

# TECHNOLOGY SOLUTIONS GUIDE

A RESOURCE SUPPLEMENT TO CGT MAGAZINE

## PRODUCT INNOVATION SOLUTIONS

A COMPREHENSIVE LISTING OF SOLUTION PROVIDERS THAT SUPPORT NEW PRODUCT DEVELOPMENT, INTRODUCTION, LAUNCH AND MORE.



**CGT**  
CONSUMER GOODS TECHNOLOGY

**2010**

**PLUS:** Industry thought leaders address the hottest innovation topics and trends in roundtable format.

SPONSORED BY:



# The STATE of INNOVATION

Thought leaders from Centric Software, Dassault Systèmes, Planview and Selerant share insight on the challenges and trends that consumer goods companies face when it comes to delivering new product hits to ever-changing consumers. Read their expert opinions on innovation in the recovery, rebuilding brand loyalty and the impact of social media.

**1** The economy undoubtedly impacted the way consumer goods companies approached innovation. Will we see IT spending to support the innovation process heat up in the recovery? Which solutions will be most in demand?

**COLOMBO:** Yes, we can already see the recovery trending up. The consumer goods companies who are seeing growth first are those who invested earliest during the recession. They can now obtain a competitive advantage as consumers begin to spend and the economy begins to show the traditional signs of recovery.

Analyst firms, like Aberdeen and CIMData, have cited product lifecycle management (PLM) as a key area of IT investments. The primary reasons would be to:

- Expedite the entire innovation process
- Reduce the cost of product development, production, and distribution (with all of

the factors: the raw materials, waste, resource time, as well as considerations for packaging, and shipment)

- Manage the consistently changing (and increasing number) of regulations for each individual region where products are produced, distributed and sold.

**GRABOWSKI:** Yes, IT spending will play a key role in heating up the innovation process. We've seen from our customers, including Procter & Gamble, that they are continuing to invest in IT during the economic downturn. The solutions that are most in demand have been and will continue to be those that can reach beyond organizational silos and across divisions and product lines to help with enterprise-wide collaboration and improved workflows, such as PLM.

We're seeing consumer goods companies increasingly engaging with consumers in the product development process to incorporate their voices as part of the innovation process. Technology that provides a central framework allowing for this increased collaboration will also continue to be in demand.

## ROUNDTABLE PARTICIPANTS



**CARLO COLOMBO**  
CEO  
Selerant



**ROSE GRABOWSKI**  
VP, Global Market  
Development, CPG  
Dassault Systèmes



**CHRIS GROVES**  
CEO  
Centric Software, Inc.



**PATRICK TICKLE**  
Executive Vice President  
of Products  
Planview

**“We’re already seeing an increase in spending with customers who are looking to help drive the innovation process and improve the product development process.”**

—PATRICK TICKLE, EVP OF PRODUCTS, PLANVIEW

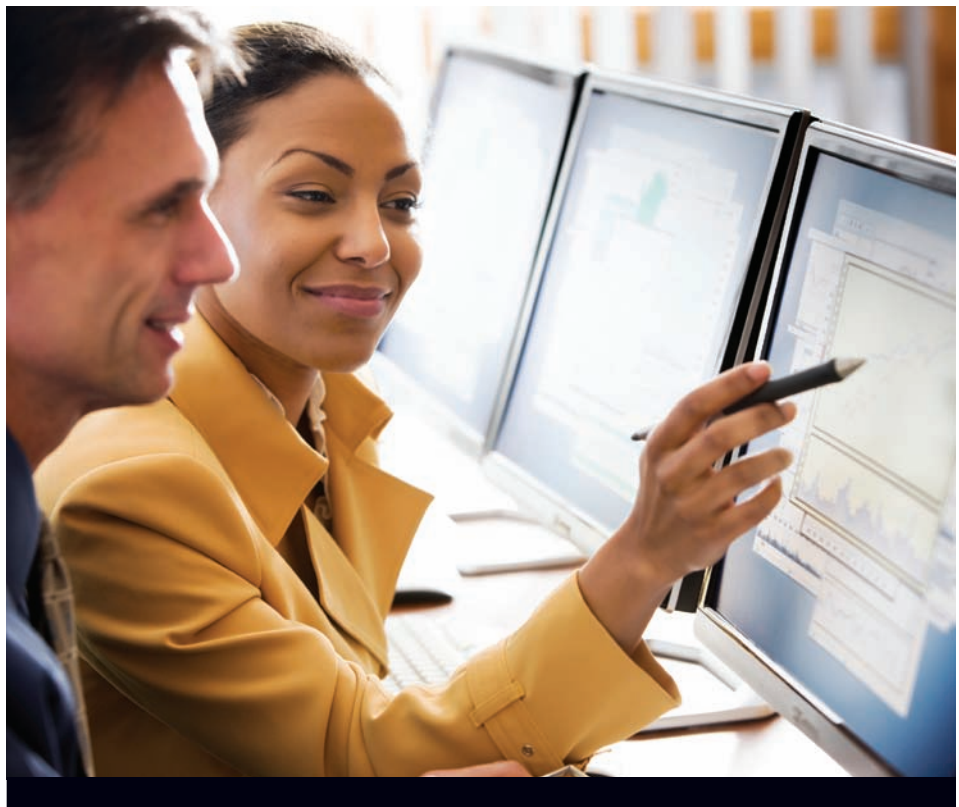
Lastly, solutions that allow for virtual prototyping that enable companies to get the design of new products right the first time will also play a role in heating up the innovation process.

**GROVES:** The tough economy hit consumer goods companies particularly hard, throughout their operations, including product development where innovation is a hallmark. In reaction, some lost strategic vision or became reluctant to commit to strategic investment. This tentativeness deferred critical investment in technology that could have helped the organization survive the downturn and emerge stronger, leaner and more responsive.

But we have definitely seen a turn. Consumers are still brand conscious and want the latest, coolest products. Yet more than ever, they want value, too. PLM technology helps companies deliver this critical combination of product innovation and value, and thus helps them gain a competitive edge.

Finally, our customers are keenly focused on a rapid return on their technology investment. They are unwilling — or unable — to wait 12 months or longer for the benefits they seek. We’re glad that we can accommodate this need, so that customers can achieve the results they seek in roughly four to six months.

**TICKLE:** Absolutely. We will see IT spend to support the innovation process. We’re already seeing an increase in spending with customers who are looking to help drive the innovation process and improve the product development process. Ideation, “voice of the cus-



tomers” and portfolio management software will be in high demand for companies looking to speed innovation and time to market.

## 2 Many consumers abandoned brand loyalty in favor of lower prices during the downturn. What can consumer goods companies do to drive shoppers back to their brands?

**GRABOWSKI:** Fulfilling an unmet need or delivering a first-of-its kind product is the easiest and most obvious ways to drive shoppers back to a particular brand. Unifying the entire product development lifecycle — linking departments, disciplines and data, which helps eliminate errors, rework and recalls — can help with this as it accelerates innovation and enables companies to bring higher quality products to market faster.

Outside of those possibilities, companies need to focus on differentiating themselves

from the competition in other compelling ways besides price. Identifying and adapting to the evolving needs of consumers is crucial to accomplish this. For example, establishing a sustainability mission has proven to be an effective way to increase brand equity in today’s marketplace. In line with sustainability is the increased consumer focus on health and wellness. Companies that deliver products that directly address consumer interests — which today include healthier, greener, more sustainable products — will be successful in driving consumers back to their brands.

**GROVES:** The changing economy has definitely resulted in changes in consumer buying behaviors. Consumers have become price sensitive with no real indication that they will abandon their new focus. Thrift is the new *cool!* But this new shopper mentality presents mixed challenges. Brand owners’ products, often considered high quality, must now demonstrate to consumers the *value* they represent. Conversely, private label products, usually thought of for their affordability, must convey their quality and

drive home their underlying message: “same quality, equal or better value.” Regardless of which challenge is faced—reinforcing product value or quality—appropriate infrastructure is critical. Designing products, managing suppliers, and tracking compliance via spreadsheets and e-mail will not power the required market-responsive product development, or the cost savings required for success. Instead, PLM—collaborative sourcing and product innovation technology—is needed to manage name brand and private label programs for competitive advantage.

**TICKLE:** Brands have to invest in innovation to continue bring incremental value to customers. This innovation equates to value that pays off in higher prices. Innovation spans every aspect of the brand promise; from the product itself to the packaging to online communities and loyalty programs. Holistic innovation is the key. Consumer goods companies can also remind customers about the value and quality of their brand over a lesser priced alternative such as store brands or other private brands. Loyalty programs, contests, coupon offers and bundling packages of different products show consumers that you’re not only looking out for them, but also delivering value to them with quality products they can feel good about buying.

**COLOMBO:** First, you must understand what drives the consumer to purchase other brands. Beyond your own initial competition, low prices are also driven by private labels by retail chains that squeeze margins from branded products.

Consumer packaged goods companies must look to innovation as the key to win back consumers. By innovation, we are speaking on two levels. First, they must have the technology and methodology in place to act quickly to implement changes for their product line. Second, they must have the ideas or trends to know how to change their products to meet the consumer demands.

These demands can be seen both in the numbers and the analysis. As new products are consistently introduced, we see only a small margin actually succeed—with a success rate of 11.6 percent, according to [www.allbusiness.com](http://www.allbusiness.com).



**“Consumers have become price sensitive with no real indication that they will abandon their new focus. Thrift is the new cool!” —CHRIS GROVES, CEO, CENTRIC SOFTWARE, INC.**

What we do see succeeding are healthier, greener products. Mintel states that 93 percent of consumers buy some type of green product and lists healthier products as three of its top product trends. SymphonyIRI confirms the pattern with eight healthy products appearing in the Top 10 New Products list, for a combined revenue of \$715 million.

### 3 How can consumer goods companies effectively reach the consumer through non-traditional marketing outlets? Any best practices for getting started?

**GROVES:** Whether brand owners market through traditional means or newer chan-

nels, like social media, they must assure a positive brand experience and communicate value. That begins with producing timely, on-trend products that are responsive to consumer buying habits. This linkage between brand experience, timely response to consumer wishes and product innovation can’t be built on layers of spreadsheets. Best practices necessitate a web-based infrastructure that enables brand owners to translate buying patterns into trend-right goods. PLM—collaborative product innovation and sourcing technology—provides this infrastructure and enables brand owners to speed products to market, accommodate last-moment design calendar changes, and become more responsive to the consumer. Brand owners face a dual challenge. Their marketing efforts must excite consumers to act, but products must not disappoint through off-trend features or poorly per-

ceived value. PLM technology enables the product development and sourcing best practices that empower brand owners to deliver the exciting products consumers seek, with the value they demand.

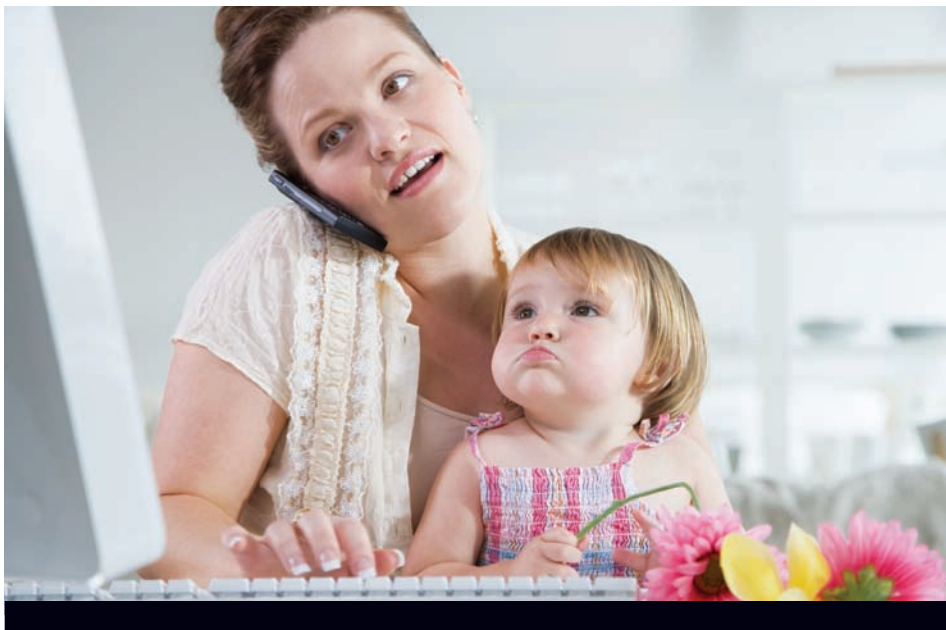
**TICKLE:** In the new normal it's imperative to reach out to customers on their terms, anywhere, anytime. The rise in use of location-based services, like Foursquare and Gowalla, plus the ever-increasing use of Facebook and Twitter bring great opportunities for consumer goods companies to connect with consumers about new products, feedback, loyalty programs and more. Social media is the outlet, but it's all about the right content. Make sure you have something with perceived value to offer them for connecting with your brand or product. Exclusive information and special offers for fans are a good first step. Just having a Facebook fan page alone isn't enough, you must have dedicated resources and relevant content to keep the consumers engaged in dialogue, not just push one-way communications to them as with traditional advertising.

**COLOMBO:** Consumers have become very tech-savvy over the past few years, which allows a relationship cycle they once had with the producers of their goods to come full circle. Many companies started with a close relationship to their customers.

This may have been lost over time as the companies grew bigger and had no way of speaking directly to their customers. Now there is a number of ways to connect, but with an immediate result that can be routed for new product development.

This can involve media and social networking, mobile applications with bar scanning, or a simple Web site form. All of these enable customers to directly impact how new products are developed as well as influence the key demographics.

**“By allowing the core demographic to essentially define product requirements, companies can ensure a higher success rate.”** —CARLO COLOMBO, CEO, SELERANT



**“Social media helps organizations conduct conversations with consumers, and brand teams are increasingly soliciting consumer input.”**

—ROSE GRABOWSKI, VP, GLOBAL DEVELOPMENT, CPG, DASSAULT SYSTÉMES

Companies can make the process seamlessly integrate with their own product requirement process, with a simple configurable form that can sync directly with their own database. By allowing the core demographic to essentially define your product requirements, companies can ensure a higher success rate.

**GRABOWSKI:** The use of social media such as Facebook or Twitter to engage with consumers is obviously rapidly growing. Companies are also turning to virtual environments to connect with consumers. For instance, they'll conduct focus groups in a vir-

tual retail environment where they can better understand how consumers will respond to products in an environment virtually.

Social media helps organizations conduct conversations with consumers, and brand teams are increasingly soliciting consumer input. The most successful companies taking this approach will have systems in place that can effectively tie consumer input into the product planning process and help brand teams be responsive. Any company that is opening up the floodgates for consumer input needs to be ready to handle the heavy flow of information and make this intelligence useful in the innovation process.

Marketers are also increasingly turning towards augmented reality and real-time 3D that allow customers to have brand experiences. For instance, Nestlé in Europe recently turned a cereal box into a 3D game console where the player's movements were detected in real time when tilting the cereal box. ❖

# TECHNOLOGY SOLUTIONS GUIDE

# PRODUCT INNOVATION SOLUTIONS CHART

COMPANY NAME / WEB SITE	<b>Accelrys</b> <a href="http://www.accelrys.com">www.accelrys.com</a>	<b>Affinova Inc.</b> <a href="http://www.affinova.com">www.affinova.com</a>	<b>Aras</b> <a href="http://www.aras.com">www.aras.com</a>	<b>Arena Solutions</b> <a href="http://www.arenasolutions.com">www.arenasolutions.com</a>
PRIMARY SOLUTION	Pipeline Pilot	IDDEA	Aras Innovator	Arena collaborative BOM & change management
KEY CONSUMER GOODS CUSTOMERS	<ul style="list-style-type: none"> <li>• L’Oreal</li> <li>• Procter &amp; Gamble</li> <li>• Unilever</li> </ul>	<ul style="list-style-type: none"> <li>• PepsiCo</li> <li>• Procter &amp; Gamble</li> <li>• Unilever</li> </ul>	<ul style="list-style-type: none"> <li>• American Italian Pasta Company</li> <li>• Basic Research</li> <li>• Kolcraft</li> </ul>	<ul style="list-style-type: none"> <li>• Char-Broil</li> <li>• First Alert</li> <li>• Sirius XM Radio</li> </ul>
MOST IMPACTED BUSINESS PROCESSES	Provides predictive analytics on a scientific informatics platform to speed scientific innovation	New product innovation, packaging design and advertising	Product lifecycle management (PLM) across ideation, R&D, new product introduction and supply chain collaboration	Bill of materials (BOM) management, engineering change (ECO) management, new product development/introduction (NPDI), product lifecycle management (PLM)
QUANTIFIABLE BUSINESS BENEFITS	Complete R&D projects up to 10x faster by leveraging research and intellectual property for collaboration and re-use and automating routine data gathering and analysis processes used in scientific R&D	Higher success rates, accelerated speed to market and lower innovation costs: Enables customers to identify the best concept among a vastly expanded consideration space, ensuring more successful outcomes	53% reduction in new product lead time; 40% increase in order-to-delivery throughput; savings of more than \$5.4M for deployments with 3,000+ users	Arena customers typically see 70% to 75% faster change cycle times and 10% to 20% lower scrap and rework costs. They also save on outsourcing and compliance costs.
UNIQUE FEATURE	The ability to manage and synthesize scientific information allows you to rapidly adjust workflows, optimize research cycles and respond to changing market conditions.	Affinova’s patented survival-of-the-fittest technology uses evolutionary algorithms that enable companies to quickly evolve concepts with consumers and innovate more effectively.	Enterprise Open Source PLM delivers advanced solutions with no PLM license expenses to reduce ownership costs by 57% or more for global companies.	On-demand, SaaS software that centralizes product data and allows companies and their partners and suppliers to access latest product information anytime
IMPLEMENTATION CYCLE/TIME-TO-BENEFIT	Time to benefit, in hours, weeks or months depending on size of implementation	Typical optimization studies last 5 weeks.	Time-to-benefit is 60 days or less.	Live in less than 5 days

**A comprehensive listing of product innovation solutions, including product lifecycle management, product information management, portfolio management, formulation management, specification management and more.**

**Centric Software Inc.**

www.centricsoftware.com  
(SEE AD ON PAGE 15)

**Dassault Systèmes**

www.3ds.com  
(SEE AD ON PAGE 13)

**Gerber Technology,**  
A Gerber Scientific Company  
www.gerbertechnology.com

**Infor**  
www.infor.com

**NGC**  
(New Generation Computing)  
www.ngcsoftware.com

Centric 8 Product Lifecycle Management (PLM) system

Dassault Systèmes' Product Life Cycle Management solutions for Consumer Packaged Goods

YuniquePLM

Infor PLM Optiva

e-SPS

- Bass Pro Shops Group
- Dorel Juvenile Group
- Western Glove Works

- Barilla
- Johnson & Johnson
- Procter & Gamble

- Bon Ton Stores
- Burberry
- Garnet Hill

- Campbell Soup Company
- Cadbury plc
- Hormel Foods

- Billabong
- Foot Locker
- Rocky Brands

Supply chain and product development, including design, sourcing, production and product launch management and line planning

Helps in strategic initiatives around the transformation of product development, consumer experience, enterprise governance, global sourcing and manufacturing processes

Product Lifecycle Management, Ideation, Research & Development, Product Development, Sourcing, Supply Chain, Value Chain, Planning

Product lifecycle management

e-SPS is an integrated, modular solution for PLM and global sourcing

Improved margins, profitability, productivity, on-time shipments; reliable technical files; reduced sample development process time; faster cycle time; reduced product, sourcing costs

Customers can accelerate innovation delivery by harnessing the collective intelligence of consumers, customers, marketing experts, sales people, designers and R&D with DS' integrated solutions.

Improved time to market, job satisfaction and staff efficiency; improved visibility to development and delivery processes; reduction in overdevelopment; material management, cost management; etc.

Reduce time to scale by 50% or more; reduce materials usage by 20% to 50%; and increase on time launches to 98%

NGC helps customers increase profitability of private label merchandise, reduce cost of goods sold, improve speed to market and product quality, and manage compliance and testing.

Centric 8 stands out among PLM systems for its rapid implementation and ROI, and its ease of use. Customers typically note its user-friendly interface.

Architecture that integrates a single version of the truth: Product data can be shared across the enterprise to accelerate new products to market, enable cost savings, enhance brand equity and streamline end-to-end PLM

View overall status instantly through the graphical and interactive dashboards, then simply click on a graph to drill down to detailed information: Flexibility enables rapid issue detection and exception management

Full compliance, cost and performance modeling and validation from concept to customer

e-SPS covers all aspects of line planning; product development; sourcing; product testing; purchase order management with production tracking; quality audits; shipping; and inbound visibility

Significant ROI in one season (6 to 9 months); results begin in 1 to 2 weeks

4 weeks out-of-the-box; 2 to 6 months for enterprise implementations

The average cycle is 4 months from discovery to rollout.

3 months for divisions and global rollouts in 12 months

4 to 6 months

# TECHNOLOGY SOLUTIONS GUIDE

## PRODUCT INNOVATION SOLUTIONS CHART

COMPANY NAME / WEB SITE	<b>Oracle</b> <a href="http://www.oracle.com/us/products/applications/agile">www.oracle.com/us/products/applications/agile</a>	<b>Persistent Systems Inc.</b> <a href="http://www.persistentssys.com">www.persistentssys.com</a>	<b>Planview</b> <a href="http://www.planview.com">www.planview.com</a> (SEE AD ON PAGE 17)	<b>PTC</b> <a href="http://www.ptc.com">www.ptc.com</a>
PRIMARY SOLUTION	Agile Product Lifecycle Management (PLM) Solutions	Persistent PaxPro Brand Asset Lifecycle Management Solution	Planview Enterprise for Product Development	FlexPLM
KEY CONSUMER GOODS CUSTOMERS	<ul style="list-style-type: none"> <li>• Apple</li> <li>• Coca-Cola</li> <li>• Tyson Foods</li> </ul>	<ul style="list-style-type: none"> <li>• Estée Lauder</li> <li>• MeadWestvaco</li> </ul>	<ul style="list-style-type: none"> <li>• Best Buy Europe</li> <li>• Boost Mobile</li> <li>• Hallmark</li> </ul>	<ul style="list-style-type: none"> <li>• adidas</li> <li>• JCPenney</li> <li>• Newell Rubbermaid</li> </ul>
MOST IMPACTED BUSINESS PROCESSES	Product Portfolio and Program Management; Labeling and Compliance; Specification Management; Formula Development; Supplier Collaboration	Persistent PaxPro enables CPG companies address the four major elements that support their core products: Artwork & Labeling, Packaging Specifications, Marketing Materials Management and NPDI.	The solution optimizes the product pipeline from ideation to launch.	Product lifecycle management – from concept through specification development, compliance and sourcing to delivery
QUANTIFIABLE BUSINESS BENEFITS	Reduced time-to-benefit; Reduced recalls and rework; Lower NPD and product cost; Lower cost of compliance	Reduced time-to-shelf; reduced packaging deviations; increased packaging and promotion process visibility across brands; hosted solution delivers rapid results with low TCO and reduced IT overhead	Increase revenue by speeding time-to-market; identify malperforming projects earlier to reduce spend on failed programs by as much as 20%; reduce project cost overruns by as much as 30% annually	45% reduction in cycle time; 40% reduction in quality defects; 50% improvement in efficiency of spec development
UNIQUE FEATURE	Securely manage product data and processes across the extended supply chain, then leverage that information to efficiently and safely develop products, labeling and compliance documents	PaxPro delivers quality brand assets using an on-demand, hosted solution which can be configured within weeks with low total cost of ownership.	Only portfolio management offer including competitive and brand impact as drivers for pipeline optimization: This extension of traditional portfolio analysis drives better roadmap decisions for increased market share	PTC's solutions allow everyone involved in design, merchandising and sourcing to be on the same page early in the development process so accurate information can flow seamlessly to enhance collaboration.
IMPLEMENTATION CYCLE/TIME-TO-BENEFIT	Modular, value-delivered implementations ranging from 3 to 9 months	6 to 12 weeks	Depending on depth of functionality, 6 weeks to 90 days.	3 months, depending on scope of initial rollout



**EDITOR'S NOTE: Solution Providers were asked to identify only their primary solution to the consumer goods industry. Visit their respective Web sites for information on additional solutions/services.**

<b>SAP</b> <a href="http://www.sap.com/usa/product-innovation">www.sap.com/usa/product-innovation</a>	<b>Selerant</b> <a href="http://www.selerant.com">www.selerant.com</a> <small>(SEE AD ON PAGE 19)</small>	<b>Siemens PLM Software Inc.</b> <a href="http://www.siemens.com/plm/consumerproducts">www.siemens.com/plm/consumerproducts</a>	<b>Sopheon</b> <a href="http://www.sopheon.com">www.sopheon.com</a>	<b>TradeStone Software</b> <a href="http://www.tradestonesoftware.com">www.tradestonesoftware.com</a>
PLM – Product Lifecycle Management	DevEX	Teamcenter	Accolade Product Lifecycle Management System	Merchandise Lifecycle Management suite
<ul style="list-style-type: none"> <li>• Colgate-Palmolive</li> <li>• Danone</li> <li>• Hershey</li> </ul>	<ul style="list-style-type: none"> <li>• Bacardi</li> <li>• McCormick &amp; Co.</li> <li>• Nestlé</li> </ul>	<ul style="list-style-type: none"> <li>• Jones Apparel Group</li> <li>• Procter &amp; Gamble</li> <li>• Unilever</li> </ul>	<ul style="list-style-type: none"> <li>• Electrolux</li> <li>• PepsiCo</li> <li>• SABMiller</li> </ul>	<ul style="list-style-type: none"> <li>• Genuine Parts Company</li> <li>• Quiksilver</li> <li>• Tory Burch</li> </ul>
Ideation, concept development, phase gate processes, recipe and formula management, compliance, pipeline and profitability analysis	DevEX seamlessly integrates ideation, product development, regulatory compliance and commercialization features for a cohesive NPDI solution.	Siemens PLM Software manages the innovation process from idea to shelf, uniting the product and production lifecycles.	Strategic product planning, ideation, new product development, new product launch, product portfolio management, lifecycle management	TradeStone unifies the design, sourcing, ordering and delivery of branded goods.
Integrated SAP platform replaces manual processes with automated ones driving speed to market: Benefits in manufacturing, inventory management, sales/marketing	Corporations can elevate visibility of product requirements, leverage current database to rapidly formulate and optimize new products, ensure compliance and expedite to market, outpacing their competition	Customers have improved speed to market, specifically, decreasing package design time from 3 weeks to 3 days, reducing product launch time for a seasonal collection from 3 months to 6 weeks.	Users of Sopheon's software report generating 40% to 60% more in new product revenues; reducing time-to-market by 20% to 30%; and increasing product portfolio values by 75% or more.	TradeStone customers typically see results like an additional 200 to 400 basis points to the bottom line; sales increases of 3% to 6%; average consumer spend increases of 7%; and sell through at margins of 78%.
SAP offers the lowest overall total cost of ownership through native integration and the use of industry specific best practices.	Allows developers to see the original product requirements, access vendor specs for a material, rapidly prototype new products, optimize formulations and continually analyze for regulatory compliance	Siemens PLM Software unites the product and production lifecycles from idea to shelf for breakthrough speed to market, greater productivity and flexibility.	Sopheon's Accolade system can provide all-in-one support for product and technology roadmapping, idea generation and development, and innovation process execution.	Unlike software solutions that offer siloed stand-alone capabilities, TradeStone Software offers a unified merchandise lifecycle management backbone for designing and delivering goods.
Ranges by project scope but typically between 3 and 12 months	Each implementation varies based on the level of configurations required.	Usually 6 months for scalable, live deployment	Average implementation cycle is 90 days; average time-to-value following implementation is 125 days.	Time to benefit is typically 90 to 120 days.