Enterprise PLM strategy for the Product Value Chain

Denis SENPERE
VP, Enterprise PLM EMEA
denis.senpere@oracle.com

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Agenda

- Value Chain Alignment
  - The Innovation Dilemma
  - The Innovation Solution – Product Value Chain Management
We live in a world that compels rapid change…

New Markets
In 2010 alone, 250,000 new products were introduced.

New Products
66% failed in 2 years

New Risk
In 2013, 81% of global CEOs reported foreseeing economic volatility ahead.
In the US, that number is 90%.

In 2013, exports from Rapid Growth Markets exceeded 10% of world GDP.
In 20 yrs it will be 20%, double that of advanced economies.
Value chains have become more complex

Need to Manage the Interaction Between Product, Demand and Supply
Value Chain Innovators enjoy 60% better profit margins than their less integrated peers.
- Gartner/AMR Benchmark
Driving Oracle’s Investment in Value Chain Mgmt

- **Demand Driven Excellence**
  The ability to predict, shape and align demand

- **Multi-Enterprise Orchestration**
  The ability to make disparate systems operate as one

- **Rapid Innovation**
  The ability to develop and innovate new products and services

- **Value Chain Alignment and Transformation**
  The ability to coordinate change and to change fast

Deliver Best in Class solutions that Maximize Value Creation by Integrating & Optimizing Demand, Supply and Product Chains. Drive Operational and Innovation Excellence regardless of ERP.
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Innovation Problem – Low Return on Development

Your mileage may vary

YET INNOVATION SUCCESS IS LOW

- 50% of product development and commercialization resources are wasted
- 75% of projects fail to launch a product to market
- 66% of the projects that do, fail to meet original expectations

“Product failures are not necessarily a result of bad ideas...they are a result of suboptimal decisions.”

Joe Barkal, IDC Manufacturing Insights
Survey of European Customers

- **77%** | Rely on Spreadsheets for Investment Decisions
- **68%** | No systematic way to value opportunities
- **91%** | Too many projects for available resources
- **67%** | Too many low value projects in pipeline
- **68%** | Most failures caused by poorly defined requirements
- **69%** | Low design reuse at concept stage adds time, cost, complexity and risk

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Innovation Solution Value
According to Accenture, companies that view PLM as an enterprise strategic discipline gain the most benefit.

Innovation Dilemma…

+8-9%

Revenue growth over peers if you’re good at generating & converting ideas to projects

but in reality…

75%

of companies admit they don’t do this well.

#1

On average, global CEOs rank innovation as the 1st or 2nd highest opp. for growth in the next 12 months

but in reality…

#5

It’s only fifth on their list of investment priorities, and less likely to get adequate resources

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Product Value Chain Management

Innovate
- Idea Management
- Product Requirements
- Product Concepts
- Product Proposals
- Portfolio Mgmt

Develop
- CAD Design Data Mgmt
- Spec, BOM & Recipe Mgmt
- Change Mgmt
- Project Execution Mgmt
- Quality, Compliance & Cost

Commercialize
- Supply Chain Readiness
- Product Catalog Management
- Pricing & Sales Configurations
- Product Consolidation
- Product Data Governance
Innovate

Pick Best Ideas & Proposals – Balanced Portfolio – Maximize ROD

- Optimize Investment Portfolio
  - Create Product Proposal
    - Capture & Prioritize Ideas
      - Idea Screen
    - Manage Product Requirements
    - Create Product Concepts
  - Product Development & Commercialization
    - Fund
    - Launch
- Products
Accelerating Your Innovation Stream with Fusion Innovation Management

“What new ideas are there?”

“What’s happening in my Innovation Social Network?”

“Show me status by Customer”

“Where are the good ideas coming from?”

“Which customers are contributing?”
Develop

Accelerate Design to Release -- While Balancing Quality & Compliance

Enterprise Product Record

Quality
- Capture
- Aggregate
- Analyze
- Act

Compliance
- Design
- Evaluate
- Report

Reduce Costs
Improve Ops
Minimize Risk
Boost Customer Sat
Protect Brand

Boost Customer Sat
Designing for Supply with Agile PLM

“Can I Pro-Actively Resolve these Issues During Design and Still Launch On-Time?”

“Are There Quality or Compliance Issues in my BOM that will Delay my Product Launch?”
Commercialize

Rapidly commercialize products to ensure we can sell, order, source, plan, supply, manufacture and deliver products

- Supply Chain Readiness
- Product Catalog Management
- Pricing & Sales Configurations
- Synchronize all Downstream Systems
Rapidly Commercialize Product Data with Fusion Product Hub

- Data Consolidation Workbench
- Group Spaces for Social Collaboration
- Rich Media and Digital Assets
- Extensible Attributes for Commercialization
- Pervasive Embedded Product Data Quality
- Keyword and Parametric Searches
- Embedded Product Data Analytics
Out of Box Industry Best Practice Processes

Product Portfolio Management
Project Execution Management (phase/gate)
Idea to Product Concept Mgmt
New Product Development Management
Rapid Commercialization
Early and Ongoing Cost Management
Enterprise Quality & Compliance Management
Sales Readiness Management
Oracle Applications: Current Release and Roadmap
Oracle Product Value Chain

Current Release

Agile 9.3.2
- Team Approval Matrix
- PG&C REACH & Conflict Minerals
- PLM Mobile 1.0

Agile e6.1.2
- Web service interface
- WebLogic & LDAP
- AutoVue Markup

Agile PLM for Process 6.1.1
- Product Quality Management Module
- Customizable formula modeling views
- Formulation enhancements

OPLA 3.3
- A9: PC, PPM, PQM Analytics
- P4P: Portfolio, Project, Spec & Change

Fusion Product Hub R7
- Inline Mass Updates
- Import Maps
- Dynamic Rule-Based Policy Enforcement
- EDQP integration

What's Next
0-12 month planning cycle

Agile 9.3.3
- Software Lifecycle Management
- Enhanced IP Control

Agile e6.1.3
- AutoVue compare/crossprobe
- New MCAD connectors
- Platform updates (SSO, Java 7)

Agile PLM for Process Feature Packs:
- Hierarchy Navigator & Advanced "Where Used"

OPLA 4.0 (R8)
- Conforming Dimensions
- Tiles, breadcrumbs, freeze column, mobility

Fusion Innovation Management R8
- Product Requirement & Idea Management
- Product Lifecycle Portfolio Management
- Product Concept Design Management

Fusion Product Hub R8
- Style/SKU conversion from Standard Item
- Supplier Portal
- Audit Trail Framework

Future Directions
Post 12 month planning cycle

Agile 9.3.4
- Enterprise Process Mgmt Improvements
- Requirements traceability

Agile e 6.2
- AutoVue 3D enhancements
- UI Improvements
- Platform improvements (Ent Mgr, webservices)

Agile PLM for Process 6.2
- Multi-Level Formulation
- Composition Screening

OPLA 4.1
- Product Cost Management
- Innovation Management
- EDM integration

Fusion Innovation Management R9
- Requirement, concept, portfolio Improvements
- Requirements Traceability, Baselines
- Visual Information Navigator Improvements

Fusion Product Hub R9
- Advanced Digital Asset Management
- Catalog Compare and Release Mgmt
Achieve the Ideal Product Value Chain
Only Oracle Offers a Complete Solution to Reach Best Practice

- Your choice, your needs
- Phased transformation
- Incremental benefits
Industry Expertise and Over 2,000 Customers

Many mid-size companies in these markets

Opening new markets: Chemical, Oil&Gas
Product Value Chain Value

ACCELERATE INNOVATION
ENSURE QUALITY & COMPLIANCE
RAPIDLY COMMERCIALIZE
ALIGN YOUR VALUE CHAIN

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Hardware and Software

Engineered to Work Together