
The Value of Platforms

Alan Hutchison

ClusterBridge

Architecting New Business

PMI Switzerland Chapter Autumn Event
“Improving Performance through Project Management”
11th NOVEMBER 2004

ClusterBridge

Architecting New Business

Key Messages

- ❑ **Technology companies are forced to compete on all fronts:**
 - **Technical specifications**
 - **Design**
 - **Cost**
 - **Speed**
 - **Quality**
 - **Flexibility**
 - **.....**

- ❑ **In many cases Time-to-Market and Cost are becoming more important as a driver than Specifications**

- ❑ **To meet the need for new products and product upgrades technology companies are adopting “Platform Management”, allowing them to use “Mass Customisation” (ie. Modular) approaches**

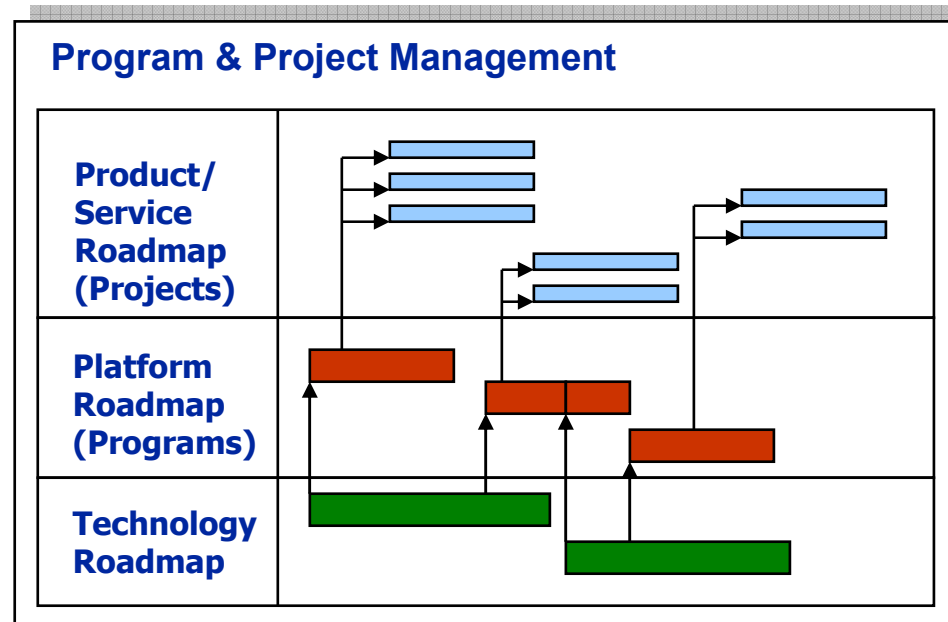
Platform Management - Basics



ClusterBridge

Architecting New Business

Program & Project Management



❑ Successful “**Platform Management**” is underpinned by a “**Project Management Culture**”

- **Technology Development and Platforms** are managed with a “**Program**” approach
- Each **New Product/service**, new design or design change resulting from the platform is treated as a “**Project**”

ClusterBridge

Architecting New Business

“Time-to-Market” Driven Industries

□ “Time-to-Market” driven industries are developing Platform Strategies:

- Telecommunications, Information Technology, Media
- Consumer Electronics
- Pharmaceuticals, Medical Products
- Automotive
-

□ Companies in these industries sell products and services:

- part of a “system” that it itself constantly developing
- The system has many interfaces
- Of no use or value without other complementary products

Implications of “Time-to-Market”

- ❑ Implications of “Time-to-Market” for **Project Management**:
 - Project delays = costs
 - “Time to Cash” can be ON/OFF
 - There needs to be a good understanding of all factors which can impact the project timeline

- ❑ Projects need to be **“front-loaded”**
 - Project viability needs to be assessed early
 - Resources are assigned early to eliminate or minimise project uncertainties

- ❑ Project managers need to work with **“Realistic scenarios”** and use judgement as much as planning

- ❑ Incentive systems are starting to **“reward the early”** rather than **“punish the late”**

Platform Management

- ❑ Platform Management allows focus on a **strategic** rather than tactical level and forces a **longer term** view of product strategy
 - Fewer platforms than products
 - Major platform decisions are taken less frequently
 - Decisions can be targeted at critical competitive elements

- ❑ Platform Strategy drives development, operations and supply chain **efficiency**
 - Component deployment (upto 60% common across a Product Line)
 - Spare parts use
 - Materials cost savings

Platform Strategy

Strategic Components

- Customer intimacy
- Market/segment expansion
- Market share leadership
- Cost/price leadership
- Leverage scale/scope
- Global & local
- Common technology platforms
- Speed in application development/delivery
- Alliances

Platforms, Programs & Projects



ClusterBridge

- ❑ Through **ClusterBridge**, Alan Hutchison provides “hands-on”, international business development services to his clients, taking on various roles from “strategic coach” to “interim manager”.
- ❑ Projects typically involve:
 - Identification & Validation of Strategic Opportunities
 - Technology & Product Platform Development
 - Market Channel & Supply Chain Development
 - Business Design
 - Partnership Evaluation & Selection
- ❑ During business building, support activities include:
 - Fundraising & Transaction Support
 - Partnership Structuring & Negotiation
 - New Business Building, Integration & Management
 - Team Development & Coaching
- ❑ **Contact:**

Alan J. Hutchison
ClusterBridge
Chemin de Bel-Air 15
CH-1299 Crans-près-Céligny
Switzerland
Tel : +41 22 990 2742
Fax : +41 22 990 2741
Mobile : +41 79 373 2991
Email : ajh@bluewin.ch
www.apte.net/clusterbridge

ClusterBridge

Architecting New Business