

COMMENTARY



On AberdeenGroup's research report, *Profiting from PLM*

PILOTING YOUR WAY TO PLM PROFITS: ENGAGE THE ORGANIZATION OR RUN THE RISK OF FAILURE

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Rapid prototyping using solid freeform fabrication has become a popular technique in product design. Prototyping allows designers to receive customer feedback and create multiple design iterations without the expense of scale production. Applying this concept to the design of your PLM solution can deliver similar benefits, especially when it is implemented as part of a comprehensive plan to engage your organization in the development process.

AberdeenGroup's recent research report "Profiting from PLM" identified "conference room pilots" as a technique that Best-in-Class firms were almost four times as likely to adopt as companies that lag the average in delivering benefits from their PLM programs (Figure 1). Additional characteristics of successful programs are likewise designed to engage the broader organization in delivering on the goals and objectives of the implementation.

CHARACTERISTICS	LAGGARD	INDUSTRY AVERAGE	BEST-IN-CLASS
PROCESS CHARACTERISTICS			
Conference Room Pilot	11%	25%	42%
Executive Goal-Setting/Workshop	26%	56%	65%
Pilot Implementation before Rollout	28%	54%	60%
Formal Change Management/Training Program	37%	51%	58%

Figure 1: AberdeenGroup, Profiting from PLM: Strategy & Delivery of the PLM Program, July 2007.

Conference room pilots (CRP) are a great way to solicit feedback from internal and external constituencies whose support is critical to success. Giving users the opportunity to get their hands on the solution and "take it for a test drive" will provide the implementation team with insight into what people like and dislike about the proposed design. In some cases, it may be appropriate to make changes to the design immediately and create a new "prototype" of the solution on the spot. That type of rapid response to feedback will be well received. If a suggested change cannot be made, the pilot will, at a minimum, provide the team with information about the elements of the PLM solution design that are most likely to be resisted by the user community upon implementation.

Conference room pilots must be well executed to be effective. We recommend holding more than one CRP to ensure that revisions to the design are validated by the participants. If the organization is looking to make a "transformational" change to its fundamental approach to product development, then multiple CRPs are essential to reframing the discussion away from system functionality to the overall change in business approach. This will result in higher rates of adoption and less rework typically found with other development methods.

All this CRP validation work requires the commitment of time of critical resources that have both an intimate knowledge of the business process and a clear understanding of the new vision. These people are much more likely to anticipate issues and provide useful feedback on the solution, but they are hard to schedule. Many companies simply cannot afford to have these subject matter experts (SME) completely dedicated to the program. The CRP strategy must balance the day-to-day operational needs of the business with program requirements for time.

Getting the right number of the right people in the room at the same time may be difficult. The program team must be creative in using the time of critical SMEs wisely and careful not to waste users' time. A poorly executed CRP can create unintended hurdles to achieving the benefits of the program.

One fundamental benefit of CRP and key to a successful program is to understand the unique – and challenging – aspects of the PLM user community. Some common misconceptions that can derail your program are:

- PLM only affects engineers so the change issues are easy to manage
- Technical people will behave logically and rationally
- Engineers want to share information with their colleagues
- Communications = email and newsletters
- Vocal opponents should be silenced or ignored
- If the executives are on board, the rest is easy
- Scientists will be impressed with your proposed solution
- Budget approval by executives means they are in support
- The financial business case alone will sway the user group

Successful change management in an engineering and development organization requires a different approach to aligning stakeholders and ensuring their support for the program. Key learnings include:

- The change effort must be focused on improving how the business manages products, not just IT
- Change management activities and good project management activities are tightly interwoven and an element of the overall implementation approach. Separate groups or efforts are not effective
- Devote significant time to updating influential personnel
- Executives need to take ownership of improving the business processes
- Scientists are often quite skeptical about a new tool
- Manage expectations around the learning curve and the timing of benefits
- Qualitative value statements are more effective than financial benefits in getting engineers on board
- Involve stakeholders through design, development, testing and roll-out
- Training should include users and focused practical changes to day-to-day jobs.
- People will pay attention to peers
- People may try to appeal to a higher authority to work around the system, so prepare the executives on what to do in likely situations
- A “pilot” approach with a phase implementation yields best results

The PLM user community tends to be more skeptical to process “improvements” than you might expect, even when those improvements should give them more time to do creative work. Great technical professionals will almost always have suggestions on ways to create a better solution. While those recommendations must be bounded by real constraints, the conference room pilot gives them a place to be heard and to have a real dialogue about what enhancements can be included within the scope of the PLM implementation. The result will be a much more engaged set of stakeholders that are willing to make the changes required to deliver and sustain real results from your program.

At Kalypso, we have the breadth of capability and exclusive focus to guide you on your PLM journey. We combine product development process and PLM technology domain experience with a depth of expertise in driving large-scale organizational change to help you deliver on the promise of PLM. For more information about Kalypso and how we can help with your PLM journey, visit www.kalypso.com.