

Selerant Continues to Accelerate

CIMdata Commentary

Benjamin Franklin, the well-known 18th Century publisher of *Poor Richard's Almanack* and one of the Founding Fathers of the United States of America, is credited for stating, "The only things certain in life are death and taxes." Well, we're not sure that there are only *two* things that are certain in life. We think many would argue that there are a few others, such as our need for food and our basic instincts for seeking out health and safety. So you might ask, what does this have to do with product lifecycle management (PLM)? Well, actually quite a bit.

At its core, PLM is about defining and bringing to market products people need and want to buy. Today's best-in-class PLM solutions are, in fact, a combination of best practice methodologies and supporting technologies with the sole purpose of defining and bringing to market products with a higher rate of acceptance by their intended buyers. Solutions that support this definition can realize tangible ROI for companies that purchase and apply PLM solutions appropriately. One market targeted specifically by a number of leading PLM solution suppliers is the consumer packaged goods (CPG) industry. This segment of the PLM industry, especially the food and beverage sub-segment, has seen a better year in 2010, and notably, so has one of the key suppliers of solutions to this market segment—Selerant. For the most part, 2010 was a better year than 2009 for the PLM industry and early indicators suggest that it was much better for PLM solution suppliers that focused on enabling companies to satisfy consumers' basic needs. As a result, Selerant and other similar solution suppliers we have tracked for years were well positioned for strategic growth in 2010, and Selerant didn't hesitate to advance its position and enter into new areas.

In March 2010, Selerant announced a partnership with Taiwan-based ValuePlus to support their expansion into the Greater China Market. Selerant took other strategic actions that show just how important this market is to their future expansion. They stated that their roadmap for Greater China included opening offices in Taipei, Shanghai, and Beijing, each staffed with local consultants and support teams. In the fourth quarter of 2010, Selerant announced the availability of SaaS PLM for the China Market, giving this new route to market a strong offering tailored to local needs. These are all excellent moves by Selerant. It provides them with extensive access to a fast growing market where CPG companies have the potential to deliver their goods to the largest consumer market in the world—a market that is quickly becoming the world's largest middle class market, with middle class product expectations.

The Asian Development Bank's 2010 Key Indicators for Asia and the Pacific report stated that the growth of the middle class in Asia has four main implications:

1. Expanding markets for consumer durables
2. Frugal innovation
3. Greater accountability in public services
4. Economic growth

The report argues that the middle class is associated with higher consumer spending, more innovation, and better governance. We know from experience in the West that PLM can have positive impacts in all of these areas, especially innovation and governance. These factors are not only true for the growing middle classes in Asia; they also apply to other regions of the world. For example, consumers in Europe and North America are increasingly demanding

healthier products. This demand places added pressure on food and beverage companies' product development organizations to expedite innovation and deliver new, healthier products faster. At the same time, these new products have to adhere to more complex and numerous regulations focused on product content, labeling, and packaging. All of these added complexities further validate Selerant's strategy, but it is only part of the equation. Selerant also made major improvements in their solution offering in 2010 that are critical to these new emerging markets.

One factor slowing the rapid adoption and implementation of PLM solutions is their complexity. For the last several years, companies on the mechanical side of the PLM space took steps to package their offerings to improve their "time to value." In 2010, Selerant embraced this concept when they announced and delivered DevEX^e, a new offering where the "e" stands for "express implementation." DevEX^e is a pre-configured offering designed to allow an enterprise to start fast, and then expand into the full DevEX solution over time on an as-needed basis. This solution-based offering, which includes services, templates and technology, was designed for food and beverage companies who know they need PLM, but don't have the time and/or money required to implement a traditional configuration-intensive solution. This "express" approach is particularly good for small- to mid-size CPG companies in Greater China, India, and other consumer-driven markets, which are often resource constrained.

Selerant used its more than 20 years of development and implementation experience to configure an out-of-the-box solution Selerant claims can reduce an enterprise's PLM implementation time by as much as 70 percent. These pre-configured solutions primarily focus on companies in the highly competitive food and beverage industry. According to Selerant, these DevEX^e solutions include a robust set of pre-configured workflows, templates, tables, fields, forms, regulatory support, and customized reports. Once implemented, authorized users can employ some or all of the four seamlessly integrated modules:

- The "Product Development" module supports the creation, management, and use of formulas and recipes.
- The "Regulatory Compliance" module supports an organization's regulatory compliance related processes with analysis and documentation management functionality.
- The "Innovation Process Management" module provides a set of standardized workflow templates and stage gate enablement.
- The "Product Data Management" module supports the creation, management, and use of product requirements as well as product and packaging specifications.

Selerant's approach to defining and delivering DevEX^e to the market should be commended. This approach allows Selerant to deliver a total solution that addresses many common business needs encountered by food and beverage companies around the world. By taking this preconfigured, total solution approach, Selerant is providing a sound PLM business solution focused on preconfigured capabilities that get an enterprise up and running quickly. This is critical in today's challenging global market where enterprises of all sizes must innovate to increase their market potential; to bring significant value to their shareholders, customers, and employees; and, in many cases, just to survive. According to our research, it is important that this innovation occur in all dimensions—product, process, and organization—to improve competitiveness and overall business performance. Companies can clearly differentiate themselves by demonstrating continuous innovation that consistently results in right-to-market products and services.

Innovation can occur spontaneously in almost any situation, but the ability to continuously innovate requires an environment that nurtures collaboration and allows the enterprise's

intellectual assets to be leveraged to their maximum potential. To achieve this “environment for innovation,” enterprises must be able to effectively capture, manage, and leverage their intellectual assets (often referred to as product definition information). PLM is the business strategy that best allows organizations to establish such an environment. This strategic business approach helps enterprises achieve their business goals of reducing costs, improving quality, and shortening time-to-market, through innovation in their products, services, and business operations.

Selerant’s DevEX solution suite, like other comprehensive PLM enabling solutions, supports the fundamental concepts of PLM:

- Accurate capture, at the point and time of creation, of all information related to the product and/or service, including the processes required for developing, manufacturing, maintaining, retiring, and disposing of the product
- Universal, secure, managed access and use of product related information
- Maintenance of the integrity of the product definition and related information throughout the life of the product, no matter what type of product it is, from concept to end of life
- Management and maintenance of business processes used to create, manage, disseminate, share, and use product related information

DevEX’s strength is its ability to manage an extended enterprise’s digital product-related assets. Selerant’s web-based DevEX solution can provide an enterprise with a digital highway for intellectual assets, one that ensures that the right product information is available at the right time, to the right people, in the right context. DevEX has proven its ability to enable an information backbone upon which an enterprise creates and delivers innovative products and services. Furthermore, by providing necessary intellectual assets, DevEX enables collaborative product lifecycle management work environments that bring together expertise from multiple organizations. These are environments where people can develop new, innovative products and services, and design and establish innovative business, manufacturing, and support processes. In today’s highly competitive global consumer packaged goods market this type of support is critical. Without such support many companies will find it extremely difficult to survive.

2010 was a good year for Selerant. The company’s business and technology advances were significant and they should continue to pay dividends for the company, their customers, and the consumer packaged goods market for years to come.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise’s ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. Visit <http://www.CIMdata.com> for more information.