How to Claim the Benefits of PLM

CIMdata PLM Leadership Webinar Series

11 December 2013
#cimdatawebinar

Jim McKinney, PLM Leadership Practice Manager
email: j.mckinney@cimdata.com
Tel: +1.734.668.9922

About CIMdata...

Strategic consulting for competitive advantage in global markets

CIMdata is the leading independent global strategic management consulting and research authority focused exclusively on the PLM market.

We are dedicated to maximizing our clients’ ability to design and deliver innovative products and services through the application of PLM.
Presenters’ Profile

Your presenters’ professional background

- Jim McKinney, PLM Leadership Practice Manager
  - Nearly 30 years of experience in almost all areas of PLM
  - Has held positions in MCAD support, PDM implementations, product marketing, training, competitive intelligence, and consulting to companies large and small around the globe
  - Holds a B.S. in Design Engineering Technology from BYU

Topics to Discuss

- PLM: A Strategic Business Imperative
- PLM In the 21st Century
- Defining PLM for Your Business
- Identifying and Selling the Value of PLM
- Fully Realizing the Value of PLM
- Concluding Remarks
What is PLM?

There are many definitions!

- PLM is exactly the same as PDM
- PLM is just one of many ERP modules
- PLM is marketing jargon, it is meaningless
- PLM is complex and impossible to implement
- PLM is the answer to all of your business challenges
- PLM is hard to understand, and very complicated
- PLM is a dirty word at our company
- PLM is too expensive for us, we are a small company
- PLM is...

CIMdata’s Definition of PLM...

PLM – integrating people, processes, information, and business systems

- Strategic business approach
  - NOT just technologies
  - Consistent set of business solutions
- Collaborative creation, use, management & dissemination of product related intellectual assets
  - All product/plant definition information – the virtual product
    - MCAD, AEC, EDA, CASE, analysis, formulas, specifications, portfolio, docs, ...
  - All product/plant process definitions – the virtual processes
    - Processes that plan, design, produce, operate, support, decommission, recycle, ...
- Supports the extended enterprise
- Spans full product/plant lifecycle, from concept to end of life
How to Claim the Benefits of PLM

CIMdata PLM Education Webinar

PLM Supports the Complete Lifecycle

...it is a business imperative, without it your company will not survive

Information is the Core of Your Business

PLM ensures accurate and complete information to enable innovation

Traditionally, the knowledge of the organization is the sum of that which is held by its people

CIMdata Leadership

This presentation is copyright © 2013 by CIMdata, Inc. Clip art may be copyrighted. No use, reproduction or modification is permitted without prior written permission. CIMdata® is a registered trademark of CIMdata, Inc.
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

PLM: A Strategic Business Imperative

Accuracy & completeness of an organization’s information is critical

- The integrity of information and effectiveness of the organization are linked
  - Integrity = accuracy and completeness of the information you use to make decisions
  - Effectiveness = the ability to respond accurately and quickly

When does your product definition become complete and accurate?

Adapted from ICM's CMII materials.

PLM’s Strategic Lifecycle Goals

PLM supports product and process innovation—improving business performance

Managing your intellectual assets throughout the complete lifecycle is critical!

This presentation is copyright © 2013 by CIMdata, Inc. Clip art may be copyrighted. No use, reproduction or modification is permitted without prior written permission. CIMdata® is a registered trademark of CIMdata, Inc.
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

Best Practice Approach: Defining PLM Strategy
Start with the strategy, working down to improve business performance

Benefits are Driven by 3 Factors
Recursive relationship among people, technologies, and processes

Existing business processes may be enhanced using PLM
New processes enhance how PLM is used
You need to change the way the business operates!
3 Key Factors
People, technologies, and processes interrelate

- You cannot maximize benefits by improving one of these 3 in isolation
- Applying new technologies in out-of-date ways just allows you to create errors & take bad decisions more quickly
- People are adept at using tools incorrectly—they have to be trained in the tools & the processes

People
Technologies
Processes

Defining Benefits
Clarify the benefits of most interest to your organization

Direct Costs
Reduce labor costs

Time
Increase profit margins

Quality
Done right first time

Productivity
Re-use of information

Other Benefits
Cultural change
Example Benefits

Example ranges of benefits based on actual experiences

- Time-to-manufacturing—10% to 50% reduction
- Engineering change process—10% to 70% reduction
- Design review process—50% to 80% reduction
- Increased productivity—10% to 20% increase
- Product development costs—25% to 40% reduction
- New part numbers—5% to 15% reduction
- Time to find information—75% to 90% reduction
- Design errors—10% to 25% reduction
- Time-to-design—15% to 70% reduction
- Travel cost for design—20% to 35% reduction

The Overall Benefits Appraisal Process

Allow benefits to drive the implementation & increase return on investment (ROI)

Benefits Appraisal for Feasibility
Do this early and speedily. Focus on education, business needs and identifying the prime benefits. This justifies the initial investment in the PLM project.

Benefits Appraisal for Implementation
The main appraisal to justify investment in the particular solution.

Benefits Appraisal for Audit of Operations
Repeat at milestones or when upgrades are proposed. Validate benefits. Feedback to improve operations.
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

A Comprehensive Benefits Appraisal Tool
Proven repeatable methodology and supporting tools

Discounted Cash Flow Example

How to Fully Realize the Benefits of PLM

PLM is important for your business (1 of 2)

- Understanding the comprehensive nature of PLM is often the first step – this requires education
- PLM benefits are real, and they can be measured and tracked
- To be successful with PLM you must consider: people, processes, and technology at the same time
- Use a repeatable methodology to track PLM success
- PLM can have a huge impact on your business
- Once your are able to measure and track PLM benefits, you can use them to improve your business
How to Fully Realize the Benefits of PLM

**Keys to PLM successful implementations (2 of 2)**

- Use a broad vision and approach
  - People want a business solution, not another system
- Educate senior management & initial team
- Support and do not undermine company culture
- Select a partner; someone who understands your business needs and has a proven solution and track record
- Scope should be well defined and understood
- Use pilot projects; the key to success
  - Pilots per discipline, or department are often possible

Success = vision + organization + process + vendor(s) + approach + environment

---

CIMdata’s Services...

**Creating, disseminating, and applying our intellectual capital**

**Research**
- Market research & analysis
- Technology research & development
- Reports & publications
- Market news
- Member services...

**Education**
- Executive seminars
- PLM Certificate Programs
- Technology seminars
- Int’l conferences & workshops
- Best practices training...

**Consulting**
- Strategy & vision
- Needs assessment
- Solution evaluation
- Best practices
- Quality assurance
- Program management
- Market planning...

*Delivering strategic advice and counsel through a comprehensive, integrated set of research, education, and consulting services*
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

CIMdata’s PLM Transformation Services
Services for Industrial Organizations—improving your PLM-related processes

CIMdata’s PLM consulting methodology—transforming your business for a competitive advantage!

A comprehensive set of services tailored to fit your specific needs...

CIMdata’s Industrial Clients...
A sampling of CIMdata’s international industrial clients (1 of 2)

This presentation is copyright © 2013 by CIMdata, Inc. Clip art may be copyrighted. No use, reproduction or modification is permitted without prior written permission. CIMdata® is a registered trademark of CIMdata, Inc.
Concluding Remarks

How to claim the benefits of PLM for your business

- PLM manages your intellectual assets (i.e., product related information)
- Your company’s intellectual assets support product and process innovation
- The approach PLM strategy results in many benefits
- Benefits must be measured and leveraged
- These benefits can be realized across the enterprise
  - They must be identified, communicated, and managed
- CIMdata can help...

The quest for PLM never ends!
Where to Start

The benefits of PLM education—getting educated!

- Prepare yourself to discuss PLM with your executives
- Increase your team’s understanding of PLM
- Help your business adopt PLM best practices
- Learn how to measure the value of PLM
- Understand how PLM can transform your business
- Learn how to plan PLM implementations
- Become a PLM expert!

CIMdata PLM Leadership

PLM Industry’s most comprehensive non-biased education & training offering

This CIMdata offering is primarily comprised of a set of well defined, assessment-based PLM education and training certificate programs. These certificate programs are available to industrial companies who are considering and/or implementing PLM, and to PLM technology and service solution providers.
PLM Certificate Program Outline

5-day, 9-session outline for PLM Leadership offering

- **Day 1:** Session 1: Introduction to PLM
- **Day 2:** Session 2: PLM Benefits & Potential Value
  Session 3: PLM Strategy & Solution Definition
- **Day 3:** Session 4: PLM Solution Evaluation & Selection
  Session 5: PLM Implementation, Monitoring & Continuous Improvement
- **Day 4:** Session 6: PLM Process Development & Testing
  Session 7: Integrating PLM within the Enterprise
- **Day 5:** Session 8: Expanding PLM Across the Value Chain
  Session 9: Configuration Management’s Role in PLM

What Others Are Saying

A sampling of feedback received from past certificate program participants

“A must attend program for anyone that is planning to participate in PLM selection or implementation activities at their organization.”
—Shinod Kumar, Edwards Lifesciences, USA

“CIMdata PLM Certificate Program has boosted exponentially my understanding of PLM and my confidence to evangelize it.”
—Rafael Navarro, Cranfield University, UK

“Wish I had this BEFORE we implemented our PLM. It will be good for continuous improvement.”
—Anonymous

“Hazy about PLM? Come to CIMdata and clarify.”
—Mrs. B. Uma Prasad, Bharat Heavy Electricals Ltd., India
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

2014 PLM Certificate Class Schedule*

Join us, and get educated about PLM

- March 17 – 21 – San Jose, CA USA
- May 19 – 23 – Boston, MA USA
- October 20 – 24 – Amsterdam, The Netherlands
- December 1 – 5 – Ann Arbor, MI USA

- Custom & on-site programs by request

Special Discount: 15% off!  
Sign up and pay by January 15th 2014

*Some dates may be subject to change

Questions?
Please use the GoToMeeting chat panel

- We’re hoping that the anonymity of the chat window might help participants ask more questions
- If you want to ask a question on the record, we’ll certainly let everyone know you’re asking
- The most important thing is interaction – let us hear from you on the call

This presentation is copyright © 2013 by CIMdata, Inc. Clip art may be copyrighted. No use, reproduction or modification is permitted without prior written permission. CIMdata® is a registered trademark of CIMdata, Inc.
How to Claim the Benefits of PLM
CIMdata PLM Education Webinar

This presentation is copyright © 2013 by CIMdata, Inc. Clip art may be copyrighted. No use, reproduction or modification is permitted without prior written permission. CIMdata® is a registered trademark of CIMdata, Inc.