How to: Convince Executives to Invest in PLM

by Karla Torres

Your product lifecycle management (PLM) program won’t even start until you have secured financial capital and executive support, and there’s a right way and a wrong way to build a compelling case for change. Some elements of creating a compelling need are obvious (ROI, costs/benefits, etc.), but here are some things many people overlook.

Set a Strategic Mindset

When treated as a strategic enabler, PLM will help transform people, processes and technology to help the organization achieve goals for innovation-driven revenue growth. Understand and align your business case with the organization’s objectives and leadership goals. This shows that you are paying attention, but also focuses efforts so you’re more likely to deliver positive financial results.

Articulate the Cost of the Status Quo

A compelling case for change must showcase not only the benefits of a program and what a successful end state would look like, but also create awareness of the risks of not making an on-time investment. You can represent this as:

- Loss of margin
- Reduction in market share
- Displacement by competitors

Ultimately, executives should feel at risk if they don’t make an investment.

Show them the Money

Don’t forget to articulate measurable costs and benefits, allowing executives to realistically understand how the PLM program combines strategy and technology to transform existing pain points into real opportunities. Derive and articulate accurate estimations of economic value from the business capabilities you propose to implement, including productivity, efficiency, time, quality, cost and demand.

Communicate, Communicate, Communicate

Create an environment where executives can fully articulate the intricacies and purpose of the program with confidence. Understand and communicate expectations and risks for the entire program. Create alignment with executives as you work together to focus on designing the capabilities (people, process, and systems) required to address the risks and meet organizational and business challenges.

If you are planning a PLM investment, take a step back and create a compelling need for change. Secure executive and financial support with a value proposition that reliably forecasts results – strategic results, operational results, and ultimately financial results.

More Reading

- How to Create a Compelling Case for Change
- PLM @ McDonald’s: The Cost of Not Implementing PLM
- Show Them the Money
- Top Six Things about Retail PLM Transformation Part 1: PLM Transformation is Strategic
- Implementing PLM? Three Steps for Keeping it Simple
- How To: Drive Leaders to Embrace Innovation Change
- Want to Succeed with PLM? Implement One Step at a Time
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Karla is a Manager with Kalypso who's fluent in three languages and Hawaiian dancing.