

# **INFORMATION** STREAMLINES

Cut Costs, Innovate, and Reduce Risk

Agile Product Lifecycle Management for Process



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## Gain Visibility into the Entire Product Lifecycle

Thrive despite challenging economic conditions while positioning yourself for future success— with Oracle’s Agile Product Lifecycle Management for Process.

Times are tough. You’re under tremendous pressure to squeeze excess expenses out of everything from product design to sales operations, from manufacturing to distribution functions. Yet eventually the economy will improve. You won’t be able to compete if your organization has been crippled by too-extreme or indiscriminate cost cutting. You need to simultaneously deal with today’s economic constraints while preparing for tomorrow’s growth. This means finding ways to increase revenues, mitigate risk, cut costs, and enable the kind of collaboration—both internal and external—that speeds innovative new products to market.

But it’s difficult to accomplish this without complete transparency into and traceability throughout your global operations. Siloed information systems that provide little or no visibility into scattered research and development (R&D) work, labeling and packaging activities, and safety and compliance risks make the product lifecycle difficult to manage.

Product lifecycle management (PLM) is the answer. Although traditionally used by manufacturers of discrete products in the automotive, aerospace, medical device, and defense industries, businesses in process-oriented consumer packaged goods and food and beverage industries are reaping enormous benefits by applying PLM to their operations. Through efficient management of information and processes, PLM enables companies to make better business decisions and to accelerate innovation and improve profitability across even the broadest global product portfolios.

As the industry-leading PLM solution, Oracle’s Agile Product Lifecycle Management for Process allows you to simultaneously reduce costs, mitigate risk, accelerate time to market, and improve worker productivity—all while boosting the bottom-line contribution that products make to your overall profitability.

Fact: More than 80 percent of new products launched failed to meet their goals.

AMR Research, *Part 2: How Can You Be Demand Driven If You Don't Know Your Shopper?*, March 2007



## A Failure to See Translates into a Failure to Thrive

When you lack full visibility into your product development processes, you are missing out on valuable opportunities and are essentially leaking profits. In most process industries, you already possess as much as 30 percent of all the formulas and supplies you need to produce a new product—but your inability to consolidate data from siloed information systems results in a failure to leverage these assets. Other challenges include escalating costs, diminishing revenues, and accelerated risk.

### Escalating Costs

At the same time that inflation is increasing the costs of raw materials and ingredients—particularly in the food and beverage industry—you face a shifting consumer landscape that is squeezing your profit margins even further. Changing consumer preferences and rapidly evolving regulatory demands naturally result in higher R&D costs, as well as higher raw materials inventory costs. The complexity of global supply chain operations is increasing the expense involved in qualifying and managing suppliers and ensuring that their products and facilities meet your requirements.

### Diminishing Revenues

Despite the challenging economic environment, retailers are applying tremendous pressure for manufacturers to keep prices in check. At the same time, they are attempting to drive loyalty and profits by increasing their investments in private labels—a strategy that has clearly been successful with consumers, as these lower-cost, private-label products rapidly gain market share. Yet there are signs that consumers are still willing to pay a premium for products they feel are sufficiently differentiated. Figuring out ways to create differentiation is one of the biggest challenges facing process industries today.

### Accelerated Risk

Companies like yours are under increasing pressure to improve product safety. In addition to new regulations that mandate the traceability of raw ingredients, recalls of foods that contain contaminated or allergy-provoking ingredients are on the upswing. The U.S. Food and Drug Administration (FDA) has also ramped up its inspections of facilities to prevent manufacturers from selling products that have been mislabeled or mishandled.



## Oracle's Agile Product Lifecycle Management for Process

Agile Product Lifecycle Management for Process is an integrated solution that manages all aspects of innovation—product and portfolio management, specification management, supplier management, formulation and bill of materials (BOM) management, packaging and labeling management, compliance and quality management, and data syndication. Its collaborative innovation framework results in faster product- and packaging-development cycles, higher sales and margins, lower costs, higher quality, and more-compliant products that respond to consumer needs. Agile Product Lifecycle Management for Process does all this while driving accountability and repeatability into your processes and providing tools that help your employees work more efficiently.

### Delivering Measurable Results

Agile Product Lifecycle Management for Process was built, from the ground up, for and with leaders in the consumer packaged goods (CPG) industry. As a result, the solution is uniquely focused on the needs and challenges of CPG companies and embeds industry standards and best practices to provide quick time to value. This global, leading solution

- **Streamlines and accelerates product development and introduction**—Improves sales and margins, increases success for new product innovations, reduces innovation costs, and enhances productivity
- **Provides a single version of the truth for all product and supplier data**—Consistent data across all languages and cultures results in global visibility and traceability; more-effective change control; lower costs; improved productivity; and enhanced compliance, quality, and safety
- **Enables easier management of experimental formulations, compliance, quality, labeling, and nutrition activities**—Accelerates new product introductions, enhances compliance and quality, improves labeling, and reduces costs
- **Helps businesses collaborate with suppliers**—Effectively managing sourcing relationships and data exchange across the multitiered supplier network results in greater visibility, better sourcing strategies, improved collaboration, enhanced compliance, and lower costs



### Case in Point: Tyson Foods, Inc.

After implementing Agile Product Lifecycle Management for Process for thousands of users, Tyson was able to

- Accelerate time to market by automating notifications, reviews, and approvals with electronic workflows
- Improve collaboration and reduce cycle times by connecting people, processes, and information in a single centralized system
- Empower decision-making by improving visibility into product data and reducing time for specification creation by more than 50 percent
- Shorten time needed to complete audits by improving consistency of supplier data and the traceability of ingredients and packaging materials
- Minimize risk by bolstering supply chain contingency planning to easily identify components affected by supplier changes, document company actions, and ensure appropriate reviews
- Decrease ingredient and packaging costs due to data transparency that allows the reuse of existing materials
- Increase productivity by reducing errors from rekeying and other labor-intensive information maintenance processes

## Control Costs

In these volatile economic times it's not enough to simply react to fluctuations in the price of energy, raw supplies, or labor. You need to proactively manage supply chain and materials costs to maximize operating margins for each stage of the product lifecycle. Agile Product Lifecycle Management for Process helps you do that, as well as

- **Consolidate raw materials and suppliers.** The globally distributed nature of most organizations, coupled with the siloed information systems that prevent easy sharing of critical operational data, make it difficult to find and leverage the materials you already possess. In addition, you may have multiple suppliers fulfilling identical roles—driving up your supply chain complexity and expense, and costing you the opportunity to negotiate more-favorable pricing. With Agile Product Lifecycle Management for Process, you can eliminate duplicate-materials inventory and redundant processes, and consolidate suppliers to reduce costs from the very start of new-product development.
- **Improve the efficiency of operations.** Innovative product development often involves geographically dispersed, functionally diverse teams. Without the proper tools and a single source of trusted data, teams will lack visibility into what individual contributors are doing—leading to inaccuracies, duplicate efforts, and possible misalignment with strategic corporate objectives. Agile Product Lifecycle Management for Process addresses all these issues by giving each team member real-time access to data that represents a single version of the truth and provides visibility into the entire product development process.
- **Optimize recipes and manage ingredient substitutions.** Reformulating products toward the end of a product lifecycle is both disruptive and expensive. Agile Product Lifecycle Management for Process gives product developers the tools they need to proactively make compliance- and quality-driven formulations from the earliest stages in the design process. Least-cost optimization tools drive lower-cost alternatives while maintaining high quality standards and complying with nutrition, labeling, and other regulatory mandates. And ingredient substitution tools put decision-making responsibility in the hands of regional manufacturing sites so they can use ingredients that make the most sense to them, based on cost, seasonal variations, and availability.



Fact: Agile Product Lifecycle Management for Process provides an integrated solution that manages all aspects of innovation, including product and portfolio management, specification management, supplier management, and formulation.

## Accelerate Product Innovation and Time to Market

Innovation is the engine of growth for shareholder value. Although containing costs and meeting compliance requirements are absolute requirements in today's markets, by themselves they will not drive growth. To not only survive, but thrive, you need to continuously deliver new products that satisfy changing market needs and consumer preferences. Agile Product Lifecycle Management for Process enables you to accelerate innovation on the right products without compromising quality or hiring additional resources. As a result, you can compress cycle times from concept through release, increase throughput from expensive R&D resources, and protect and leverage intellectual property.

With Agile Product Lifecycle Management for Process, your developers deliver prototypes much more quickly, and ensure they are optimized to meet the goals outlined in the product brief. Additionally, global information visibility and traceability provided by the solution means you know when the specifications are complete and products are ready to launch. Finally, cross-functional team collaboration enabled by Agile Product Lifecycle Management for Process helps you shorten lead times on labeling and packaging to ensure that they are ready when the product is, and that the impact of last-minute changes is well understood.

Fact: Agile Product Lifecycle Management for Process is built upon a standards-based, secure, and scalable open architecture platform that ensures fast and cost-effective implementations.



## Improve Product Quality and Compliance

A rigorous regulatory climate, when combined with increasingly quality-conscious consumers, creates a number of significant challenges. You must be prepared to adapt and conform to constantly changing compliance and market requirements—and you must continuously assess and redesign your products to enhance their consistency, stability, and appeal.

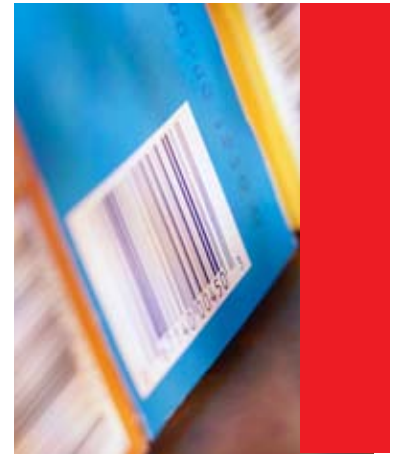
With Agile Product Lifecycle Management for Process, you can validate that all ingredients and finished goods meet internal as well as external quality and safety requirements. Included are the integrated labeling, traceability, and governance tools you need so that you can design your products with compliance in mind.

Agile Product Lifecycle Management for Process not only reduces the total cost of compliance by reducing rework and recalls, but it also improves customer satisfaction—boosting loyalty and strengthening your brand against an increasingly fierce host of competitors.



“Tyson Foods is driven to create innovative food solutions and revolutionize the way we deliver products worldwide. Oracle’s Agile Product Lifecycle Management for Process is a key component of our corporate strategy. We can attribute several results to our Agile applications, which have made a significant impact on our ability to execute on our initiatives and surpass our customers’ expectations.”

**Kim Glenn**, Director, Research and Development, Tyson Foods, Inc.



## Improve Organizational Collaboration and Productivity

Your inability to access and share information across your business makes it difficult to collaborate and manage the entire product development lifecycle—both internally and with partners and suppliers. This inevitably results in slow reaction times and missed launch dates, as well as a failure to learn from and leverage past experiences and efforts. Because organizational relationships between different functional areas such as product development, packaging, and ingredient procurement are fragmented, labeling and compliance activities are mostly manual—and error-prone. In addition, the overall lack of communication makes it difficult to manage changes in product formulations—and to understand the full impact of any changes on your bottom line.

Agile Product Lifecycle Management for Process gives your employees the ability to view and manage new and evolving product record information across the product lifecycle and the extended supply chain. It allows you to work collaboratively across the globe from a single version of the truth—the complete, up-to-date enterprise product record that includes formulas, raw materials and finished goods specifications, drawings for packaging and labeling, documents, and approved supplier lists. By streamlining the product change process and ensuring that all members of the complete supply chain have visibility into the latest product information, Agile Product Lifecycle Management for Process allows you to rapidly introduce profitable products and effectively manage product change.

### **Agile Product Lifecycle Management for Process Solutions**

- Agile New Product Development and Introduction for Process
- Agile Product Data Management for Process
- Agile Formulation and Compliance for Process
- Agile Product Supplier Collaboration for Process



## Oracle's Agile PLM Portfolio: A Breed Apart

### Proven Results

Since its first release, Agile Product Lifecycle Management for Process has provided mature, out-of-the-box network capabilities for collaborating across the enterprise and product networks.

The enterprise product record is a key intellectual asset, containing rich information that uniquely defines all aspects of a product at each stage in its lifecycle. The product record includes all the information required by an enterprise and its extended design and supply chain to conceptualize, design, source, formulate, and sell products.

Oracle's Agile Product Lifecycle Management for Process enables secure and effective management of the enterprise product record across the most distributed and global businesses. By providing secure, timely, and accurate visibility and control of critical product information and processes to stakeholders at every stage in the product lifecycle, Agile Product Lifecycle Management for Process helps companies cut costs, drive profits, accelerate innovation, improve quality, enable globalization, and ensure regulatory compliance throughout the product lifecycle.

Tyson is just one of the leading global customers in the packaged goods and food and beverage industries that have relied on Agile Product Lifecycle Management for Process solutions to achieve positive business results. Join their ranks by leveraging the power of Oracle's Agile Product Lifecycle Management for Process.

### CONTACT US

To learn more about Oracle's Agile Product Lifecycle Management for Process, please visit [oracle.com/applications/agile/agile-product-lifecycle-management-for-process.html](http://oracle.com/applications/agile/agile-product-lifecycle-management-for-process.html) or call **+1.800.ORACLE1** to speak to an Oracle representative.

Outside North America, visit [oracle.com/corporate/contact/global.html](http://oracle.com/corporate/contact/global.html) to find the phone number for your local Oracle office.



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