PLM Power #6 – Value Orientation

by Bill Poston

Successful PLM programs can articulate their value to the organization in strategic, operational, and financial terms. The program business case is used to guide priorities, make scope decisions, and keep the team focused on the business objectives of the program. Time to value should be short and the investment - return curve should be shallow.

Having a value orientation is easy during the program justification phase. It becomes increasingly difficult as the project team becomes mired in detailed solution design and the mind-numbing task of data clean-up. When value is the criterion by which decisions are evaluated, the probability of program success goes up.

An orientation toward value always considers incremental costs when addressing scope changes and “minor” tweaks to the solution. The business cases for these scope increments are often easy to make in isolation, but become almost impossible to justify when you account for the full cost of program delay and in the increase in execution risk. Use the business case to guide, not just justify, the program.

The best programs establish clear value metrics, establish baseline performance, and invest in the creation of tracking mechanisms. These tactics shine a light on the strategic business drivers and force the team to consider the impact of design decisions on the key indicators of business success.

Never lose sight of the program’s reason for being. These days you need more than a good elevator pitch. PLM value propositions should fit on a couple of bumper stickers that are always visible.

More Reading

- PLM Power – Critical Success Factors
- PLM Power #1 – Solution Simplicity
- PLM Power #2 – Speed of Execution
- PLM Power #3 – Program Management
- PLM Power #4 – Business Sponsorship
- PLM Power #5 – Engaged Governance
- PLM Power #6 – Value Orientation
- PLM Power #7 – Transformation Leadership

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