

Unique Identification (UID)

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Lockheed Martin Corporation

Charter Summary – LM Corporate Unique Identification (UID) IPT



IPT Mission:

Phase I Milestone: Assist LM Business Units to achieve required UID capability based on their business needs (minimize cost and schedule impact to technology and valuation insertions). New product lines may consider full value stream/ traceability part marking capability utilizing 2D Data Matrix technology. **To execute robust communications to ensure UID efforts are integrated with associated initiatives (WAWF, RFID) and changing DoD guidance, requirements and implementing standards.**

Phase II Milestone: Leverage DoD UID requirements, assist LM Business Units in continued process (cost benefit) enhancements and UID institutionalization.

Over-arching Objectives:

Create Corp UID IPT synergy to maximize knowledge sharing, best practices and lessons learned from internal and external sources. **To establish common tools, resources and a UID preparation structure throughout LM; Reduce resource and tool development preparation activities by 60%.**

Phase I Major Deliverables (Not All Inclusive):

Establish Corp UID IPT Membership Structure By: March 31, 2004.

- Develop Communications Methodology/Flow By: April 15, 2004.
- Alert Contract Organizations Re: DFARS By: April 15, 2004, Update 5/14/04.

Develop Corp UID Draft Strategy By: March 31, 2004.

Complete Business Area (Units) Current State And Needs Survey By: April 15, 2004.

- Initiate “UID Radar Screen” By: April 15, 2004.

Identify Notional Cost Impacts to Corporation By: May 13, 2004.

Develop And Flow-down Common Preparation/Implementation Tools:

- Business Area UID IPT Kick-offs By: April 29, 2004.
- Business Unit Implementation/Preparation Outline By: March 31, 2004.
- Identify Alternatives to Engineering Drawings to Implement UID By: May 27, 2004.
- Notional Cost Impact Estimating Tools for Business Units By: May 13, 2004.
- Establish Methodology for Recovery of Corporate UID Costs By: April 23, 2004.
- Procedural Guidance on Valuation of Unique Items By: April 23, 2004.
- Contract/Supplier Flow-Down Guidance/Plans By: May 14, 2004.
- WAWF Integration Guidance By: May 13, 2004.
- RFID Integration Guidance By: August 19, 2004.
- On-site DoD Property Integration Guidance By: August 19, 2004.

Corp Champions:

Rajeev Bhalla - V.P. & Controller

Mal O'Neill – V.P. & Chief Technical Officer

Manny Zulueta – Sr. V.P., Corp Shared Services

Executive Advisor: Charla Wise (LM Aero V.P. O&SI)

Project Timeframe:

Phase I: March 5, 2004 to March 2005

Phase II: March 2005 to March 2006

Corp UID Program Manager: Abby Rothman

Acting Corp UID Deputy: Mark Byrne

LM21 Coach/Facilitator: Ed Knell

Corp UID IPT Team Integrators - Tier 1 Members:

Aeronautics: Gary Gillespie

Electronic Systems: Darris Martin

Integ. Sys & Solutions: Carla Powe/Haden Land

Space Sys: Brad Marcotte

Information & Technology Services: Tom Berdini

Configuration Mgmt: Sherman Weatherspoon (Integ. Sys)

Logistics (Cust. Support): Denton Clark (MS2)

EIS (Info Services): Garrison Thompson (EIS)

Marking Equipment/Procurement: Mark Byrne (MS2)

Estimating/Pricing: Nick Wunder (M&FC)

Contracts: Scott Parry (Corp)

Mfg. Production (Ops/Planning): Mark Byrne (MS2)

Property Mgmt: Rich Culbertson (MS2)

Program Mgmt: Jim Sturges (Corp)

Supply Chain/Procurement: Tom Plungis (Corp GSCM)

WAWF: Evelyn Thompson (Corp Shared Serv)

Corp UID IPT Tier 2 Members:

Audit: Reggie Combs (Corp)

Communications: Fred Pschunder (MS2)

Engineering: Jim Sturges (Corp)

Govt Finance: Paul Wise (Corp)

Quality Assurance: Darris Martin (ESBA)

Legal: Bob Larke (Corp GSCM)

RFID: Denton Clark (MS2)

Training: Tom Gannon

Customer/Supply Base Representation:

DoD UID IPT Member: Rob Leibrandt;

DCMA/DCAA: Justin Palmisano (DCMA), John Ames (DCAA)

Major Supplier(s): Honeywell – Kelvin DeWinter

Wide-Spread Impact Across LM



- ✓ ***Aeronautics***
- ✓ ***Electronic Systems***
- ✓ ***Information & Technology Services***
- ✓ ***Integrated Systems & Solutions***
- ✓ ***Space Systems***

- ***Audit/Compliance***
- ***Business Development***
- ***Communications***
- ***Customer Support/Logistics***
- ***Engineering/Planning***
- ***Finance & Contracts Management***
- ***On-Site DoD Property Management***
- ***Information Systems***

- ***Human Resources***
- ***Legal Council***
- ***Manufacturing Production***
- ***Material Management/Supply Chain***
- ***Packaging/Shipping***
- ***Procurement***
- ***Program Management***
- ***Quality Assurance***



LM Current State And Needs

- **Survey Highlights:**
 - **Potential range of part numbers affected by UID requirement**
 - **6 P/Ns to 14,000 P/Ns per Business entity through 2005**
 - **Majority of UID tangible property are buys (vs. makes)**
 - **75% average**
 - **Will most likely decrease due to current DFARS clarification**
 - IE: All line item deliverables over \$5K vs. all items over \$5K
 - **Three entities are currently using 2D Data Matrix technology**
 - **12 Business entities are testing a Clearwater solution**
- **34 Solicitations/Contracts with active UID requirements so far!**
- **50% of high-level Corp UID IPT Phase 1 Action Items are completed**

We ARE Moving Forward On Their Path To UID Implementation!

Corp UID IPT Deliverables



- ***All Business Areas have completed UID IPT kick-offs***
- ***Common toolsets (templates) developed:***
 - ***Communication Process Flows***
 - ***Contract & Valuation Guidance and UID Radar Screen***
 - ***Estimating tools***
 - ***Business Unit Implementation Checklist And Standard Value Stream***
 - ***Cost Recovery Methodology – Options***
 - ***Equipment – Types, Suppliers***
 - ***Clearwater I-GUIDES***
 - ***Workgroup Collaboration & CoP environment***
 - ***Business Unit current state and needs survey***
 - ***Supplier mitigation plan and surveys***
 - ***WAWF and UID integration guidance***
 - ***Interim capability identified***
 - ***Participation in DoD/Industry UID and RFID working groups***



LM UID Approach Disseminated

- **LM UID/RFID Implementation Approach Document has been disseminated and provides**
 - **Lockheed Martin Business Areas and Units a structured UID approach and current implementation guidance**
 - **DoD with the Corporation's current implementation strategy and plan for conformance to contractual UID and RFID requirements**
- **Not a contractually binding agreement and will be updated as required by LM without notification to DoD**
- **Can be shared with Customers and utilized as a baseline if required to provide information regarding a program's implementation approach**

PHASED IMPLEMENTATION STRUCTURE.

UID and RFID initiatives are significant and implementation plans are necessary to provide business areas and units viable methods to implement the new policies. A Corporate UID Program Office has been instituted to assist business areas and units in the utilization of common tools, resources and a preparation structure to reduce preparation activities across the Corporation. The following outlines Lockheed Martin's phased implementation structure:

Phase I: In order to minimize implementation costs and schedule impacts during the initial phase of UID implementation, businesses should pursue approaches that do not require changes to part numbers and drawings. Only where such alternative approaches cannot be identified (or are less cost effective) should part numbers and drawings for individual parts be changed for the sole purpose of incorporating a UID. Even in those cases, the preferred alternative is to treat such changes as minor changes that do not require Configuration Control Board Action. Only as a last resort should changes for the sole purpose of incorporating UID requirements be considered major changes. Program Managers for new Lockheed Martin product lines should give consideration to using UID marking rather than other identification approaches, even if a contract does not yet require UID. Business areas are to integrate near-term DoD initiatives – Wide Area Workflow (UID portion), RFID and Government Owned/Furnished Property UID requirements in plans and activities.

Phase II: Leverage DoD UID requirements, take advantage of UID and RFID technology/valuation capabilities. Plan for future enhancements, optimization, and institutionalization (year 2006).



Any Questions?