



PLM Interest Group

The PLM \$Value Initiative

A vendor-led program to establish
a quantified Board-level PLM value framework
for US companies by the end of 2013

PLM in the USA

It is now widely accepted that the PLM viewpoint amongst North American user companies is significantly different to that of their European counterparts. In the USA, business improvement methodologies have much less traction than the drive for the \$ bottom line.

As PLM is so difficult to define in dollar terms, this results in a reduced take-up of PLM ideas and applications in America. A large percentage of companies are simply under-applying PLM.

Metrics are Not Enough

The challenge is more than simply to provide a set of figures. Cost saving ideas are being presented to the Board all the time, and the response is often: "Why should we care about this?"

There needs to be a concerted effort within the PLM industry to develop and present an incontrovertible case for the value of PLM, that overcomes all of the reasons for inertia a Board can call up.

The Dream of a Reference Model

The industry has been here before. In 2006 the PLMIG was supported in the quest to develop a 'PLM Benefits Reference Model', that any company could refer to in order to find out what they could expect to achieve by implementing PLM. At the time, the challenge of creating such a Model was too great, but six years have passed and there are now new ways to achieve the same goal.

The Benchmarking Mechanism

The PLMIG *PLM Benchmarking Handbook* has a proven methodology that generates hard comparative data about PLM, and also generates an intense wave of PLM understanding and support as it is applied within a company. During the first half of 2012 a number of European companies came together to formalise how it could be used within a Governance Benchmark of major companies. The preparation phase has started to launch this user-based Benchmark during 2013.

In the USA, the plan is to enable PLM vendors to support and enthuse their customers by offering them the chance to take part in an exclusively American program.

Leveraging the PLMIG

In mid-2012, the PLMIG announced a series of workshops to resolve the issue of PLM-ERP within six months. The program will deliver the industry-standard *PLM-ERP Handbook* by January 2013.

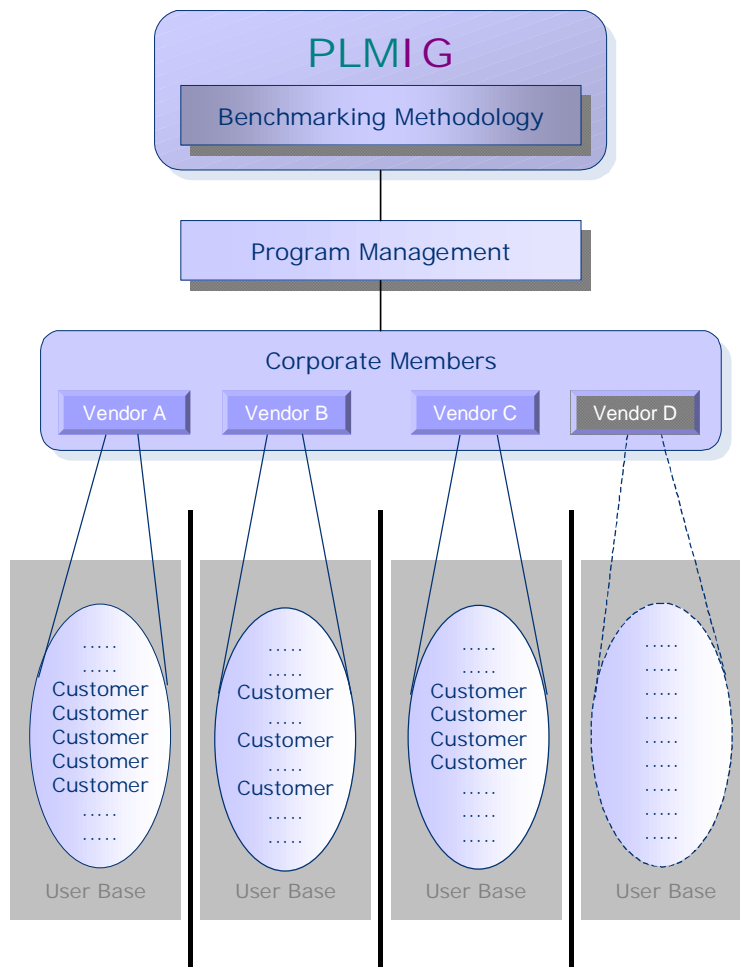
This same ability to deliver results can be applied to the area of PLM Value. In effect, there will be what amounts to a 12-month, pan-American workshop that will show user companies why they should implement PLM, and present the dollar-based case by December 2013.

Leveraging Vendor Support

The *PLM \$Value Initiative* is based around the concept of vendors deepening their support for their customers, using direct interaction to highlight where each customer can improve the value they achieve from PLM, within a program that develops the compelling business case.

Program Structure

The PLMIG launches the *PLM \$Value Initiative* and the body of results that will be achieved by the end of the program. The PLMIG provides the Benchmarking tools, documentation and program management.



Participating vendors, joining the PLMIG as Corporate Members, extend the offer of free participation in the program to any or all of their users. Participating users get a structured, informative and easy-to-follow assessment of their drivers, capabilities, and areas of opportunity; and as the program continues this builds naturally into a bespoke justification for what they should do in 2014.

Meanwhile, in the wider scenario, the coordinated program management and cross-processing of results builds the overall metrics structure and the final \$Value framework.

Program Features

It is very important that the \$Value program is a nurturing, non-competitive environment. In addition to the normal IP protection and confidentiality that are a prerequisite for studies such as this, the program features include:-

- each vendor leads the interaction with their own customer base, so no cross-selling
- easy user participation - light or deep involvement as preferred
- no 'league tables' of vendor performance
- no 'leaders and laggards' amongst users

The aim is to show where PLM opportunities lie, and construct the business case that will be approved to achieve them. From the point of view of each user company, all they see is their vendor helping them in a non-selling way to learn from the PLM implementations of other users right across the USA.

Why the USA?

Because the PLM landscape is right for this. Nowhere are costs more visible, and value more demanded, than in America. If we get the \$Value right here, the metrics will work all over the world.

And because focusing on the USA creates a news profile that will build continually throughout the year.

Why Corporate Membership?

Corporate Membership of the PLMIG puts vendors on a par with user corporations that may participate in the parallel Governance Benchmark, and will form a new industry grouping that can be a proactive force for PLM development.

What are the Costs?

Corporate Membership of the PLM Interest Group costs \$45000 for 2013, and includes the right to embody any or all PLMIG material in products and services.

More Details

You can request more information via dollarvalue@plmig.com, or by contacting Roger Tempest on +44 1865 880495.