

Business Process Transformation and PLM, Part 2: Three Ways to Maximize Your Investment

by Traci Stapleton and Greg Adkins

In the early stages of identifying an appropriate product lifecycle management (PLM) solution, retailers typically establish objectives that often include cycle time reduction, risk management, and increased profitability. Often times, though, executives find that two or three seasons after a PLM system goes live, they have yet to reap any of these benefits.

[In part one of this series](#), we identified the symptoms of poor process and system alignment that cause retailers to not realize the full value of the PLM investment: rampant work-arounds, poor process discipline and product data stored outside of the system. In terms of maturity, it doesn't matter whether a retailer has just gone live with a PLM solution or if they have been working with the solution for several seasons - if the symptoms are treated, retailers can increase PLM's impact by delivering value to the business and decreasing business risks.

There is a common cause for missing PLM benefits: PLM is often implemented as a tool, not a business solution. So, how can you reduce these risks before you go live with PLM? If the system is already live, how can you maximize the value of your investment to date? Here are our top three suggestions.

Maximize Your Investment in PLM

1. Business Process Transformation

When diagnosing areas for improvement, gap analysis is critical. Start by defining current business practices to understand complex activities at the task level. Pain points will surface from the user groups and opportunities for improvement will become clear. Are different vendors sourcing the same components from the same suppliers, but your organization lacks this visibility? If you could aggregate these purchases across categories or brands, you may realize a significant cost reduction. There is no 'one size fits all' approach; working from the current state and identifying areas for improvement while reconciling the opportunities for improvement with the out-of-the-box application or technology solution will drive the definition of the desired future state. Alignment of business process with the PLM solution will ensure integrity and consistency of the optimized process across categories and brands.

2. Change Leadership

Understanding current business processes is just the first step in a multi-phase change leadership program. When subject matter experts and project team members partner to document processes, efficiency and collaboration opportunities quickly surface. Subject matter experts act as catalysts to the groups they represent as they share the vision of enhanced business processes and solutions.

Communicating the message of the organization's vision, benefits, and change impact is the driving role of the change leadership communication plan, ensuring that end users understand the benefits and the impact of the change to their daily activities. The message should be a top-down approach where end users hear about the benefits and impact from the leaders in their group, rather than a third party. Often the high level business benefits are communicated without the role-level benefits, or the end users lack clarity about the changes to their role. While end users will hear about cycle time reductions (business benefit), they might not hear that pre-approved materials will mean fewer re-works late in the development cycle (role benefit). When end users understand the total business benefit as well as the "what's in it for me?," they are more likely to respond positively to the transition and adopt the total solution.

Lastly, as the system nears go-live and users are trained, the training should not be limited to the software itself, but also to the new roles, responsibilities, and business processes that were defined as the desired future state. Training that is specific to each role and that correlates to relevant business scenarios helps users understand how their system tasks fit into daily business activities.

3. Closing the Loop

All throughout system and process development - from current and future state definitions and gap analysis to system and process alignment - the project team should maintain close contact with the business to ensure the integrity of the defined business processes. User acceptance testing reduces risks and increases adoption, so it is essential prior to putting the system in production. Through collaborative testing, users will understand the end-to-end solution as it integrates with the product development process, and the impact of their role and tasks on future dependencies.

Collaboration is critical to change leadership and end user buy in, so it should not stop once the system is live. The project team should work closely with user groups through the change to ensure adoption. Are there tips within the new system that can be shared across teams or functions? Is there a part of the process transformation that is not clear? Close interaction between the project and user teams helps to maintain accountability for the vision and process transformation. This will be the difference between achieving and failing at the defined objectives.

The integration and adoption of a PLM program can only occur when business processes and systems are aligned with the same vision and support the same objectives. Implemented as a stand-alone technology, PLM's benefits will be very limited. A strategic PLM solution requires a collaborative effort across teams and functions, with a unified vision to improve and streamline the business processes that are supported by technology.

Read part one of the series

[Business Process Transformation and PLM, Part 1: Three Signs of Misalignment](#)

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