In this blog series, I provide insights as to why PLM has true potential to be so transformational for life sciences companies, but many aren’t getting there. In this entry, I’ll revisit the topic of PLM vendor selection, diving deeper into how PLM vendor selection and PLM strategy should tie together.

Sometimes I see companies make the mistake of picking a vendor and then developing a PLM strategy. Here’s what I have seen happen, much too often.

Some crisis has occurred. For example, lagging sales, margins trending lower, missed opportunities in emerging markets, an FDA-issued 483 form or warning letter, expensive recalls, or declining market share. The knee jerk reaction is, “We need better systems to improve innovation/quality/fill-in-the-blank business driver.”

A well-intended, enthusiastic executive recommends that PLM is the new answer. I love those people of course; it’s that energy that provides the spark. But here is what happens so often: the idea gains traction, excitement builds and a sponsor is appointed and given some budget. Sometimes, this champion doesn’t have adequate qualifications in the processes that will be automated in the near term, or has little understanding of PLM technology. Vendors are invited in and conduct scripted demonstrations. After a lot of time and effort, a favorite begins to emerge.

Next, purchasing gets involved and insists an RFP is issued. The champion does his or her best to write the RFP, but it’s filled with idealist or highly specific concepts that may be unrealistic. Often the requirements aren’t well constructed, are too vague or are impossible to address. The vendors do their best to respond, despite their frustration. Vendor sales reps do their utmost to develop a relationship with the champion; all well
intended, all good. Hungry for a deal, vendors compete furiously and ultimately a system selection is rewarded.

Throughout this entire process, the focus is not on the business transformation required to solve the crisis or compelling need. Instead, the focus is on buying a PLM system. Because there is a weak link to the problem the company is trying to solve, the selection is misguided, and lacks a PLM strategy based on business needs.

In these cases, even after the vendor has been selected, the problems continue. Suddenly the company realizes that PLM is complex, so an integrator is hired to configure and install the solution. At this stage, the company may still have inflated expectations, and at the same time, an unrealistic budget and schedule.

A good integrator will seek to better understand the history and possibly push back on the assumed roadmap, recommending the company develop a strategy. But with licenses already purchased, they may be still stuck with a potentially mismatched solution.

If this scenario sounds anything like the journey you are on, please reconsider!

You should always develop your business strategy focused on solving product leadership and innovation challenges, and then develop a PLM strategy, before selecting a vendor. Remember that the first release is likely focused on core product data (something most the vendors can do quite well), but all releases beyond that are where the real differentiators between the vendors come to light.

You should know what PLM platform capabilities will best achieve the business outcomes your organization needs in both the short and long term. You will be operating from a much better, more informed position (reread entry 9 for specific steps to get prepared). Only then should you go through a vendor selection process. You will be able to find a vendor that best fits your needs, and you will be set up for a future that allows you to achieve the full value of PLM in life sciences, while being able to meet and exceed near term business goals.

Dive deeper into the debate on software or strategy first: Which Came First, the Innovation Process or the Software Tool?

More In This Series

The Missed Opportunity and How We Can Overcome It

- PLM, the Great Missed Opportunity in Life Sciences
- PLM Pioneers
- Adoption Obstacles
- It’s Time to Get Excited About PLM in Life Sciences

The Business Benefits

- Risk Reduction
- Cost Reduction
- Innovation Enablement
The Basics of Technology and Strategy

- Technology Choices
- The "PLM Program" is Where We Went Wrong
- Getting to a Business Transformation Strategy (with an Emphasis on Product Innovation)

PLM Strategy

- Setting the Stage and First Release
- Beyond the First Release
- Automation Initiative Prioritization and Grouping

Solving Coming PLM Strategy Problems

- Time and Cost
- Upgrades
- To Build or To Buy?
- Vendor First or Strategy First?

Making it Real – People, Governance and Methodology

- Transformational PLM is Hard – It’s Time to Rally the Troops
- Amazing PLM Governance
- Ten Traits any PLM Team Must Have
- Three Characteristics of a Successful Implementation Methodology

Originally published on September 3rd, 2015

What’s your view? Add your question or comment

Share
  Share on Facebook
  Share on Twitter
  Share on Google+
  Share in Email
  Download PDF
About the Author

Dave Hadfield

Dave has over 24 years of experience helping life sciences companies achieve breakthrough outcomes by transforming their organization’s ability to represent their products digitally.

More Viewpoints by Dave Hadfield

Recommended for You

Related by Topic

The “PLM Program” is Where We Went Wrong