

Expanding the Innovation Horizon

PLM Forum, Gothenburg, May 30th, 2006

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IBM PLM Solutions

Nordic



1.050.000

world-class engineers graduated
in India and China

compared to 9.400
in Sweden

71.900.000.000 SEK

were invested in R&D in
Business Enterprise Sector in Sweden
and

2429 patents

were applied from
the European Patent Office in 2004

Unfortunately...

...there is no relationship between R&D spending or number of patents and sales growth, earnings, or shareholder returns!

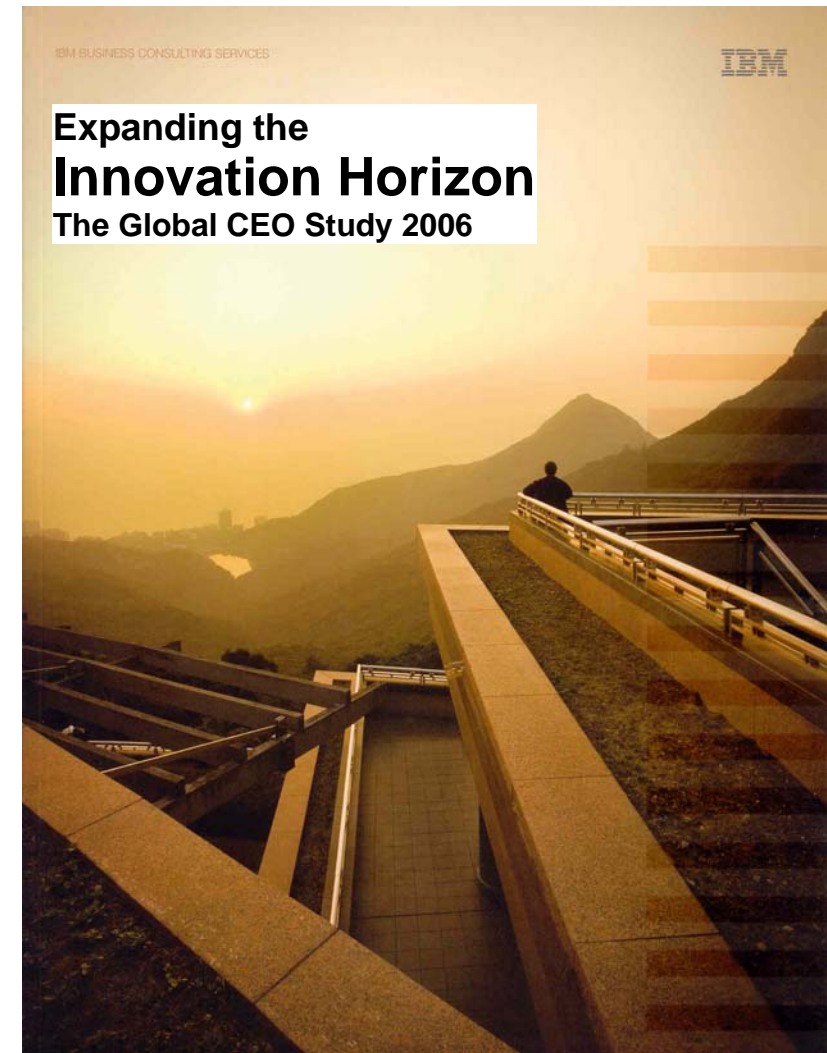
Agenda

- **Innovation Matters**
- **PLM Enabling the Process of Innovation**
- **PLM Headlines**

Innovation Matters

The Global CEO Study 2006

- **765 CEOs worldwide, from small to large companies**
- **In-depth one-on-one interviews**
- **Published in March 2006**

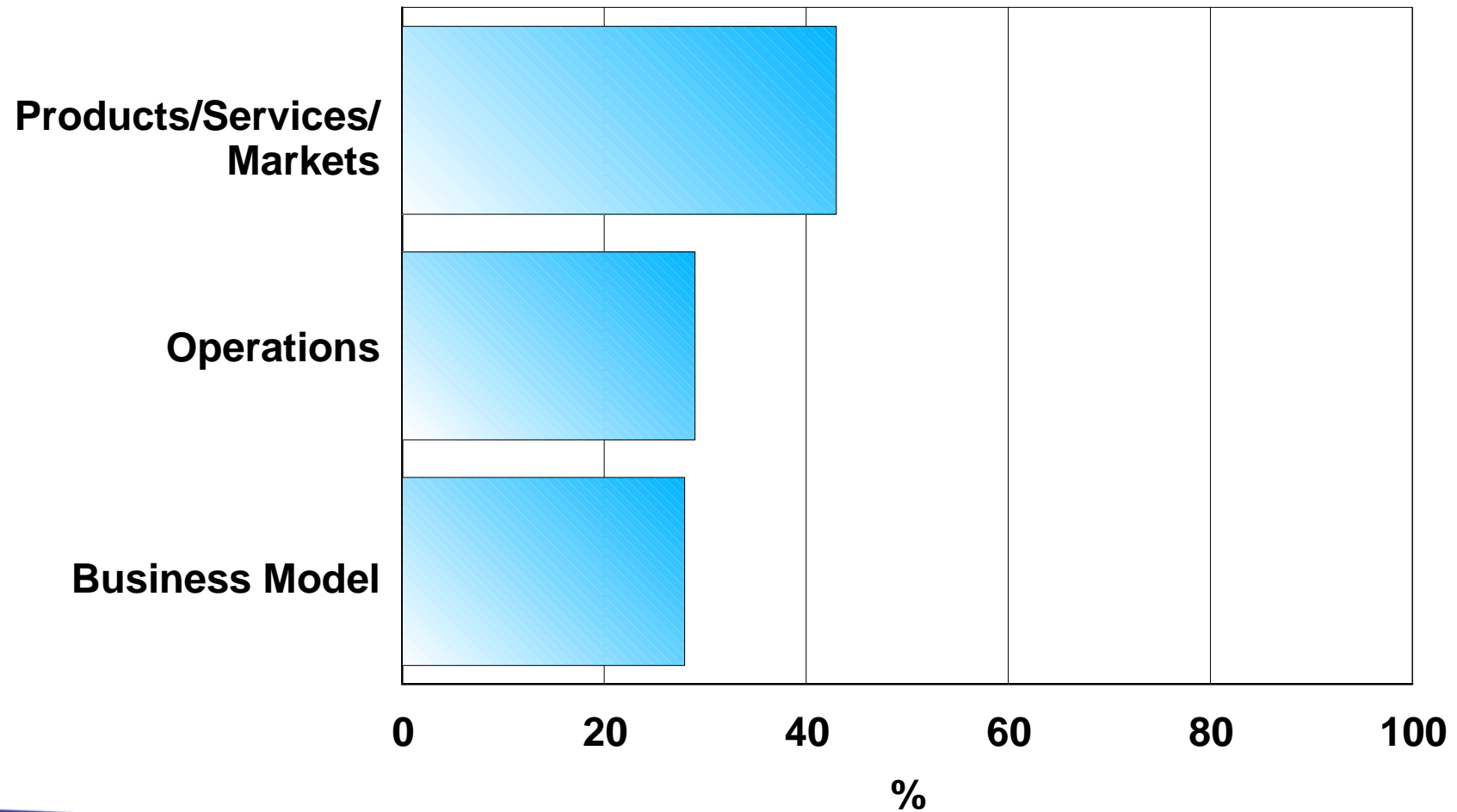


Definition: Innovation

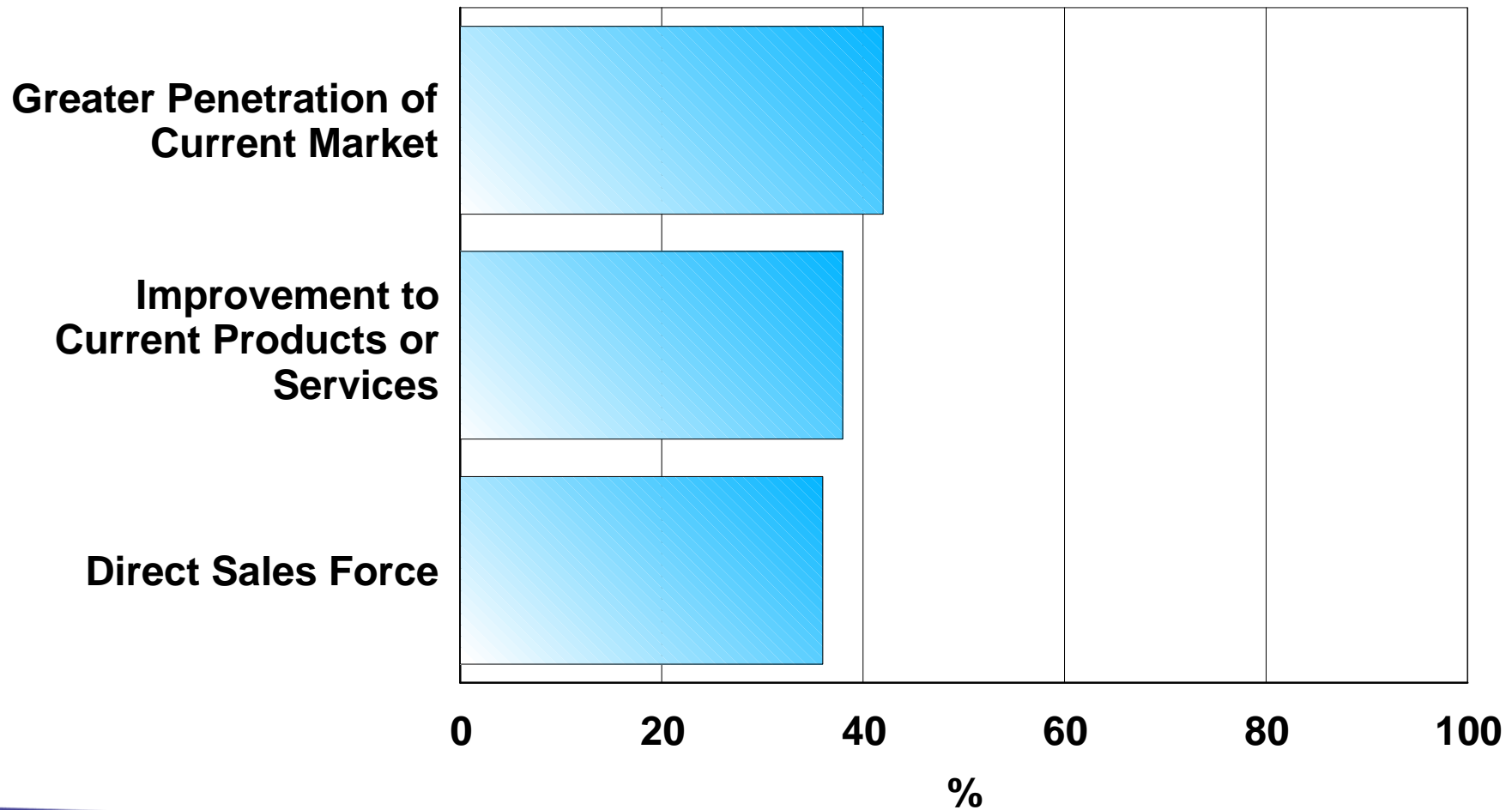
Using new ideas or applying current thinking in fundamentally different ways to effect significant change.

- **Business Model Innovation**
- **Operational Innovation**
- **Product/services/market Innovation**

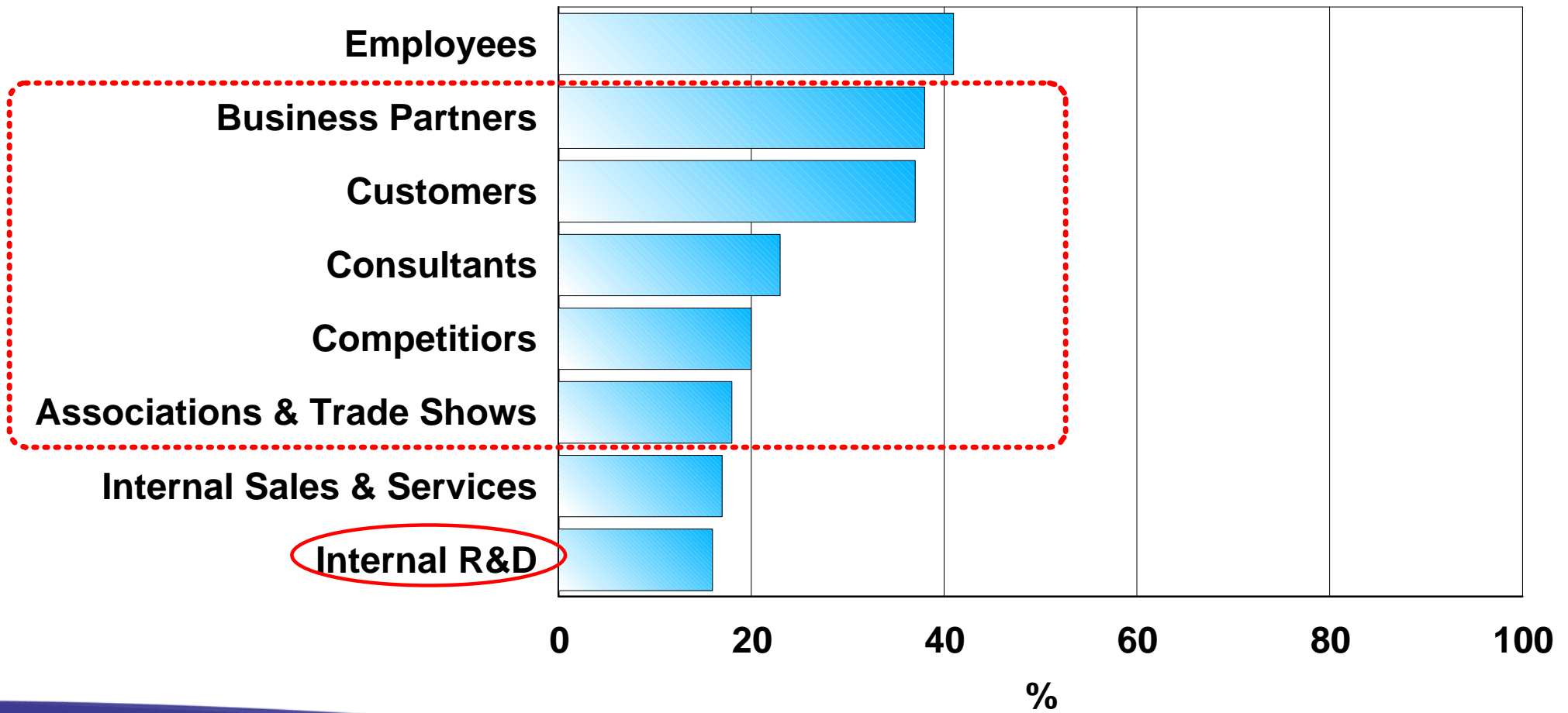
Where Will Be Your Innovation Emphasis?



Where Will Be Your Products/Services/ Markets Innovations Actions?



What Are the Most Significant Sources of Innovative Ideas?

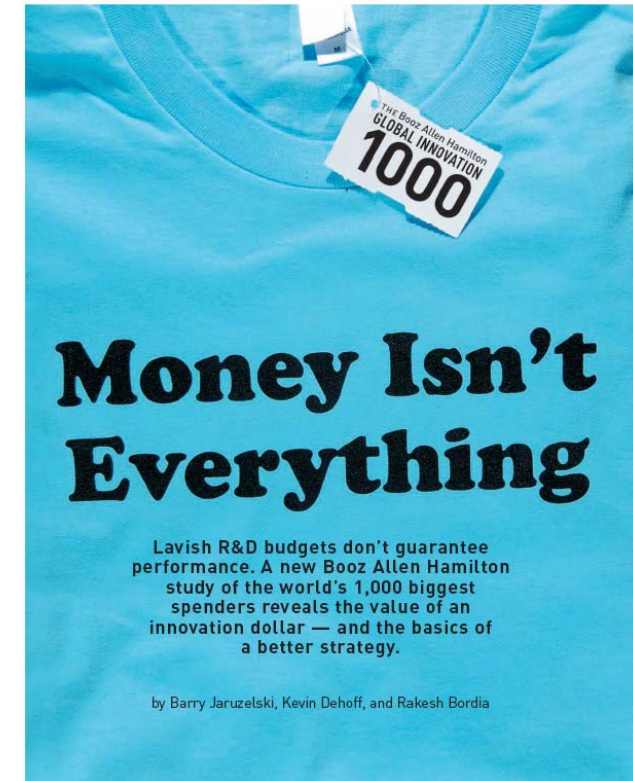


One of the Key Conclusions!



Global Innovation 1000 Study

- **World's top 1000 R&D spenders surveyed by Booz Allen Hamilton**
- **\$384 billion investment on R&D in 2004**
- **Key conclusions:**
 1. **R&D spending \neq corporate success**
 2. **Spending too little will hurt**
 3. **Return on innovation investment depends on the effectiveness of innovation process**



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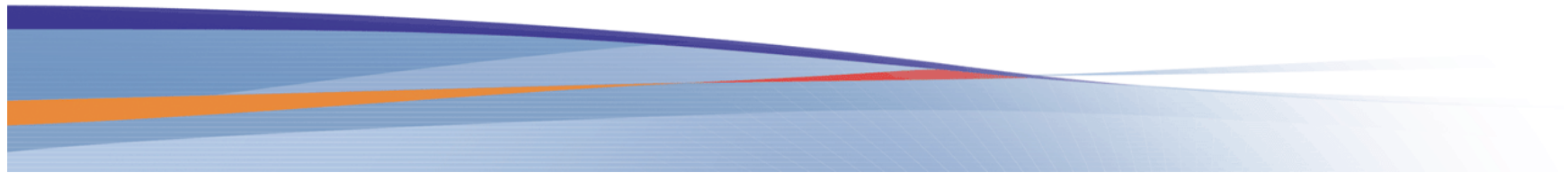
Innovation is critical, but difficult!

How to be more innovative?

...

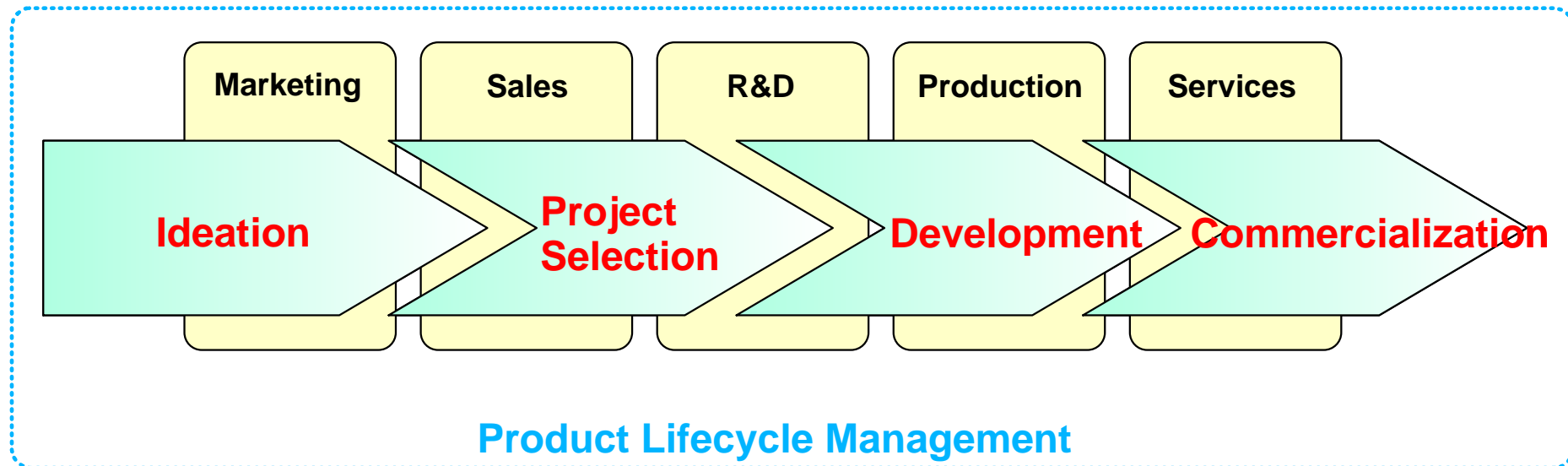
PS: All participants will receive an evaluation form by e-mail and all who will answer, will receive a copy of the CEO 2006 study!

PLM Enabling the Process of Innovation



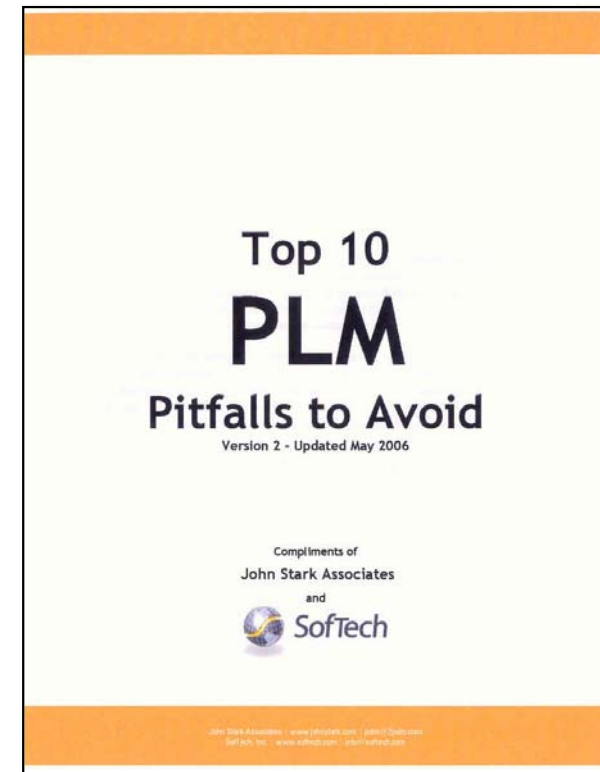
PLM Enabling the Process of Innovation

- **Financial returns on innovation investment depend on the effectiveness of innovation process**

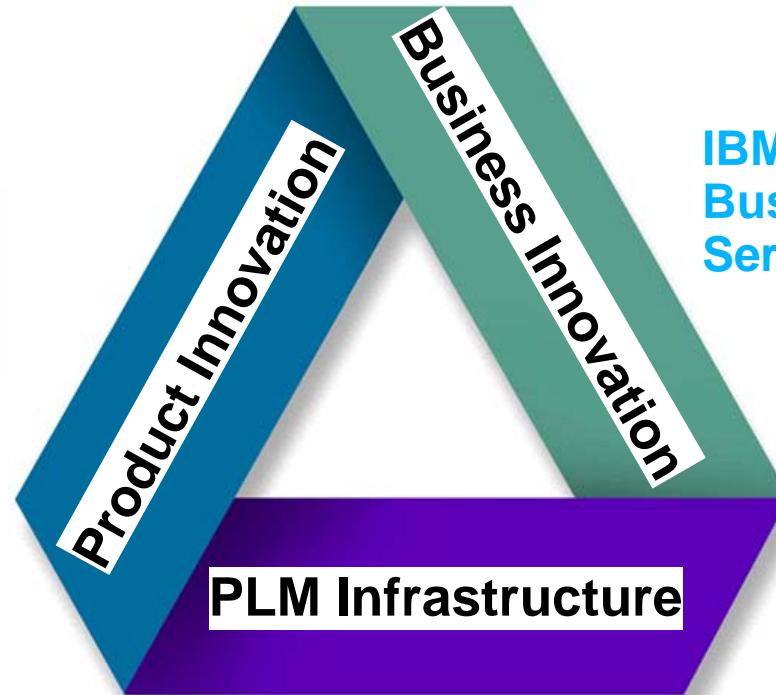


Top 10 PLM Pitfalls to Avoid

1. Not including executive education as a top priority
2. Not defining the critical PLM success factors
3. Not measuring the PLM success
4. Not promoting the PLM success
5. Proceeding before everyone is educated and agrees
6. Thinking PLM is only an engineering enterprise
7. Not planning to overcome setbacks and rejection
8. Proceeding without a sense of reality
9. Not considering risk avoidance as a key factor for PLM
10. Thinking you can hold off on PLM a little longer



How IBM Can Help You to Be More Innovative?



IBM Global
Business and Technology
Services

Information Management software

WebSphere software

Tivoli software

Rational software

Lotus software

PLM Headlines

PLM Marketplace Directions

- **Vendor consolidation continues**
- **Technology is shifting from modeling to process enablement, innovation, collaboration and interoperability**
- **PLM is now about enabling the sustainable innovation process**

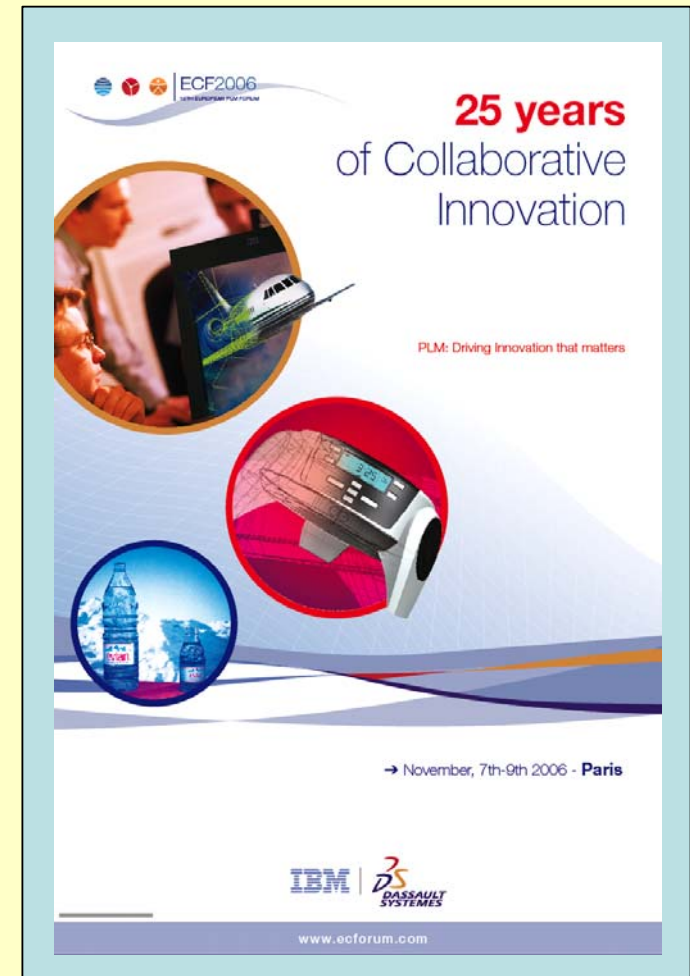
All You Want to Know About PLM

ECF 2006

Paris - France
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Summary

- **Innovation matters**
- **PLM enables the innovation process**
- **IBM together with Dassault Systemes can provide you the technology and knowledge needed for a sustainable innovation**



**What happens if your innovation process
is not competitive?**

**How long will you remain
in the race if your competitors are lapping you?**

