Customer-Centric PLM

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Dave leverages his experience and expertise in business modeling, strategy and technology-enabled organizational change to help organizations identify and implement programs that deliver transformational change.

Dave's experience includes:

- 18 years in systems integration, business operations and program management with high-tech companies including Dell, Applied Materials, and Freescale/Motorola
- 15 years of management consulting experience with Deloitte Consulting, Ernst & Young, and boutique PLM firms.

Dave is an Professor at Texas State University, leading courses on Enterprise IT, Digital Business and Entrepreneurship
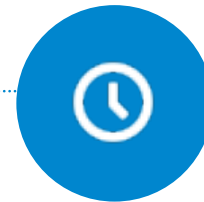
Outline

Background

Industry-wide Changes driven by digital

Context

What's Driving the Mandate to be Customer-Centric

Trends & Vision

Customer-centric PLM

Q&A

Next Steps

What's Driving the Mandate to be Customer Centric

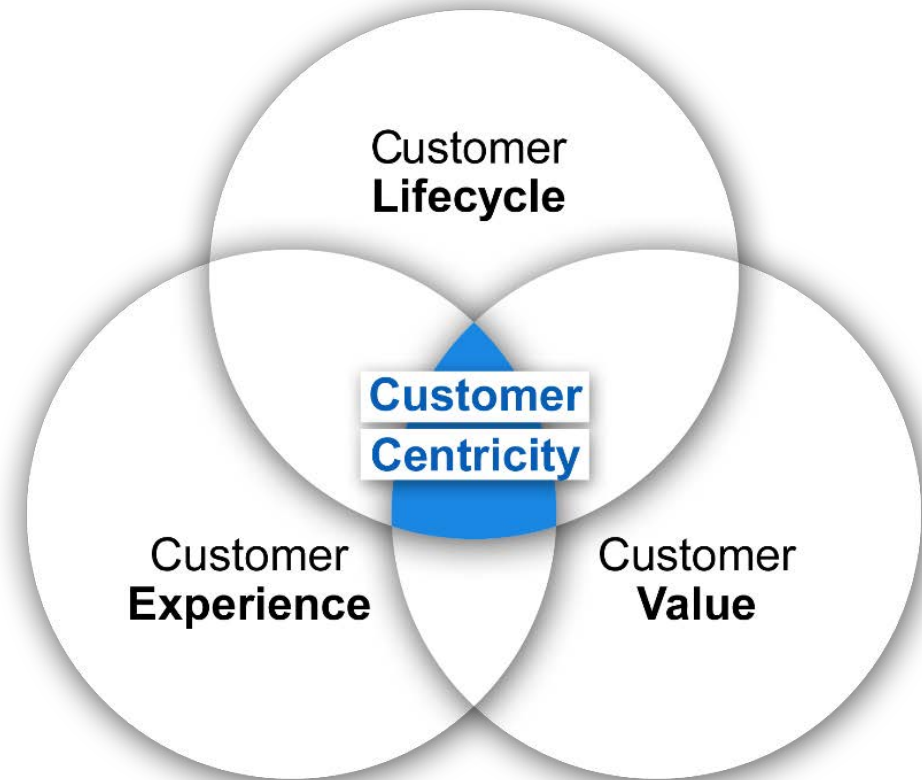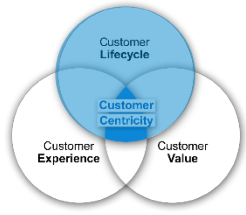# Digital Disruption is happening...

Companies must focus on the customer or risk failure

Increased transparency of overall customer experiences

- Customers rely on feedback of others' experiences
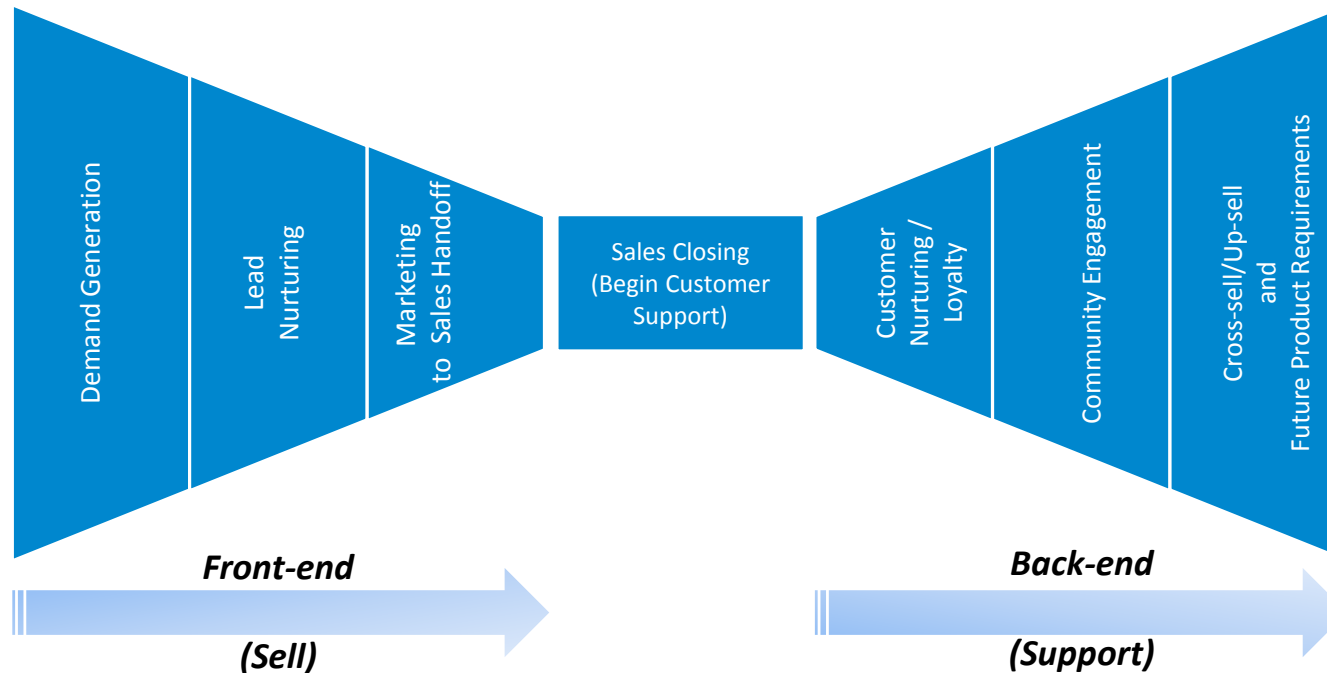
Customers or prospects control information

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What does it mean to be customer centric?

Assessing customer centricity

Customer lifecycle includes all interactions before and after a sale

Demand Generation

Lead Nurturing

Marketing to Sales Handoff

Sales Closing (Begin Customer Support)

Customer Nurturing / Loyalty

Community Engagement

Cross-sell/Up-sell and Future Product Requirements

Front-end

(Sell)

Back-end

(Support)

## Understanding the lifecycle is essential

Experiences and perceptions are formed at all steps in the journey

Positive customer experience = Greater Customer Loyalty
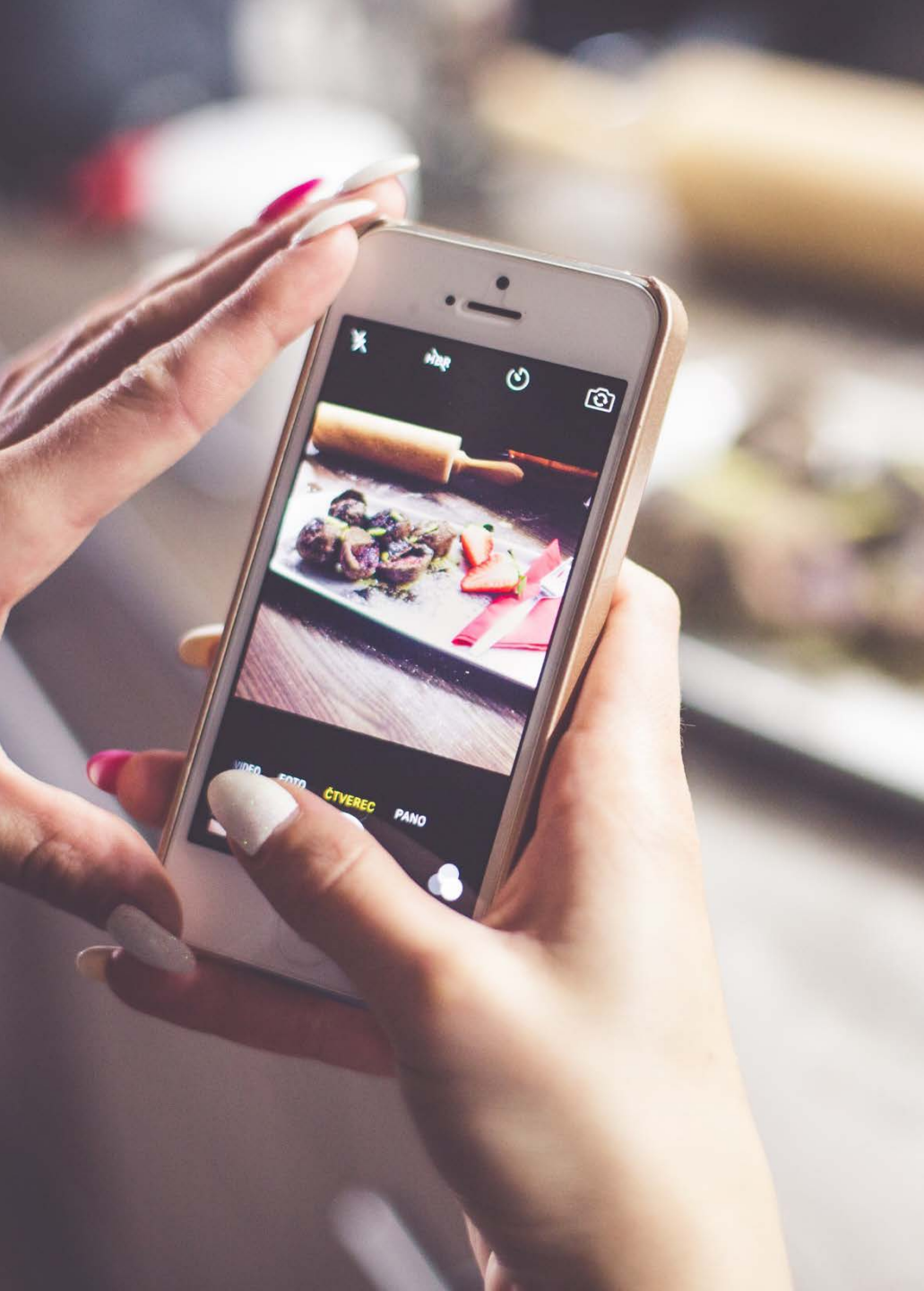
Understand your customer and their complete journey

- Loyal customers drive Word of Mouth (WOM) marketing and lower overall sales costs

- 3x greater customer touchpoints after the sale than before closing

- Lower costs in retaining existing customers than gaining new customers
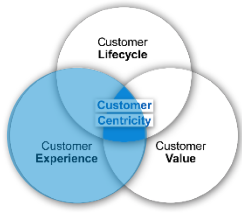
Throughout the lifecycle customer's have "experiences"
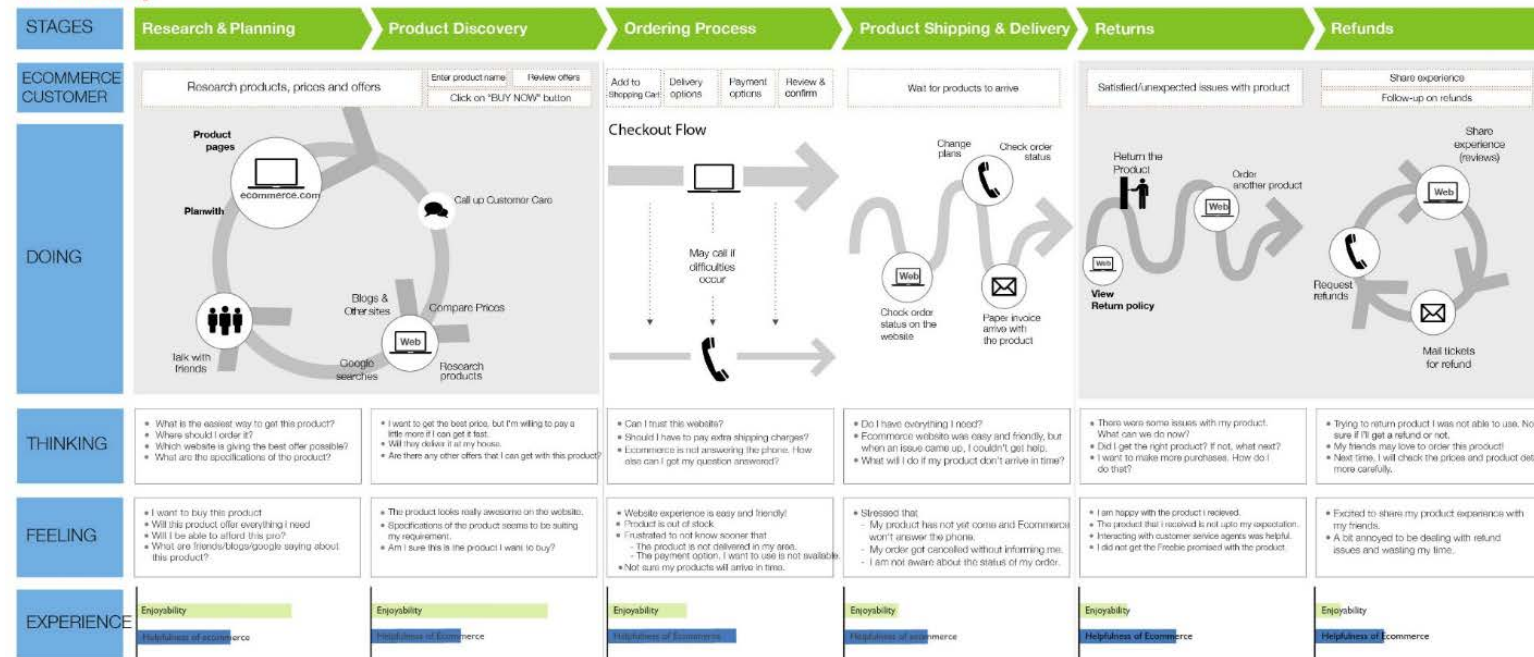
Designing processes and tools to deliver positive experiences throughout each step in the journey is a best-known-method for improving customer perceptions

http://kulapartners.com/wp-content/themes/kula/images/ims/03/03-06.png

Customer value…. All are not equal Differentiate based on value

Various factors should be considered

- **Duration of customer relationship** – how long will the relationship be expected to last
- **Margin Contribution** – amount of selling cost and price discounting needed to gain the customer
- **Retention cost** – what are the direct and indirect costs of retaining a customer (customer support, marketing perks, etc.)
  - **Monetary** – direct sales, services, etc.
  - **Non monetary** – willingness as referral source, social media posts and positive mentions

Customer

Margin

Duration
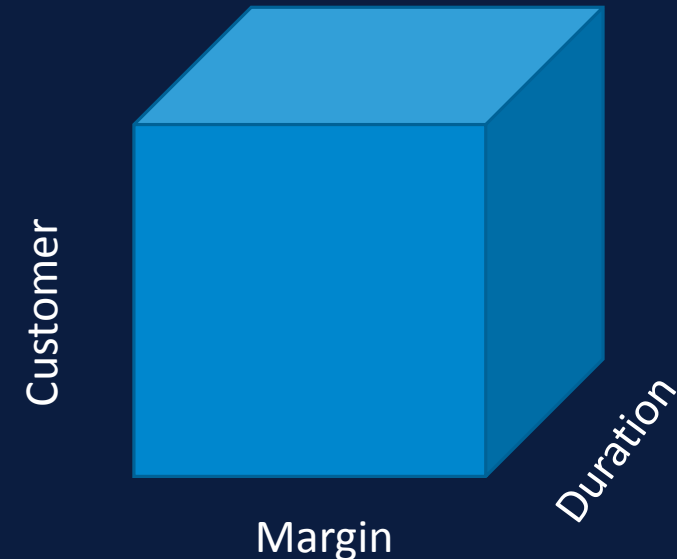
Becoming customer-centric means thinking from the customer's perspective
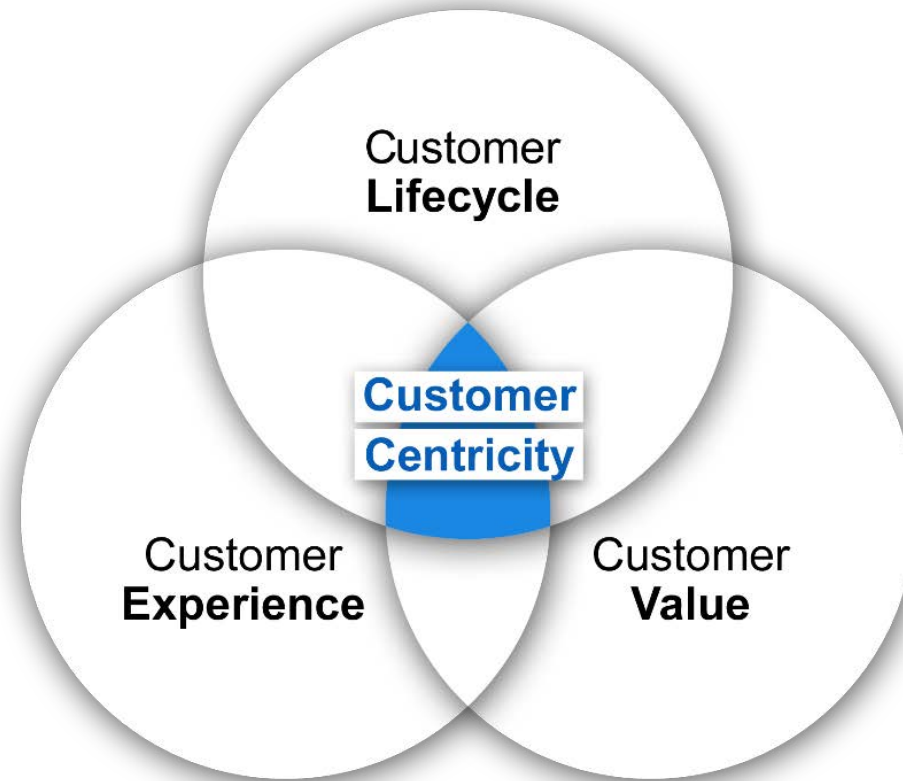
Product-Centric vs Customer-Centric Business

Product Centric Thinking	Business Area	Customer Centric Thinking
Create the best product	Management Philosophy	Create the best solution for the customer
Identify new products to build, new features to offer	Organizational Culture	Strengthen customer ties and understand the "job the customer needs to be done"
Product or SBU P&L	Structure and Metrics	Customer or Market P&L
Product Management, Marketing and NPD focused	Business Processes	Account, Market, Customer Experience/Journey focused

Trends and Visions for the Future

The Customer Centric Journey
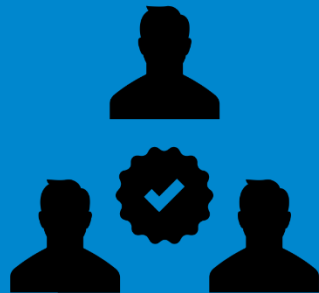
Becoming a customer centric business fundamentally changes the organization and it is a journey that never ends because….
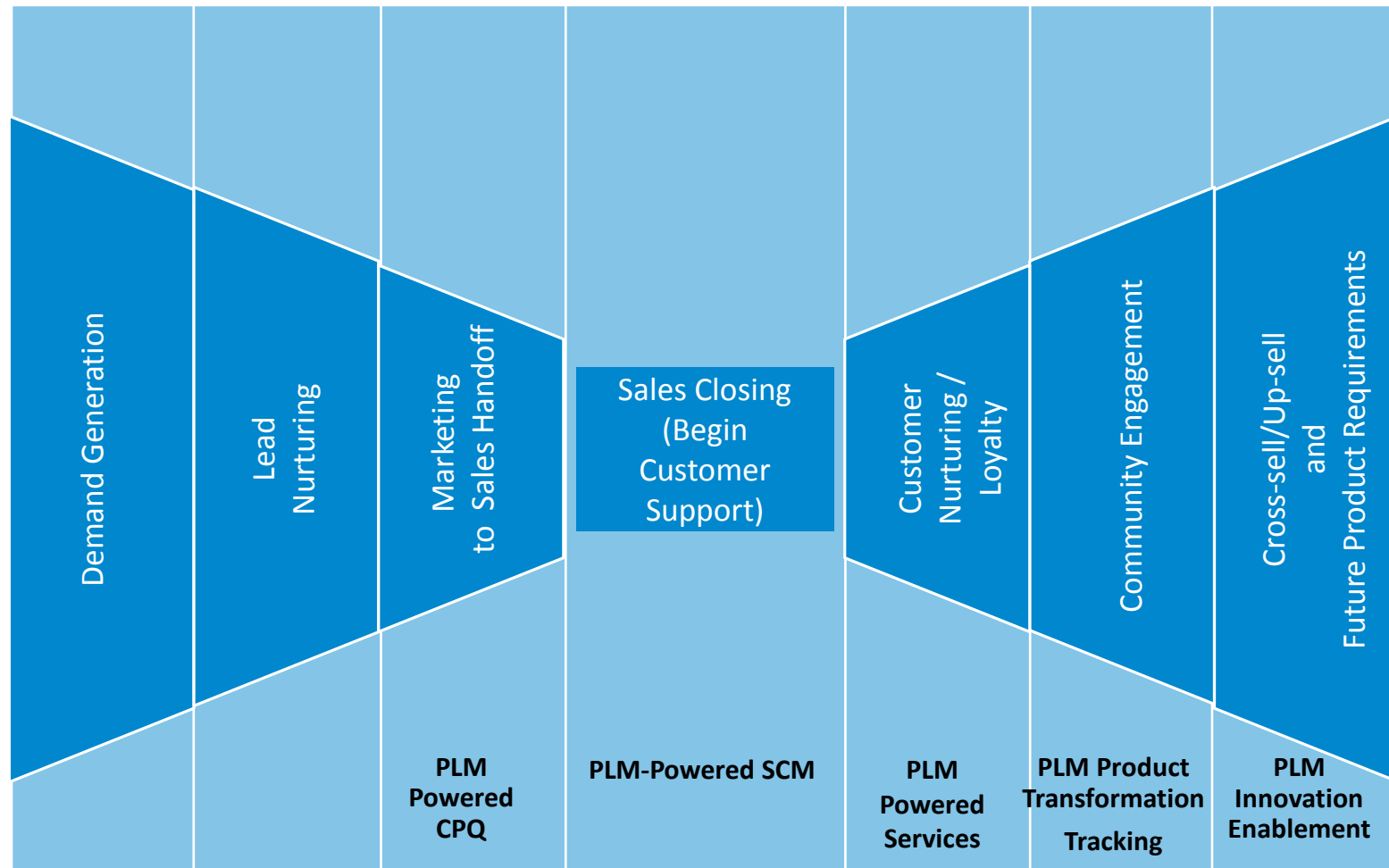- Customers always expect more
- Competitors are always vying to win a new customer

Customer centric business processes are different from traditional processes because of…

- **Digital transformation** – use of IT to make it easy for customers to connect with your company, before and after the sale (front-end and back-end customer experience)

Capabilities to engage customers throughout the lifecycle

PLM-enabled Customer Centric Processes

Demand Generation	Lead Nurturing	Marketing to Sales Handoff	Sales Closing (Begin Customer Support)	Customer Nurturing / Loyalty	Community Engagement	Cross-sell/Up-sell and Future Product Requirements
		PLM Powered CPQ	**PLM-Powered SCM**	**PLM Powered Services**	**PLM Product Transformation Tracking**	**PLM Innovation Enablement**

How can PLM help your company become customer centric

PLM-Powered CPQ

- Integrate PLM with CPQ

  - Simplify, streamline
  - Enable customers to configure products unique to their needs

- Understand cost and margin implications to price different designs

PLM-Powered SCM

- Integrate PLM with SCM/ERP systems for single record (SOR)

  - SOR for critical information
  - Qualified vendors, component costs, Bills of Material, product version control

- Eliminate product data redundancy and errors

PLM-Powered Services

- Design for Service and Customer Experience

  - Integration of product AND services
  - IoT-enabled products understand use and prevent issues

- Automatic Service dispatch improves customer experience

PLM Product Transformation Tracking

- Use PLM to track and maintain "in use" changes to products

  - BOM tracking
    - "As built",
    - "As serviced",
    - "As returned

- Improve recovery of leased or return for disposal

PLM Innovation Enablement

- Enable crowdsourced customer feature requests

  - Use technology to connect with prospects and customers
  - Gain pipeline of ideas for "jobs to be done" – customer needs

- Speed innovation of critical features

Transformation to be customer centric requires coordinated changes

Executive Leadership

Governance

Performance Metrics and Measurement
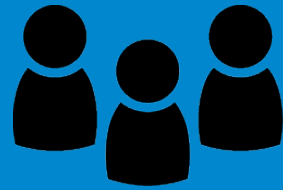
Business Processes

IT Tools and Technologies
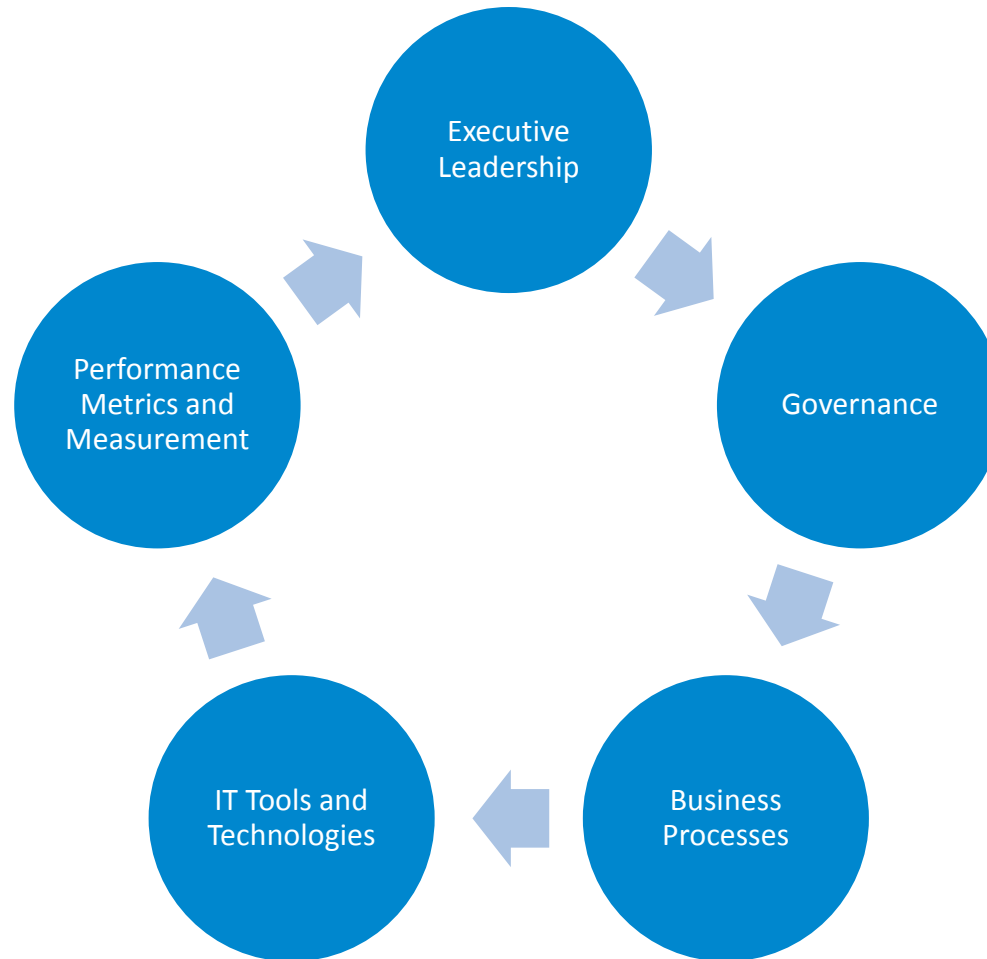
For most firms, an Organizational Change Management project is required to deliver necessary results

Progressive organizations will use new measures to understand PLM business value

There are implications in both front-end and back-end processes where PLM tools impact critical metrics

CAC - Customer acquisition costs

- Reduce time/cost in **quoting custom items** via CPQ integrations
- Improve go-to-market readiness by integrating with DAM and other marketing info systems

CRC - Customer retention cost

- Improve support experience using IoT integration and help customers prevent service issues
- Engage customers in feedback and product change requests with crowdsourced feature requests

Questions and Discussion

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