



Using RFID and IUID to Reduce Life Cycle Costs Lessons Learned

Presented by:

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BOOTH 406

Background

Code 2622 currently has over 17,000 line items of serialized items in configurations and on shelves.

Inventory items are currently valued at over \$150M.

Requirement

SPAWAR Inventory Integrity Procedures require high dollar value (>\$1K) to have an inventory accuracy of 99% with 0% tolerance.

Inventories can be quarterly spot checks or annual wall to wall.

If results of quarterly spot checks are less than 99%, a wall to wall inventory is required.





Requirement Continued

Under Secretary of Defense (USD) and Deputy Assistant Secretary of the Navy for Logistics (DASN-L require compliance with policy mandates for Unique Identification (UID) and Radio Frequency Identification (RFID) technologies for Supply Chain Management:

Our GOALS

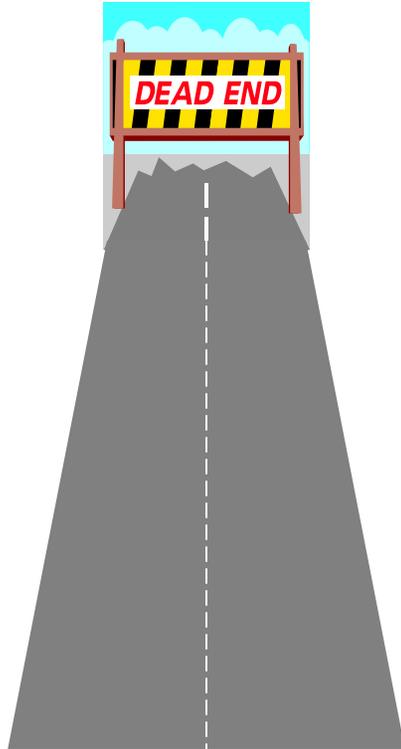
- Maximize efficiencies of life-cycle asset management with integration of UID/ RFID throughout DoD.
- Leverage technology to improve the ability to get the customer the right materiel, at the right time, and in the right condition
- Critical to the End-to-End War fighter Support initiative.



Agenda

- Supply Chain Management System
- Inventory
- Shipping
- Receiving
- Maintenance
- Conclusions

Supply Chain Management



Implementing RFID and/or IUID without a **Supply Chain Management System** is a Dead End.

... No Savings

But you will have meet DoD requirements!

The trick is to find a way to implement RFID and/or IUID with a friendly SCM System.

...We are using COLTS

Supply Chain Management

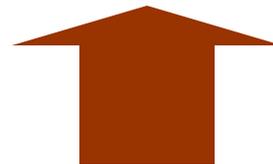
Part Number

Serial Number

Cage/OEM



COLTS



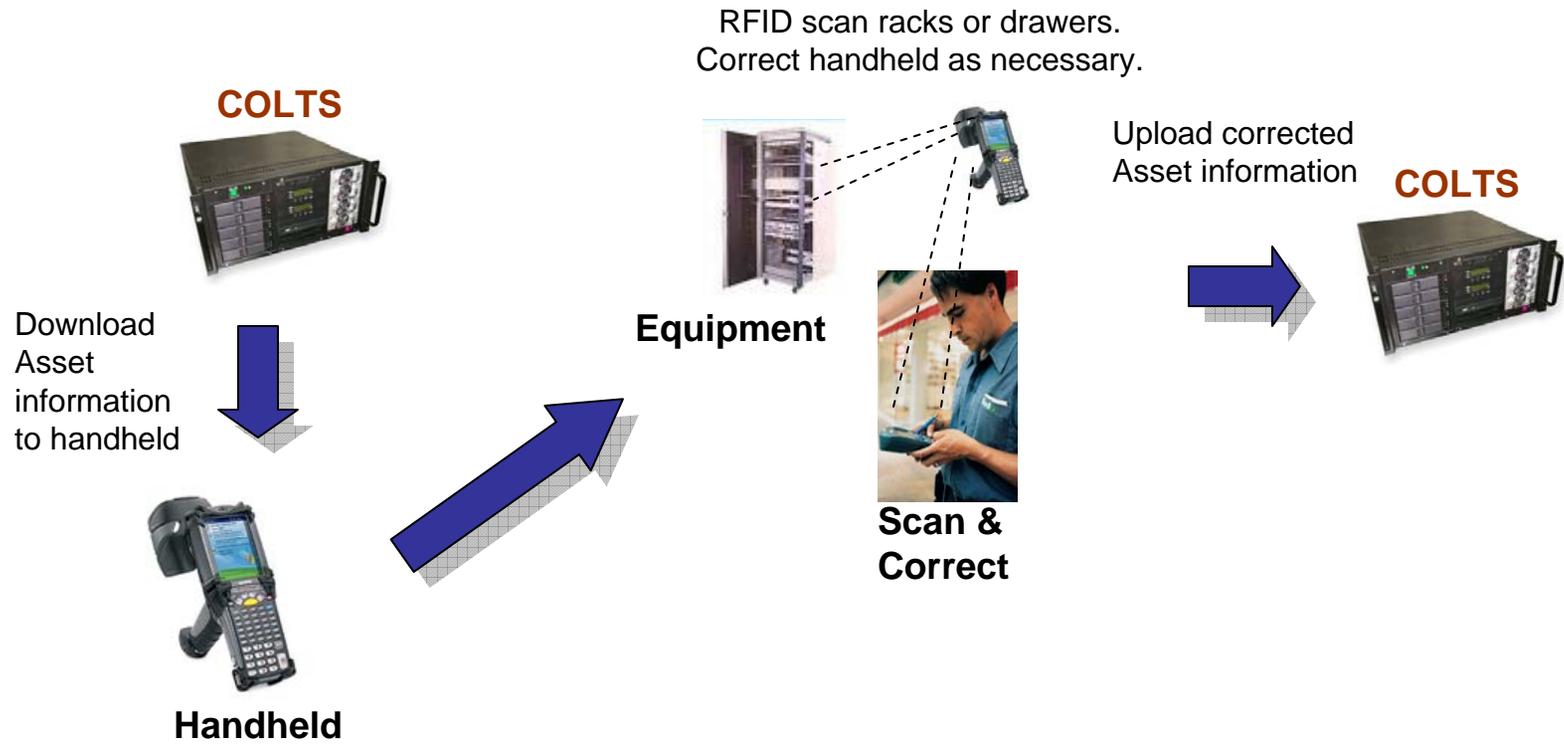
IUID

RFID

Inventory in Racks and Bins



Inventory Assets Inside of Equipment



Inventory Savings Using RFID and IUID

Naval Extremely High Frequency Satellite Program (NESP)						
UID/RFID Cost Analysis						
Consulting Team: PEO C4I Consulting						
In Cooperation with SPAWAR System Center Code 2622, Barry Jones						
Without RFID and IUID:						
Yearly Total Costs/Hours for Five Years						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Cost	\$109,833.33	\$109,833.33	\$109,833.33	\$109,833.33	\$109,833.33	\$549,166.67
Hours	2622	2622	2622	2622	2622	
With RFID and IUID:						
Yearly Total Costs/Hours for Five Years						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Costs	\$38,565.73	\$23,035.73	\$23,035.73	\$23,035.73	\$23,035.73	\$130,708.67
Hours	450	450	450	450	450	
Avoidance:						
Total Cost Avoidance						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Costs	\$71,267.60	\$86,797.60	\$86,797.60	\$86,797.60	\$86,797.60	\$418,458.00
Hours	2,172	2,172	2,172	2,172	2,172	

Shipping (Planned)



Receiving Planned



Maintenance (Planned)

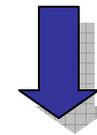
COLTS



Scan in IUID or Part No.
Serial Number



Log in to COLTS.
Open new Work Order.



COLTSMODEL Work Orders

Brief Description: WO: 00000235

Repair Site: DEPOT ONE

Date Reported: 3/13/2007 3:45:57 PM

Status:

WO Type:

Closed:

Last Assigned To:

Priority:

Time To Repair: 0

Item Under Repair

Serial #:

Description:

Condition: A--RFI

UID: scan UID here 

Detail Description Maintenance Actions Material Requirements Contact Information Additional Information

(new) 00000007 00000009 00000010 00000011 00000017

List By

WO Number

Serial Number

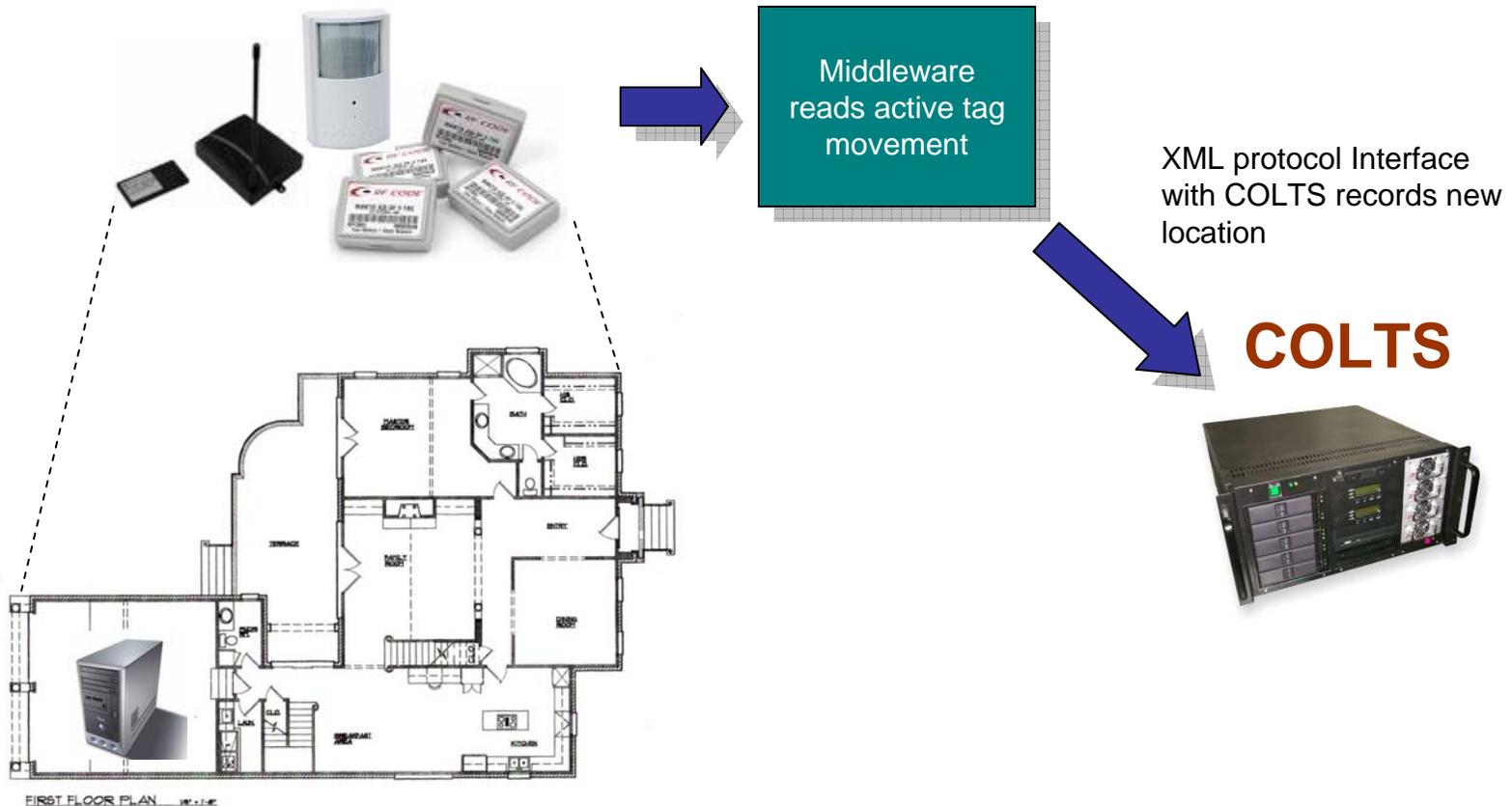
Select

Assigned To You

All Open

All

Active Tags Used for Asset Management (Proposed)



Active Tagged asset is moved from one location to another. Sensors pickup the movement

Conclusion



Don't Implement IUID or RFID because of the Mandate!

Don't purchase Printers, Registration Systems, or other equipment unless it is integrated into your SCM and will save time and money!

Use the mandate and RFID/IUID technology to save time and money!

How will it benefit the war fighter?

Conclusion

Mandate and Goals

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Integrated Solution
IUID and RFID Technologies
With SCM