

September 22 & 23
**Product Lifecycle
Management
Road Map™ 2004**

Process Frameworks for
Cross-functional
Collaboration



CONFERENCE HIGHLIGHTS

Chrysler Group Vice President Challenges PLM Vendors

In a keynote address to a record audience at the Product Lifecycle Management Road Map™ Conference in September, Lawrence J. Achram, VP, Virtual Engineering and Chrysler Crossfire, concisely and directly challenged PLM vendors to meet the organizational process needs of their clients by fitting in, rather than forcing a change in behavior to adapt to software.

While PLM represents a strategic initiative, Chrysler has only started to put elements in place to realize their vision of PLM. They found that many vendors use the umbrella of PLM to peddle software solutions that do not come close to realizing a truly enterprise-wide view. For Chrysler, a good PLM strategy recognizes that many organizational chimneys must be wired together. "For too long, chimney-centric software suppliers foolishly hemmed in their own customers with closed architectures and data structures. Moreover, very few of

the alleged PLM companies have recognized the need to integrate business systems with engineering systems. Among those that have, a heavy reliance on proprietary data structures remains the order of the day. A whole cottage industry has developed under the umbrella of PLM and most are working on only small parts of the need, or just piling on, hoping to ride the fad."

All users face the obligation to define how they want to run their own business before choosing a software solution. "At Chrysler, you can forget about expecting us to bend our DNA to fit a software vendor's narrow vision if it is not consistent with our evolution. Hopefully, users will think long and hard about how things could be rather than automating what they do today. But if you're selling software, don't mistake the user's willingness to move to 'how things could be' for a willingness to walk away from corporate DNA."

"It is also dangerous for one functional chimney to dominate the design of a PLM solution which is then driven by strong personalities rather than a real corporate strategy. PLM presents a critical strategic initiative, not just a series of tactical actions. The task of implementing PLM, however, can be done in smaller bites once this larger fabric is clearly defined."

In a second keynote opening the conference, Jeffrey K. Liker of the University of Michigan focused on the relationship between the Toyota Way and Toyota's success in product development, to reinforce the lessons that other corporations can apply from the Toyota experience. Toyota effectively integrates people, process, and technology using a set of principles firmly rooted in the Toyota Way. These principles run much deeper than any particular tool or technology and reach to a basic philosophy of how to develop people, solve problems, and learn as an

September 22 & 23
**Product Lifecycle
Management
Road Map™ 2004**

Process Frameworks for
Cross-functional
Collaboration



organization.

The second day of the conference, Joe Francis, HP's Senior Director of IT Business Process Management (BPM), shared HP's experience in detecting PLM-related break-points, the discovery of true PLM process structures, and the path to higher team performance. He highlighted the success in applying integrated process and technology frameworks to business transformation based on the large-scale process normalization effort after the HP and Compaq merger. As just one example in a series of successes, HP identified eighty-five improvement opportunities in product design and content management out of over nine hundred global processes within the program.

Technology per se does not speak the language that operational managers understand. An integrated process model that maps to a technology framework presents the tradeoffs in business terms that operational managers can model and analyze. Moreover, processes built on repeatable patterns or reusable templates for design and supply serve as reference models for accelerating agreement and consensus

with collaboration across the design and supply chains. While the electronics sector has clearly led in successfully applying BPM frameworks, the lessons apply broadly across all electronics sectors, including automotive electronics, Tier 1 suppliers, and aerospace companies.

Marie Wieck, IBM's General Manager of Industry Solutions and Business Integration, closed the conference with a discussion of the value of standards-based integration and the payoffs that horizontal integration can yield in the manufacturing and design arena.

Manufacturers face a challenging and complex environment with the ever-increasing need for efficiency, speed, and the inclusion of new participants. This challenge crosses over the boundaries of departments, companies, and even countries; not to mention the silo'd applications, legacy systems, and a myriad of processes, systems, and information that are in place today. Extraordinary value is realized when these various components work together, integrating the entire manufacturing eco-system end-to-end, from design and engineering, through supply

chain and manufacturing, through sales and service. At IBM, this is regarded as an on-demand enterprise, and it is built on the on-demand operating environment. Through this type of "horizontal" integration of people, processes, and information, significant increases in efficiency, responsiveness, and adaptability can be realized.

Product Lifecycle Management Road Map™, sponsored by Collaborative Product Development Associates, brings together leading-edge users, top vendor architects, and the most in-depth analysts in the sector to present and discuss implementation tradeoffs and the latest in PLM technology. This year the conference celebrated its eleventh anniversary. For more information regarding this conference and other related events please visit [www.cpd-associates.com](http://cpd-associates.com). To download copies of the keynote presentations, go to <http://cpd-associates.com?download=PLMRMKeynotes>