

Essential factors for delivering compliant aerospace and defense solutions

How to select the right tools to meet industry-specific requirements

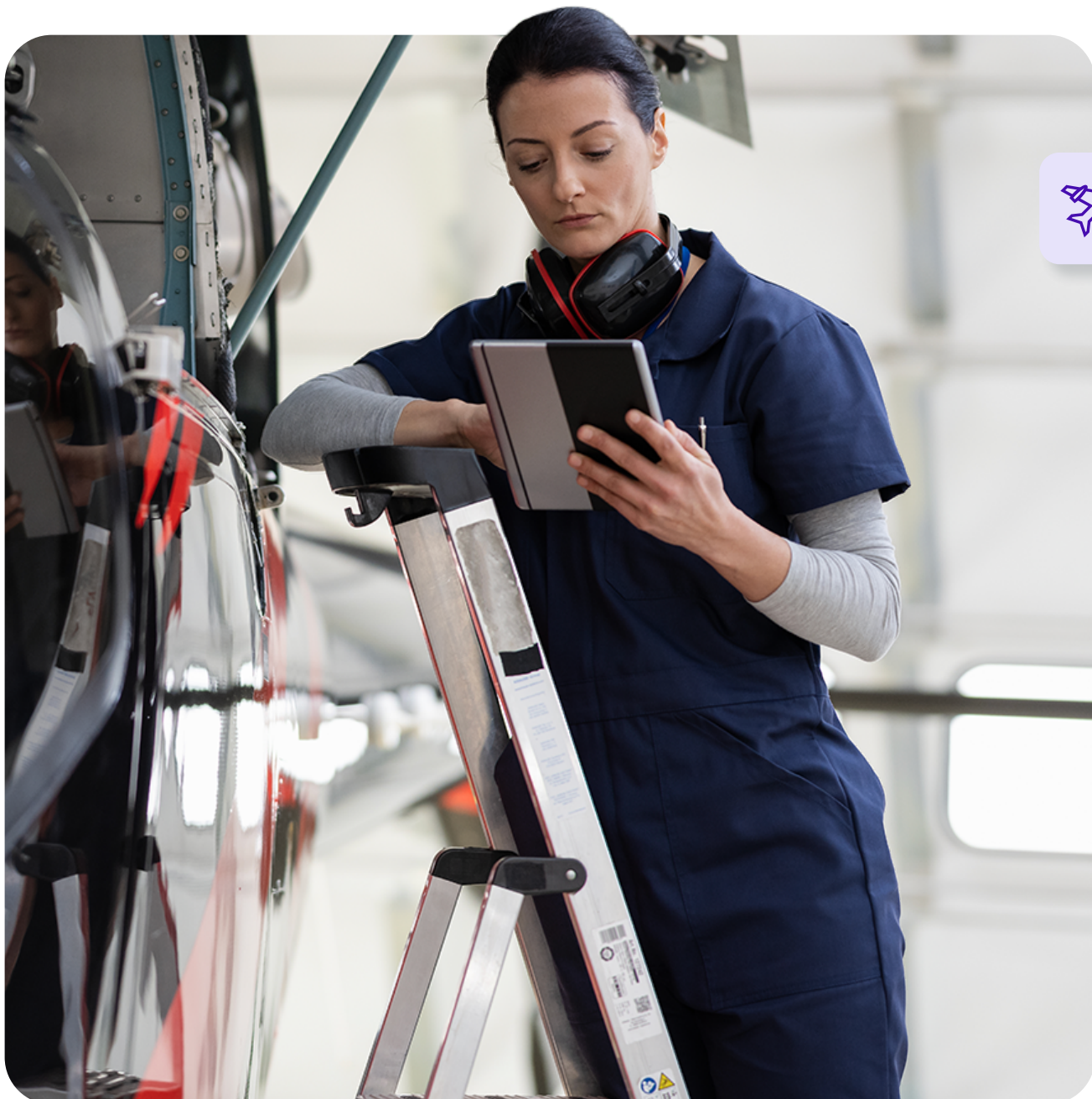


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Introduction

Enterprise resource planning (ERP) systems are technology platforms that store, process, and transmit information across an organization. It is the information gateway of all businesses. However, not all businesses have the same needs and operate with significantly different market forces, customers, and regulatory oversight.

The aerospace and defense (A&D) industry is a highly regulated environment and, therefore, needs an ERP system that is purpose-built to meet the complex requirements of both commercial aerospace and the US government. Tailored to the A&D industry, Infor CloudSuite™ Aerospace and Defense provides a comprehensive platform that complies with the Defense Federal Acquisition Regulation Supplement (DFARS) contractor business systems rule (DFARS 252.242-7005). It helps organizations be eligible to bid, win, and execute on defense contracts subject to the DFARS business systems rule and provides the support documentation necessary to pass audits and reviews from the Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA).

In this white paper, we will focus on accounting, purchasing, and material management systems to understand the critical role that ERP systems have in meeting the requirements of these three business processes.



Accounting system

Selling to commercial and defense customers requires a different pricing strategy. Most businesses use value-based pricing when targeting commercial customers, where price is typically what the market is willing to bear. Many defense procurements involve uncertainty due to the unique needs and missions of their customers. Key considerations include innovative technology, protecting national security, and safeguarding taxpayer dollars by mitigating risks of fraud, waste, or abuse. Therefore, the ability to also support cost plus time and materials fee pricing—while meeting DFARS accounting system requirements—is key for an ERP that supports both commercial aerospace and defense businesses.

Infor® understands that A&D companies must operate in both commercial and defense markets and has created complete industry cloud solutions to support these efforts.

Infor's CloudSuite Aerospace and Defense solutions are based on project cost accounting with robust features that comply with DFARS 252.242-7006, *Accounting System Administration*, right out of the box. This includes the ability to:



- Segregate direct costs from indirect costs
- Identify and accumulate direct contract costs
- Accumulate costs under general ledger control
- Reconcile subsidiary cost ledgers and objectives to a general ledger
- Maintain a timekeeping system that identifies employees' labor by intermediate or final cost objectives
- Integrate labor distribution to align with payroll
- Exclude unallowable costs
- Identify costs by contract line item
- Reconcile billings to cost accounts for both current and cumulative amounts

Additionally, Infor CloudSuite Aerospace and Defense automates the allocation of indirect costs to intermediate and final cost objectives, linking rates directly to projects or contracts to see how they are impacted before posting, while also performing retroactive rate adjustments.

The governance, risk, and compliance (GRC) tool, part of CloudSuite Aerospace and Defense, also facilitates management reviews of the system to ensure compliance with established policies, procedures, and accounting practices.

The Time Track and Factory Track timekeeping systems can identify employees' labor by intermediate or final cost objectives and meet requirements for total time accounting.

As noted above, Infor CloudSuite Aerospace and Defense solutions crucially comply with DFARS accounting system requirements when accumulating, estimating, and reporting costs under US Government contracts while providing timely, detailed, and accurate cost information for business leaders to make informed decisions.



Purchasing system

Sourcing goods and services for A&D contracts carries fiduciary responsibilities to safeguard our nation's supply chain from counterfeit electronic parts and non-conforming items, protecting taxpayer dollars from fraud, waste, or abuse.

Infor's CloudSuite Aerospace and Defense solutions provide a modern platform that complies with DFARS 252.244-7001, *Contractor Purchasing System Administration*, by:



- Automating tracking of vendor compliance with purchase order and subcontract flow downs
- Enabling document retention for a complete and accurate history of purchase transactions, including requisition authorizations, vendor selection, and price paid (Note: All documentation involved in a contractor's purchasing process can be stored in the Infor Document Management (IDM) tool, linking receipt data to the original purchase requisition and order agreement)
- Providing mechanisms to enforce government sourcing restrictions and requirements
- Promoting competitive sourcing among dependable suppliers, ensuring that purchases are reasonably priced and sourced from vendors that meet contractor quality requirements

Infor CloudSuite Aerospace and Defense solutions help businesses with a procurement system that is efficient and compliant while supporting activities necessary to secure the best value from vendors.

Material management

Planning, controlling, and accounting for the acquisition, use, issuing, and disposition of materials is critical for assembling and manufacturing A&D products and components. In addition, DFARS 252.242-7004, *Material Management and Accounting System*, prescribes material management requirements for defense contractors.

Infor CloudSuite Aerospace and Defense systems provide solutions to manage material costs, maintain the integrity of material cost data, and ensure the consistent application of cost controls. Integration is key to managing material costs, and CloudSuite Aerospace and Defense ensures:



Material accounting is seamlessly integrated with other business functions within a single system, providing real-time visibility into inventory levels, work-in-progress, and forecasting



Linking inventory to contracts is streamlined through project pegging and cost transfers, using logical rules based on an auditable algorithm

Systems integration and robust material management features allow commercial aerospace and defense organizations to establish DFARS compliance while providing the data necessary to avoid cost overruns and production delays.



Security



Infor CloudSuite Aerospace and Defense solutions are Federal Risk and Authorization Management Program (FedRAMP®)-certified and provide the crucial infrastructure needed to support Cybersecurity Maturity Model Certification (CMMC) compliance when deployed in Amazon Web Services® (AWS®) GovCloud.

CloudSuite Aerospace and Defense is hosted in a secure AWS Cloud platform (including AWS US GovCloud), supporting the high availability, scalability, and robust security necessary for handling sensitive government data.

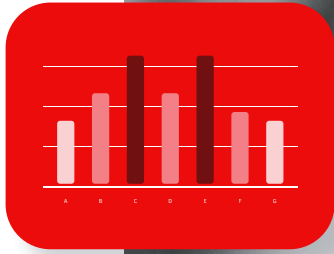


Summary

Infor CloudSuite Aerospace and Defense is designed to meet DFARS business system requirements within a secure FedRAMP-certified cloud environment. It is built for precision and compliance, providing timely, accurate data needed to support informed business decisions and deliver essential documentation for DCAA and DCMA audits and requests.

Recognizing the unique demands of both commercial and defense markets, CloudSuite Aerospace and Defense equips A&D organizations with robust tools to account, estimate, and report costs effectively for diverse customer needs.





About Infor

Infor is a global leader in business cloud software products for companies in industry-specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Over 67,000 organizations worldwide rely on Infor to help overcome market disruptions and achieve business-wide digital transformation.

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Discover seamless compliance and enhanced security with Infor



Implementation of Infor CloudSuite Aerospace and Defense is **powered**

by our **Premiere Partner, BDO**. Please contact Infor or BDO to discover how Infor CloudSuite Aerospace and Defense can enhance your technology landscape.

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