As product lifecycle management (PLM) adoption has gone global, more companies are beginning to take advantage of features well beyond managing CAD, and the potential value has increased dramatically. Of course, any high-value enterprise solution tightly linked to broad business objectives also brings big issues and challenges. Companies expect to accomplish a lot with PLM, but so far, results have been mixed.

At PlanetPTC Live this year, I attended a session presented by Rob Leavitt of PTC called “Delivering on the Promise of PLM: Key Success Factors for PLM Strategy, Implementation and Adoption.” The survey and research, conducted by PTC and Tech-Clarity, highlights key PLM success factors that separate high-performers from the rest of the pack. They interviewed 190 senior business and IT leaders in April 2012 about their experiences with PLM.

The goal was to understand key success factors in planning, implementing, and adopting PLM solutions in complex manufacturing environments. The survey highlighted four issues: PLM strategy and approach, programmatic challenges, implementation and adoption techniques, and adoption.

The research shows that most companies are achieving their goals for operational improvements, including consolidation of information systems, improved internal communication and standardization of business processes. The PLM high-performers were also able to achieve important business objectives, including improved time-to-market, improved product development efficiency, and reduced product costs.

How did they do it?

- They established a vision and strategy for PLM that aligned with business strategy
- They increased PLM’s scope across a higher number of processes and departments, viewing it as a business transformation, not just a technology implementation
- They paid close attention to people and culture to improve executive buy-in and end user adoption

Vision and Strategy

PLM strategy is about more than just selecting a technology – it’s about knowing your destination before you start the journey. It requires a comprehensive understanding of business processes, organizational structures, product development strategies, and people needed to make your business work.
Companies with a well-defined strategy and roadmap will achieve optimal results. The leaders we’ve seen have been able to:

• Define the business problem in strategic terms
• Identify the business objectives for PLM
• Create a clear, multi-faceted business case and strategic imperative
• Architect a simple, integrated, platform-independent PLM solution
• Select a PLM platform and complementary software providers
• Align stakeholders on the goals and objectives of the program
• Develop a phased implementation roadmap

The research (figure 1) showed that the high-performers aligned PLM strategy with business strategy, developed executive agreement on value, and used detailed roadmaps to plan and measure PLM implementation value.

It’s really not surprising that leading companies identify a future state to achieve from PLM, and tie that vision back to the overall business strategy. PLM yields transformational improvements for companies that have stuck with their strategy and viewed their programs as long-term journeys.

**PLM as Business Transformation**

To ensure that PLM creates the most value and delivers the most significant return on investment, companies should move from a systems installation mindset to a transformational program approach. Leading companies with a “vision-driven” approach are significantly outperforming those that view their programs more tactically, and are delivering significant top- and bottom-line benefits. More importantly, they are outperforming their peers that are taking a more tactical approach.

We’ve seen PLM high-performers employ an implementation preparation program that includes the following steps:

• Assess and gather PLM requirements from engineering, sourcing, supply chain operations and program management
• Define an integrated PLM strategy based on strategic imperatives that includes people, process and technology
• Educate and align the organization on a simple, integrated PLM vision
• Engage users in refining a clear, multi-faceted PLM business case
• Scope and plan a PLM program roadmap and a flexible, incremental implementation approach
• Execute phase one of the implementation, consolidate gains and then move forward
People and Culture

People are the fabric that makes your organization successful and every company’s organizational needs are unique. Executive buy-in is important, but leaders must move a step beyond this to take charge of the PLM implementation, so they can inspire, motivate and lead teams to improve.

In an interview with Rob Leavitt on PLM Advocacy, Kalypso’s Cynthia Ridley says, “Everyone knows that executive sponsorship is important. But simple sponsorship is not enough to ensure a successful program with real business impact. The real challenge is having executive advocates that are passionate about the initiative being successful, that constantly share their vision, and that make it important to their direct reports.”

According to Ridley, the vision is just the beginning. Companies also need to understand how to bring the organization through a major change, which usually means building out maps of stakeholders, looking at the impact of the new solutions on them, identifying advocates, understanding how to influence different stakeholders, and building the right relationships at the executive level. Highly intelligent PLM users do not often behave rationally when faced with changes resulting from a new PLM system.

The research reinforces this, as the high-performers were more likely to have developed a strategic plan for training and adoption, built awareness of the need for change, and customized their training programs (figure 2).

Succeeding with PLM

The PLM strategy development process is not terribly complicated. The single largest barrier is the inherently cross-functional nature of a broadly scoped vision. Building alignment across multiple organizations involves communication, collaboration, cooperation and compromise.

For companies that already have a PLM platform in place or an implementation program underway, it is not too late to consider taking the strategic approach. You may actually be ahead of the game. With a strategy in place to evolve PLM capabilities, the ROI on subsequent phases is often higher than the return on the initial implementation.

The good news from the PTC and Tech-Clarity research and from our experience is that leading companies are enjoying tremendous ROI from PLM. They have done so by clearly defining a firm vision, articulating the strategic imperative, and taking an incremental yet comprehensive approach to all of the dimensions of PLM, including people and culture.

For more information, check out PTC’s eBook version of the research results.