



Whitepaper

5 Reasons for Small to Mid-size Manufacturers to Adopt PLM

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By implementing a Product Lifecycle Management (PLM) system, companies both large and small, benefit by simplifying and shortening each phase of the product development process. However, deciding whether or not to adopt PLM software has been a challenge for smaller organizations due to a reputation of PLM being difficult to implement, requiring a great deal of resources to maintain and having excessive initial and long-term costs. The availability of PLM systems specifically designed for the small to mid-size market has helped to alleviate concerns and opened a door for Small to Mid-size Manufacturing Businesses (SMBs) to be able to take advantage of PLM, and realize the same benefits as their larger counterparts.

For SMBs who are hesitant to adopt PLM, this article offers the top five reasons why they should consider moving forward and investigate solutions (for their market), *For the purpose of this article, small to medium companies range from start-up to \$500 million in revenue.

Reason 1: Reduce Independent Systems and Separate Silos of Data

PLM provides a central location to track and manage all product related information such as component data, Bill of Materials (BOMs), product documentation, engineering changes and revisions, quality issues, and compliance data. These systems reduce the number of manual/home-grown systems that are commonly used by SMBs (such as Excel spreadsheets, network files and folders, and paper process), for managing engineering documents/drawings, datasheets, and manufacturing files, and provide a single system for all users to access this information. Streamlining these data sources delivers more accurate product information, improves knowledge sharing and supports better design processes.

Reason 2: Improve Communication/Collaboration Among all Team Members

Many SMBs rely on relationships with a number of suppliers to help bring their products to market. PLM facilitates the secure sharing of product information among internal and external team members, streamlines the communication of information such as new products, changes, revisions, and configurations, and provides automated alerting and approval tracking processes. SMBs can be assured that accurate product information is available in real-time and allows outsource partners to truly function as a seamless extension of the SMB's product development team.

Reason 3: Meet Growing Compliance Requirements and Industry Standards

Regulatory requirements such as RoHS (Restriction of Hazardous Substances), REACH (Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals), FDA (Food and Drug Administration), and ISO (International Organization for Standardization) standards create additional pressures for SMBs. These companies are faced with the challenge of how to handle their product design and development to meet existing and impending guidelines, and the cost of non-compliance can be detrimental to an SMB. In order to meet and maintain compliance, manufacturing companies need to manage data pertaining to the contents of purchased and manufactured goods, as well as document how products are built and modified. Complete historical data must be maintained on all goods and services.

PLM systems facilitate compliance management by storing all compliance data, automatically tracking all product changes and providing the necessary auditing reports. This helps SMBs to alleviate the cost of managing compliance data and ensure proper processes are in place for successful audits. Regulatory auditors prefer that a formal system be in place for managing data and controlling processes. By leveraging a PLM system, SMBs can have the same formal compliance management capabilities as larger companies. A documented compliance process makes proving compliance much easier and also supports a smoother audit process by having all information readily available.

Reason 4: Gain a Competitive Advantage

PLM provides key functionality to streamline each phase of a product's lifecycle from product conception and design, to manufacturing and support, which reduces time-to-market, decreases product costs, dramatically reduces waste and rework, speeds New Product Introduction (NPI) cycles, and improves product quality. Getting new products to market faster is critical for success. PLM can help position an SMB to gain a competitive edge over larger competitors.

Reason 5: Solutions Designed for Small to Mid-size Manufacturers

Created with the SMB in mind, PLM solutions specifically designed for this market have a quicker implementation process and can have a company up and running within days or weeks with little or no disruption in operations. These PLM systems deliver price points and maintenance costs to support a faster Return on Investment (ROI) and lower Total Cost of Ownership (TCO), while still providing robust functionality so it can carry a company from start up to the \$500 million dollar revenue range with multiple manufacturing and design sites. PLM systems designed for SMBs are developed from an entirely different angle than a solution that has been scaled down from a larger system, which inherits the legacy foundation's implementation cycles and IT maintenance requirements.

Summary

Although industry focus has led to some misconceptions about PLM, SMBs are not limited to systems from larger vendors with scaled down versions of their products. Independent PLM software vendors whose products are specifically designed to meet the needs of SMBs eliminate the barriers that cause delay in adoption (cost, ease of use, scalability). PLM can have a direct impact on meeting product development goals, and implementing a solution early on positions SMBs for continued success.