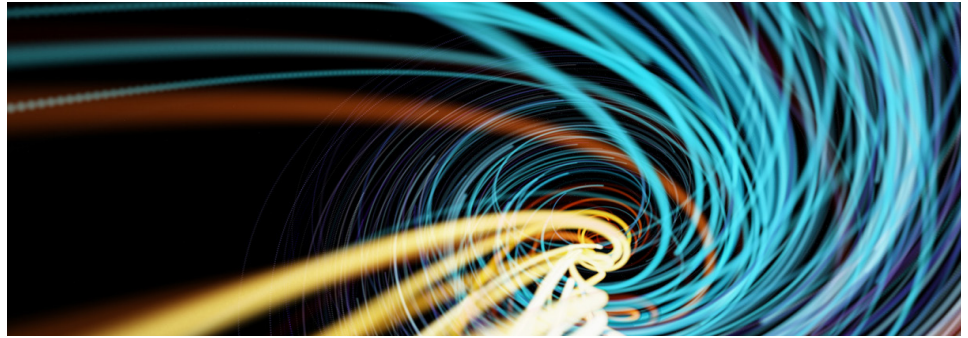## The expert view: Rethinking the product lifecycle for the digital age

Earlier this month, Business Reporter convened a group of senior industry figures at The Goring Hotel in central London, for a round table breakfast to explore how the product lifecycle needs to be recast for a digital age. In this era of instant searches, the consumer is increasingly demanding. How can brands ensure their products meet rapidly changing and personalised customer requirements, whilst maintaining quality, sustainability and regulatory compliance?

The speed of product development and the flexibility of manufacturing required to meet these demands are an unprecedented challenge, said Tim Rashbrooke of Siemens Industry Software, who hosted the breakfast. However, adopting a strategy with digitalization at its center provides consumer products companies a step-change in their abilities to execute the end-to-end product lifecycle and meet these targets.

Brian Holliday, Managing Director of Siemens Digital Factory, raised the challenge of UK productivity. He described how Siemens is working with the Made Smarter Review, part of the UK's Industrial Strategy, to help businesses rethink the way they do business. He emphasized the need to focus on productivity and process, explaining his own company's approach to this. The challenges faced by Siemens are the challenges faced across industry, he told attendees.

Demanding consumers

Customer demands are changing fast, delegates agreed, and consumer loyalty is falling. One senior food business executive said that shoppers now expect customisation, personalisation and traceability – elements that add challenges to the mass production process – whilst remaining unforgiving of errors.

An attendee from a drinks company attributed this attitude to social media, saying that the ability of consumers to communicate and share freely 'is not necessarily a friend' to manufacturers. The key challenge is to find a sustainable business point between robust manufacturing processes and fast-moving product trends. Flexibility is essential, and one solution to that is a more labour-focused workforce: "people are more flexible than mechanization."

A senior executive from a consumer goods company brought up the issue of consumer experience, suggesting a business model of 'making things more expansive, with a view on experience first and at the centre,' as a way to attract and retain these demanding customers. "Evolution in retailing," a delegate from a department store called it, saying that customers don't just want the product but also 'a glass of champagne…and yesterday's cheap pricing.'

Digitisation has made a much greater degree of personalisation possible. One delegate cited the car industry design platform, which enables customers to select customised details for their purchase. This makes the product easily accessible – and more attractive – to customers, without affecting the quality.

Developing processes

This desire for an experience, in addition to a reactive product that is quick to market, has a real impact on production costs. "Commodity and substance requires us to charge a bit more," said a delegate from a drinks company. It means more wasted time reiterating a product brief to get it accurate. "Not getting it right first time is very expensive," agreed a senior executive from a food manufacturing company, "even more so if the product doesn't stick."

The conversation moved on to discussing effective ways to speed up the product development process. An executive from a multi-brand business said there is plenty of

SIEMENS
Ingenuity for life

For more information visit
www.siemens.com

"There's a balance to be found between risk to the brand and employee creativity"

raw talent available to deliver new products at speed. The challenge they posed was to enable speedy development within their business, without setting parameters too tightly for what was needed. Delegates agreed that younger teams aren't hampered by 'wisdom' and determination makes them agile.

They also bring insight into the market which might otherwise be lacking. "The generation below think completely differently to our generation," said one delegate from a component distribution company. A representative from a fabric manufacturer agreed, saying "senior management don't necessarily consider what's market demand."

There's a balance to be found between risk to the brand and employee creativity. A representative from a consumer product company said the challenge was to make products accessible to consumers while maintaining quality and regulatory compliance. Regulation and accountability can help mitigate the risk, whilst an entrepreneurial approach can enable acceleration of the product lifecycle. A drinks company executive gave an example: last year it took just nine weeks for their company to develop and launch a new product. At that speed companies can react to market trends but quality had to be at the forefront of their minds.

Product development isn't the only stage that could be more flexible. A delegate from a global manufacturing company introduced the idea of collaborating with competitors on the supply chain. "We don't compete on a lorry or on a boat," he said, "even though that is the first step to market." Major supermarket chains all have fleets of vehicles which are empty on return. Digitisation and technology has the potential to create a faster, more flexible supply chain that "does what we want", agreed a senior representative from a drinks company.

Taking the final step along the product lifecycle, one delegate cited the collaboration between Coca Cola and Pringles which produced insightful data about customers' buying habits, particularly around purchasing certain products together

Learning from data

Delegates agreed that working closer with consumers gives businesses data that helps them ensure their products meet real needs. Counting the clicks on online products has helped a toy business see where the real consumer interest was, enabling them to meet demand more accurately.

A representative from a biopharmaceutical company pointed out that data brought its own challenges. With so much information available, it can be hard to analyse quickly enough to react to the customer in a timely fashion. There is also the issue of privacy and consumer perception: "We cannot access patient data, but a patient is willing to wear a smart bracelet that is tracking their heart rate. The customer is comfortable for the Fitness Industry to have their data, but when it comes to medical history they worry."

Brian Holliday agreed, citing the recent speech by the Prime Minister about the AI industry, in which she said that 50,000 cancer patients could get treatment earlier if AI was allowed to do data analysis and go through a digital process.

Ben Sheath of Siemens Industry Software concluded the breakfast by pointing out that whilst many consumer products businesses were investing heavily in digital tools for engaging with their customers, many were then behind the curve when it can to adopting digitalization in the product development and delivery processes where the promise made to the consumer is ultimately satisfied.