



the Codifiers

The Newsletter of the IT and Codification Department

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**Codification:
The Ringgit Saver**



**Obsolescence Management:
Key to equipment through life support**

The Editor speaks....



Dear Avid Readers,

Welcome to another edition of our November newsletter. It is indeed refreshing to mention that we finally obtained the much-needed publication permit from the Ministry of Internal Security (KKDN) for The Codifiers. Thanks to the Relationship Management Department. With this permit we are now in a position to extend our existing codification outreach. Consequently, changes are in the offing to make the newsletter more presentable in terms of quality printing, format and contents. Also, starting this December, The Codifiers will go bilingual.

System or equipment owners/managers are increasingly aware of the consequences of obsolescence. This requires a careful planning by managers to mitigate risks relating to availability, supportability, maintainability of equipment or systems. Cashing in on the emerging trend in the through life support of equipment and systems, CMCA which is noted for its hallmark in costs savings, plans to introduce Obsolescence Management to the Government sector as an innovative solution to confront these issues. We feature in this issue a primer on the subject matter courtesy of our UK subsidiary.

We also present in this issue the last segment of the biodata of the remaining Codifiers-the unseen professionals behind the scene who have contributed immensely to the Company.

Best Regards,

Hj Ibrahim Mahmud
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Come & visit our booth at LIMA '07



LIMA2007 MARITIME
WHERE ASIA PACIFIC DECISION MAKERS CONVERGE

The unseen professionals of the IT & Codification Dept.



Mohd Rosli Ahmad

Mohd Rosli Ahmad was born and raised in Sabak Bernam, Selangor. He joined the Royal Malaysian Air Force in 1976. In 1981, he attended the Aircraft Technical course at Royal Air Force Halton, UK and Cataloguing and Provisioning course in Pune, India in 1992. He retired as Warrant Officer I in 1998. He was formerly a trainer with MAFCA for 12 years before joining CMCA as Coordinator in 2002. He participates actively in the MAFCA organized seminars. In his spare time he likes reading and enjoys chess with his children.



Wahab Chin

Wahab Chin is the Chief Programmer who designs Codification System and Dealer online data entry system. He also developed and maintained inventory, payroll and store management systems. He is one of the evaluation team members for acquisition of N-CORE software from Germany. In 1975 to 1976 he attended Fitter course in United Kingdom. In 1984 he attended Computer Programming course at University Technology Malaysia. He hails from Kulim, Kedah. He likes traveling and gardening.



Ahmad Syauqi Mahmud

Ahmad Syauqi is a System Hardware Engineer and IT Project Consultations, Server & Network Management and IT Solution. Graduated from University Teknologi PETRONAS in 1996-2001 in Bachelor in Engineering Electrical & Electronic (Computer Science). He joined CMCA in 2001, and had participated in various ICT consultation projects such as CODIMS, VIMS, MAFCAS and Manugistics solutions. Syauqi is from Klang, Selangor. He enjoys fishing during his spare time.

Home Town: Klang, Selangor.



Arzmi Mohammed

Fondly known as Morgan among his colleagues, Arzmi was Royal Malaysian Navy personnel until 1982. He was a member of the RMN Frigate Project Team in Glasgow, UK from 1993 to 1996 where he was involved in the codification work for the KD Jebat spares. On coming back he was transferred to MAFCA to work as a cataloguer until he retired in 2001. With his wealth of experience in codification, he decided to join CMCA in 2005 as Executive Cataloguer responsible for codifying new parts entering the Services and keeping the price lists updated. He hails from Dungun, Terengganu and likes watching documentary films.

OBSOLESCENCE MANAGEMENT: Another cost-saving initiative by CMCA

Inspired by the stupendous achievement in bringing about substantial cost savings through a proven codification system to the Government, CMCA is set to introduce yet another cost saving initiative known as **Obsolescence Management (OM)**. Like codification, OM is a management tool to help equipment or system managers to reduce cost in the through life support of equipment or systems.

Disclosing this recently, Haji Ibrahim, General Manager IT & Codification Department, says the Company plans to seek the services of CMCA (UK) which is a leading OM services provider in the UK having secured numerous jobs from es-

tablished companies like BAE Systems for the AS90 component monitoring in the Self-Propelled Howitzer and ATIL for monitoring its AH Mk-1 Attack Helicopter simulators.

Said Rob Crawford of CMCA (UK) during a recent discussion, "equipment needs to have a life span of some 20 years plus, but some components are only produced for 18 months leading to the inability to support the equipment.

While it is true that embarking on this solution may ultimately help organizations to save cost, however it is not without its challenges. From his experience Rob Crawford had observed that many an

organization sometimes regard OM only as a cost and not an exercise that will save considerable money over the life of equipment. So, essentially the major obstacle is convincing the management to 'spend to save'.

Looking at the bigger picture, Haji Ibrahim feels that acquiring this technology makes business sense for CMCA as it provides the much-needed synergy for the Company to move forward to the next level to becoming a **total logistics solutions provider**. Given the current skill sets and capabilities of the codifiers, acquiring this capability will enhance its competitive edge as CMCA will be the only supplier of OM in the region.



Rob Crawford

Obsolescence Management

by

Rob Crawford CMCA (UK)

What is obsolescence?

Simply, it is the unavailability of an individual element that stops equipment from being built, used, maintained or repaired.

What are the True Costs of Obsolescence?

The ultimate costs of Obsolescence should not just be seen as the direct costs involved in identifying and solving the obsolescence issue, it is actually the inability of the user to use their equipment. This could be an "Aircraft On Ground", a frigate stuck in port, the inability for an oil company to drill for oil, a production line down in a factory, etc....

Just imagine what the consequences could be to an organisation faced with these problems! These are not just financial, they could include; loss of reputation, loss of future contracts and even frontline military weakness.

What is Obsolescence Management?

Obsolescence Management is the structured and formalised management of issues that may, if left unmanaged, affect the ability to build, use, maintain, or repair equipment during its life.

The structured approach looks at resources needed, risk assessment (size of the problem), planning, strategy and solutions to be implemented.

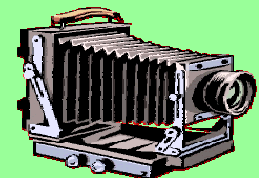
What is the cost of Obsolescence Management?

Perhaps it may be better to ask, "What are the costs of not managing obsolescence?"

The costs involved in solving obsolescence problems vary considerably depending on the complexity of the resolution. The use of existing stock, procured because the user was aware

of an item going obsolete, may only cost a few hundred pounds, whereas a major redesign may cost hundreds of **thousands** of pounds.

The potential financial returns, through cost avoidance and improved efficiencies, achievable as a result of implementing effective Obsolescence Management processes, have been proven to be significant and compelling. Indeed, every blue chip/Defence Prime Contractor in the UK and US are carrying out some sort of Obsolescence Management technique. It is now a standard requirement in many new Ministry of Defence contracts.



CODIFICATION: THE RINGGIT SAVER



With codification there are multiple **benefits** to be enjoyed by users:

- Elimination of surplus or dead inventory by as much as **40%-50%**. A successful case study* in Malaysia carried out by CMCA shows that with codification there were items savings of some RM11.0m. It also reduced some 37,000 items screened to only 20,000 items after eliminating duplication.
- Minimizing human, paperwork and procedural errors which hamper or cause delay in processes and work-flows.
- A **20%-30%** reduction in storage space requirement.
- Savings of **20%-30%** resulting from competitive cost comparison from alternative sourcing.
- Increase in productivity and operational readiness.
- Resilient non-dependency on any single source of supply.

* A survey done on the Malaysian Armed Forces Inventory following the implementation of automotive and electronics proprietary contracts by CMCA.

UDIM Visit CMCA

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UNIVERSITI DARUL IMAN MALAYSIA



Officials from Terengganu's Universiti Darul Iman Malaysia visited our company recently. The delegation headed by the university's Treasurer, Tuan Haji Baharin bin Salim was met upon arrival by our Business Development Director, Maj Jen (R) Dato' Mamat Ariffin Abdullah. The officials from the treasury department of the university were briefed on the operation of the central contract by Manager Business Development, Encik Mohd Fauzi Ghazali. Tuan Haji Baharin took note of the existence of the CMCA's central contract and would use it for the university's procurement purposes as and when the need arises. At the end of the visit our CEO Encik Abdullah Faroff presented mementos to the visitors. Also present at the briefing was Encik Nik Ibrahim from Atisha Resources our Dealer for East Coast.



Discussion Time: The delegate at the briefing session



Tuan Haji Baharin, the university's treasurer during the discussion



Encik Mohd Fauzi briefing the delegate on the Central Contract