Compliance in the Product Lifecycle

CDX Webinar
Marcus Schneider, 2015-09-29
Preliminary Remarks

This event will be recorded to hard disk and later on be published on the CDX website. Recording will include participant contributions in the Q&A section and via audio. No participant details will be shared / visible within the recording. Participant information will be treated confidentially.

By participating in this webinar, you agree to the above.

A link to the recording will be distributed to everyone registered for this webinar.

The presentation will be distributed to everyone registered for this webinar.
Who is talking to you

Marcus Schneider
Senior Consultant
Hewlett-Packard Enterprise Services

• Member of the CDX solutioning team
• Responsible industries contact shipbuilding and aviation
• Since 13 years as a consultant with HP
• Focus on compliance & sustainability information management in the supply chain
• Background in software development, architecture and B2B integration
Agenda

• Introduction

• Obsolescence management
  – Identify upcoming issues
    • CDX where used analysis for mass identification
  – Request replacements for existing parts
  – Execute bulk updates

• Managing Change
  – Supplier Management
    • onboarding of new suppliers
    • Management of requests

• Integrating CDX data into external systems
  – High-level architecture – scenarios / examples

• Q & A
Introduction – Compliance & Lifecycle
How The Lifecycle Affects Compliance

Compliance is a moving target: new and revised compliance schemes
- Products need to be recertified
- Products need to be adapted / re-designed

Product specifications change
- Products need to be recertified
- Types need to be recertified / re-approved

Supplier parts change: design and / or compliance requirements govern change
- Products need to be re-certified
- Products need to be adapted / re-designed upon conflicting changes

All this needs revised information from the supply chain
New Regulations
By Region and Year

Regulations related to
- Chemicals & Substances
- Packaging
- Batteries
- Waste
- Energy & Safety

Source: Compliance & Risk
Sourcing of Compliance Data

The Process as ideally envisioned for the Complete Value Chain

Request

Each producer requests information with his suppliers until relevant material / substance information can be reliably disclosed – a decision of risk & liability.

Response

Each participant should provide only secured information – his knowledge, his production, his responsibility.
Part I – Obsolescence in CDX
Obsolescence

• **Obsolescence** is the state of being which occurs when an object, service, or practice is no longer wanted even though it may still be in good working order.’ (https://en.wikipedia.org/wiki/Obsolescence)

• **Obsolescence management**, also referred to as "Diminishing Manufacturing Sources and Material Shortages" (DMSMS), is defined as to the activities that are undertaken to mitigate the effects of obsolescence.’ (https://en.wikipedia.org/wiki/Obsolescence)

• REACH Annex XIV is a good example requiring obsolescence management
  – Functionally, products are in good working order
  – Regulation dictates upcoming restrictions / ban on some of the products constituents, namely certain SVHC
  – It has to be assured that these constituents be identified, and a plan for replacement be created
  – Identification and replacement activities involve the supply chain and (may) impact design and production processes, as replacements could mean different material specifications or changes in the way products be assembled
  – As it is the nature of such planning, it requires extensive and time-consuming investigations before the restriction / ban due-date

• Another good example is the phase-out of valuables / raw materials
  – Resource shortage
  – Sourcing issues due to economic or political conditions
CDX Substance Lists

Reflect upon the substances subject to compliance schemes

CDX base data are substances

- Substances are maintained by an external chemical agency
- Substances may be part of lists / groups (1)
- Substance lists typically reflect compliance schemes’ lists of hazardous substances incl. thresholds and applications / exemptions
- Providing substance in weight is the core building block to be able to evidently document compliance

REACH
- Annex XIV
- Annex XVII

RoHS
- Including exemptions

GADSL

EU SRR

Hybrid lists

Company specific lists
CDX Materials
Standard Materials including their composition

CDX provides a large set of materials (approx. 20,000) including norm codes (1) and composition (2)

Standard materials are maintained by an external chemical agency

Materials are easily identifiable and classified according to different schemes (3)

Typically, standard materials are subject to exemptions / applications in certain use conditions

Using Standard materials allows for standardized communication about exemptions / applications.
PART II – Managing Change
Beyond Substances

• Some of the major challenges in managing supplied material (compliance) data are
  – How to request and keep track of data
  – How to establish an efficient and persistent process that warrants accuracy and timeliness
  – How to avoid large amounts of unstructured data
  – How to enable the organization to analyze data
  – How to bring this data to further use, create an add value for the organization apart from „just costly risk management“

• Having meaningful data and data analysis is one side of the medal and provides content / information to work with

• Managing supplier communication and providing suppliers with a usable process they might consider using is the other side
  – Establish an understandable and repeatable workflow that is connected to data quality
  – Focus communication on what data is wanted instead on how
  – Keep track of what was requested to which due-date, directly connected to the data in scope
  – Easily on-board new suppliers
Part III - Integration
Integration using CDX Web Services

Transforms Supply Chain processes and data into a single process

CDX provides Standard Web services for many of its objects and actions – Local Integration usually is a dedicated project realized on demand by System Integrators. HP offers these capabilities for some of the products mentioned, others might be requested with the product vendors resp. external partners.
Example scenario: Integration of CDX into SupplyOn

Single Sign-On: Suppliers register with CDX and receive access through SupplyOn
Example scenario: Possible Added Value of Integrating CDX into SupplyOn

Use Case 1: Enrichment of product information in SupplyOn with material information (link article to compliance data)

Use Case 2: Document and monitor compliance status from SupplyOn

Use Case 3: Concessions in SupplyOn trigger compliance data request in CDX
Example: EHSM & CDX
Extending Scope and Adding Value Using Complementary Solutions

EHSM Scope

• Module of a single ERP instance to manage compliance information, related to ERP BOMs.

• Compliance information based on self-certification statement of Tier 1 suppliers (i.e. AP1003)

• May be integrated with 3rd party solutions to extend scope
  – Partial / full product structure disclosure (e.g. IMDS, CDX) by using suppliers' product structures
  – Comprehensive compliance analysis of products & product structures (e.g. WebInsight)

• Apart from requesting a document exchange (i.e. AP1003) from the Tier 1, EHSM does not require / govern a process (and quality) on how the information should be collected.

CDX Add Value

• Enables full supply chain collaboration

• Consistent control of and visibility into compliance data and processes (centralized data, aggregation and modularization, change, versioning)

• Adds analytical depth to compliance information (potentially usable with tools as Granta, CoChecker, Ariel WebInsight)

• Extends self-certification with evidence and / or prove.

• Disclosure of material composition allows for effective obsolescence management (upcoming regulation requirements, raw material scarcity)

• Workflow management to add a chain of responsibility to reporting content

• Request specific data quality requirements through the supply chain

• Manage change in the downstream supply chain
Thank you for your valuable time and interest in our webinar.

For further information please get in contact with

Marcus Schneider, marcus.schneider@hpe.com