



# Product Lifecycle Trends

## Six Key Trends and Takeaways that Affect Profitability and Time to Market

### 1 LEAD TIMES

**68%** of product cost estimates from suppliers take a week or more to generate—putting **extreme pressure** on the design-to-delivery lifecycle and **minimizing the innovation window**.



#### Key Takeaway

This directly contradicts efforts to accelerate design to delivery and makes it difficult to compare multiple design alternatives that may ultimately yield a higher value product for the market.

### COMMUNICATIONS

### 2



**>50%** of companies surveyed say they have **inadequate communications** around product cost and manufacturability **between design and manufacturing**.

#### Key Takeaway

Manufacturers need to find a way to work smarter by relying on collaborative technology platforms that help to achieve their target cost goals.

### 3 SUBSYSTEMS & MATERIALS

**52%** of product teams are experiencing an **increase in the costs** of outside purchases for **components and subsystems**.

AND

**68%** of respondents report that their product **design-to-delivery costs increased** over the past three years due to **material costs**.



#### Key Takeaways

- ▲ This situation creates a higher potential for profit leaks in the supply chain
- ▲ A strategic product cost management system can help identify and eliminate cost drivers in order to combat rising costs while in the product development stage.

### MANUFACTURABILITY

### 4



**67%** of respondents say they only identify potential **manufacturing issues** while running through a **prototype sequence** for evaluation.

AND/OR

**63%** of respondents say they only identify potential **manufacturing issues** during regular **manufacturing reviews**.

#### Key Takeaway

Both approaches are expensive, time-consuming and occur far too late in the product lifecycle. Simulation software would allow users to quickly identify the issues during the early phases of product design and cost a fraction of either of the other two methods.

### 5 RESPONSIBILITY

**41%** of respondents say cost management is a function of design engineering.

**29%** of respondents say cost management is part of business strategy.

**18%** of respondents say cost management is a manufacturing evaluation function.



#### Key Takeaway

Companies need an enterprise-wide cost management platform that spans all departmental functions so that everyone can understand the cost implications of the decisions they make around product development each and every day.

### SIMULATION SOFTWARE

### 6



**17%** never use simulation software.

**23%** use simulation software less than 10% of the time.

**10%** use simulation software all the time.

#### Key Takeaway

A higher level of use of simulation software could help to identify cost drivers early, reduce end-stage design churn, accelerate Time to Market (TTM), and improve profitability. While not represented in these results, industry analyst firm Cimdata routinely reports that simulation software is one of the fastest growing segments of the PLM software market.