

The PLM Platform Decision



Aras Community Event
May 2010

Topics **touched** today

- Snapshot of Carestream Health
- Project Governance Structure
- Why upgrade now? Current state drivers...
- Approach to partner selection
- Final Selection
- Return on Investment
- License Models Offered
- Roadmap
- Current Status and Challenges
- Recap Key Ingredients
- Q&A



Carestream Health - Who We Are

An independent company with a proven track record and \$2.5 billion in revenue

A world leader in:

- Medical imaging ... digital and film
- Healthcare information solutions
- Dental imaging and dental practice management software
- Molecular imaging
- Non-destructive testing



Who We Are

Approximately 7,300 employees serve customers in more than 150 countries worldwide

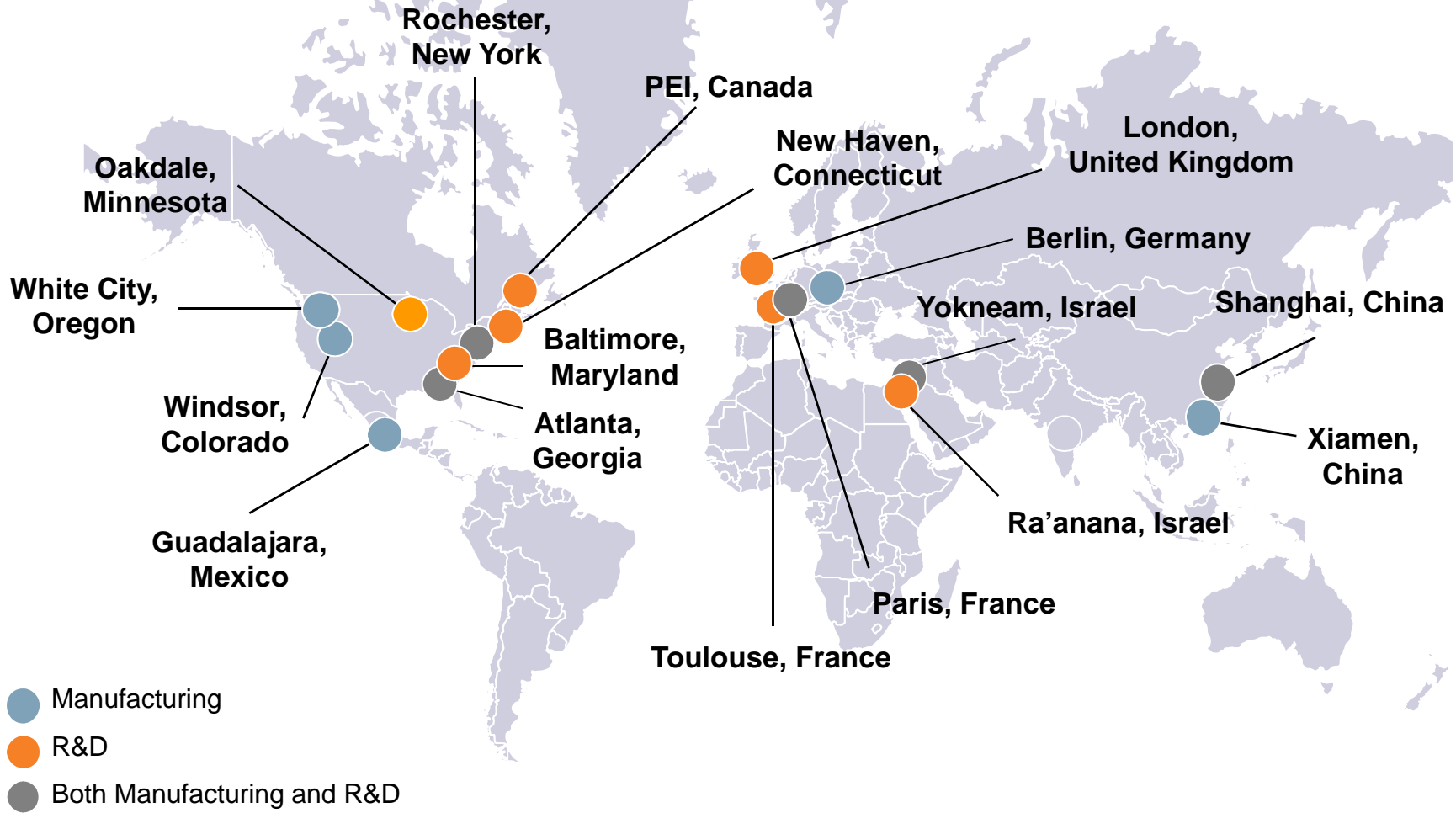
We hold more than 1,000 patents for technology and intellectual property

Our products are at work in 90 percent of hospitals worldwide



Who We Are

A **global company** with 17 manufacturing and R&D locations around the world



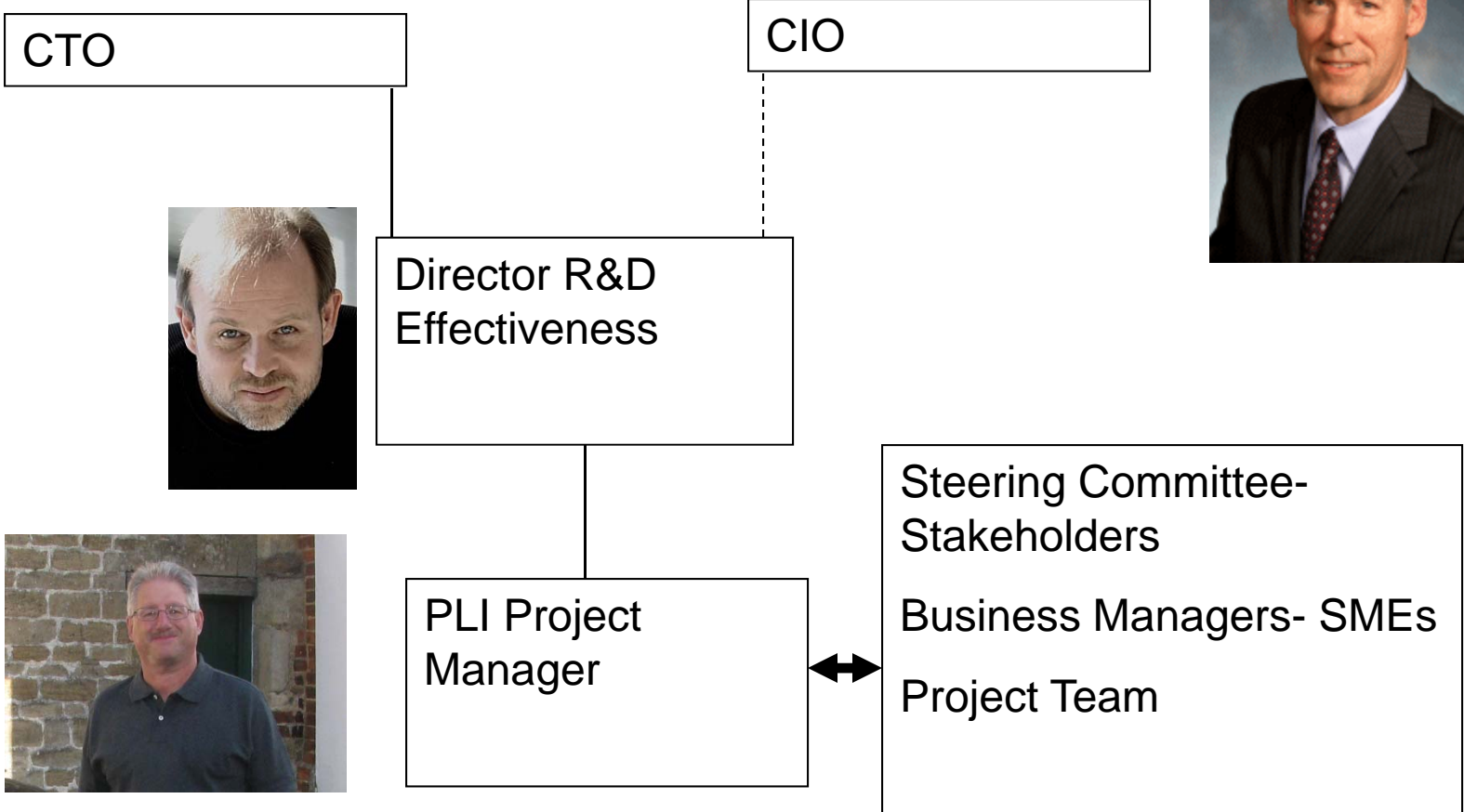
Project Governance



CTO Vision:
Drive efficiency and sustained advantage through

- Technology
- Commercialization
- Compliance

Holly Hillberg, CTO Excellence with a keen focus on cost and quality



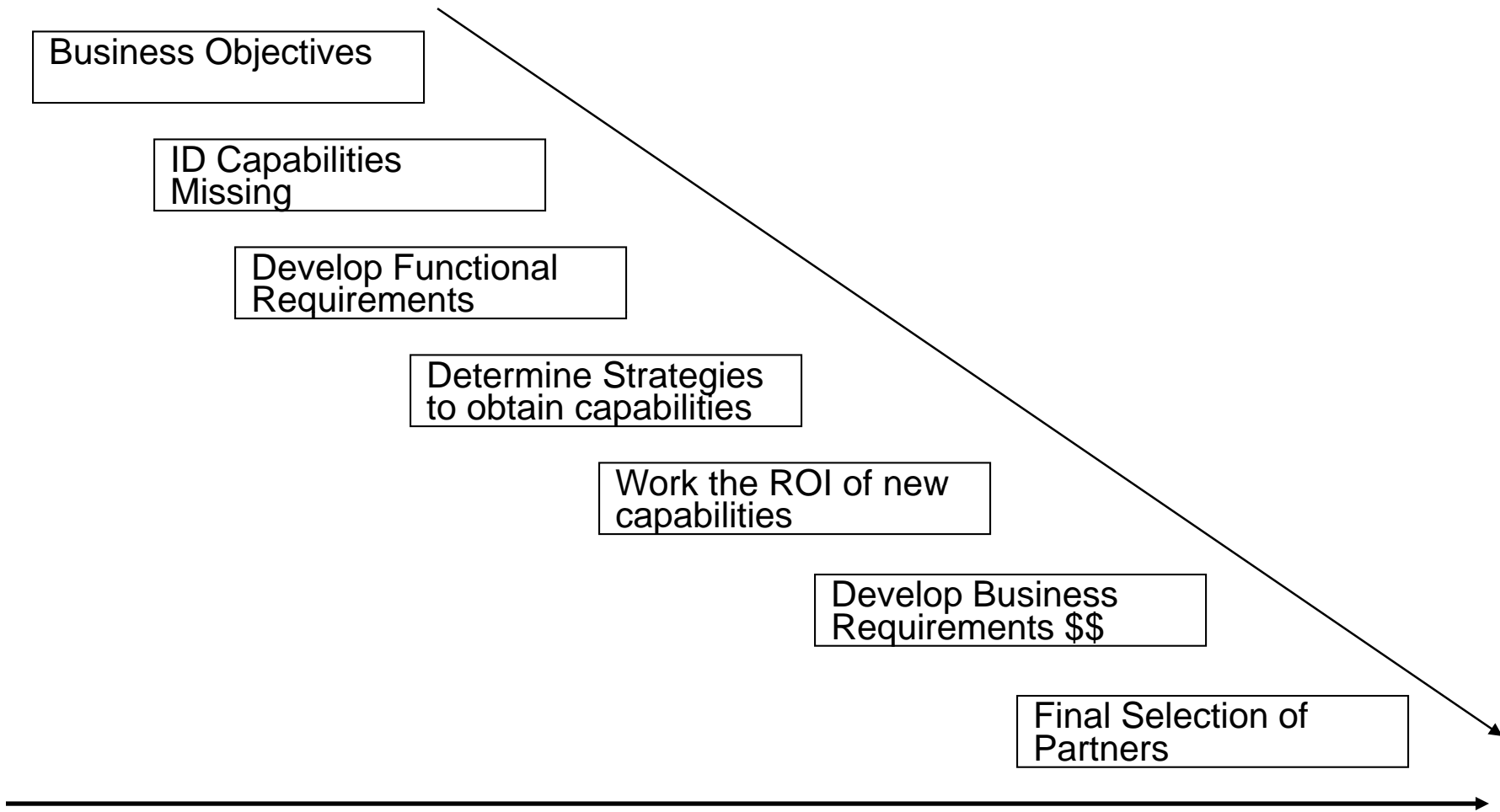
Why PLM Now?

- We continue to globalize R&D and Manufacturing to meet the needs of our company
- Drive to reduce silos & take advantage of our global resource pool
- Increasing business complexity needs to be met with effective integrated systems
- Must collect, retain and control IP critical to the company
- Keep innovative people focused on innovation and not integration of legacy systems
- Remain competitive in the market place
- Legacy systems lack capability
- Importance of PLM in the collection and control of Master Data

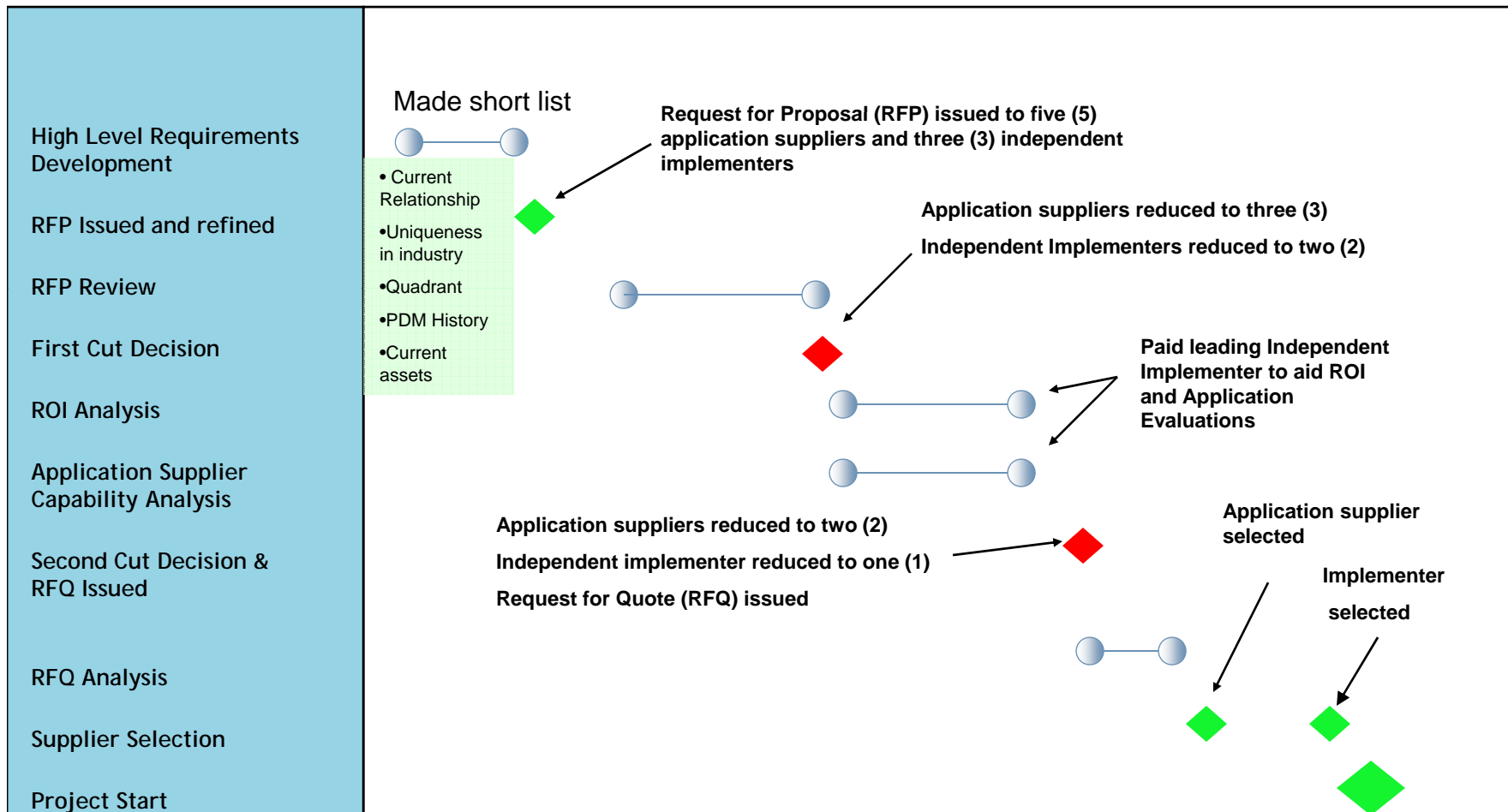
Approach to Partner Selection

- Examined our business objectives and capabilities that we were lacking
- Examined market options for both the application platform and implementation services
- Started evaluation process early to learn partners depth and long term approach
- Emphasized building relationships fully disclosing our approach and stages of elimination
- Contracted the leading implementation partner to help make the final application selection
- Used a rigorous evaluation process against the high level functional AND businesses requirements

Selection Model



Partner Selection Process- Give yourself Time



Partner Selection Process Benefits

- Allowed us to refine the requested information and expectations over a period of three cycles with suppliers
- Drove maturity of estimates and costs through the first two cycles giving credibility to the project with senior managers
- Eliminated suppliers fairly and in stages maximized the understanding along the way of the finalists
- Determined that third party implementers offered a broader view of options available and were our best consultants
- Candidates left in the last cycle deeply understood our functional requirements, business drivers and expectations
- Process obtained the best balance of functionality, risk and cost to our company



Final Selection and Solution

Aras Innovator[®] was determined to be our best choice for application

- Tight partnership while working through business issues and finding common ground
- Scalable subscription based business model that did not penalize ubiquitous access
- Provided cost predictability by eliminating complex license schemes that depend on deployment sequence of modules and location of user base
- Unique application that provides flexibility and scalability needed for our business
- Ability to trade ideas with the “Aras Community”

Wipro Technologies was determined to be our best implementer

- Tight partnership while working through technology options and implementation models
- Deep knowledge of many tools used across our business and how to integrate them
- Good “neutral” consultant for evaluation and discussion
- “Agile” approach to development, allowing us to have flexibility as we deploy



ROI

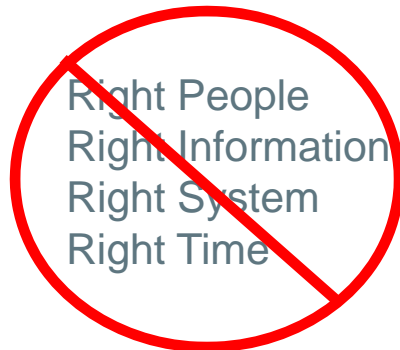
- Focused team on the big areas of return
- Highlighted the impact of scalability inside, outside and globally
- Built critical mass with management
- Set financial limits for the project, helped reduce suppliers at each phase
- Put numbers to “strategic investment” and sparked discussion
- Indicated where our business deviated from the supplier based ROI models
- Exposed PLM license models that break when you scale



License Models Proposed

Models Proposed

- Named User
- Module Based
- Business user or Engineering user
- Geographic Location based
- Enterprise – Based on revenue
- Enterprise based on ?
- Subscription Based on Total Users - 😊
- Open Source –Free? Not really...
- **No** concurrent user models offered



Many License Models

Discourage access to data....

Front load cost and risk

Complex and difficult to predict total capital costs

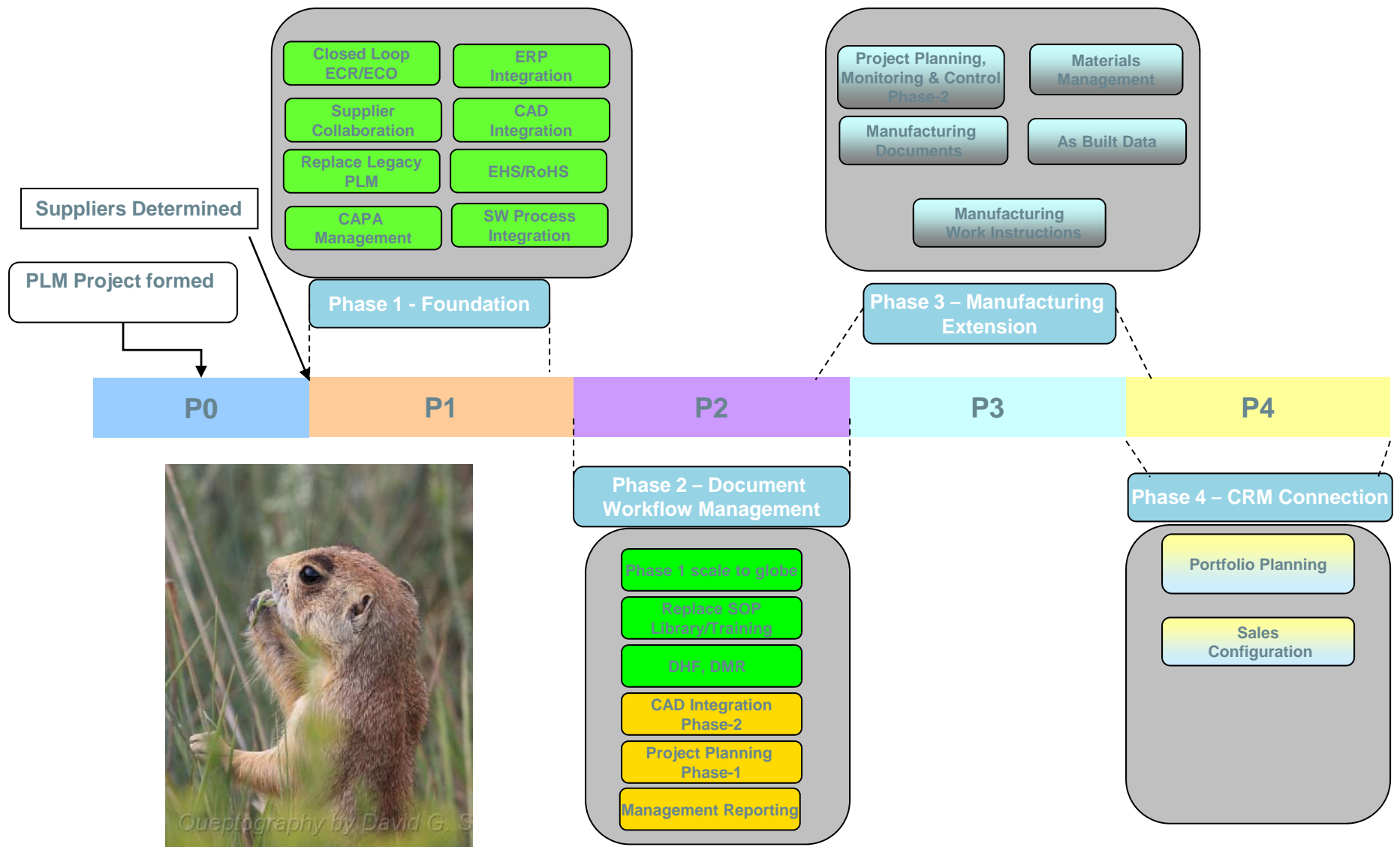
Place crazy price tag on document management and simple workflow

Cause crazy behaviors

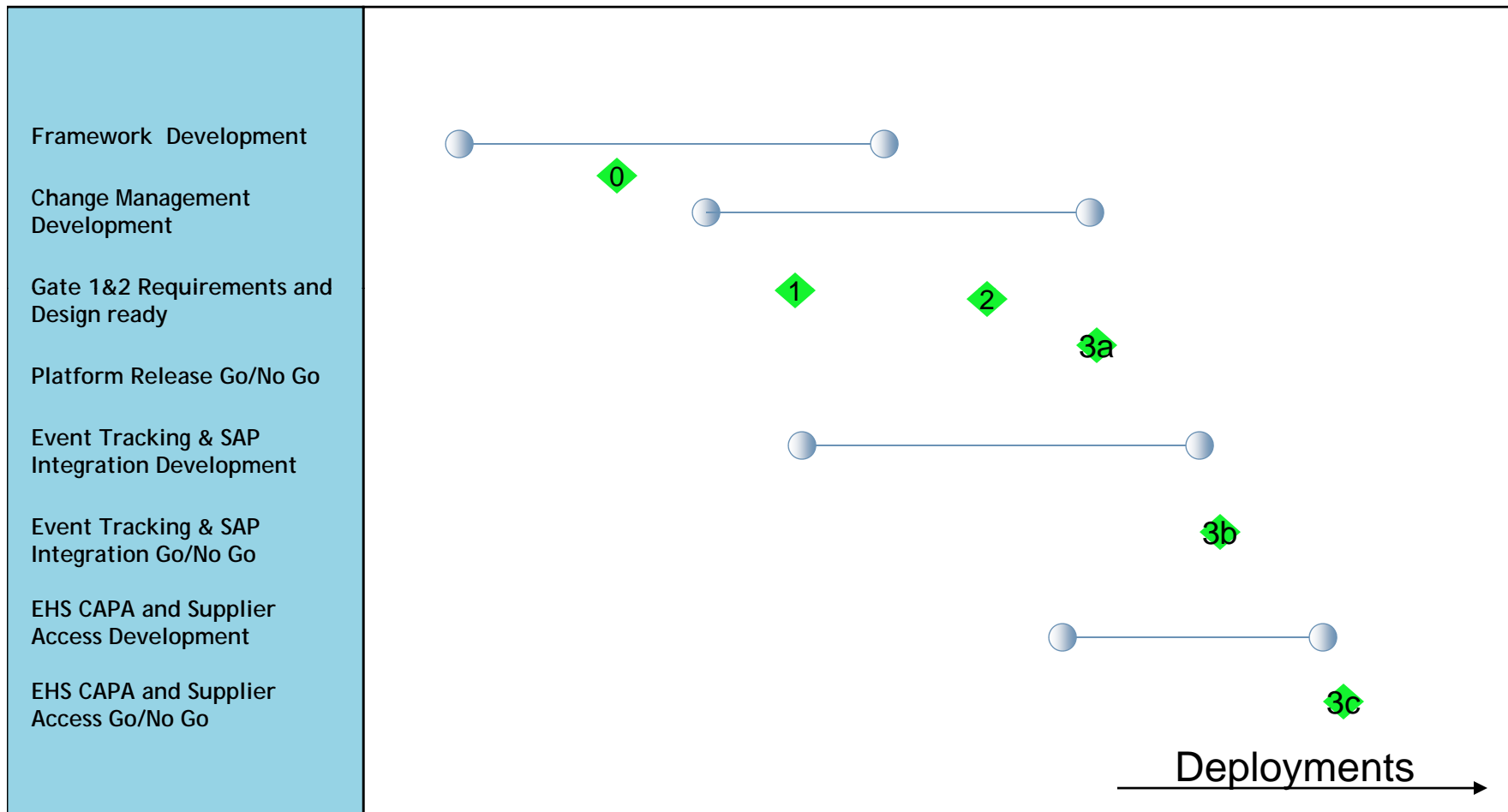
Tanked the ROI for us

Are the gift that keeps giving.....

PLM Roadmap



Carestream Health Product Level Information Development and Deployment Timeline



Status and Current Challenges

- On schedule to date
- Great support from all organizations
- Very engaged CIO and CTO
- Process Mapping, Use Cases and Requirements gathering almost completed
- Deployment planning was underestimated
- Cross organizational confusion still causing some delays
- Training resources underestimated due to phased deployment
- Metrics baselines to show ROI are slow to develop



Key Ingredients to Success

- Give yourself time
- Know your business objectives
- Understand what capabilities are missing
- Think through the partner selection process
- Develop an Return on Investment Model (ROI)
- Use the ROI to pre-determine your cost range and drivers
- Identify key requirements / features that drive ROI
- Define carefully what's In-Scope / Out of Scope know your user demographics
- Evaluate all options available in the marketplace
- Interrogate license models carefully... which ones scale?
- Benchmark, meet people, read and talk PLM
- Negotiate, share risk, find common ground with partners
- Never let a supplier define what you need



Willing to talk more about PLM.....

- Strategy
- Benchmarking if your not directly competitive or serving the same markets
- Implementation
- PLM is complex and discussions yield learning's for all involved
- We enjoy reading and contributing to blogs when time permits!

