

Leverage Governance for PLM Program Success



Introduction

Product Lifecycle Management (PLM) represents a structured approach to managing the entire lifecycle of a product, from its conception to its retirement. Central to the success of any PLM implementation is the concept of governance, ensuring that processes, people, and technology are aligned to achieve organizational objectives. In this white paper we delve into the critical aspects of PLM Governance, highlighting its significance in driving program success and offering insights into best practices.

The success of any PLM initiative hinges on effective governance. PLM Governance is crucial because it provides a clear framework for decision-making, ensuring that all actions and processes align with the organization's strategic objectives. Without robust governance, PLM initiatives can become disjointed, leading to inefficiencies, misaligned priorities, and, ultimately, failure to realize the intended value.

Identifying and involving the right stakeholders is paramount in structuring PLM Governance. Stakeholders bring diverse perspectives, expertise, and insights that are essential for the holistic management of the product lifecycle. By clearly defining roles and responsibilities, stakeholders can collaborate effectively, ensuring that the PLM program remains agile, responsive, and aligned with business goals.

With this foundation in place, the specific components of PLM Governance will be further explored.



Governance Structure and Roles

Effective PLM Governance relies on a well-defined structure and clearly delineated roles within the organization. Each component of this governance framework plays a vital part in ensuring the success of the PLM program. The following section details these roles and their respective responsibilities.



Expectations	Governance Structure	Operating Rhythm
Sponsorship & Top escalations	Executive / Sponsor Governance - Program	Quarterly
Program and Authorizing any major deviations of the Program. Decide on Program escalations	Steering Governance –Program (Processing Decision maker)	Monthly
Program Review / Deliverables and control program Roadmap	Program Governance (Can support Change Control Bord – Cost Committee)	Weekly
Delivering projects	Project Meetings Capability Deployment	As agility required

Figure 1: PLM Governance Structure

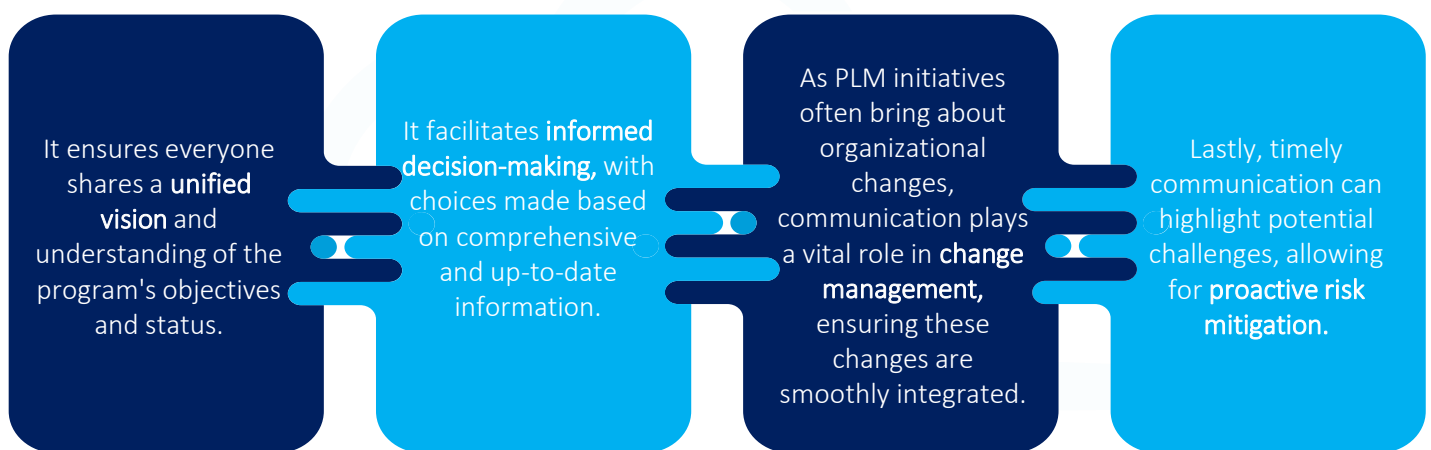
PLM Governance structure is not just about establishing a hierarchy; it's about creating a cohesive environment where decisions are made based on data, risks are managed proactively, and the organization can adapt to changes swiftly.

Effective governance meaning effective **communication and collaboration** ensures that PLM initiatives deliver tangible value, streamline operations, and foster innovation.

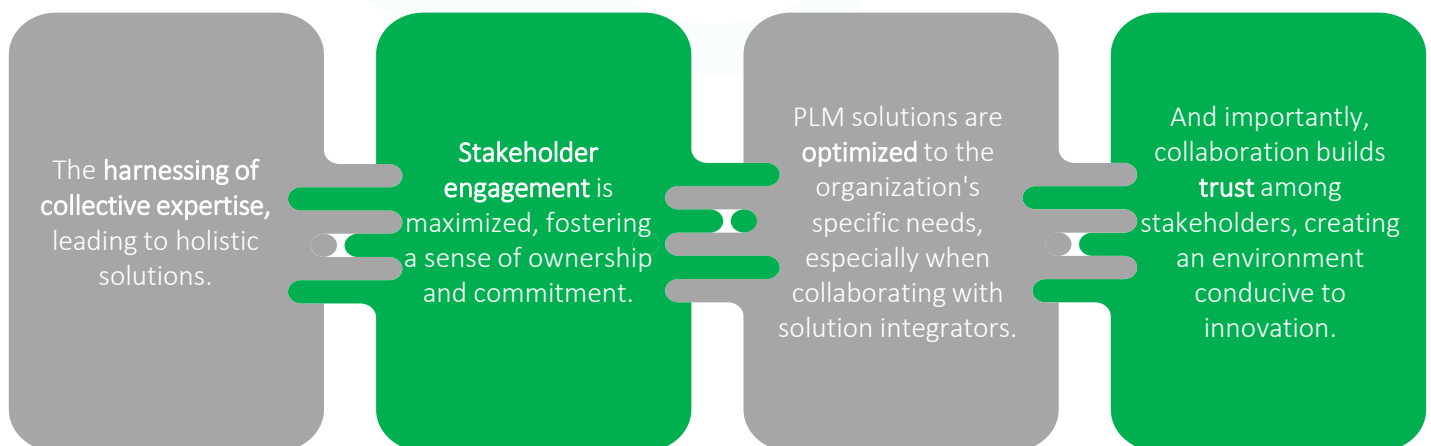
Communication and Collaboration

In PLM Governance, two elements stand out as pivotal: communication and collaboration. Their importance cannot be overstated, as they serve as the connective tissue that binds various facets of a PLM program, ensuring its success and longevity.

Effective communication is the cornerstone of any successful initiative. In the context of PLM Governance, it ensures that all stakeholders, from top-level executives to technical teams, are aligned with a unified vision. This alignment is crucial for several reasons:



On the other hand, **collaboration** is the engine that drives PLM programs forward. By fostering an environment where diverse skills and perspectives come together, collaboration ensures:



To facilitate both communication and collaboration, modern PLM programs often leverage a range of digital tools and platforms. These not only ensure structured and effective communication but also provide platforms for collaborative brainstorming, problem-solving, and decision-making. +++

In conclusion, while PLM Governance encompasses a range of components and **key processes**, it's the pillars of communication and collaboration that truly ensure its success. They create a conducive environment for innovation, continuous improvement, and most importantly, they ensure that PLM initiatives deliver tangible value to organizations.

Key Governance Processes

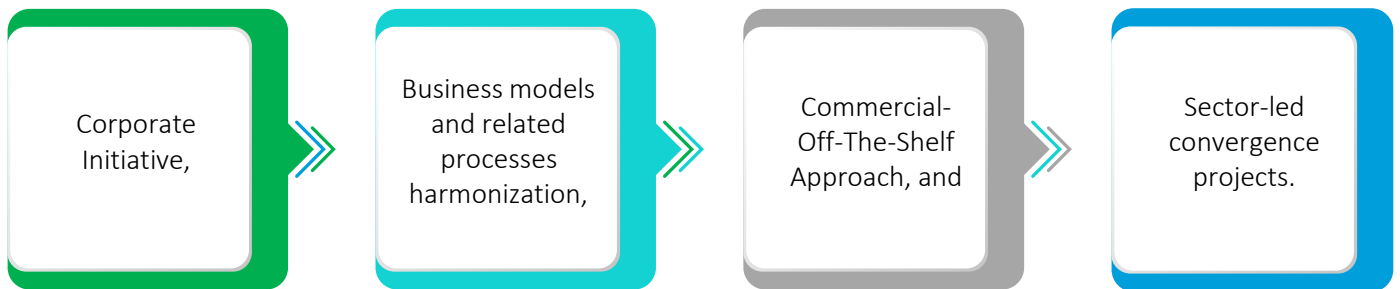
Product Lifecycle Management (PLM) Governance is underpinned by a series of thoroughly designed processes. These processes ensure that PLM initiatives are not only implemented but also optimized to deliver maximum value. In the following sections, these critical processes will be explored in greater detail by differentiating between:

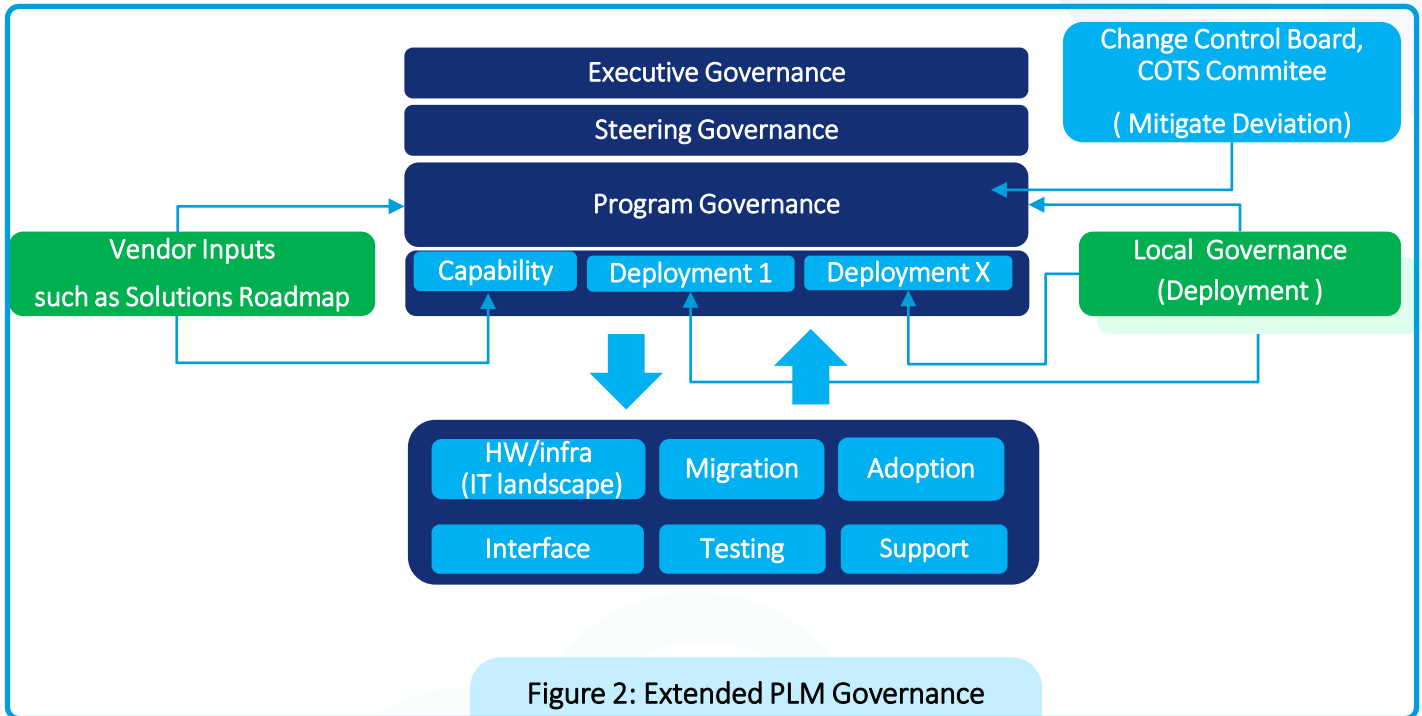


Collaborative Governance

Robust governance stands as a cornerstone for large programs and projects. Integral to this governance is the relationship with the vendor, which necessitates the alignment of the customer's objectives with the software roadmap, especially when the goal is to leverage Out-Of-The-Box (OOTB) capabilities.

Governance empowers executives and stakeholders to make informed PLM decisions in the business context. It preemptively addresses potential challenges such as schedule delays and scope expansions, and it drives deployment. An effective governance model ensures that pivotal decisions receive appropriate attention and are made promptly by the right individuals. This governance structure will be collaboratively established at the onset of the program. For each management tier, Program Managers will designate representatives, endowing them with specific decision-making rights. The governance model is crafted to encompass the primary dimensions and objectives of the Program, including:





The Program Committee acts as the central hub of the governance model, orchestrating sector projects, overseeing the harmonization process, advocating the OOTB approach, and reporting to senior management. A pivotal component of this structure is the Harmonization Process Committee, which provides business support for model implementation. This committee functions as the Control Change Board (CCB), ensuring alignment with set targets and fostering innovation to facilitate process convergence and adoption. Hence, this governance entity should be led by business owners or representatives vested with decision-making authority on behalf of their respective organizations.

Program Managers participate in project boards across sectors to guarantee consistent program execution and convergence. It's advisable to adopt an Agile framework for solution development.

Challenges will arise during the course of a PLM program. An effective **Escalation Process** ensures that these challenges are addressed methodically and efficiently. Key facets of this process include:

<p>Defined Hierarchies:</p> <p>Clearly delineated hierarchies for escalation ensure that issues are directed to and addressed by the appropriate authority, ensuring swift resolution.</p>	<p>Resolution Timelines:</p> <p>Setting and adhering to timelines for issue resolution minimizes disruptions and maintains the momentum of the PLM program.</p>	<p>Post-resolution Analysis:</p> <p>After resolving issues, a thorough analysis should be conducted to understand the root cause and integrate lessons learned into the PLM process.</p>
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A primary objective of the Governance Model is the efficient resolution of project-related issues. Initial escalations should be directed to the relevant Project Manager, who will collaborate with both the Project Team and Core Team to address the escalation. Should the resolution not meet the expectations of any involved party, the issue should then be escalated to the respective Core Team Leads. If the Escalation Process proves ineffective, either party is encouraged to present the concern to the Board Committee for a definitive resolution.

Roadmap Management

A PLM roadmap is a strategic plan that outlines the key initiatives and milestones a company aims to achieve in managing its product lifecycle processes. It provides a structured approach to optimizing the development, manufacturing, and maintenance of products throughout their lifecycle. A PLM roadmap typically includes objectives like improving collaboration, enhancing product quality, reducing time-to-market, and minimizing costs. It also lays out the timeline, resources, and technologies required to achieve these goals, helping organizations prioritize and align their efforts for more efficient product management and innovation. This involves:

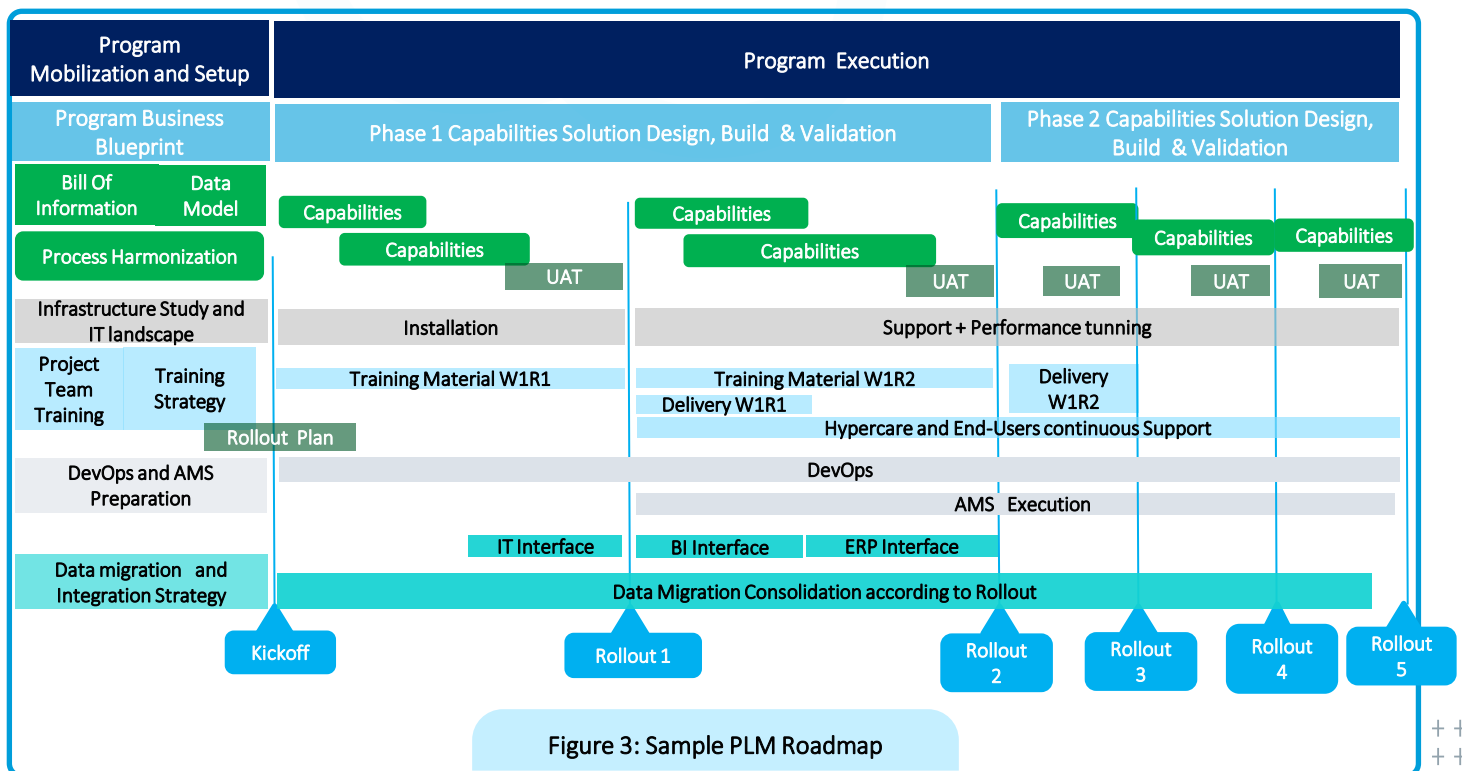
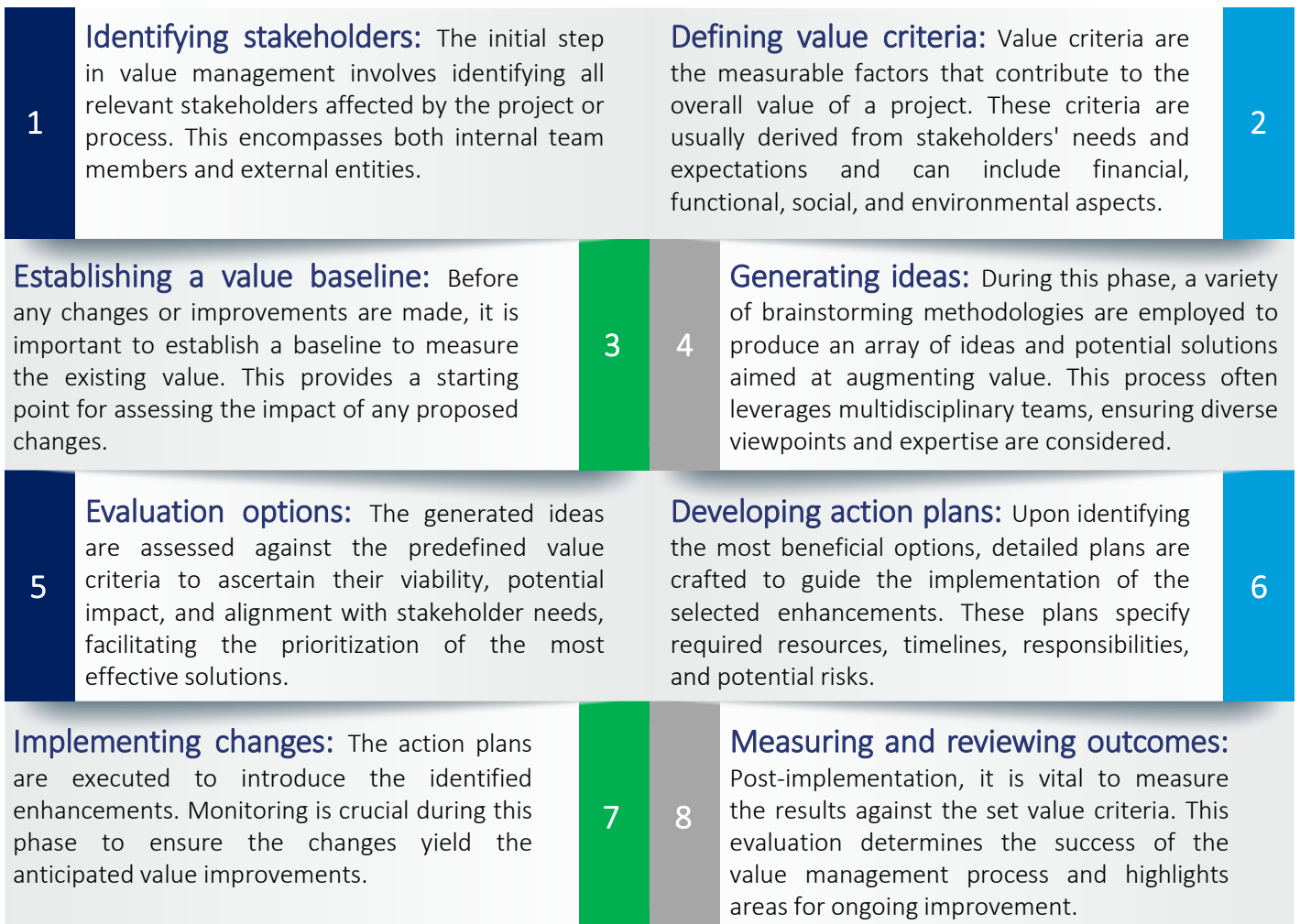


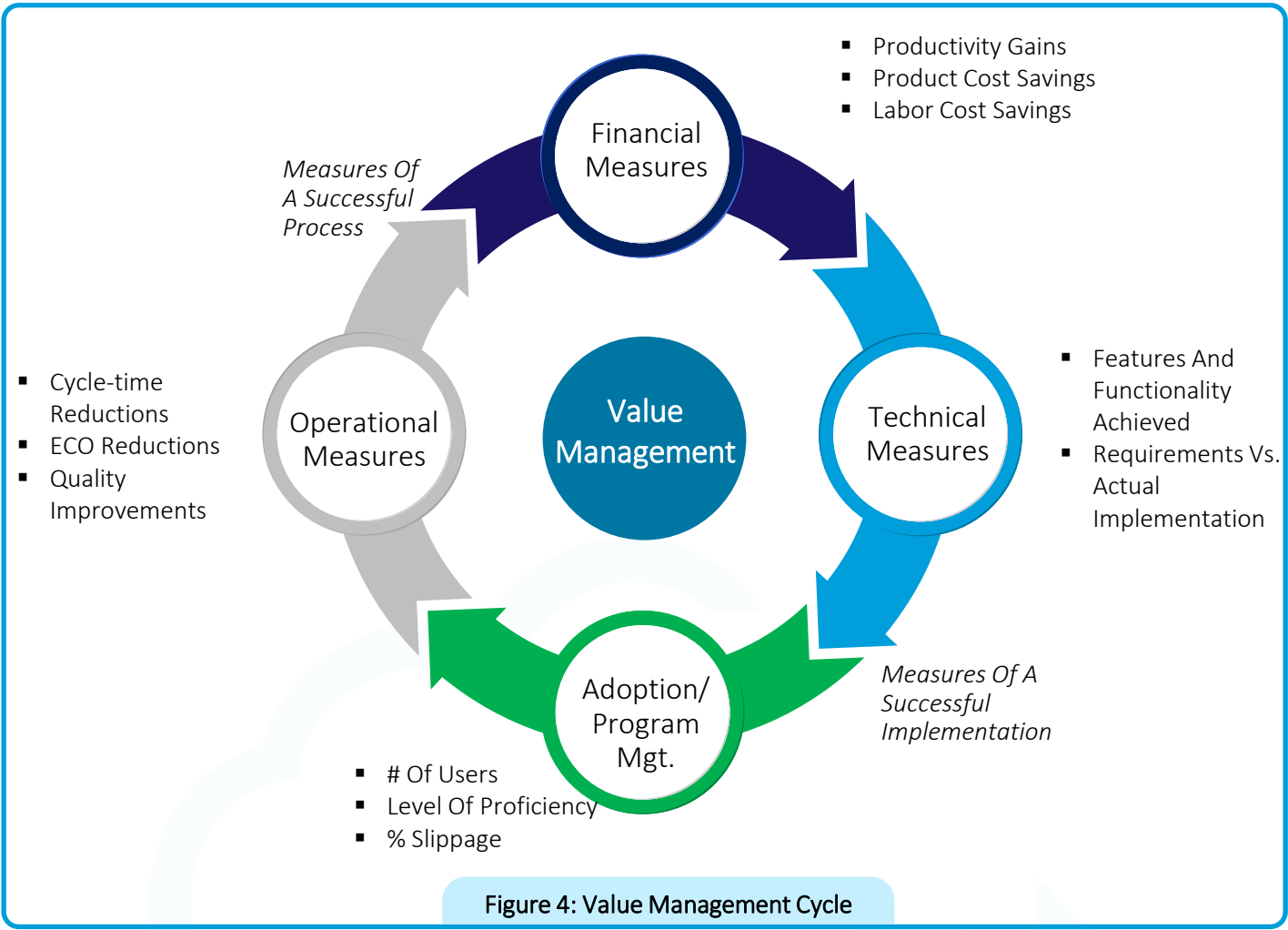
Figure 3 displays a sample roadmap. The roadmap displays program phases including capabilities, user acceptance tests, and the training strategy. It serves as a guideline for the PLM Program.

The Core Team is entrusted with the management of Implementation plan(s), while the overarching accountability lies with the Steering Committee. All Implementation plan(s) will be subject to revision control and housed in a designated repository. Should there be a need for modifications to these documents, the Core Team must formalize a change request and present recommendations to the Steering Committee. Any alterations to these documents require explicit approval from the Steering Committee. Upon receiving approval, the Core Team assumes the responsibility of updating all associated deliverables and initiating the corresponding work activity.

Value Management

Every PLM program aims to deliver tangible value to the organization. Value Management is the process that ensures every decision, every action, within the PLM framework is geared towards this goal. It involves identifying, understanding, and optimizing the value delivered to stakeholders, while minimizing costs and risks. Key components of this process include:





By adopting value management principles, organizations can optimize their decision-making processes, improve resource allocation, enhance customer satisfaction, and achieve better overall project outcomes. It provides a systematic approach to consistently deliver value and align projects with stakeholder expectations, ultimately leading to improved business performance and success.



Conclusion

Product Lifecycle Management (PLM) is a transformative approach that has the potential to revolutionize how organizations manage the entire lifecycle of a product. From the initial concept to its eventual retirement, PLM offers a structured methodology to streamline processes, enhance collaboration, and drive innovation. However, the success of any PLM initiative is contingent upon robust governance.

Throughout this white paper, presented by DXP Services, we've explored the intricate facets of PLM Governance. We've delved into its foundational structures, the pivotal roles of communication and collaboration, and the key processes that ensure its effective implementation. Each of these elements, when thoroughly managed, ensures that PLM initiatives are not just implemented but optimized to deliver unparalleled value.

In today's dynamic business landscape, where change is the only constant, PLM Governance stands as a beacon of stability and clarity. It offers organizations a roadmap to navigate the complexities of product management, ensuring that decisions are data-driven, risks are proactively managed, and objectives are consistently met.

As we conclude, it's essential to reiterate the significance of continuous improvement in the realm of PLM Governance. The landscape of product management is ever-evolving, and so should the governance structures that guide it. Organizations must remain agile, receptive to feedback, and committed to refining their PLM Governance frameworks. Only then can they truly harness the transformative power of PLM and achieve sustained success in their product management endeavors.

Author Information

Bernard Belluz is a Director and Business Development Manager at DXP Services within ITC Infotech. Bernard Belluz is PMP Certified (PMI.org). He is an expert in Program Management.
Bernard.Belluz@itcinfotech.com

Serdar Bulut is a Senior Consultant at DXP Services within ITC Infotech. Serdar Bulut is an expert in Variant Management and PLM Roadmapping.
Serdar.Bulut@itcinfotech.com

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Our portfolio of services augments value at every step of Modern Industrial Evolution; covering Consulting, Implementation, Deployment, and Application Management Services (AMS). DXP Services' team of PLM Professionals are trusted advisors to our Customers during their Digital Transformation.

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