

The MIT 2008 Information Quality Industry Symposium



The NATO Codification System as the Foundation of the ECCMA Open Technical Dictionary



Overview

- History and basics of the NATO Codification System (NCS)
- The use and benefits of NCS data
- Case studies
- How the NCS laid the foundation for the ECCMA Open Technical Dictionary (eOTD)
- Video: The importance of using the right name!

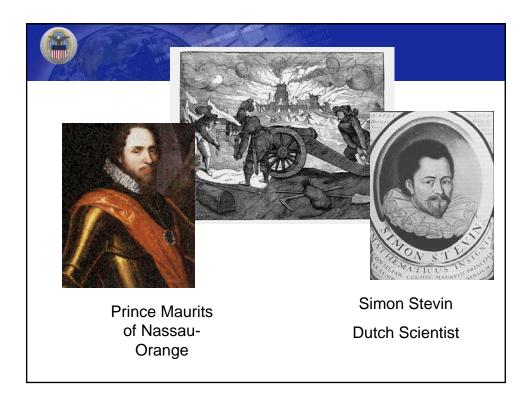




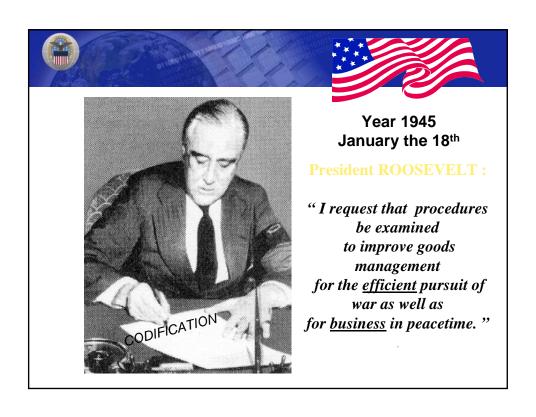
What Is the Purpose of Codification?

- To establish a common supply language throughout all logistic operations
- Language independence: All aspects of the item identification and description can be stored and exchanged in an encoded format
- To enable interoperability
- To optimize resource management by minimizing duplication in inventories

Cataloging = Codification



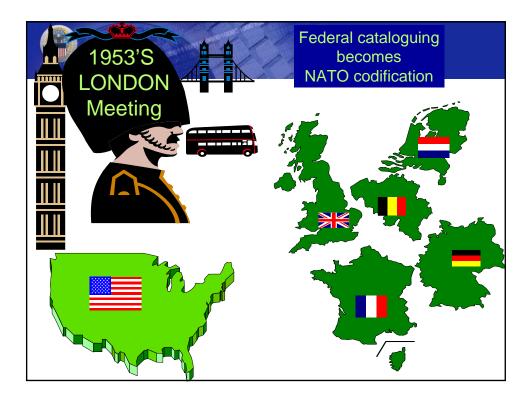


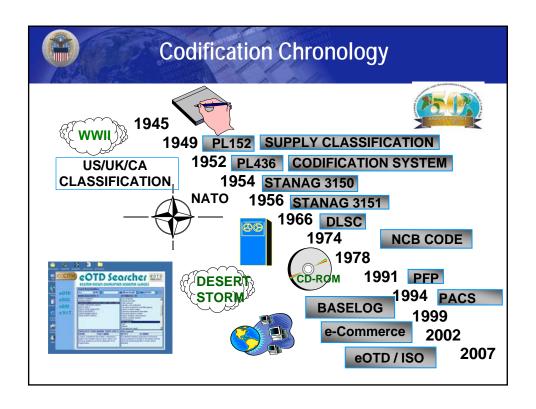


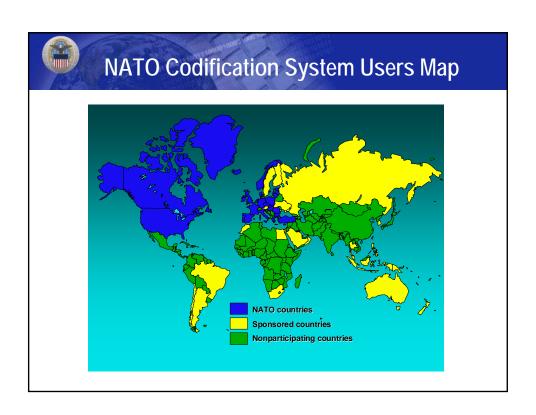


Creation of NATO Alliance

- Political cooperation...
 - Language problem!
- Military cooperation...
 - Language problem!
 - Language of logistics also a major problem
 - Each nation and even, each Armed Forces had some type of codification system









The NATO Codification System

- A set of rules and regulations that enable 26 NATO countries and 28 non-NATO nations to exchange logistic information about 16 million items of supply
- A flexible distributed information system that can be tailored to national requirements

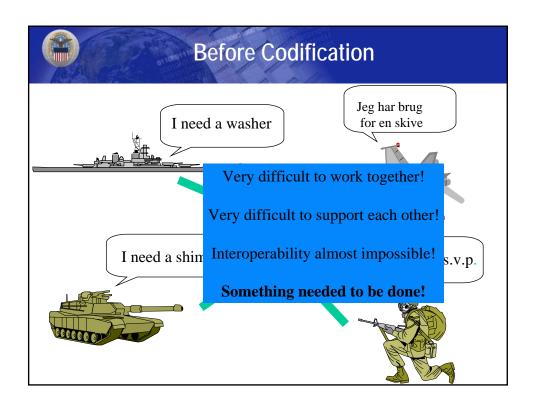


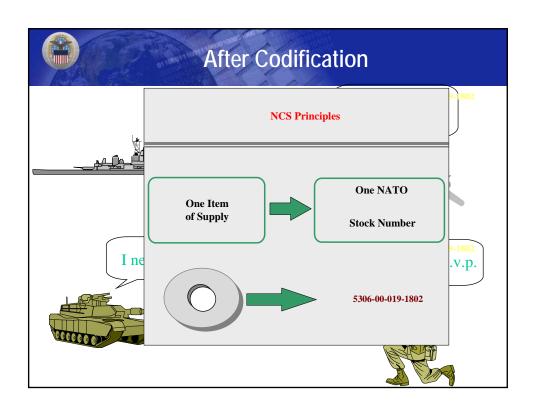
The NATO Codification System

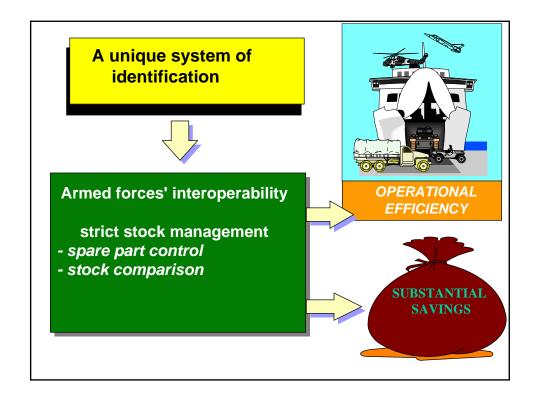
To <u>facilitate logistic (co-)operation</u> by using a uniform and common system for:

Identification
Classification
Stock Numbering

of items of supply









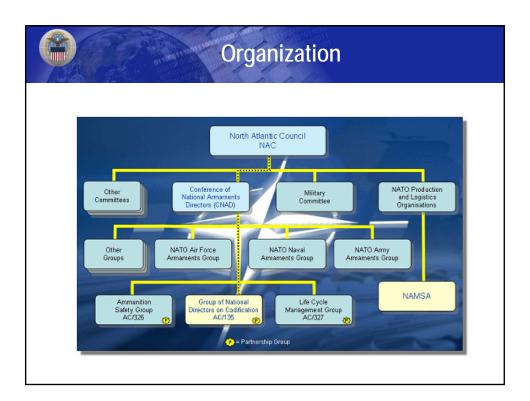
The NATO Codification System

- Assignment of a uniform Item Name to an item of supply
- Use of a uniform system of classification of items of supply (STANAG 3150)
- Use of a uniform system of identification of items of supply (STANAG 3151)



NATO Allied Committee 135 Mission

- Provide a forum for discussion on policy matters concerning the NCS
- Review the progress in the implementation and application of the NCS
- Establish common regulations and procedures for NATO Codification

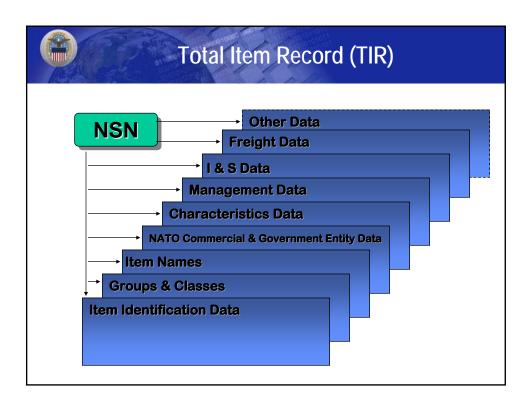


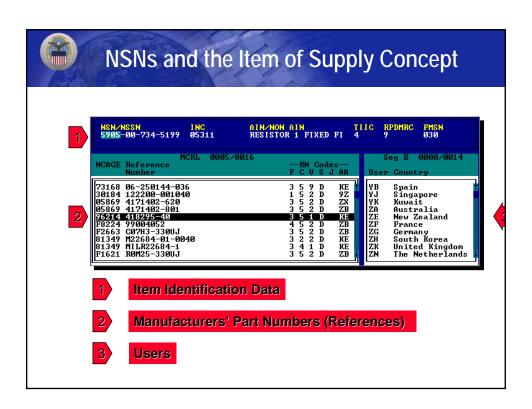
What Is a NATO Stock Number?

- NATO Stock Numbers represent item of supply concepts rather than an items of production
- An item of supply concept represents a cluster of characteristics related to form, fit, and function
- Many items of production may fit a single item of supply concept















NCS Statistics

- Approximately 16 million NATO Stock Numbers have been assigned
- Approximately 7 million by the U.S. and 9 million by the other NATO countries
- Approximately 30 million reference numbers have been registered on these NSNs
- Approximately 1.5 million manufacturers and other organizations are registered
- These NSNs contain more than 31 million user registrations



The Scope of the NCS

- More than 47,000 structured and defined Item Names
- More than 27,000 properties to describe items
- More than 150,000 property values to discriminate one item from another





NSNs Are Assigned to Spare Parts



A-10 32,254 NSNs



M1A1 21,415 NSNs



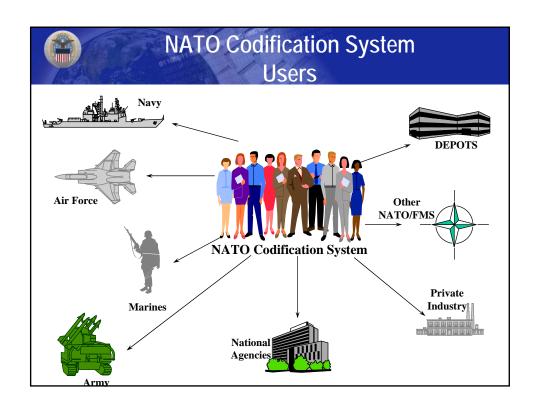
HUMMV 14,655 NSNs

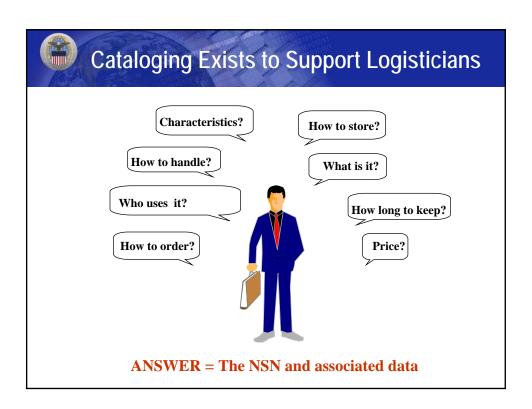


Everything needed by soldiers, sailors,

Everything needed by all sectors of government, including, office supplies, parts for space vehicles, toiletries, computer equipment, and fuels

airmen, and marines





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Cataloging Link With Logistics



ACQUISITION

What is the part number of known items?

"What should we call this?"



"Which NATO class?

"Who manufactures this item?"





CATALOGING

- NATO Stock Number (NSN) records provide:
 - -- past sources of procurement
 - -- identification of the item
 - -- cost of the item
 - -- record of key logistics decisions
- NSN is key to other procurement information

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Cataloging Link With Logistics



SUPPLY MANAGEMENT



"What's the last recorded price?"

What is the unit of issue?

be substituted?

What is the acquisition advice code??



CATALOGING

- •Records initial logistics support decisions
- •Records changes to those decisions throughout life cycle
- Provides means to notify all users of changes
- Offers flexibility
- •Is a single, comprehensive source of information needed to manage items





Cataloging Link With Logistics



MAINTENANCE

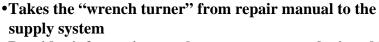
"What is it?"

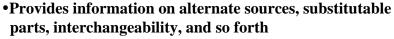
What is the NSN order it? What is the part number?

What is the CAGE?



CATALOGING





•Shows who manages the spares, how they're managed, how much they cost, unit of issue, and so forth



Cataloging Link With Logistics



STORAGE & DISTRIBUTION

Does it contain hazardous material?

Who is the manufacturer?

What are the

What is the unit of issue? packaging requirements?

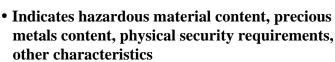
What are the freight requirements?

Is there risk of theft? Should it be demilitarized?



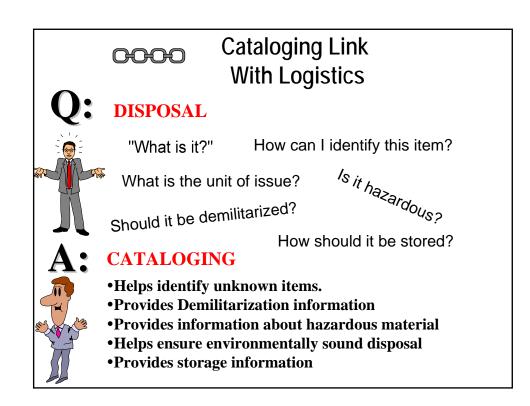
What is its value (\$)?

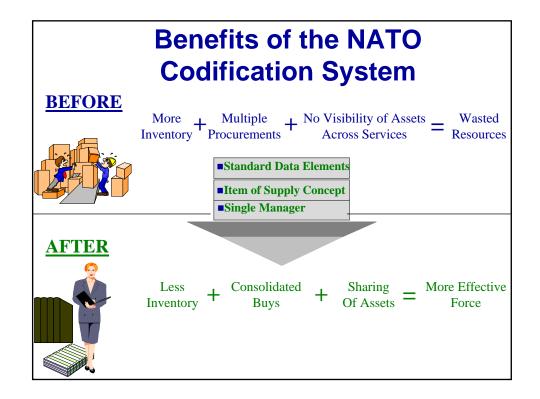
CATALOGING

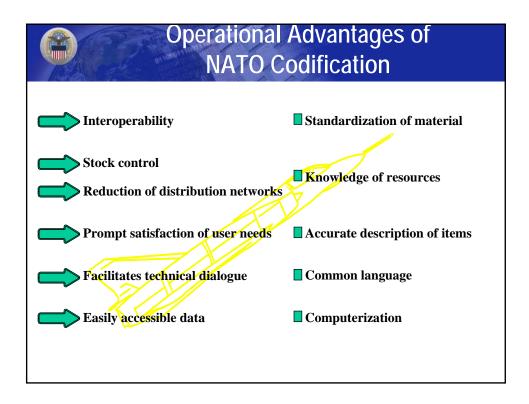


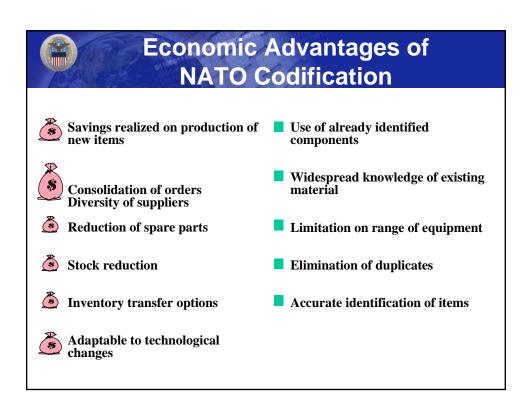
• Is flexible to meet national requirements for storage & distribution

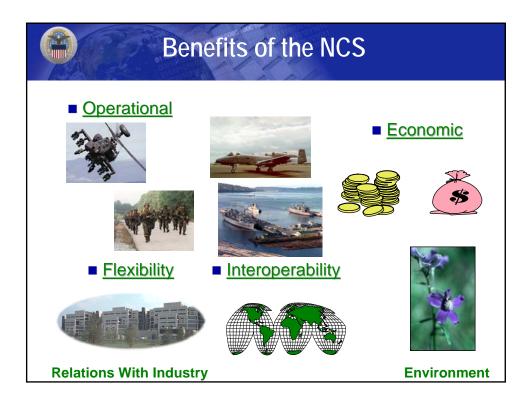


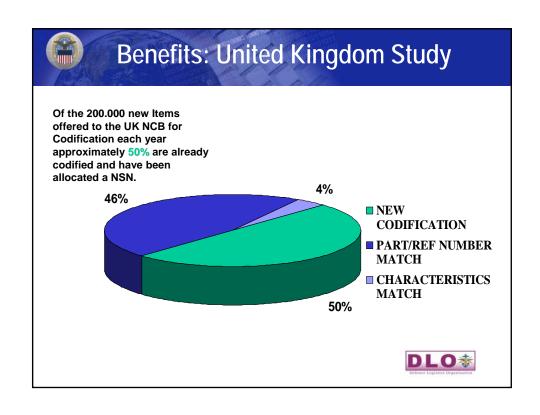












Singapore Study: The NCS Adds Value to Supply Chain Management

Item Entry Control

- Prevents unnecessary inventory growth and item duplication. Items managed by NSNs instead of manufacturers part numbers
- Savings in warehousing and item management fees (supply bases managed by contractors, charge \$150/line item/yr)
- About 25% of new items detected with existing NSNs each year (5-7,000 items or savings of >\$750K/yr)

Singapore Study: The NCS Adds Value to Supply Chain Management

OEM Part Number Breakout

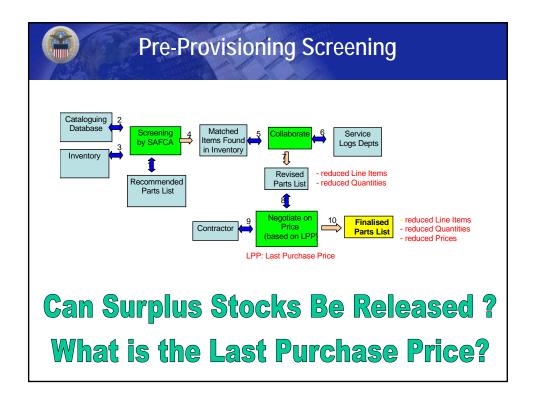
- Seek out true manufacturers and their part numbers
- Promotes competitive bidding during procurement, leading to lower prices. OEM prices can be 30% lower than prime contractors prices



Singapore Study: The NCS Adds Value to Supply Chain Management

Pre-Provisioning Screening

- Items procurement intends to purchase screened against existing inventory for dead/surplus stocks to be released.
- Comparison of last purchase price to help negotiate for better pricing. Recent aircraft project, high value items >US\$10K per item screened against NSN file. Difference >US\$4M (for 156 items) between contractor & NSN prices.



Singapore Study: The NCS Adds Value to Supply Chain Management

 Million Dollar Project Award - International Exposition of Innovation and Quality Circles 2005



Case Study: Codification In Bosnia Peacekeeping

- Logistics operations under UN deficient because of a lack of a common technical language
- Many unneeded spare parts delivered under perilous conditions
- NATO forces found NCS of great benefit after NATO takeover



An international non-profit membership association of industry and government <u>master data managers</u> and their application or service providers

Our Mission

To increase the quality and lower the cost of descriptions through developing and promoting the implementation of International Standards for Master Data Quality

Aims and Objectives

- DLIS and AC/135 undertook the partnership with ECCMA and involvement with ISO for the following reasons:
 - To automate the codification process
 - To improve the quality and availability of data
 - To help align the NCS with international standards
 - To increase cooperation with industry







Military/Commercial Bridge

"There is and always has been a philosophical gulf between the application of cataloging for military purposes and ... for commercial. ...commercial practices are not precise enough to support cost-effective military inventory management and military cataloging is far too detailed and costly for commercial purposes ...ECCMA offers a way to bridge the gulf" - Mr. Alan Williams, Assistant Deputy Minister, Canadian Department of National Defence

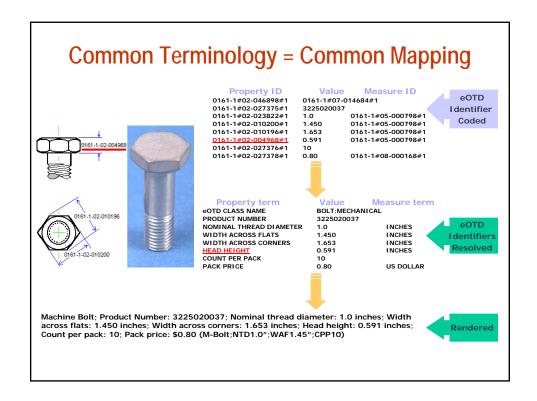




The ECCMA Open Technical Dictionary

- The ECCMA Open Technical Dictionary (eOTD) is an open technical dictionary of cataloging concepts used to create unambiguous language independent descriptions of individuals, organizations, locations, goods and services
- The ECCMA Open Technical Dictionary (eOTD) is based on the NATO Codification System (NCS) with a more modern database architecture oriented toward the commercial world





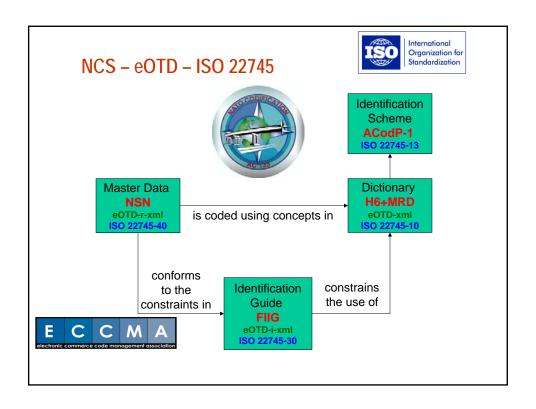
Master Data

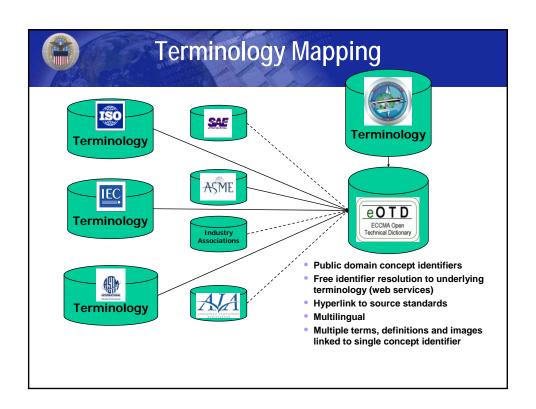
data held by an organization that describes the entities that are both independent and fundamental for an enterprise, that it needs to reference in order to perform its transactions

Master data describes individuals, organizations, locations, goods, services, rules and regulations.

- Customers
- Suppliers
- Materials
- Services

- Assets
- Locations
- Employees
- MSDS







Transformation Through Automation

Before

- lack of clarity on data requirements
- disparate data format
- disparate data content
- disparate metadata
- potentially subjective human judgment
- operate as an additional process

After

- application processable data requirement statements
- consistently mapped metadata
- standard characteristic data exchange format

impact: faster, better, cheaper

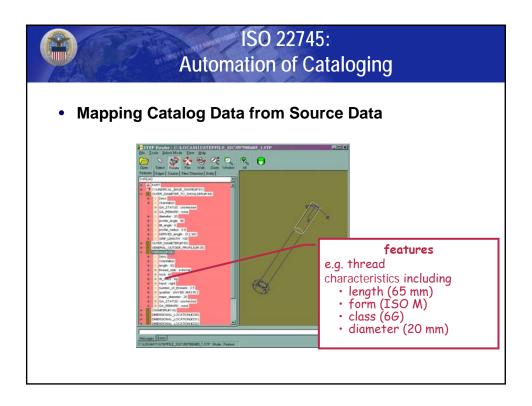


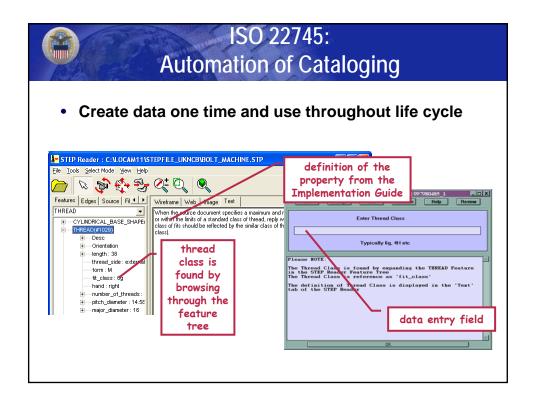
ISO 22745: eOTD as International Standard

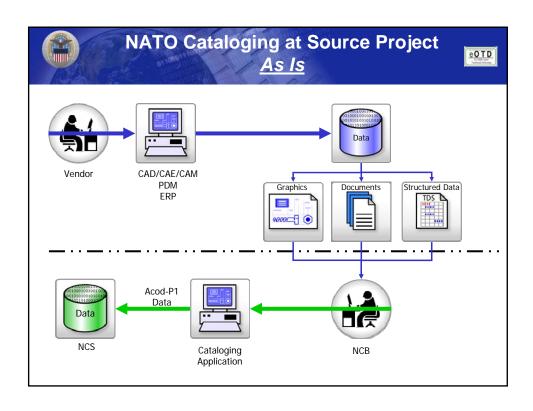
- Fundamentals of ISO Standard 22745:
 - Embodies eOTD metadata into international standard
 - Creates a standard data requirements statement (Identification Guide)
 - Creates a standard request for characteristic data that can be processed by manufacture's applications (PDM, ERP)
 - Creates a standard characteristic data exchange format
 - Describes how characteristic data can be tagged in STEP design files (ISO 10303)

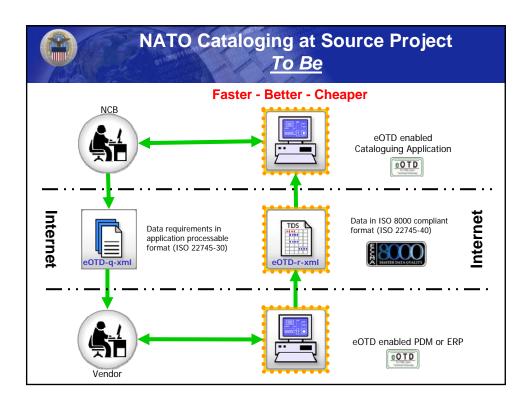












Original ERP Short Description

ELECTRIC MOTOR

Original Supplier Catalog Description

P/N 1234EF: 400KW 6 POLE 525VOLT FRAME HGF355E: FT MOUNTED RPM 988 SF1,0 CODE G:IP65:INS F:IL/IN 6.6:DUTY SI: NR.88695 11 00:AMB 40DEGREE C:DELTA T 80DEG: COS 0,86:COOLING IC 411:ALT1000M



Standardized ERP Short Description

MOTOR, ELEC: 400 KW, 525 V, 988 RPM

Standardized ERP PO Description

MOTOR, ELECTRIC: POWER RATING 400 KW, ELECTRICAL RATING 525 V, FRAME HGF355E, FOOT MOUNTING, SPEED 988 RPM, INSULATION CLASS F, 6 POLES, SERVICE FACTOR 1.0 CODE G, ENCLOSURE IP65, MNFR P/N: 1234EF MNFR: WEG, FFT: IL/IN 6.6: DUTY SI: NR.88695 11 00:AMB 40 DEGREE C:DELTA T 80DEG: COS 0,86:COOLING IC 411:ALT 1000M

Rendering of ERP Long and Short Descriptions

ISO 8000: A Standard for Master Data Quality

- Fundamentals of ISO Standard 8000:
 - Set standards and a certification process for master data quality
 - Encompasses master data quality but can easily be extended into all types of data quality
 - Defines different areas of data quality
 - Provenance
 - Traceability
 - Currency
 - Completeness







Benefits of ISO 8000

- Providing faster access to better quality characteristic data
 - Faster NSN assignment
 - More complete records
 - Better search resolution
 - Fewer duplicates
 - Fewer item reduction studies
- Benefits
 - Higher customer satisfaction
 - Savings in design and life cycle costs
 - Reduced acquisition lead time
 - Increased supportability and safety of systems and equipment



YOUR POINTING AT IT WON'T HELP-THE COMPUTER RECORDS SHOWS NONE IN STOCK.

What is the cost of bad data quality? In this case \$125,000,000 The price of a Mars Climate Orbiter!



Mars Orbit Insertion Burn	M/D/Y HH:MM:SS PDT (Earth Receive Time, 10 min. 49 sec. Delay)	Distance (miles)	Speed (miles/hr)	Force (Pounds)
Begin	9/23/99 02:01:00	121,900,000	12,300	143.878
End	9/23/99 02:17:23		9,840	

Mars Orbit Insertion Burn	YYYYMMDD EDT (Earth Receive Time, 10 min. 49 sec. Delay)	Distance (km)	Speed (km/sec)	Force (Newtons)
Start	19990923 05:01:00	196,200,000	5.5	640
Finish	19990923 05:17:23		4.4	

International Organization for Standardization

- 156 National standard organization members (one per country)
 (AFNOR, ANSI, BIS, BSI CNIS, DIN, PKN)
- 192 Technical Committees
 - 3 000 Technical bodies
 - 50 000 domain experts
- Central Secretariat in Geneva
 - 150 staff
- ISO TC 184 <u>Industrial automation systems and integration</u>
 - ISO TC184 SC4 Industrial data (STEP)
 - ISO 22745 (open technical dictionaries and their application to Master Data)
 - ISO 8000 (Data Quality)

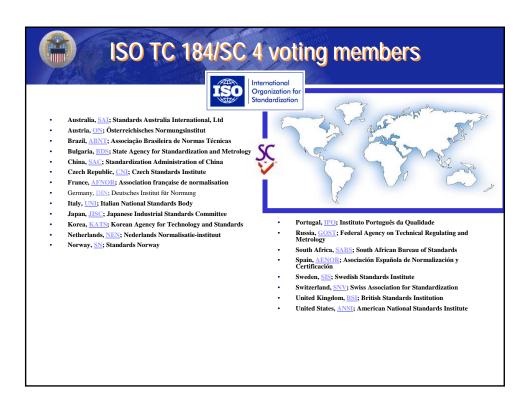




International

Organization for

Standardization





Justification for ISO 22745/8000

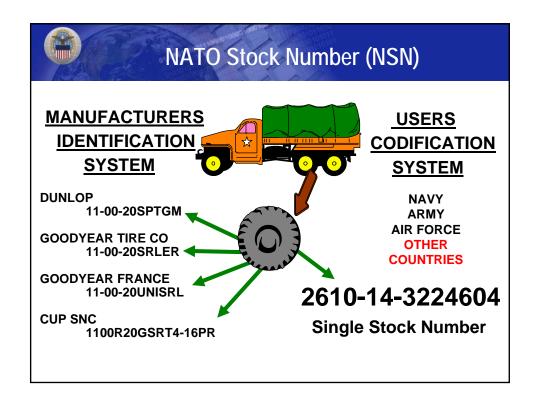
- Item reduction studies (identification of duplicates)
 - Save up to 15% of total inventory cost
- Better sourcing and contracting
 - Save up to 20%
- Substitution and interoperability
 - Part standardization during design and manufacture
 - · Increases equipment availability
 - · Can be mission critical



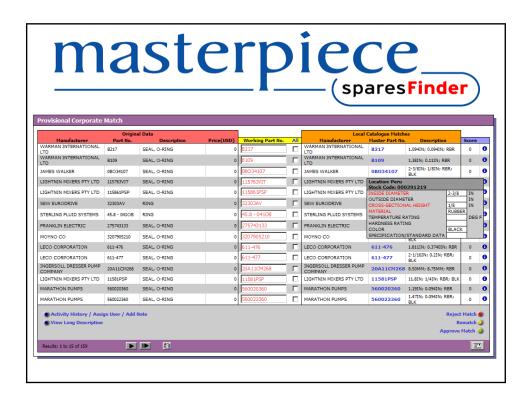




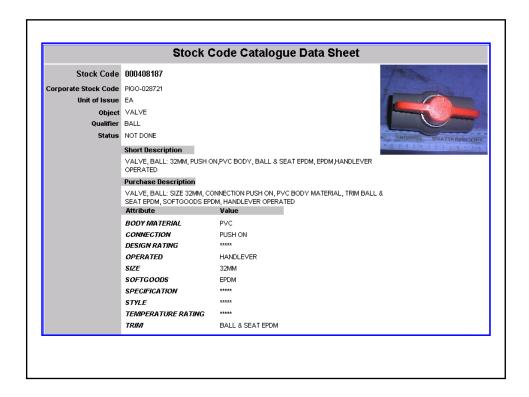


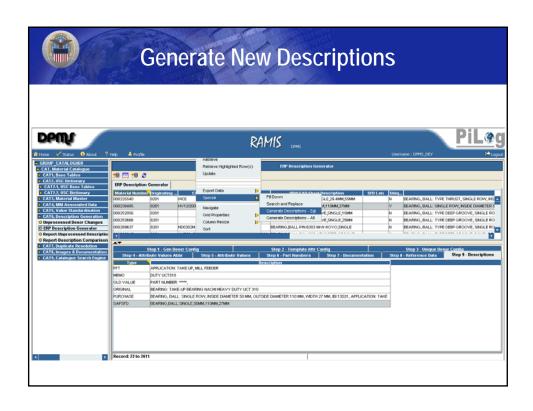


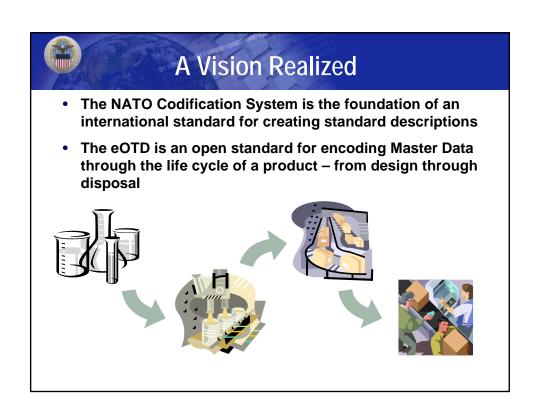














Vision of the Future

- Logisticians will manage information more than material
- NCS data is the foundation for logistics information
- Benefits will grow





Vision for the Future

What is impossible to do right now, but, if you *could* do it, would fundamentally change your business?

1990 Joel Arthur Barker

- Cataloging at source (vendor supplied data)
 - Common metadata
 - an end to data mapping
 - Requirement specifications
 - an end to incomplete data
 - Data provenance
 - an end to inaccurate information
- Lowers the cost of cataloging and increases long term data reliability!