DRIVEN-4

November 2018 Newsletter

PLM - ERP Integration—What's the right strategy?

When we contemplate the need to have "Enterprise Systems" that work in unison to drive business agility, speed and efficiency, you need to start having the conversation around how best to integrate two of the main enterprise systems, ERP and PLM, into a unified business system environment for the company to operate with.

PLM provides the organization with the needed product configuration, definition and associated product information that utilizes a common language for all functions and users within the company. ERP provides the transactional capabilities needed for the organization to function financially, to acquire and purchase the needed material/parts, the scheduling information needed to manufacture the products and to orchestrate the supply chain for delivery to the marketplace.

When you aim for driving agility, speed and efficiency, you explore the needed elimination of "non-value added" or "wasted" effort or work. If you take a step back and consider the information thread that is essential for the two systems to operate in an efficient and effective manner, you think about information like:

- Items
- Bill of Materials—Engineered, Manufactured and Serviced
- Configurations and Effectivity
- Financial Information
- Inventory Information
- Quality Information

The **three** key principles for developing a successful integration strategy are:

1. **"Single" Source of the Truth/Master for each category of information**

   As obvious as this point sounds, it is one that needs to be mentioned to drive reliable and configured information within the organization. We see instances where one department/function utilizes one of the enterprise systems, then an adjacent department/function exports the information, makes edits/additions to the information and then imports it to the other enterprise system. Next thing you know, we have unreliable information that parts of the organization are basing decisions upon. The traceability and reliability of the information is gone. This happens because the synchronization of the data needed does not occur. I'm sure you've run into this issue at some point during your professional career!

2. **Providing Information that Supports "Lifecycles" of the Product**

   This principle is based on the need of understanding the "context" of the information, so that users and consumers of the information utilize it in the correct manner to make relevant business decisions. For example, a "pre-production" part/item, is something that you would not want to create a volume of inventory for production manufacturing. Parts/Items that are for "Service Only" may be managed in a very different manner in terms of the supply chain than production parts.

   Understanding information in context will deliver sound relevant business decisions!

3. **Creating a Single Pane/View for each Group/Role**

   Single Pane/View for each Group/Role with the needed information and ability to edit/add the needed information, is key to providing a business system environment that eliminates waste/duplication and improves speed/efficiency and user adoption. We see a lot of our customers marching towards this kind of user experience and role-based views within their PLM deployment.

   User Adoption will ensure Process and System Embedment!

Building an integrated business system environment is key to business operational efficiency and provides the platform for process improvement. We have a great deal of experience in developing these environments.

Give us a call or email us, if you'd like to discuss the topic!

Next Month: DRIVEN-4's 2018 Reflections