SIEMENS DIGITAL INDUSTRIES SOFTWARE

Integrated lifecycle management

Building digital bridges to accelerate innovation

Executive Brief

Current market dynamics have created a perfect storm of complexity that is challenging consumer product companies to deliver winning innovations at the pace consumer's demand. Consumers want personalized products or connected experiences and the acceleration of on-line commerce has completely changed the expectations for the pace of innovation. Just a short time ago getting a new product to market in one year was considered fast; now consumers and stakeholders want companies to respond in days to a new trend that was plastered on the Hollywood news last night. An all too real scenario is the next morning consumer product teams all over the world are huddling to only imagine how they can respond quickly! In the end, they're all thinking the same thing; there must be a better way.

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❚❚ Program managers are unable to balance **risk, quality and speed at the same time**

Today's approach to program management
Many companies agree that project management of new product introduction is critical. As a result, they have invested millions in tools, people and processes to get it right. As product portfolios get larger and innovations more complex, this becomes even more important. Unfortunately, current digital capability to support the project manager remains immature. Project managers spend most of their time capturing updates on independent tasks or deliverables from siloed departments around the company. Updates are added to an integrated schedule that shows the tasks of the project and any high-level dependencies. Tasks are executed sequentially by individual departments and updates are done manually with weekly meetings and are reported on a weekly basis.
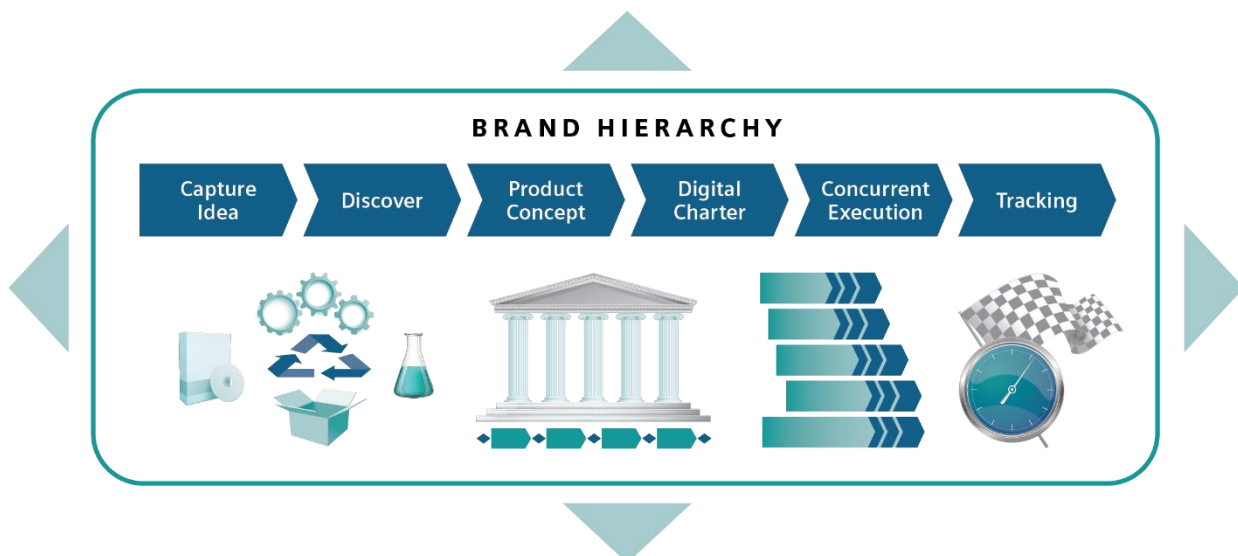
Leaders look to their project managers about whether the project plan is right, and most do not have a definitive answer. The reason behind that is new product introduction frameworks, like the one from Dr. Robert G. Cooper, were created to avoid risk. Standardized checklists were added to the plans to define every step that should be completed to deliver a project successfully and data-based decision making became the best practice. An unintended consequence was that project plan complexity increased significantly and project plans were developed to be complete, often requiring tasks that could have been avoided and allotting more time than necessary.

As the need for efficiency grows, program managers are finding themselves working harder on project coordination and having less time for the value-added leadership their roles are designed to deliver.

Lack of visibility perpetuates the status quo
Managers within functional areas have visibility into their own work. However, they have little to no visibility into the work of other functional areas on which they depend. Therefore, to make decisions about their product initiatives, company leaders must rely on data from product tests, which are repeated over and over, instead of the experience of their workforce. The lack of up-to-date information and context across program functions regularly leads to inefficiencies and the belated realization that other tasks could have already been started in parallel to improve program efficiency.

The outcome of this lack of interdisciplinary program visibility and communication is that companies are executing far more rigorous and complex programs than are required, perpetuating the cycle of inefficiency and complexity. As a result, program managers are unable to balance risk, quality and speed at the same time. Simple initiatives are taking up to twice as long as is necessary due to nonvalue-added tasks and missed opportunities to streamline activities.

BRAND HIERARCHY

Capture Idea → Discover → Product Concept → Digital Charter → Concurrent Execution → Tracking

New product initiatives today are often completed as if they were the only program a company will ever deliver. Companies do not consider the existing innovation assets from previous programs or intellectual property (IP) that can be leveraged to avoid unnecessary rework when they create the plans for new product initiatives. Current project management systems do not maintain the context of a decision, deliverable or asset that would enable it to be re-used. In best cases, learnings are shared manually, but institutional knowledge is not carried across functions of the company or from program to program in a systemic way.

> By inhibiting their ability to repurpose institutional knowledge, historic data and connect the different disciplines properly, companies stifle their ability to take advantage of market opportunities and grow.

Honing the power of past and present information

There is a new way forward with an environment that combines the power of program and project management and connects it to product data management (PDM). This environment gives complete visibility into program status combined with readily available access to product, process data and historic institutional knowledge to companies to eliminate the need to choose between risk, speed and quality. As a result, companies can take a more nuanced approach to each program with rigor and discipline as well as more speed and flexibility when institutional knowledge already exists.

Digital automation facilitates access to the institutional knowledge of the past that gives organizations the confidence to rely on their intuition. Starting with capturing project ideas from their inception, this digital data visibility can provide one continuous lifecycle from idea discovery to execution. Functional area leaders can have the information at their fingertips that enables re-use and execution of program tasks in parallel; driving remarkable results:

- Initialize projects up to **three times faster**

- **Create 40 percent** less redundant assets during product development

- Develop a product variant from an existing product in **60 seconds**

- **Reduce** nonvalue adding efforts by 15 percent during project execution

- Increase product variant capacity by 50 percent

- Speed time-to-market by up to **2x faster**

Additionally, allowing for an integrated flow of data between program and product lifecycle management (PLM) enables an instant and singular source of truth that fosters trust between program and deliverable managers. This will also help spark a culture change from positioning data to reflect convenient truths to having candid conversations about what the data means and how to make smart business decisions based on it. This in turn liberates project managers from spending 60 percent of their time on procuring data and instead allows them to become trusted advisors to their leadership.

Integrating program and product lifecycle management using technology, shifts the ownership of data collection from people to technology. It takes previously siloed islands of information in product research and development (R&D) and the brand hierarchy and builds bridges between them with information flowing openly. The result is an automated, real-time holistic picture of not only what percentage of the program has been completed, but the context of what has been accomplished. This visibility facilitates flexibility that empowers companies to introduce more products more quickly, pivot rapidly in the face of unexpected change and ultimately prioritize creative innovation that drives delight and satisfaction for the consumers they serve.

As portfolio and program complexity inevitably grows, historic and real-time data will be valuable future assets to companies. Understanding how to hone and repurpose historic learning to inform current and future programs combined with real-time understanding of product lifecycles will position consumer products and retail (CP&R) companies to stay agile and in tune with the demands of their consumers so they can produce successful products at optimal quality where and when they are in demand.