Business Process Transformation and PLM, Part 1: Three Signs of Misalignment

by Traci Stapleton and Greg Adkins

For retailers and footwear and apparel brands, product lifecycle management (PLM) can transform business processes, helping to condense cycle times, reduce compliance risk, and improve the bottom line. An effective PLM solution will centralize the materials database and enable aggregation and collaboration across categories and brands. Additionally, PLM can ensure compliance within the development cycle, permitting only pre-approved suppliers and materials to be assigned to styles.

It is, however, important to realize that a software tool alone cannot deliver these benefits. Without sufficient planning up front to address process design and organizational change, PLM runs the risk of being no more than another data base. Retailers and brands should first develop an overarching process improvement and transformation strategy that addresses people, processes, and tools, then optimize the business processes for product development, and finally implement a PLM system to sustain and support the process.

In reality, PLM solutions are often implemented without strategy in place, creating process and system misalignment. Part one of this two-part series will outline the most common symptoms of a misaligned system, all of which result in companies not meeting their PLM objectives.

Sound a little like you? Want to avoid these problems? In part two of the series, we will address how to overcome these issues and maximize the impact of streamlined business processes and PLM.

Common Symptoms of a Misaligned PLM System

1. **Rampant Work-Arounds**
   When a PLM tool goes live after limited strategy and process design work, even well-meaning end users will figure out how to apply their old habits within the new framework. For example, in order to reduce social compliance risk, a custom product should not be sampled with a supplier that is not approved through the company’s vendor compliance and sourcing team. To prevent this, the system can be designed so a supplier that is not yet approved CANNOT be assigned to a product. Therefore, the product cannot be sampled through that supplier. However, a common end user work-around might be to set up the product in the PLM system, then download and email the product data with an email sample request. This work-around clearly identifies a gap in system adoption, and exposes the brand to compliance risk, as well as potential delivery issues if the product is developed with the supplier and the supplier is not approved on time.

2. **Poor Process Discipline**
   PLM allows product development teams to define a series of independent and dependent workflow tasks with a specific owner for each task. System dependencies should reinforce the business process redesign and give management the visibility to ensure program adoption. However, if the workflow tasks, dependencies, and roles are defined in the system without a full understanding of the impact to the business, then these tasks will probably serve as roadblocks to the development cycle. For example, in line planning, the design team’s ability to create products should primarily be driven by merchandising’s need for SKUs of certain pre-defined product attributes. When styles are created outside of the conceptual line plan, resources are squandered on fruitless work as the styles don’t fit the merchant or business needs. PLM can support the business process by ensuring that style creation is systematically dependent on the line plan.

3. **Product Data Stored Outside of the System**
   The leading objective of many PLM implementations is to centralize product documentation, creating a common reference for internal and external partners. Business process rules should state - and PLM should reinforce - that a product can only be approved if its data record is complete. This means that all materials, colors, and suppliers of the product must be approved. If a product is able to be finalized in the system even with critical product data missing, then there is risk that a user will miss inputting that data into the system, resulting in data that is inaccessible to a vendor or cross-functional team member.

These detailed symptoms demonstrate poor system adoption and point to the misalignment of PLM with the business process. If you experience any of these symptoms, you are at risk of poor integrity in development and reporting, and ultimately, a PLM investment that is worth little more than a digital filing cabinet. Part two of this series will offer leading practices to lower these risks through proper business process re-design, change leadership, and follow through business support, overall increasing the benefits of the process refinement and PLM solution.
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