

White is the new Black -Selling Clouds to Management

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Real Class summary

- *This Schmuck just didn't want his employees showing him up so he came up with a fun class to do.*
- **This class is to have a dialog to the people:**
 - Who have been though it
 - Are experts at doing it
 - Who are there to help you get it done



Key learning objectives

At the end of this class, you will be able to:

- Manipulate Your Boss
- Find out how to charge a trip to HI to the project
- Make loosing money sound like a good idea
- Lynn Allen's Home phone number

Key learning objectives

At the end of this class, you will be able to:

- Finding savings at your company
- Applying an ROI to PLM360
- Pitfalls to watch out for when presenting this to management
- Teaching people to think differently about software vs. the Cloud

Meet the Panel

- **Michael Gulway – Advanced Solutions**
 - Engineer & CEO
- **Rick Noriega – VACCO**
 - Engineering Design Support
- **Eamon O'Gorman – Autodesk**
 - Global Sales Development at Autodesk
- **Brett Moushon – Autodesk**
 - King of the Autodesk PLM Consulting Gurus
- **Avi Robbins – Porex**
 - Director Global Product Development & Innovation

About the Speaker

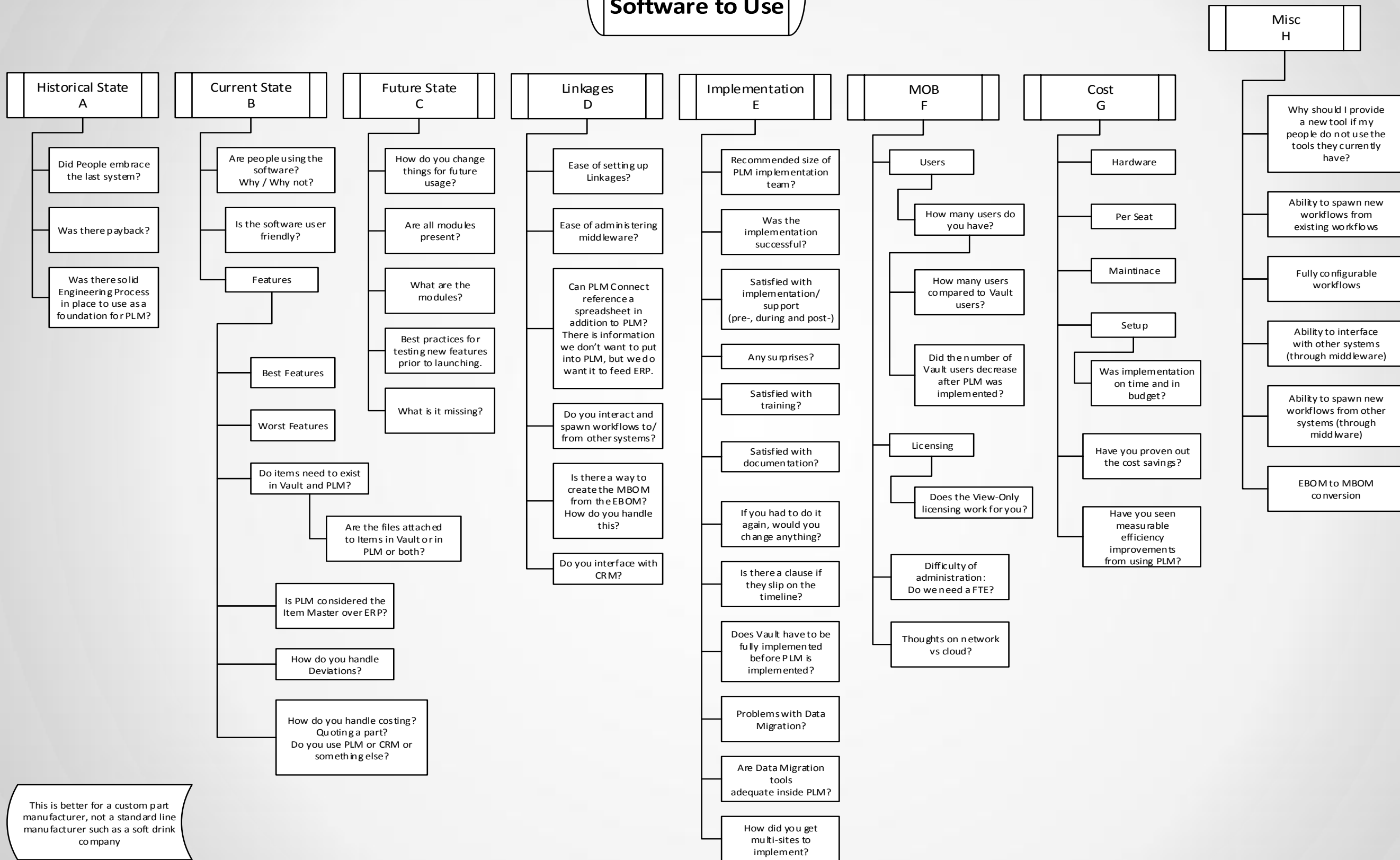
- **Who cares!**
- If they really want to know it is in the handout or they can stalk you on LinkedIn, lets get on with the class already...

Finding savings at Your company

Finding savings at your company

- Savings can mean many different things...
- Understand What you need before you look for how it will save you \$\$!

Choosing PLM Software to Use



This is better for a custom part manufacturer, not a standard line manufacturer such as a soft drink company

Finding savings at your company – Panel Questions

- Why do you think you need PLM?
- Where are the current pain points you think you can eliminate with PLM?
- What were the main areas of savings in your company?
- Cost Savings vs Cost Avoidance
- Do you know how much time your company is wasting or just know you are wasting time?
- Do you know what you want PLM to do for you?
- What about compared to other divisions or software?

Applying an ROI to PLM360

Applying an ROI to PLM360

- After you know for sure what you want and what your pain points are you know need to calculate the ROI.
- Break it down into bitesize pieces
- Gather as much info as possible

Sample ROI

I. Maintenance Labor Costs		Year 1	Year 2	Year 3
1.	Time wasted by personnel looking for spare equipment parts:	3%	1.5%	0.75%
2.	Time spent looking for information about a work order:	3%	1.5%	0.75%
3.	Time wasted by starting wrong priority work order:	1%	0.5%	0.25%
4.	Time wasted by equipment not being ready to work on:	2%	1.0%	0.50%
5.	Total Wasted Time:	9.0%	4.5%	2.25%
6.	Total number of craftsmen:	1250	1228	1219
7.	Total number of hours worked by craftsmen in one year, hrs:	2,600,000	2,553,200	2,535,966
8.	Total number of "wasted" hours for craftsmen in one year, hrs:	234,000	114,894	57,059
9.	Average labor rate per hour, including benefits for a craftsman, \$/hr:	\$ 40.00	\$ 40.00	\$ 40.00
10.	Potential Savings:	\$ 9,260,000	\$ 4,595,760	\$ 2,282,369
35.	Average labor rate per hour, including benefits for an engineer, \$/hr:	\$ 50.00		
36.	Potential Savings:	\$ 4,004,000		
37.	Percentage of Potential Savings obtainable:	20%		
38.	Total:	\$ 800,800	\$ -	\$ -

V. Total Savings and ROI		Year 1	Year 2	Year 3
39.	Total from Section I:	\$ 1,872,000	\$ 689,364	\$ 342,355
40.	Total from Section II:	\$ 1,336,000	\$ 542,640	\$ 379,614
41.	Total from Section III:	\$ 1,840,000	\$ 284,500	\$ 284,500
42.	Total from Section IV:	\$ 800,800	\$ -	\$ -
43.	Total savings possible from BMM:	\$ 5,848,800	\$ 1,516,504	\$ 1,006,469
44.	Total projected price for improvement program:	\$ 7,995,000		
45.	Return on Investment:	1.367		

The notes in these boxes give a recommendation on the efficiencies that could be seen based on current state.

Ex: Line # 1 shoes that is you already have a Computerized Inventory and Manual Work Order System, you should see a 0-5% increase in efficiency (we entered 3% for the calculation)

The numbers were based on discussion among Bridgestone teammates, and industry studies(including the pdf document supplied to you with this excel sheet "roi_for_maintenance_improvement_projects")

Orange Boxes are manually entered values

Applying an ROI to PLM360 – Panel Questions

- How did you calculate your ROI?
- How much was Tangible vs Non Tangible?
- It is not a one size fits all ROI?
- What tools can you recommend?

Pitfalls to watch out for when presenting this to management

Pitfalls to watch out for...

The number one issue I have had with management was:

- It is too good to be true.
- Next they want to know when are they going to see the money, or when are they going to see the ROI?
- What is your 5 or 10-year cost of ownership?
- Can do attitude!
- How much of this is the “Cool” Factor?

Pitfalls to watch out for... - Panel Questions

- Top 5 Gotcha's to watch out for
- Top 5 questions from Management that you did not expect
- Figuring out needs vs. wants

Teaching people to think differently about Software vs. the Cloud

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PLM is not software or Servers or the Cloud, but Product/Program Lifecycle Management.

In fact Wikipedia says:

- *In industry, **product lifecycle management (PLM)** is the process of managing the entire lifecycle of a product from inception, through engineering design and manufacture, to service and disposal of manufactured products. PLM integrates people, data, processes and business systems and provides a product information backbone for companies and their extended enterprise.*

Teaching people to think differently about Software vs. the Cloud – Panel Questions

- What is your definition of PLM?
- To me you will never win the Cloud vs. local security battle, work around it, don't fight it.
- What are you allowed to do vs. what can you not do in the cloud.

In Conclusion

- **You are not alone!**
- Different resources available:
 - Your reseller
 - Autodesk
 - Peer groups / forums, etc.
 - AU

Ask for help you will need it. Autodesk has one of the simplest PLM softwares to use in PLM360, but that does not mean implementing PLM in your company can be easy. You will have many pitfalls to watch out for.

Shameless Plug

Don't forget to fill out your survey!!!

For every 10 point answers on the survey will get you registered to win the **free** seat with me at the blackjack table *between 2:00am PST and 2:12am PST Thursday morning.*

You are required to provide gambling money for both of us, and pay off any debt I have occurred over this trip. If a large man asks we have been sitting there all night and you never seen me get up. You never seen me leave with his girlfriend. If an attractive lady would like to have your seat your winnings are null and void. However you are still responsible for the gambling dept portion of winning.

My Contact Info

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