Enterprises use Product Lifecycle Management (PLM) solutions to help manage information and processes throughout the product definition lifecycle from concept to design, during manufacturing, through maintenance, and with supply chain partners. PLM does this by documenting the product development process, and by organizing, controlling, and managing access to all product definition information, including CAD/CAM files, specifications, manufacturing process plans and programs, analysis models, test results, software, and many other types of information.

Monitor Success
Implementing a PLM solution has an economic impact on the enterprise. This impact can be positive or negative, strategic and tactical, and will involve trade-offs among quality, time flexibility, and costs. Organizations should examine all these factors, assign cost and benefits to them, and use them to measure their success with PLM.

Validate and Justify PLM Solutions
The PLM Benefits Appraisal Guide is designed to help potential PLM users evaluate the applicability and payoffs of PLM in their enterprise, and to help existing users of PLM monitor the impact PLM is having on their product programs. The Benefits Appraisal Guide simplifies these tasks by providing a detailed and methodical approach to quantitative and qualitative measurements of benefits and costs.

The PLM Benefits Appraisal Guide Includes
- Description of a benefits analysis process and methodology that companies can use to justify a PLM purchase and measure the success of a PLM implementation.
- Discussion of the types of benefits to be expected from PLM in a number of business areas:
  - Business performance and opportunities
  - Organization operation and communication
  - Staff capabilities and performance
  - Product service and quality
  - Business process support and change
- Descriptions of factors that affect the cost of owning and operating a PLM solution.
- Guidelines for selecting and measuring performance metrics.
- How to execute a cost/benefit analysis.
- Definition of a methodology that can be used to estimate:
  - Cost savings from changing how projects or product developments are executed with PLM
  - Savings from reducing the number of product changes made late in the development process (such as during manufacturing)
  - Benefits that measure improvements in product development productivity, data reuse, engineering change, collaboration, manufacturing engineering, quality, sales and service, and others
  - PLM solution acquisition, implementation, and operating costs

Focus Your Decision
PLM solutions provide a significant reduction in labor for many of the tasks performed by people working on a product program. The benefits appraisal methodology provides guidelines for computing savings for typical product development tasks and types of people who perform them. These benefits take into account managers, purchasers, and others, as well as engineers and designers.

The methods presented in the PLM Benefits Appraisal Guide are based on CIMdata’s experiences as PLM consultants performing numerous benefits analyses for prospective and existing users of PLM.
solutions as well as to monitor the on-going success of a PLM solution implementation.

**Measure Elusive Time-to-Market Impacts**

Significantly larger savings and increased revenues can result from applying PLM as a key tool within a concurrent engineering approach. The method takes into account measuring the results of applying PLM and concurrent product development to product programs.

Two areas are described in this method:

- The reduced cost of making product changes
- The benefits of a shorter time-to-market

The cost of product or engineering changes is an important factor in product costs. Two actions can reduce this cost:

- Decrease the total number of changes.
- Make changes earlier in the product development cycle when they are much less costly in terms of both time and money.

PLM solutions help control changes and provide tools that help the product team concentrate changes in the early phases of the program.

The benefits analysis method describes how to model the number and distribution of changes for a project for which PLM isn’t used and how to compare the results to an analysis of the same project with PLM being employed.

**PLM Benefits Appraisal Workshop**

**A Program for Rapid Success and Reduced Risk**

To help organizations who are actively exploring their options in PLM, or are planning to implement or expand a PLM solution, we offer an on-site PLM Benefits Appraisal Workshop that leverages the considerable knowledge and experience of our consultants with the goals to:

- Help your PLM team understand the business benefits of PLM
- Quickly estimate the main costs and benefits of a PLM solution
- Prepare a financial statement of ROI that can be presented to management

Understanding PLM benefits helps you identify needs for PLM functionality and the solutions that best support your requirements, as well as how PLM should be applied to your organization. In the PLM Benefits Appraisal Workshop we employ our PLM Benefits Appraisal methodology and a comprehensive spreadsheet model to identify many types of PLM benefits and costs, resulting in a PLM ROI. For more information please call CIMdata.

**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) solutions. Since its founding over thirty years ago, CIMdata has delivered world-class knowledge, expertise, and best-practice methods on PLM solutions. These solutions incorporate both business processes and a wide-ranging set of PLM-enabling technologies.

CIMdata works with both industrial organizations and solution providers of technologies and services seeking competitive advantage in the global economy. CIMdata helps industrial organizations establish effective PLM strategies, assists in the identification of requirements and selection of PLM technologies, helps organizations optimize their operational structure and processes to implement solutions, and assists in the deployment of these solutions.

For PLM solution providers, CIMdata helps define business and market strategies, delivers worldwide market information and analyses, provides education and support for internal sales and marketing teams, as well as overall support at all stages of business and product programs to make them optimally effective in their markets.

In addition to consulting, CIMdata conducts research, provides PLM-focused subscription services, and produces several commercial publications. The company also provides industry education through PLM certificate programs, seminars, and
conferences worldwide. CIMdata serves clients around the world from offices in North America, Europe, and Asia-Pacific.

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