



# The biology of getting paid on time

## **Avoid Rejected Payments by Coordinating WAWF and IUID Registry Processes**

The Defense Logistics Agency's Wide Area Workflow (WAWF) is a free and secure web-based system that lets government contractors submit and track invoices and other documents electronically to the government so that they can be processed in real time. It's also the primary system used to capture item-unique identification (IUID) of tangible items. Some of the benefits of dealing with the WAWF include improved cash flow, no more lost documents, reduced operating costs, audit capability and others. But using the WAWF properly requires diligence on the part of contractors to coordinate their systems and processes properly or the whole operation misfires, with calamitous results.

We recently had a manufacturer contact A2B complaining that, even though they submitted invoices to the government through the WAWF, they weren't getting paid for what they shipped. Less than ten percent of their business was devoted to the federal government, and even less was with the Department of Defense specifically. Yet this still amounted to billions of dollars worth of business over the course of a few years. Not a paltry sum by anyone's estimation.

We soon determined that, although they were sending bills to the government via the WAWF for the equipment they produced and shipped, the company was not reporting serialized IUID data to the WAWF down to the appropriate asset level. The IUID Registry relies on this information – the 'pedigree' data contained in the IUID mark at the manufacturing stage – to account for all final assemblies and certain components contained in those assemblies. If information on an invoice submitted to the WAWF doesn't correspond to item data reported to the IUID Registry, payment comes to a screeching halt.

But at what level in the final assembly are the IUID markings required? The answer depends on the nature of the asset being produced and DoD program requirements. But this is often where the disconnect between sending invoices to the government through the WAWF, and reporting item data to the IUID Registry becomes apparent. For a WAWF transaction to be complete, it needs to be able to connect the dots between discrete asset data contained on all serialized items within an assembly going all the way back to the manufacturing stage.

The IUID Registry contains data for over 24 million items and receives data for many more every day. But not all contractors have a smooth and efficient process at the manufacturing phase for coordinating the

reporting of IUID data to the Registry and the submission of invoice data via the WAWF to the government. In our manufacturer's case, they lacked the coordinating processes and systems needed to support this side of their business. Their whole process, from sales order and fulfillment through the payment process, contained many disconnects. Data wasn't properly coordinated from beginning to end, putting the brakes to their WAWF payments.

But the trouble didn't stop there. When we looked deeper into the company's situation, we uncovered an issue that had the potential to be infinitely more expensive. As it turned out, the IUIDs the company was attaching to the assets did not conform to a critical military standard: MIL-STD-130N. In other words, all the equipment they were shipping was marked wrong!

So there are two problems here: no clear processes and systems to properly coordinate a sales order through WAWF invoice submission and IUID Registration, and billions of dollars in mismarked equipment laying idle. What to do? Well, the DoD has outlined policy guidelines for resolving these kinds of issues.\* Simply put, the burden is on contractors to fix the problem at their own expense and, if necessary, the program officer can compel them to do it.

To coordinate invoicing, serialized item identification and tracking, as well as all the electronic reporting requirements that go into proper asset management and transactions through the WAWF, companies need to focus on an important aspect of the process that seems to get neglected until it's too late: data flow. Think of the human nervous system where the brain coordinates the movement of electronic messages to our legs, feet, arms and hands so that they're in the right place at the right time to allow us to run, dance, do jumping jacks or ride a mountain bike. It's all about flow and timing. When our brain is unsure of any aspect or cannot gauge or detect changes in position through time, it can mean a trip to the emergency room. Therefore, we're careful to be sure of our intent or suffer the consequences.

The same goes with marking assets and reporting asset data. When an item gets marked, it has to be done accurately at the point of initial manufacturing (the brain) and the data has to be translated into a machine-readable code (a neuroelectronic signal), which has to be validated and verified for quality and meaning to conform to a certain standard so that the data is clear and unambiguous. For the DoD, the machine-readable code has to meet MIL-STD-130N and ISO 15434 standards. If the integrity of the mark doesn't meet the standard or is not accurate at the outset, it messes everything up downstream (face plant), including getting paid on time if you're a government contractor. When it is accurate, it is possible to create a 'synaptic' audit trail that leads back to the point of origin. For this reason, when a final assembly is marked with an IUID barcode, it's important to apply this process to marked parts and components embedded within the assembly, effectively creating, marking, verifying, validating and perpetuating a full audit trail.

The strict management of interrelationships among embedded components and final assembly are critical to accurate reporting to the IUID Registry and for getting paid through the WAWF. Many, including our manufacturing friend, inadvertently overlook this interdependency. The rule is that WAWF requires IUID-level marking and a clear picture of how these embedded relationships stack in the assembly hierarchy so that it matches what's reported to the IUID Registry.

When you have a production operation that requires the manufacturing team to collaborate with the fulfillment team, program team, and administrative team managing WAWF transactions, ask yourself a few questions:

- How well is your data coordinated between these four functions?
- Does your data conform to WAWF and IUID Registry reporting standards?
- Can these coordinated systems and processes handle variations in reporting requirements from combo reports to replacement of DD250 forms?
- Do business rules within your processes clearly articulate how to resolve data issues before data is submitted to the IUID Registry?
- The answers will determine the integrity of the asset data audit trail so that, as a manufacturer or prime contractor, you're ready if the DCMA pays you a visit and confident your next WAWF payment won't be rejected.

Oh, and when riding a mountain bike, always be sure to wear a helmet.