



CASE STUDY

# Achieves New Product Development & Introduction Success



Significant global growth goals and fierce international competition are two key factors driving MEGA Brands new product innovation strategy and the company's emphasis on quality and cost.

MEGA Brands Inc. (MON TOR: MB.TO), formerly known as MEGA Bloks, is headquartered in Montreal, Quebec and is a leader in high quality, fun and educational construction toys that inspire children and parents to play together. With over \$600M in annual revenues, MEGA Brands is one of the fastest-growing toy brands in the world and is continually extending into new lines of business with innovative new products.

MEGA Brands competes in the construction toy market by delivering innovative, high quality products that are both exciting and educational to kids. With dozens of new product launches every season MEGA Brands needed to manage quality processes during new product development while attaining specific price points and margin goals.

### **NEW PRODUCT PROFITABILITY CHALLENGE**

MEGA Brands needed to be able to develop new products with superior quality within stringent cost targets. In addition, to support continued growth the company had to improve global coordination and visibility throughout the New Product Development & Introduction (NPDI) process with a specific emphasis on quality.

*"Aras enables us to manage our product development and introduction processes for supply chain readiness."*

Daniel Bourgeois  
VP, Product Development, MEGA Brands

#### **Business Benefits**

- Better new product profitability
- Greater Design-to-Cost ability for new products
- Improved ability to ensure product quality
- Faster Time-to-Market

## ACHIEVING NEW PRODUCT SUCCESS

In 2005 MEGA Brands implemented the Aras Innovator solution for enterprise Product Lifecycle Management (PLM). MEGA Brands automated business processes critical to new product development, quality management, and brand introduction.

During development, the Aras solution for PLM enables MEGA Brands to create multiple Bills of Material, or BOMs, for a specific product so that design cost structures can be analyzed. Different parts, materials, and production locations are compared to determine which new product configuration will achieve the best quality and margin. At the point of release to manufacturing, the product manager selects the optimal bill of material in Aras and locks in the product structure for the global supply chain.

With Aras all new product information is managed online providing the ability for MEGA Brands to communicate safety requirements and quality specifications to suppliers worldwide in a secure format over the Internet.

*“Our market segments are decidedly competitive and require that we innovate constantly while ensuring superior quality and managing costs,”* said Daniel Bourgeois, Vice President of Product Development. *“Aras enables us to manage our product development and introduction processes for supply chain readiness.”*

## MEGA DEPLOYS ARAS SOLUTION

Since implementing the Aras Innovator solution for PLM over seven years ago, MEGA Brands has significantly increased product profitability by managing design to cost targets and global product development more effectively. New product decisions are based on hard data and the information necessary to make profitable decisions, and quality risks are identified and mitigated before products begin volume production.

By collaborating and controlling quality during development MEGA Brands is able to ensure new product quality and reduce development cycle times in the process. Graphical online workflows in the Aras solution have also improve visibility and reduced the time necessary for product changes resulting in the ability to respond more quickly to rapidly changing market conditions.

In addition, because Aras is the leading Microsoft enterprise open source software solution provider, MEGA Brands has unlimited user access for no charge. By using the modern Aras SOA solutions on the Microsoft platform for enterprise PLM, MEGA Brands has saved more than half a million dollars on license fees, infrastructure costs, and consulting expenses.

MEGA Brands has achieved a global competitive advantage on quality and margin by taking advantage of the most advanced enterprise PLM solution on the market with Aras, and continues to extend their leadership position through innovation.



Aras provides the most powerful low-code platform with applications to design, build, and operate complex products. Our technology enables the rapid delivery of flexible, upgradeable solutions that build business resilience. Aras' platform and product lifecycle management applications connect users in all disciplines and functions to critical product data and processes across the lifecycle and throughout the extended supply chain. Airbus, Audi, DENSO, Honda, Kawasaki, Microsoft, Mitsubishi, and Nissan are using the platform to manage complex change and traceability. Visit [www.aras.com](http://www.aras.com) to learn more and follow us on Twitter and LinkedIn.

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