For many organizations, reducing product complexity comes down to better data and analytics. But many companies lack the time, skills, and resources to get the most out of their direct materials data.

There are other problems as well:

- Global product development data often isn’t centralized and is instead stored in separate product life cycle management (PLM) or enterprise resource planning (ERP) systems.
- Poor and incomplete product and supply chain data across business units and regions hinders search and reuse, limits consolidation, and drives significant loss in organizational productivity.
- Proliferation results from engineers re-releasing same or similar parts, and buyers procuring these parts for different prices across the organization.

In response to the complexity challenge, companies are using manual methods that take years and yield little to no benefits. In addition, they undertake large scale ERP and PLM transformation programs to rationalize discrepancies across these systems but face difficulty due to poor and incomplete data that frequently requires manual modification. This results in significant value being left unaddressed during such high investment technology transformations that touch and migrate the same product and supply chain data.

Deloitte’s DesignSource drives speed to value by transforming product and supply chain data and employing advanced data analytics to cleanse, enrich, classify and analyze complexity reduction opportunities across companies’ portfolios. It seamlessly integrates with ERP and PLM transformation programs to reduce execution risk, accelerate data migration, and augment estimated benefits to fund such programs.

Direct materials management is highly complex, especially in companies struggling to launch products faster and integrate their acquisitions in the face of rapid growth. The resulting proliferation of components, disorganized parts data, poor governance, and supplier proliferation point to significant opportunities to reduce costs and complexity.

The DesignSource™ advantage

DesignSource, one of Deloitte’s SupplyPRISM suite of products and solutions, automatically analyzes your data across traditional functional silos—including engineering, procurement, and finance. This can give your teams the data-driven insights they need to make a measurable impact on your organization’s cost of goods direct material spend.
How we can help
Deloitte's DesignSource is a rigorous analytical tool that delivers product insights to address organizations' product and sourcing challenges. The tool collects product, design, and operations data from a variety of sources, performs a thorough cleansing and data enrichment analysis, and merges BOM data with other enterprise, supplier, supply chain, and third-party benchmark data to create a clear picture of cost and complexity reduction opportunities.

DesignSource:
• Automatically enriches part attribute data from Manufacturing Part Numbers and unstructured sources such as drawings and data sheets
• Automatically classifies BOMs for reuse and consolidation in a highly secure environment
• Merges product and supply chain data to identify groups of similarly functioning parts for consolidation and price and supplier harmonization
• Deploys pre-built should-cost modules across thousands of parts, associated categories, and benchmarks
• Determines business case with validated savings, cost of part resourcing, or re-qualification
• Provides recommendation on design standards and preferred parts for reuse

When enabled by robotic process automation (RPA), DesignSource also provides ongoing engineering and design support. This system can select and recommend components that already exist within your company’s portfolio, increasing the efficiency of the product development organization, increasing part reuse, and lowering product costs.

Bottom-line benefits

Achieve unprecedented true cost visibility across similar parts in hours and realize savings within a few months

Fund ERP and PLM technology programs that touch the same product and supply chain data through savings generated by DesignSource

Rationalize part numbers and suppliers under management and decrease working capital

Drive volume consolidation through reuse from preferred suppliers at negotiated prices to minimize new product introduction (NPI) Costs

Create actionable roadmap to capture benefits over short, medium, and long-term through negotiations and engineering changes

Learn more
Our DesignSource team offers a variety of different models to meet your product development and sourcing needs. We offer one-time portfolio complexity reduction support, merger or divestiture synergy capture, or ongoing subscription models. We have even leveraged DesignSource to fund large-scale ERP and PLM transformation programs that touch the same product and supply chain data. For more information, please contact:

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DesignSource in action

Clients have realized cost reductions of between 4 percent and 12 percent from consolidation of spend.

An industrial products company identified 6 percent cost savings on $303M in spend based on:
• Reducing redundancy in the part portfolio by 37 percent
• Driving out $4M in immediate direct material costs from negotiations
• Developing a medium to long-term roadmap for product changes and alternate sourcing to achieve another $14M in direct material savings

A life sciences company identified 5 percent or $11.2M in direct material savings achieved through short term price harmonization, consolidated purchasing and improved design standards

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