting the airline to produce the documents. In this case, a good solution is that the distributor creates the documents for the airline and upon review the airline signs and returns the documents. I know more than a few airline employees which value that sort of assistance, uh-huh.



EXCHANGES



DISCUSSION:

Commonly cited problems with exchange programs include the following:

The airline or customer does not return the core. Most of the time the simple root cause is that the airline or customer failed to apply the required ‘attention to detail’. Depending on the level of procedural bureaucracy and computer automation at the airline, for example, not pressing the right buttons or following their processes and procedures will affect this. Regardless of the root cause, getting that core back may depend wholly on the follow-up system the distributor has in place; is it robust and does it provide conspicuous indicators of approaching deadlines?





EXCHANGES



DISCUSSION:

Commonly cited problems with exchange programs include the following

The distributor does not follow-up on the details. Lack of attention to details could potentially include the following:

- Tracking the due date for return of the core.
- Tracking receiving inspection discrepancies, for example, the core was returned, but without the expected documentation.
- For Cost-Plus exchanges, tracking the cost of the overhaul of the core and charging it back to the airline or customer.



EXCHANGES



DISCUSSION:

ACCOUNTING:

By now it should be obvious that exchanges are not simple buy or sell transactions. A single exchange may incur several invoices and costs which must also be carefully tracked. Add to this, common considerations such as Lines of Credit with the airline or customer and how to track and address those, and the accounting process could indeed get complicated really fast. How about inventory dedicated to exchange programs, how do you list and value it? Hmmmm...



EXCHANGES

Quantum Solution:



Quick Glance Cost Comparison – Three Exchange Costing Methods

| | FLAT RATE | COST + OVERHAUL | DEPRECIATE CORES |
|-----------------------------------|---------------------------------------|---|---|
| Original Stockline Cost | 25,000 | 25,000 | 25,000 |
| Sell Price on Sales Order | 3,000 | 3,000 | 3,000 |
| Accumulated Cost on Sales Order | 25,000 | 0 | 3,000 |
| General Ledger Entries | DB COGS 25,000 CR Inventory 25,000 | DB Awaiting Core 25,000 CR Inventory 25,000 | DB Awaiting Core 22,000 CR Inventory 22,000 DB COGS 3,000 CR Inventory 3,000 |
| Returning Core Stockline Cost | 0 | 25,000 | 22,000 |
| GL ENTRIES | N/A | DB Inventory 25,000 CR Awaiting Core 25,000 | DB Inventory 22,000 CR Awaiting Core 22,000 |
| Repair Cost on Core | 500 | 500 | 500 |
| Stockline Cost after Repair | 500 | 25,500 | 22,500 |
| NEXT EXCHANGE SALE ON CORE | | | |
| Original Stockline Cost | 500 | 25,500 | 22,500 |
| Sell Price on Sales Order | 3,000 | 3,000 | 3,000 |
| Accumulated Cost on Sales Order | 500 | 25,000 | 3,000 |
| General Ledger Entries | DB COGS 500 CR Inventory 500 | DB Awaiting Core 25,500 CR Inventory 25,500 DB COGS 25,000 CR Inventory 25,000 | DB Awaiting Core 19,500 CR Inventory 19,500 DB COGS 3,000 CR Inventory 3,000 |
| Returning Core Stockline Cost | 0 | 25,500 | 19,500 |

*PLEASE NOTE THAT THE GL TRANSACTIONS ON THIS COST COMPARISON DO NOT INCLUDE THE ENTRIES TO REVENUE AND ACCOUNTS RECEIVABLE.

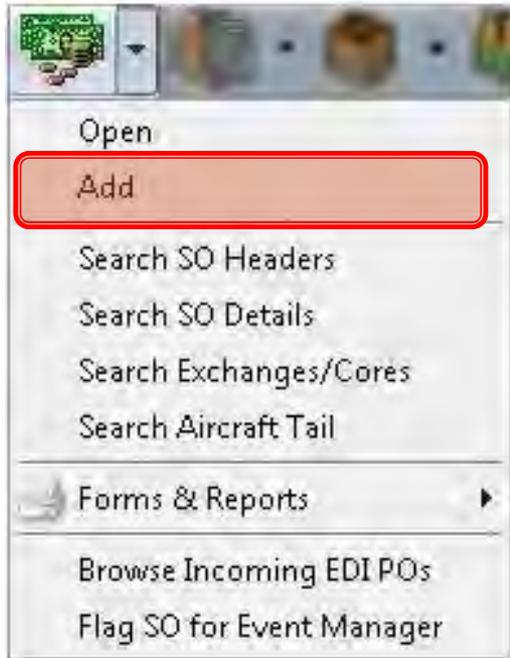


EXCHANGES

Quantum Solution:



How to set up an exchange transaction in a Sales Order:

A screenshot of the 'Adding New Sales Order' form. The form contains various fields for customer information, dates, and shipping details. The 'Customer' field is populated with 'ABC Aerospace Company'. The 'Date Open' is set to '1/27/2014'. The 'Ship Via' is 'Fx Express Save'. The 'Currency' is 'USD'. The 'Terms' are 'COD'. The 'Contract #' is empty. The 'Sold To' and 'Ship To' fields are both populated with 'ABC Aerospace Company' and '1731 Kettner Blvd.'.

| | | | | | |
|-----------------------|-----------------|-----------------------|------------------------|----------------------------|-------------------------------------|
| SO Number: | <Pending> | Customer: | ABC Aerospace Company | Code: | ABCAero |
| # Items: | | Customer PO#: | | Site: | |
| Date Open: | 1/27/2014 | Attention: | | Empl: | DBA |
| Date Due: | | Phone: | 619-555-9400 | Agent: | |
| Ship Via: | Fx Express Save | Fax: | 6197025400 | Tax: | GS |
| Currency: | USD | Email: | bwayne@abcerospace.com | Sales Person: | |
| Terms: | COD | Geo Code: | | Reply To: | |
| Contract #: | | FOB: | | Require Complete Shipping: | <input checked="" type="checkbox"/> |
| Sold To: | | Ship To: | | | |
| ABC Aerospace Company | | ABC Aerospace Company | | | |
| 1731 Kettner Blvd. | | 1731 Kettner Blvd. | | | |



EXCHANGES

ERP Solution:



Exchange Types:

Adding Sales Order Item

Sales Item: Exchange

Exchange Type

- 1 - Exch Our Unit/Repair Core/Return to Stock
- 2 - Exch Our Unit/Return Core to Stock AS-IS
- 3 - Buy from Vendor/Repair Core/Return to Vendor
- 4 - Buy from Vendor/Return Core AS-IS to Vendor
- 5 - Exch Our Unit/Use Existing External Work Order For Core
- 6 - Exch Our Unit/Create Internal Work Order For Core

Return Core to Lot

Returning Core Value: 0

Include Core Charge in Invoice? Create Core Charge Line Item

Core Due: 9/27/2013 Core Charge Amount: 1500.00

Returned: Cur. Core Charge: 1500.00

Core SN: Core Credit Amount: 0

Core PN: Core Replace Charge: 0

Cancelled Date: RO #: Due Back: Qty Rec: Qty Scrap: Repair Charge: 0.00

Cost Method: Flat Rate Cost+OHC

Exch PD: Delivery: Core Due: 9/27/2013 Core Ret'd

Remarks: Call customer 1 week prior to core due date

Close

- Type 1 & 2 are for stock exchanges:**
- 1: When the core returns, send it for repair.
 - 2: When the core returns put it on the shelf.
- Type 3 & 4 are for brokered exchanges:**
- 3: When the core returns send it to the purchase vendor in AR condition.
 - 4: When the core returns first send it for repair, then send it to the purchase vendor in repaired condition
- Type 5 & 6 are for exchanges that will be repaired in-house:**
- 5: When the core returns add it to an existing external work order.
 - 6: When a core returns create an internal work order for it.



EXCHANGES

Quantum Solution:



From the Sales Order you can manage your exchange process from the “Exchange Dashboard”

SO Exchange Dashboard

Exchange Status | Sales Order | Stock/ Core | Invoice/ Credit Memo | Purchase Order | Core Repair Order

Exchange Status

Exchange Type: 3 - Buy from Vendor/Repair Core/Return to Vendor SO#: 100142 Cust. Name: abc Cust. Code: abc
 Part Number: 000-0000-001 PO #: P481 Vndr Name: AAR Aircraft Turbine Center Vndr Code: 001
 Description: Afterburner

| Complete | Transaction | Order/Desc | Date |
|----------|--------------------------------|------------|-----------|
| YES | RO# | V1000768 | 4/29/2004 |
| YES | INVC# | V255 | 7/2/2009 |
| YES | Core Received | \$5990 | 12/3/2008 |
| YES | INVC# Core Credit Memo | V281 | 12/3/2008 |
| YES | PO Received | 10-DEC-09 | 12/3/2008 |
| YES | PO# | P481 | 12/3/2008 |
| YES | Received# RO V1000768 Received | \$8991 | 12/3/2008 |
| YES | SO# | 100142 | 12/3/2008 |
| NO | Core Retd to Vendor | | |
| NO | INVC# Repair Bill Back | | |

Exchange Type: 3 - Buy from Vendor/Repair Core/Return to Vendor SO#: 100142
 Part Number: 000-0000-001 PO #: P481
 Description: Afterburner

| Complete | Transaction | Order/Desc | Date |
|----------|--------------------------------|------------|-----------|
| YES | RO# | V1000768 | 4/29/2004 |
| YES | INVC# | V255 | 7/2/2009 |
| YES | Core Received | \$5990 | 12/3/2008 |
| YES | INVC# Core Credit Memo | V281 | 12/3/2008 |
| YES | PO Received | 10-DEC-09 | 12/3/2008 |
| YES | PO# | P481 | 12/3/2008 |
| YES | Received# RO V1000768 Received | \$8991 | 12/3/2008 |
| YES | SO# | 100142 | 12/3/2008 |
| NO | Core Retd to Vendor | | |
| NO | INVC# Repair Bill Back | | |

Inspect Sales

Start Quantum Control



EXCHANGES

Quantum Solution:



Repairing a Core:

Repair Order #100077

RO Number: 100077 Vendor: ABC Air Limited Home Cost: 400
 # Items: 2 Attention: Bill Grundig Cur. Cost: 400
 Status: Open Phone: 042-211-0632 Code: AAL1 Site:
 Date Open: 5/16/2007 Fax: 042-211-0633 Employee: DBA Cur: USD
 Company: Component Control DEI Dept:

| Pos | Item | Type | SO Number | Part Number |
|-----|----------|------|-----------|----------------|
| 1 | Overhaul | SV | 201994 | 005-02012-0023 |
| 2 | Overhaul | OB | 202000 | DXC |

Adding Repair Order Item

Part Number: 005W3127-1 Qty Div: 1
 Description: 005W3127-1 Stock Line: 7 On Hand: 65
 Item #: 1 Condition: NE Reserved: 17
 New Part: 005W3127-1 Order Date: 7/20/2011 Available: 48
 Price Line:

| | | | |
|------------------|------------|------------------|--------|
| Cur. Parts Cost: | 0 CDN | Home Parts Cost: | 0 |
| Cur. Labor Cost: | 980.00 CDN | Home Labor Cost: | 700.00 |
| Cur. Misc Cost: | 0.00 CDN | Home Misc Cost: | 0 |

Receiver Instr: _____ Next Delivery: _____ Scrapped: 0
 Ext AP #: _____ Ext AP Date: _____ Exch. Rate: 1.4 Sales Ord#: _____
 Vendor Adjustments W/D Price: 0 Commit Ship Date: _____
 Cur. Adj. Cost: 0 Home Adj. Cost: 0
 Charge: _____

UDF 001: _____ End Destination: _____
 UDF 002: _____ End Application: _____
 UDF 003: _____ Stock Position: Capitalize Expense

Close OK Cancel



EXCHANGES

Quantum Solution:



In the Repair Order, go to the Misc. menu. The “Vendor Quote Wizard” allows you options to direct the repair cost as you see fit. And also options to pass on charges to the customer.

Vendor Quote Wizard

| | | | |
|----------------------|---------|--------------------|---------|
| Parts: | 100.00 | Curr. Value: | 100.00 |
| Labor: | 300.00 | Curr. Value: | 300.00 |
| Misc: | 100.00 | Curr. Value: | 100.00 |
| Total Repair Cost: | 500.00 | | 500.00 |
| Prev. Expensed: | 500.00 | | |
| Capitalize Cost: | 0.00 | Total Repair Cost: | 500.00 |
| Expense Cost: | 0.00 | Total Expense: | 500.00 |
| Unallocated Cost: | 0.00 | Total Charges: | 1800.00 |
| Supplemental Charge: | 0.00 | Profit: | 1300.00 |
| Exchange Fee: | 1800.00 | | 72.2% |

Capitalize Cost:
Puts the cost of this repair on your stockline inventory.

Expense Cost:
Puts this cost of this repair against the exchange sales order it came from.

Supplemental Charge:
Creates a charge to the customer on the original exchange sales order.



Lot and Batch Numbers Missing on the ATA Spec 106



| 6.Item | 7. Description | 8. Manufacturer & Part Number | 9.App Code | 10.Qty | 11. Serial/Batch # | 12.Status |
|--|----------------|--|--|--------|--------------------|-----------|
| 1 | INSERT | KNYDJ-5 ARCONIC Control #: 42406-1 | - | 10 | | NE |
| 13A. Remarks: The material shipped against the above Purchase Order is in the condition stated on this material certification and/or maintenance release tag and was manufactured by the O.E.M or an authorized agent licensee. It was not obtained from any government or military source. All used parts were not subjected to severe stress or heat as in major engine failure, accident or fire. | | | | | | |
| 13B. Traceable To: ARCONIC - OEM | | | 13C. Last Certificated Agency: Arconic Fastening Systems & Rings | | | |
| 14. New Parts/Material Verification: THE FOLLOWING SIGNATURE ATTESTS THAT THE PART(S) OR MATERIAL(S) IDENTIFIED | | | 18. Used, Repaired or Overhaul Parts Verification: THE FOLLOWING SIGNATURE ATTESTS THAT THE DOCUMENTATION SPECIFIED ABOVE | | | |





Lot and Batch Numbers on the ATA Spec 106



From ATA Specification 106:

Block 11 Serial/Batch No.

Specific part(s) Serial No. if so marked. If part(s) are not serialized, then a **Lot No., Batch No.,** or some other manufacturer/supplier/distributor identification number **should be used.** Provide the date of manufacture, if known. A manufacturer's certification identifying, lot, batch, test data, or records of conforming inspections should be available if so requested.

From ASA-100 Paragraph 8:

B. Batch/Lot Control: Batch segregation shall be maintained for parts so identified by the manufacturer, such as aircraft fasteners. The system shall include procedures for splitting of lots and the documentation of such splitting. Purchases, less sales, should equal inventory, which shall balance on batch/lot numbered inventories.

C. Recall Control: The distributor shall maintain records for parts and the quantities sold to each customer, to facilitate a recall notification.

DISCUSSION:

- 1) Typically the ATA Spec 106 Form is created by the ERP system
- 2) For serialized parts, distributors are very disciplined in adding the information on the form. The problem has been that for parts which are clearly assigned lot or batch numbers (or equivalent) by the manufacturer, distributors have not been consistently listing the lot or batch number on the outgoing ATA Spec 106 or equivalent form.
- 3) If a manufacturer issues a recall, this could complicate the recall process





Lot and Batch Numbers on the ATA Spec 106



Quantum Solution:

Know which field will publish onto your ATA 106:

Stockline for Part Number '01-0770818-00' -- 'STROBE LIGHT ASSY'

| | | | | | |
|---|---|---------------------------------------|------------------------------------|--|------------------------------------|
| StockLine: 3 | Condition: NE | Control #: 20667 | Control ID #: 1 | Receiver #: R5754 | UDN1 |
| Serial #: ST4867212 | Quantity: 1.00 | Recv Date: 1/9/2015 | MD#: | Rev: | UDN2 |
| Location: LOCT | Inventory Cost: 55.00 | Order Recv Date: | PD Cost: 55.00 | USD Alt ID: | UDN3 |
| Warehouse: CA | Price: 55.00 | Mfg Date: | Core Cost: 0.00 | Current Repair Cost: 0.00 | UDN4 |
| Owner: | Price Visible to StockMarket: | Cons Code: | | Orig SL Cost: 0.00 | UDN5 |
| Obtained From: TAILORED AVIATION | StockMkt Price: 0.00 | P/O #: 011143 | | ILS Flag: Y | UDN6 |
| <input checked="" type="checkbox"/> CAAC | StockMkt List: | P/O Category: | | Liquidate: <input checked="" type="radio"/> None | UDN7 |
| Traceable To: | | Repair Note: | | <input type="radio"/> Liquidate | UDN8 |
| Part Cert #: | Tag Date: | Repair Cost: 0.00 | | <input type="radio"/> Never | UDN9 |
| Certified By: | Tag Type: | RO Number: | | | UDN10 |
| Shelf Life: | Exp Date: | <input type="checkbox"/> Holding File | Series ID: 1 | Category: SHOP | |
| Cert Due Date: | Loc Validated: | | Series #: 31735 | The StockMarket Catgry: | |
| Mfg Lot #: | UDF 8: | | | | |
| UDF 5: | UDF 9: | | | | |
| UDF 6: | UDF 10: | | | | |
| UDF 7: | | | | | |
| G/L Acct: 1100-00-00-CT | PD Ref Number: | | | | |
| RR Number: | UDF20: | | | | |
| Freight: 15.69 | UDF21: | | | | |
| Shipment #: 000957316 | UDF22: | | | | |
| Ship Invc #: 52-P42185 | Repair Type: <input checked="" type="radio"/> OEM | <input type="radio"/> PMA | <input type="radio"/> DER | <input type="radio"/> PMA DER | <input type="checkbox"/> Hold Line |
| Ship Carrier: FEDEX | Customs Status: <input checked="" type="radio"/> None | <input type="radio"/> Free Circulatic | <input type="radio"/> End-Use Cont | <input type="radio"/> Airworthy | <input type="checkbox"/> IR ID |
| Airway Bill: 9405616873216 | | | | | View/Update IR Statement |
| End Item: | | | | | |
| <input type="checkbox"/> Visible to StockMarket | Remarks: | | | | |

Buttons: Edit, Stock Xfer, Adjust, History, Serial, Time-life, Time-life Rem, Revision, Doc/Images, Audit Trail, Print Label, Config, Stock Audit, Track Chgs, Create RO



Lot and Batch Numbers on the ATA Spec 106



Quantum Solution:

To Print an ATA 106 from Quantum, you can do this at the time of shipping:

Go to the Shipping Order.

Select the Global menu

Select Print

Choose the “Material Cert” document

- You can choose to print
 - 1 cert for each stockline
 - 1 cert for each line item
 - Or All Parts on 1 cert
- You can also choose to include all Stocklines, or the option to select which stocklines to include (helpful in partial shipments).



Lot and Batch Numbers on the ATA Spec 106



Quantum Solution:

| PART OR MATERIAL CERTIFICATION FORM | | | | ATA SPECIFICATION 106 | | |
|---|----------------|-------------------------------|--|---------------------------------|--------------------|--------------------|
| 2. Seller's Name: General Aircraft Company | | | | 3. Reference #: 12345 | | |
| 4. Organization: GENERAL AVIATION COMPANY | | Phone#: 800-000-0000 | | 5A. Seller's Contract #: 1234 | | |
| Address: 454 WALNUT ST BUILDING 500 sales@genavco.com MINNEAPOLIS, MN 55121 USA Ph: 800-000-0000, Fax: 800-000-0000 | | Fax#: 800-000-0000 | | 5B. Buyer's PO #: 20803 | | |
| SITA/Wire Code: | | Status: | | | | |
| 6. Item | 7. Description | 8. Manufacturer & Part Number | 9. App Code | 10. Qty | 11. Serial/Batch # | 12. Status |
| 1 | PLATE | 300874-2 | MD80/DC9 | 1.00 | JDYL1482 | SV |
| 13A. Remarks: 13A. REMARKS: THE ABOVE PART(S), TO THE BEST OF OUR KNOWLEDGE, HAVE NOT BEEN SUBJECTED TO SEVERE STRESS OR HEAT (AS IN A MAJOR ENGINE FAILURE, ACCIDENT OR FIRE) AND WAS (WERE) NOT OBTAINED FROM ANY GOVERNMENT OR MILITARY SOURCE UNLESS SO STATED. | | | | | | |
| 13B. Traceable To: United Airlines | | | 13C. Last Certified Agency: COBALT AERO SERVICES(05/MAR/2018) | | | |
| 14. New Parts/Material Verification: THE FOLLOWING SIGNATURE ATTESTS THAT THE PART(S) OR MATERIAL(S) IDENTIFIED ABOVE WAS (WERE) MANUFACTURED BY A FAA PRODUCTION APPROVAL HOLDER (PAH), OR TO AN INDUSTRY COMMERCIAL STANDARD. | | | 18. Used, Repaired or Overhaul Parts Verification: THE FOLLOWING SIGNATURE ATTESTS THAT THE DOCUMENTATION SPECIFIED ABOVE OR ATTACHED IS ACCURATE WITH REGARD TO THE ITEM(S) DESCRIBED. | | | |
| 15. Signature: | | | 19. Signature: | | | |
| 16. Name: | | 17. Date: 8/7/2019 | | 20. Name: Stephanie Carpentier | | 21. Date: 8/7/2019 |

From the Shipping Order:

Go to the Global menu

Select Print

Select Material Cert

Your ATA 106 will print out and automatically populate all required fields other than the signature line.

Further customization can be done to this document.

NOTICE: The above signature binds the seller and the SIGNER to the accuracy of the information provided in the FORM. Should the information provided in this Form contain inaccuracies or misrepresentations, the signer and SELLER may be liable for damages and be subject to criminal prosecution under state and federal law.





Roy Resto is an experienced aviation industry professional having served in management positions with several firms, and is currently President of AIM Consulting Solutions. Most recently he was Vice President of Technical Operations for Tracer Corp. and Messier-Bugatti-Tracer, a family of aviation companies. Prior to this position, he was the COO of Quality Management Solutions LP, a consulting firm specializing in aircraft maintenance. In addition, Roy worked with American Airlines in their Maintenance and Engineering center where he retired as a level 5 Manager, and before that, with McDonnell Douglas. He was also a member of the US Air Force in the Reserves/ANG having served 32 years in Electronic Warfare and Avionics. Resto has served on the FAA's Suspected Unapproved Parts Steering Committee and the Aviation Suppliers Association Board of Directors.



Roy has an MBA in Finance from Oklahoma City University, a BS from Oklahoma State University, an AAS in Avionics from the Community College of the Air Force, and is an Aviation High School graduate. Complementing these, he has an FAA A&P license, an FCC Radiotelephone license with a RADAR endorsement, is an FAA DAR (Designated Airworthiness Representative), Instrument Rated Pilot, and speaks fluent Spanish. His website is:

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Stephanie Carpentier

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a cutting-edge consulting firm aimed at helping airlines, OEMs, MROs and aftermarket specialists get to the next level by plugging in highly experienced professionals on a project basis. Without the high costs of permanent overhead. Stephanie started her career with a degree as a professional pilot and has spent most of her career specializing in all aspects of parts management, valuations, market research, aftermarket sales, sourcing, procurement, aircraft teardowns and negotiations. She is an innovative and driven aviation professional with a proven record of delivering complex and highly accurate data in a dynamic industry. Stephanie has demonstrated success specifically in mastering a methodology for complex inventory valuations, appraisals and inventory planning/positioning. She is adept at delivering analytics for executive level decision making.

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THANK YOU SO MUCH!

