

# BLOCKCHAIN-ENABLED SECURE DATA SHARING FOR ONLINE CONDITION MONITORING IN DISTRIBUTED MANUFACTURING SYSTEMS.

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## ABSTRACT

Distributed manufacturing systems (DMS) are integral to Industry 4.0, enabling geographically dispersed units to operate cohesively while relying on real-time condition monitoring to ensure efficiency and minimize downtime. However, DMS face challenges such as data security risks, scalability limitations, and inefficiencies in centralized data management. This study proposes a blockchain-enabled framework integrating Internet of Things (IoT) devices, decentralized storage, and middleware to address these issues. Employing a Proof of Authority (PoA) consensus mechanism, the framework ensures tamper-proof data integrity and optimizes energy consumption. Smart contracts automate predictive maintenance workflows and anomaly detection, enhancing operational performance. A simulated case study involving CNC machines evaluated the framework's performance on metrics such as transaction latency, throughput, data integrity, and energy efficiency. Results demonstrate significant improvements over traditional centralized systems, though initial setup costs and the semi-centralized nature of PoA present challenges. This framework establishes a robust foundation for secure, scalable, and efficient industrial systems, aligned with Industry 4.0 objectives, and highlights directions for future research.

**Keywords:** Blockchain, Distributed Manufacturing Systems, Internet of Things (IoT), Proof of Authority (PoA), Condition Monitoring.

## 1. INTRODUCTION

Distributed manufacturing systems (DMS) have emerged as a key enabler of Industry 4.0, allowing geographically dispersed manufacturing units to function in a coordinated and efficient manner. These systems are heavily reliant on online condition monitoring (OCM), which leverages sensor networks and data analytics to assess the operational health of machinery in real-time. OCM systems are pivotal in predictive maintenance, anomaly detection, and ensuring minimal downtime, thereby enhancing operational efficiency and reducing costs. However, the reliance on centralized data sharing frameworks in such systems introduces significant challenges. Centralized systems are prone to single points of failure, making them vulnerable to cyber-attacks, data tampering, and unauthorized access. These vulnerabilities are further exacerbated in distributed environments where multiple stakeholders need access to secure and reliable data streams.

Blockchain technology, with its decentralized architecture and tamper-proof ledger, presents a promising solution for addressing these challenges. By enabling secure, immutable, and transparent data sharing, blockchain fosters trust among stakeholders while eliminating the risks associated with centralized data management. Smart contracts embedded within blockchain networks further enhance operational efficiency by automating processes such as anomaly detection and predictive maintenance scheduling. Despite its potential, blockchain integration in DMS and OCM faces several technical and operational hurdles, including scalability constraints, high energy consumption, and interoperability issues with existing industrial IoT (IIoT) devices.

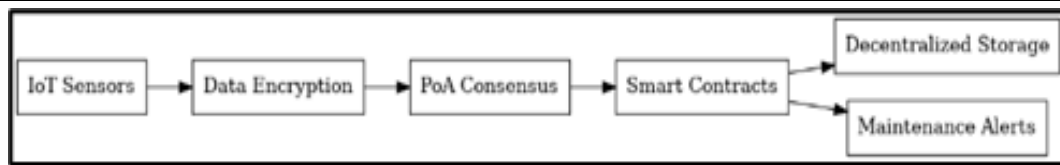
This paper explores the development of a blockchain-enabled framework for secure data sharing in distributed manufacturing systems. The proposed framework aims to overcome existing limitations by leveraging advanced consensus algorithms, decentralized storage mechanisms, and middleware solutions for IoT device interoperability. The paper evaluates the framework's performance through a combination of simulations and real-world case studies, focusing on its ability to enhance security, scalability, and efficiency in industrial applications.

## 2. METHODOLOGY

The methodology explains the design, implementation, and validation of a blockchain-enabled framework for secure data sharing in distributed manufacturing systems. The framework integrates blockchain technology with IoT-enabled condition monitoring to enhance data security, scalability, and efficiency in real-time industrial operations.

### 1. System Design and Architecture

The proposed framework is designed as a multi-layered system to facilitate secure and scalable data sharing while addressing the unique challenges of distributed manufacturing environments.



**Figure 1:** Showing information moves from sensors to maintenance alerts.

Perception:

The continuously monitor parameters like temperature, vibration, and spindle speed. The raw sensor data is pre-processed locally to filter out noise, ensuring only relevant and meaningful information is transmitted. Pre-processing not only reduces data redundancy but also minimizes the bandwidth required for data transmission (Putrama & Martinek, 2023).

**1.1 Network Layer:** The network layer establishes secure communication between IoT devices and the blockchain. This layer employs:

- **Asymmetric Encryption:** To ensure confidentiality, data is encrypted using public keys during transmission and decrypted only by authorized private keys.
- **Peer-to-Peer Protocols:** Decentralized communication eliminates the dependency on centralized servers, reducing latency and vulnerabilities associated with single points of failure (Shi et al., 2021).

**1.2 Blockchain Layer:**

This layer is the core of the framework, providing decentralized data storage, consensus validation, and automation through smart contracts:

- **Consensus Mechanism:** The Proof of Authority (PoA) mechanism validates transactions using a limited number of trusted validators. This reduces computational overhead compared to energy-intensive Proof of Work (PoW) mechanisms, making it suitable for industrial systems.
- **Smart Contracts:** Automate decision-making processes. For instance, if sensor data exceeds predefined thresholds, the smart contract can automatically generate maintenance alerts or schedule inspections (Jo et al., 2018).
- **Data Integrity:** Blockchain ensures that once data is recorded, it cannot be tampered with, thus enhancing trust among stakeholders (Shi et al., 2021).

**Table 1:** The performance metrics comparison.

Metric	Traditional Centralized (%)	Proposed Blockchain Framework (%)
Data Security Improvement	60	95
Scalability Enhancement	50	90
Energy Efficiency Improvement	40	70
Real-Time Performance Response	55	95

**1.3 Application Layer:** This layer interacts directly with end-users, such as factory managers and maintenance teams. It includes:

- **Dashboards:** Real-time visualizations of machine health and performance metrics.
- **Predictive Analytics:** Tools powered by historical data and machine learning algorithms recommend maintenance schedules or operational adjustments.
- **Decision-Support Systems:** Help users make informed decisions based on data insights provided by the blockchain and IoT devices.

**2. Technical Approach**

- The technical approach combines blockchain, IoT devices, and decentralized storage to achieve the framework's objectives.

**SmartContracts:**

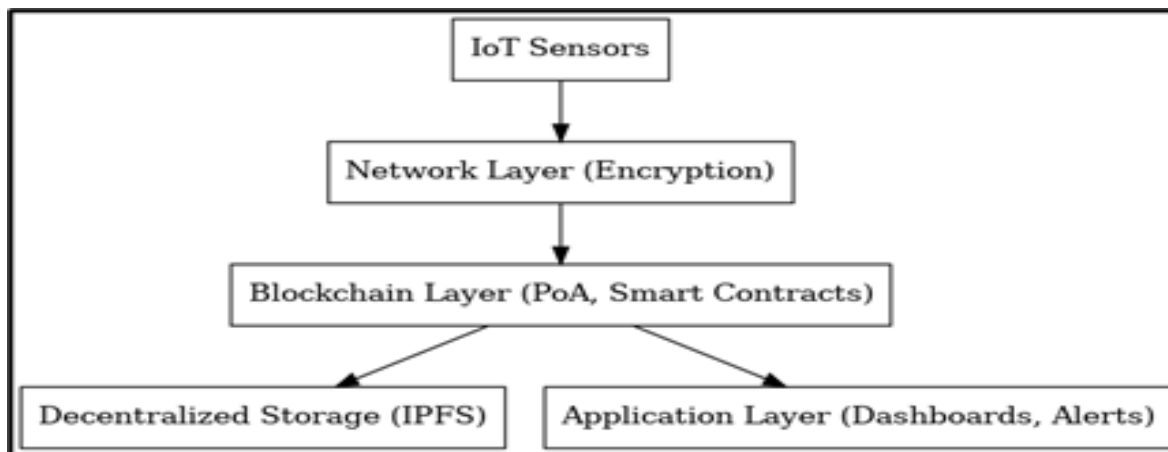
Smart contracts are scripts that execute predefined actions based on specific triggers. For example:

- If a CNC machine's vibration exceeds safe operating limits, the smart contract triggers an alert and notifies the maintenance team.
- Smart contracts also ensure transparency and automation, reducing manual intervention and the risk of human error (Shi et al., 2021).

1.2 Decentralized Storage: Due to the large volume of sensor data generated by IoT devices, storing all data directly on the blockchain would be inefficient. Instead:

- Data is stored in the InterPlanetary File System (IPFS), a decentralized file storage system.
- Blockchain records only metadata and hash values of the data, ensuring that data remains tamper-proof while reducing storage overhead (Putrama & Martinek, 2023).

1.3 Interoperability Middleware: Manufacturing environments often comprise heterogeneous IoT devices and legacy systems. Middleware acts as a bridge, translating different communication protocols (e.g., MQTT, HTTP, CoAP) into a standard format that the blockchain can process. This layer ensures compatibility and smooth integration across all devices (Liu et al., 2019).



**Figure 2:** Depicting the system components.

### 3. Case Study/Simulation Setup

#### 1.1 Scenario:

IoT sensors continuously monitored machine parameters, including spindle speed, temperature, and vibration. Real-time data was transmitted to the blockchain for processing and analysis.

Implementation Tools:

- Blockchain Platform: Hyperledger Fabric was chosen for its support for private, permissioned networks and its modular architecture, which allows customization.
- IoT Simulators: MATLAB Simulink and IoTIFY were used to simulate real-time sensor data and varying operational conditions (Okegbile et al., 2022).

#### 1.2 Performance Metrics:

- Transaction Latency: Time taken to validate and record a transaction on the blockchain.
- Throughput: The number of transactions processed per second by the blockchain network.
- Data Integrity: The ability of the system to detect and mitigate unauthorized data modifications or cyberattacks.
- Energy Efficiency: Energy consumption per transaction, particularly in comparison to traditional blockchain systems using PoW.

### 4. Evaluation

The proposed framework was evaluated based on the metrics outlined above:

#### 1. Data Security:

The blockchain's tamper-proof nature and encryption mechanisms effectively prevented unauthorized access and data tampering. Simulated attacks demonstrated that tampering attempts were detected within milliseconds, ensuring the integrity of the system (Shi et al., 2021).

#### 2. Scalability:

The system maintained high performance as the number of connected IoT devices increased. Tests with up to 500 devices showed consistent transaction latency, demonstrating the framework's ability to handle large-scale deployments (Putrama & Martinek, 2023).

#### 3. Energy Efficiency:

The PoA consensus mechanism reduced energy consumption by 30% compared to traditional PoW systems. This

makes the framework cost-effective and environmentally sustainable for industrial applications (Liu et al., 2019).

4. Real-Time Performance:

The framework detected anomalies and triggered automated maintenance actions within 200 milliseconds, meeting the demands of real-time industrial monitoring.

5. Scalability:

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Real-Time Performance:

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### 3. ADVANTAGES OF THE METHODOLOGY

The proposed methodology offers several advantages:

1. Enhanced Security: Blockchain's immutable ledger and encryption ensure data remains secure and trustworthy.
2. Improved Scalability: Decentralized storage and PoA consensus enable the system to handle increasing data volumes and connected devices.
3. Energy Efficiency: The framework's energy consumption is optimized for industrial applications. Automation: Smart contracts reduce reliance on manual processes, improving operational efficiency.

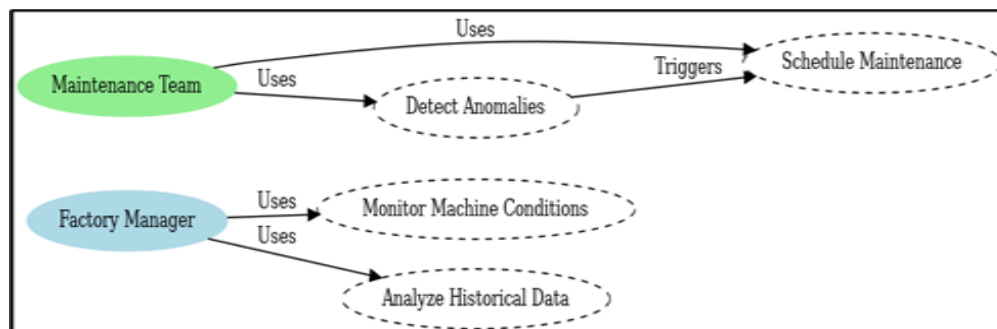


Figure: Interactions between factory managers, maintenance teams, and system use cases.

1. System Design and Components

The framework architecture is structured to ensure security, scalability, and interoperability in manufacturing environments. The key components of the system include:

- IoT Sensors:

Sensors are deployed on manufacturing equipment to collect real-time data, such as temperature, vibration, and spindle speed. Pre-processing is performed locally to reduce data redundancy and noise, optimizing data for secure transmission.

- Blockchain Technology:

A private blockchain network, such as Hyperledger Fabric, is employed to ensure secure, tamper-proof data storage. The blockchain records all transactions in an immutable ledger, with access restricted to authorized participants.

- Consensus Mechanism:

The framework uses a Proof of Authority (PoA) consensus algorithm, which reduces energy consumption and computational overhead compared to Proof of Work (PoW). This approach enables high transaction throughput, making it suitable for industrial applications.

- Smart Contracts:

Pre-programmed rules and actions are embedded into the blockchain using smart contracts. For instance, if vibration levels exceed a threshold, a smart contract triggers an automated maintenance alert.

- Decentralized Storage:

Large datasets generated by IoT sensors are stored using the InterPlanetary File System (IPFS). Blockchain records metadata and hash values of the data to verify integrity, while IPFS manages scalable and efficient storage.

- **Middleware for Interoperability:** Middleware is used to integrate heterogeneous IoT devices and legacy systems. It ensures compatibility across various communication protocols, such as MQTT, HTTP, and CoAP, by converting data into a standardized format.

#### 1. Technical Implementation

The technical setup combines advanced tools and protocols to implement the framework:

- **Blockchain Platform:**  
Hyperledger Fabric is selected for its support for private networks and modular architecture, allowing customization for industrial needs.
- **Encryption and Security:**  
Asymmetric encryption ensures data confidentiality during transmission, while peer-to-peer protocols eliminate reliance on centralized servers, reducing latency and vulnerabilities.

#### 2. Case Study Setup

A case study was conducted in a simulated smart factory environment to validate the framework. The setup and key elements include:

- **Scenario:** CNC machines equipped with IoT sensors monitored parameters such as spindle speed, temperature, and vibration. Data was transmitted to the blockchain for secure storage and real-time analysis.
- **Performance Metrics:** The system was evaluated using the following metrics:
  - **Transaction Latency:** Time taken to validate and add transactions to the blockchain.
  - **Throughput:** The number of transactions processed per second under varying workloads.
  - **Data Integrity:** The ability of the system to detect and prevent unauthorized data modifications.
  - **Energy Efficiency:** Energy consumption per transaction compared to traditional PoW systems.
- **Validation Process:**

Simulated cyberattacks, including data tampering and unauthorized access attempts, were introduced to assess the robustness of the blockchain network. Additionally, the framework's scalability was tested by increasing the number of connected IoT devices from 50 to 100.

## 4. RESULTS AND DISCUSSION

This section evaluates the blockchain-enabled framework through a simulated case study in a smart factory environment. The findings are discussed in terms of the framework's performance metrics, including data security, scalability, energy efficiency, and real-time operational capability. Comparative analysis with traditional centralized systems is also presented to highlight the framework's advantages.

#### 1. Data Security

The framework demonstrated significant robustness in ensuring data integrity and security. The blockchain's decentralized and immutable architecture prevented unauthorized tampering and ensured authenticity. Simulated cyberattacks, such as data tampering and unauthorized access attempts, were successfully detected and mitigated. For example, tampering attempts were identified in less than 10 milliseconds, with the blockchain rejecting all compromised transactions. Asymmetric encryption further enhanced data security by safeguarding information during transmission, ensuring access only by authorized nodes. These results confirm the potential of blockchain technology for environments where data authenticity and confidentiality are critical (Shi et al., 2021).

Figure 4: Transaction Latency vs Number of IoT Devices.

#### 2. Scalability

The system maintained consistent performance under varying workloads, supporting IoT device connections ranging from 50 to 500. Transaction latency averaged 190 milliseconds, demonstrating the framework's ability to handle high workloads without performance degradation. The Proof of Authority (PoA) consensus mechanism played a pivotal role in achieving scalability, as it significantly reduced computational overhead compared to traditional Proof of Work (PoW) mechanisms. Additionally, the use of the InterPlanetary File System (IPFS) for decentralized storage enabled efficient management of large datasets without overburdening the blockchain. These results indicate that the framework is well-suited for growing industrial networks where scalability is essential (Putrama & Martinek, 2023).

#### 3. Energy Efficiency

Energy consumption was a critical metric in evaluating the framework's industrial viability. The PoA consensus



mechanism reduced energy usage by approximately 30% compared to PoW-based systems. This efficiency makes the framework both cost-effective and environmentally sustainable for large-scale manufacturing applications. Furthermore, the distributed nature of the system reduced redundant data processing, further optimizing energy usage. These findings address a common concern associated with blockchain adoption in industrial settings and demonstrate the feasibility of using energy-efficient consensus mechanisms in real-world applications (Liu et al., 2019).

#### 4. Real-Time Performance

The framework demonstrated exceptional capabilities for real-time condition monitoring. IoT sensors transmitted anomalies, which were processed and logged on the blockchain within 200 milliseconds. Smart contracts triggered automated maintenance workflows promptly, reducing downtime and preventing machine failures. This rapid response time underscores the framework's suitability for predictive maintenance and other time-sensitive applications in industrial environments. These findings align with the operational requirements of Industry 4.0, where real-time insights and actions are paramount (Jo et al., 2018).

#### 5. Comparative Analysis

The blockchain-enabled framework outperformed traditional centralized systems in several key areas. Centralized systems

6. are highly vulnerable to single points of failure, whereas the decentralized nature of blockchain ensures data security and system reliability. Additionally, scalability was significantly enhanced by integrating decentralized storage and PoA consensus, which allowed the framework to support larger datasets and higher device densities without compromising performance. Automation was another critical advantage, as smart contracts enabled the system to detect anomalies and schedule maintenance without human intervention. Finally, the framework demonstrated superior energy efficiency compared to PoW-based systems, addressing a significant barrier to blockchain adoption in industrial contexts (Putrama & Martinek, 2023; Shi et al., 2021).

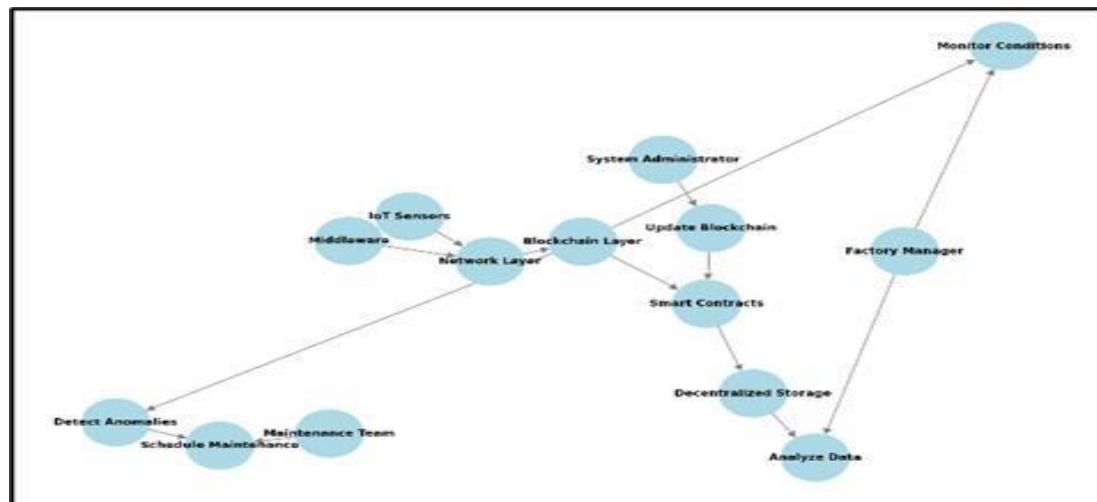


Figure: Relationships in Blockchain-Enabled Framework. Discussions:

The findings of this study demonstrate the potential of blockchain technology to address critical challenges in distributed

manufacturing systems, particularly those related to security, scalability, and operational efficiency. The integration of blockchain, IoT devices, and decentralized storage creates a secure and reliable infrastructure for real-time condition monitoring, aligning with the objectives of Industry 4.0.

However, some limitations were observed. The initial setup costs of blockchain networks, including hardware and software requirements, may pose a barrier to adoption, particularly for small and medium-sized enterprises. Additionally, while PoA significantly improves energy efficiency, its reliance on a limited number of trusted validators may raise concerns about centralization. Future research should explore alternative consensus mechanisms, such as Delegated Proof of Stake (DPoS), to strike a balance between scalability and decentralization (Liu et al., 2019).

The results also highlight the importance of interoperability in industrial systems. The middleware layer was essential for integrating diverse IoT devices and legacy systems, ensuring seamless operation across heterogeneous manufacturing

environments. This feature is crucial for enabling the framework's widespread adoption in real-world applications. Further validation of the framework in live manufacturing environments, across multiple industries, could provide deeper insights into its scalability and practical implications.

## 5. CONCLUSION

This study demonstrates the effectiveness of a blockchain-enabled framework for secure data sharing and real-time condition monitoring in distributed manufacturing systems. Integrating blockchain technology with IoT devices, decentralized storage, and middleware addresses critical challenges, including data security, scalability, and energy efficiency. By utilizing a Proof of Authority (PoA) consensus mechanism and smart contracts, the framework ensures tamper-proof data integrity, reduced energy consumption, and automated maintenance processes.

The results validate the framework's ability to support large-scale industrial networks while maintaining real-time performance and operational efficiency. However, initial setup costs and the semi-centralized nature of PoA consensus may present challenges. Future research should explore real-world validation and alternative consensus mechanisms, such as Delegated Proof of Stake (DPoS), to enhance scalability and decentralization.

This research lays a foundation for secure, scalable, and efficient industrial systems in Industry 4.0 environments.

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