

PLM and Profitability

By Jim Brown

<http://www.mbtmag.com/blog/1690000369/post/1050042305.html>

One-to-One: Akoya Reducing Cost the PLM Way

I had the chance to talk with ... Brett Holland of **Akoya** about how their solutions help manufacturers design cost out of products. I have always been intrigued by the potential for Product Cost Management solutions to allow manufacturers to design with cost in mind. Given today's economic outlook, this is certainly top of mind for many manufacturers.

What do they Offer?

In my post about designing your company out of a bad economy I pointed out the importance of engineering to reduce cost. Akoya is aligned with that goal, offering software that helps companies make better design decisions related to cost. The key is to make good design decisions that are also good supply decisions. For example, the software and related content can help a designer make tradeoffs between different types of castings based on a good estimate of cost. Akoya has traditionally offered a Category Workbench that offers great insight into cost drivers for specific categories (like the casting example above). Akoya has now launched a Design Workbench as well that is intended to be used by the engineer directly. The concepts is for designers to gain insight into the factors that drive cost in supply, and have them make better tradeoffs between performance, quality, and cost up front. Types of things to consider are:

- * Standardization across parts
- * Supplier selection
- * Impact on other parts
- * Impact on your supply base

Given the number of cost reduction projects manufacturers are embarking on, the timing is good for this approach. Akoya provides both the software and the sourcing knowledge/content to help manufacturers design for supply effectively.

Who do they Work With?

Akoya has worked closely with large industrial equipment manufacturers. Most notably (and publicly) they speak about CAT. They have also worked with Agco, among others in the construction and agricultural equipment markets. Other sectors of interest include the automotive industry, where cost reduction and simplification offer huge potential savings.

How does this Fit into the Ecosystem?

To me, this is a no-brainer to be included in the PLM suite. After all, the goal of PLM is to help companies profit from their products. As PLM continues to address more than the technical aspects of the product, cost is an excellent area to focus on. This is a blind spot for many companies today, as ERP can't offer insight on things that have not been purchased before, or for that matter what a part should cost versus what is being paid for it. Procurement solutions typically don't tie down to the details of the products. And PLM solutions, for the most part, still

have a lot of work to do in regards to understanding and managing product cost. This is a company that offers a very compelling value in the current economy, and is worth a look.

So that's what I hear from them Akoya, I hope you found it useful. What do you think? What else should I have asked them?