Discovering the value of PLM

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The typical technology selection process

Customer Question

- Can you show me your system X and product Y software?

Our Answer

- Which capabilities are more important to you and why?

Typical Response

- Good Question!!
Your technology solution…

Should provide the exact capabilities you require to …

- Maximise **Business Benefit**

- Maximise **Business Value**

… supporting your Business Initiatives and Goals
The need for PLM is unique for each company

Configuration Management integrated with ERP contributes to reduced engine assembly time and improved product quality

Support of Regulatory Compliance by storing all standard procedures within the PLM system

Anticipated 12% boost in productivity as a result of Electronic Laboratory Notebook and Knowledge Management capabilities

Exploiting the time differences between global workplaces to get 16 to 18 hours out of each Workday through a common Global PLM Environment

Siemens PLM Software
The need for Value Discovery

For any PLM implementation to be successful you need to understand

- Your company specific business initiatives and drivers
- The barriers to achieving those initiatives
- The value PLM can bring in overcoming those barriers
- The capabilities which will provide this value

<table>
<thead>
<tr>
<th>Business Initiative</th>
<th>Barriers to Success</th>
<th>PLM Capabilities</th>
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</thead>
<tbody>
<tr>
<td>Improve new product introduction lead-times</td>
<td>Time wasted searching for correct information</td>
<td>Engineering Data Management</td>
</tr>
<tr>
<td>Reduce costs</td>
<td>Time to process engineering changes</td>
<td>Change Management</td>
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<tr>
<td>Grow revenue by 25% in 3 years</td>
<td>Lack of design-for-manufacture</td>
<td>Community Collaboration</td>
</tr>
<tr>
<td>Improve quality</td>
<td>Inaccurate Bills of Material</td>
<td>Part Classification</td>
</tr>
<tr>
<td>Increase customer satisfaction – etc</td>
<td>Islands of information</td>
<td>Engineering Process Management - etc</td>
</tr>
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The Value Approach to Evaluating PLM

Step 1: Value Discovery
- Analysis
- Knowledge
- Ideas
- Business Goals

Step 2: Define Solution Roadmap
- Prioritisation
- Roadmap

Step 3: Quantify and Measure Business Value
- ROI
- Management
- KPIs

Siemens PLM Software
The Value Discovery Analysis Process

A free of charge independent review which identifies your business impediments and the potential value of solving them through improved Product Lifecycle Management.

- Identify Executive Sponsor
- Determine Business Initiatives
- Process mapping and site tour
- VDA Interviews
- Develop feedback
- Validate feedback
- Deliver executive feedback
Typical issues uncovered

Inefficiencies and Wasted Time

- Non-value added activities
- Repetitive activities
- Manual, paper-based processes
- Excessive time spent managing compliance
- Lack of access to the right information at the right time
- Manual data entry and re-entry
- Supply chain communication issues
Typical issues uncovered

Excessive Costs

- Excessive Overtime
- Scrap/Rework
- Cost of reprographics
- Scope for commonisation of components
- Errors causing excessive change
- Reliance on 2D drawings
Typical issues uncovered

Loss of Opportunity

- Loss of business through low win rate
- Excessive RFI lead times
- Quality issues
- Lack of ability to innovate
- New product introduction delayed by compliance issues
Post-VDA Activity – Vision Roadmap

- Phase 1: Capability Value Initiative Enabled
- Phase 2: Capability Value Initiative Enabled
- Phase 3: Capability Value Initiative Enabled
- Phase 4: Capability Value Initiative Enabled

User Community

Capabilities

2007

2008
The benefit of a Value Discovery approach

- **Value Driven Deployment**
  - Increased value exploitation
  - Slower loss of value

- **Feature Driven Deployment**
  - Poor value exploitation
  - Quick loss of value

- **Repeat Value Discovery**
  - Invigorate solution
  - Exploit investment
“The Value Discovery Analysis process has informed us of the possibilities that Product Lifecycle Management (PLM) can offer, not just through improved management of design data, but on a far broader scale than we had originally anticipated. It has helped us to clarify and quantify specific business issues and the potential value to our company in solving them."

The process has allowed us to develop our vision of a PLM-enabled organisation and has given us the confidence to move forward with implementing that vision, aware of the potential business value we can achieve in doing so.”

Steve Gorrell - Director BAXI Group
Summary

Your PLM solution is the one which gives you the most …

- Business Benefit
- Business Value

… supporting your Business Initiatives and Goals

Achieving this requires a 3-step approach

1. Value Discovery Analysis
2. Solution Roadmap Definition
3. Implement and Measure Business Value