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PLM-Enabled Digital Transformation Benefits Appraisal Guide

Financial Justification of PLM Investments to Support Digitalization Strategies

Enterprises use Product Lifecycle Management (PLM) solutions to support their digitalization strategies because PLM helps digitally manage information and processes throughout the product definition lifecycle from concept to design to installation, manufacturing and throughout maintenance, with supply chain partners, until a product is retired. PLM does this by documenting and automating the product development processes and by organizing, controlling, and managing access to all product definition information, including CAD/CAM files. specifications, manufacturing process plans and programs, analysis models, test results, software, and many other types of information—creating the context of a digital thread.

Monitoring Success

Implementing a digitalization strategy enabled by a PLM solution has an economic impact on the enterprise. This impact can be positive or negative, strategic, tactical, and will involve trade-offs among quality, time flexibility, and costs. Organizations should examine all these factors, assign costs and benefits to them, and use them to measure success with their digitalization strategy.

Validate and Justify PLM Solutions

The PLM-Enabled Digital Transformation Benefits Appraisal Guide helps potential PLM users understand the applicability and payoffs of implementing a digitalization strategy by assessing the benefits of enabling PLM in their enterprise and helping people monitor the impact PLM is having on their product programs. The PLM-Enabled Digital Transformation Benefits Appraisal Guide simplifies these tasks by providing a detailed and methodical approach to quantitative and qualitative measurements of benefits and costs.

The PLM-Enabled Digital Transformation Benefits Appraisal Guide

This 100-page Guide presents information on how to evaluate the use of a PLM solution strategy to support enterprise-wide digitalization and improve business operations.

- A description of a benefits analysis process and methodology that companies can use to justify PLM and measure the success of a PLM implementation.
- Discussion of the types of benefits to be expected from PLM-enabled digitalization in a number of business areas:
 - Business performance and opportunities
 - Organization operation and communication
 - Staff capabilities and performance
 - Products, services, and quality
 - Business process support and change
- Definition of cost factors related to owning and operating a PLM solution.

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- Guidelines for selecting and measuring performance metrics.
- How to execute a cost/benefit appraisal.
- Definition of a methodology that estimates many benefits and costs including:
 - Savings from changing how projects or product developments are executed
 - Savings from reducing the number of product changes made late in the development process (such as during manufacturing)
 - Benefits that measure improvements from digitalization—product development productivity, data reuse, engineering change, collaboration, manufacturing engineering, quality, sales and service, and many others
 - PLM solution acquisition, implementation, and operating costs

The methodology presented in the Guide draws on CIMdata's experiences as digitalization strategy and PLM consultants performing numerous benefits analyses for prospective and existing users of PLM.

Focus Your Plans

Digitalization and PLM solutions significantly reduce the labor for many of the tasks performed by people working throughout product programs. The benefits appraisal methodology provides guidelines for computing savings for typical product development tasks and the people who perform them. These benefits apply across the organization.

The costs of selecting, implementing, and operating PLM solutions to support digitalization are also explored. Guidelines for determining many of the costs associated with a PLM solution acquisition are presented.

Labor reductions and acquisition and operating costs are summarized into a single, easily understood ROI that can be used to justify new solutions or enhancements to existing solutions as

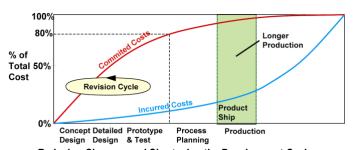
well as to monitor the on-going success of a digitalization strategy.

Measure Elusive Time-to-Market Impacts

Significantly larger savings and increased revenues can result from applying digitalization as a key strategy that supports a concurrent, collaborative engineering approach. The methodology takes into account measuring the results of applying PLM and concurrent product development to product programs.

PLM solutions help control changes and provide tools that help the product team concentrate changes in the early phases of the program.

The effect of the reduction in the time and cost



Reducing Changes and Shortening the Development Cycle
Can Increase Production

required to make changes is described in terms of cost reduction as well as shorter time-to-market. This results from a reduction in the time spent in the phases between product conception and production. A factor for the increased revenue value of a longer production phase can then be applied to compute the resulting increase in profit for the program.

The results of this type of analysis can be combined into an overall benefit presented in terms of increased revenue over a multi-year period. A rational approach to justifying and monitoring the use of PLM solutions is provided.

PLM-Enabled Digital Transformation Benefits Appraisal Workshop

A Program for Rapid Success and Reduced Risk

For organizations actively exploring their options in digitalization enabled by PLM, or planning to implement or expand a PLM solution, CIMdata offers, for a fee, an on-site PLM-Enabled Digital Transformation Benefits Appraisal Workshop that leverages the considerable knowledge and experience of our consultants with the goals to:

- Help your team understand the business benefits of PLM.
- Quickly estimate the main costs and benefits of a PLM solution suite.
- Provide guidance on the range of benefits reported by organizations in many areas.
- Prepare a financial statement of ROI for presentation to management.

Understanding PLM benefits helps you identify needs for PLM functionality and the solutions that best support your requirements, as well as how PLM should be applied to your organization. In the PLM-Enabled Digital Transformation Benefits Appraisal Workshop, we employ our PLM-Enabled Digital Transformation Benefits Appraisal methodology and

our continuously evolving, comprehensive model to identify many types of PLM benefits and costs scheduled over a multi-year period, resulting in a PLM ROI. For more information, please call CIMdata. Note: The workshop is not included in the price of the PLM-Enabled Digital Transformation Benefits Appraisal Guide.

The PLM-Enabled Digital Transformation Benefits Appraisal Guide is available for purchase for US\$1,995. For more information, please visit www.CIMdata.com or call +1.734. 668.9922.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design, deliver, and support innovative products and services by identifying and implementing appropriate digital initiatives. For forty years, CIMdata has provided industrial organizations and providers of technologies and services with world-class knowledge, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) solutions and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and education through certificate programs and international conferences. To learn more, visit www.CIMdata.com or email info@CIMdata.com.