



ACE 2011 International

Subscriptions, Services, Solutions & More

Understanding Aras



“ It’s so different...

I don’t understand...

How can can Aras make money? ”

$$f(x) = (B\$ \times TU\#) + \\ (M\$ \times MU\#)_1 + (M\$ \times MU\#)_2 + \dots (M\$ \times MU\#)_n + \\ (S\$ \times S\#)_1 + (S\$ \times S\#)_2 + \dots (MS \times S\#)_n$$

PLM Licensing Calculus *

* oversimplified for example



$B\$ =$ License Price per Named User

$TU\# =$ Total Number of End Users

$M\$ =$ Module Licenses / Functional access per User

Engineering Change, Program Project Management,

CAD Integrations - CATIA, SolidWorks, NX, Pro/E, Inventor, AutoCAD, Cadence, Mentor, etc

Environmental Compliance, Quality Management, Manufacturing, Supplier Collaboration, etc

$MU\# =$ Number of End Users per Module

$S\$ =$ Server Licenses

Multi-site, Integration Foundation, Business Intelligence (i.e. Reports), etc

$S\# =$ Number of Servers Needed

PLM Licensing Calculus *

* oversimplified for example

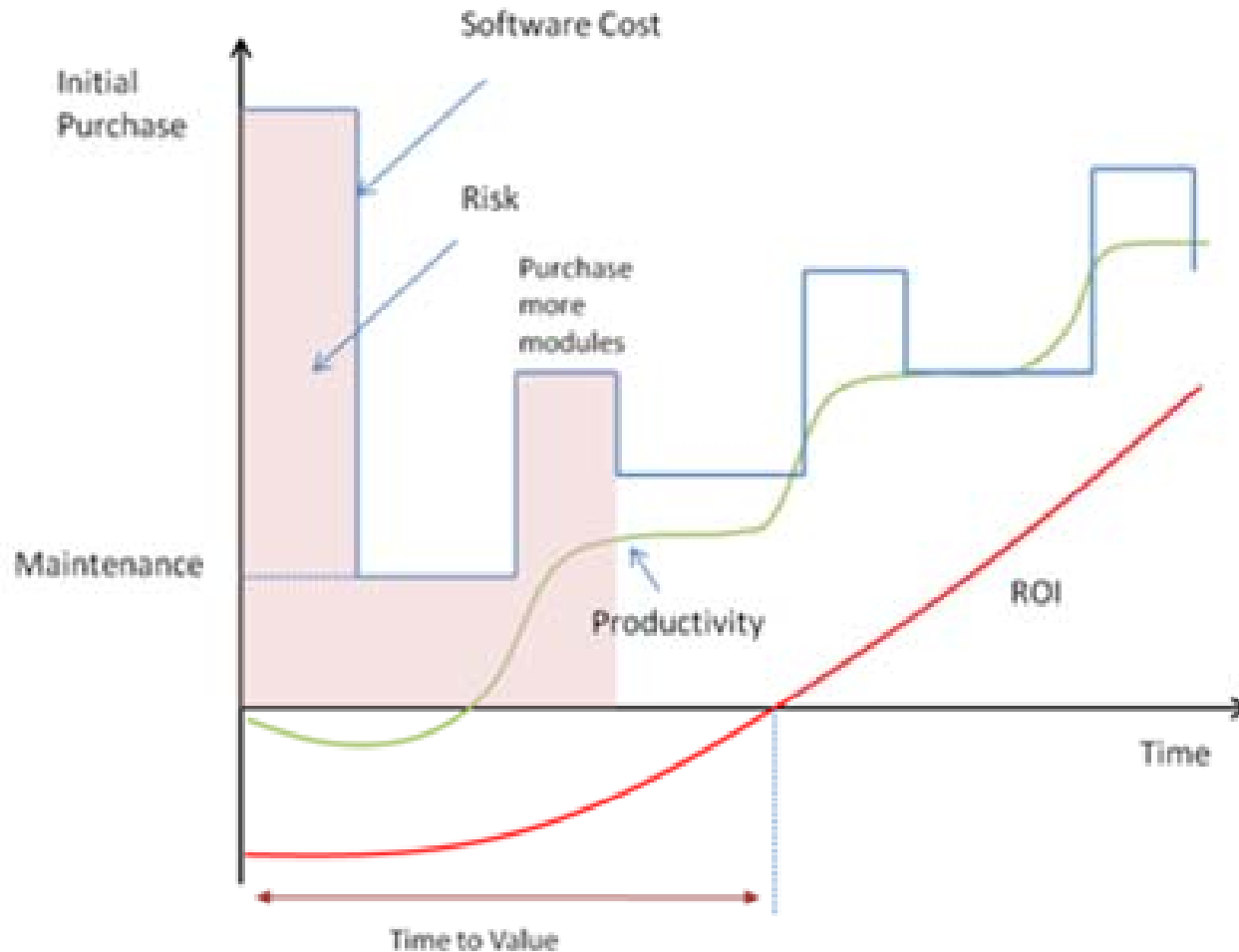


$$f(x) = (B\$ \dots) + (M\$ \times MU\#)_1 + (M\$ \times MU\#)_2 + \dots (M\$ \times MU\#)_n + (S\$ \times S\#)_1 + (S\$ \times S\#)_2 + \dots (S\$ \times S\#)_n$$
A large, thick red oval with a diagonal slash through it, centered over the equation, indicating that the formula is incorrect or should be disregarded.

PLM TCO & ROI



Traditional Licensing Approach



- Large Up-front Exp
- Significant Risk
- Constant Pressure to Buy More
- Adversarial Relationship
- Costs Not Predictable
- Unnecessary Restrictions
- Deployment Dictated by Purchases
- High Total Cost
- Difficult to Achieve ROI

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PLM TCO & ROI



- ✓ Eliminate PLM Lic Exp
- ✓ Reduces Project Risk
- ✓ Balanced Relationship
- ✓ Predictable Costs
- ✓ Complete Control
- ✓ Deployment Flexibility
- ✓ Reduced Total Cost
- ✓ Achievable ROI

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PLM Licensing Calculus *

* oversimplified for example



$$f(x) = (P \times MU\#)_1 + (M \times MU\#)_2 + \dots (M \times MU\#)_n +$$

(S\$ x S ...)_n

A large, thick red circle with a diagonal slash through it is superimposed over the equation, indicating that the formula is oversimplified or not to be taken literally.

Other PLM Costs



Maintenance



Infrastructure (hardware, networking, database software, etc)



Consulting (implementation, integration, data migration, etc)



Training (end user, administrator, developer, etc)



Ongoing Administration (sys admin, backups, etc)



Upgrades (major releases, minor updates, etc)

Business Model



▶ How Aras Makes Money

- Subscription Model, Similar to Red Hat (NYSE: RHT)
- Profitable, Scalable and Proven business model



▶ Customer Benefits

- Everything Completely Optional
- Eliminates Up-front License Expenses
- Predictable Fixed Cost
- Reduced Risk / Balanced Relationship for Customer
- Subscription package does not restrict user access, always get unlimited user access

What Subscriptions Include



aras
UNLIMITED™

– MUCH MORE THAN MAINTENANCE –

Subscription Packages Include a number of benefits that are important for a business-critical enterprise software system

Subscription Details Available at

<http://www.aras.com/services/subscription.aspx>

- ▶ Security Updates, Hot Fixes
- ▶ New Features & Capabilities not openly available
- ▶ Microsoft Certified Versions
- ▶ Productivity Tools – Data Loader, Disaster Recovery Utility, and others
- ▶ Subscriber-only Solutions
 - Packaged CAD and ERP integration add-ons,
 - Active Directory / LDAP Single-Sign-On Integration,
 - Replicated Vaulting capabilities, and more
- ▶ Live Hotline and Online Support with Unlimited Incidents
- ▶ Discounts & Free Training
- ▶ **System Upgrades including Upgrade Services (both Major & Minor)**
 - No matter how much customization
 - No other enterprise software provider includes Upgrades... Only Aras

Upgrades?



- ▶ **Not just access to new releases**
- ▶ **Software + Upgrade Services**
 - Both Major Releases & Minor Updates
- ▶ **No matter how much customization (even heavily customized systems)**

Upgrade FAQ Available at
<http://www.aras.com/getting-started/faq.aspx#UpgradeServices>
- ▶ **Be sure to include in any Cost Comparison**
- ▶ **No other PLM provider offers upgrades with upgrade services for customized systems as part of maintenance**

Subscription Structure



- ▶ **# Users in deployment scope is subscription sizing metric**
- ▶ **Priced as “browsers / consumers” and then give everyone “author / heavy user” access**
- ▶ **Subscription per Production Instance**
 - Includes Testing/Staging Instance, Dev Instance(s), Training Instance
- ▶ **Standard term commitment is 2 years**
 - Subscriptions are invoiced and paid annually in advance
- ▶ **At end of subscription term renew at current Deployment Scope (True-Up)**
 - No “back charging” (i.e. don’t have to pay for prior use)
 - Extended multi-year contracts lock in pricing and extend the time between True-Ups

When do we need/want a Subscription?



▶ At beginning of deployment

- Certified version
- Latest release & service packs
- Data & file load utility
- Hotline & online support
- Active Directory, Vault Replication
- Free training
- Consulting discount (if using Aras consulting)

What is Enterprise Open Source?



Enterprise Open Source

Open Source

- OSI compliant
- No contribution requirement

Open Source Solutions

**Flexible
Extendable
Collaborative**

Source freely available to Everyone

Community Source

- Compiled download
- Provides corporate security and control

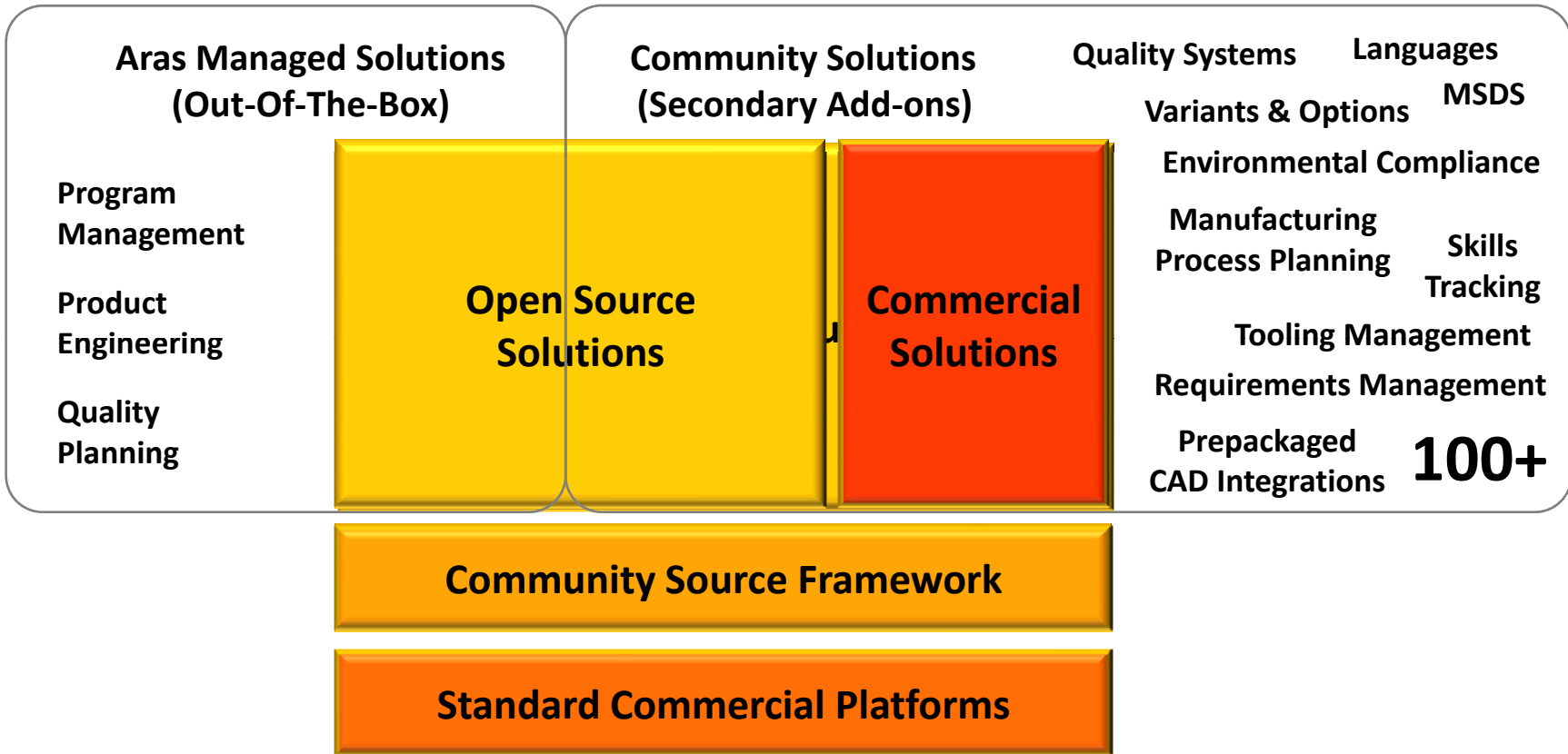
Community Source Framework

Secure, Managed
Source available to Paid Subscribers

Standard Commercial Platforms

Proven, Qualified

Solution Type Basics

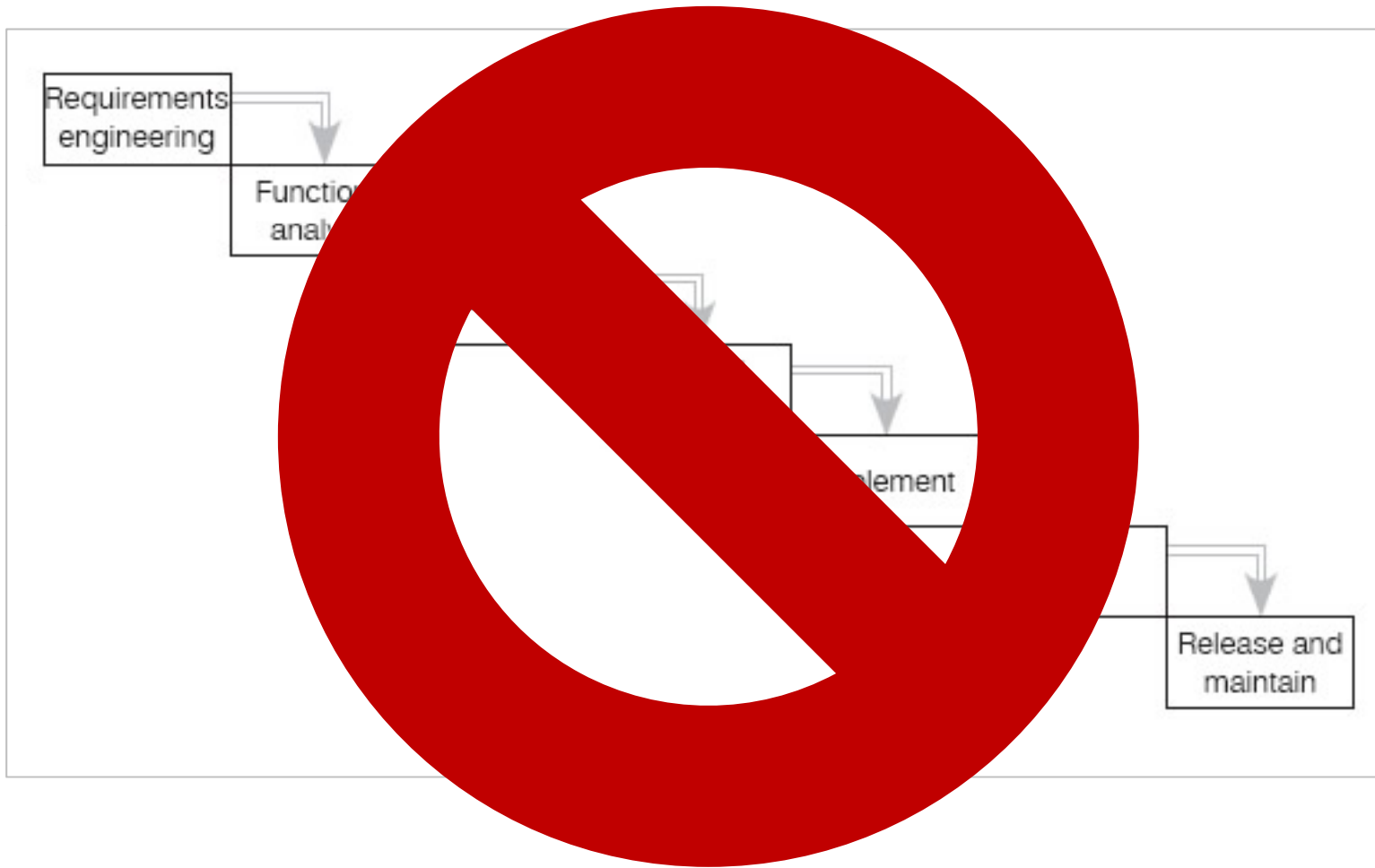


- ✓ **Customize the Out-Of-The-Box Solutions**
- ✓ **Add as many Community Solutions as you want**
- ✓ **Modify & customize the Community Solutions**
- ✓ **Aras does the Upgrades**

Implementation Best Practices



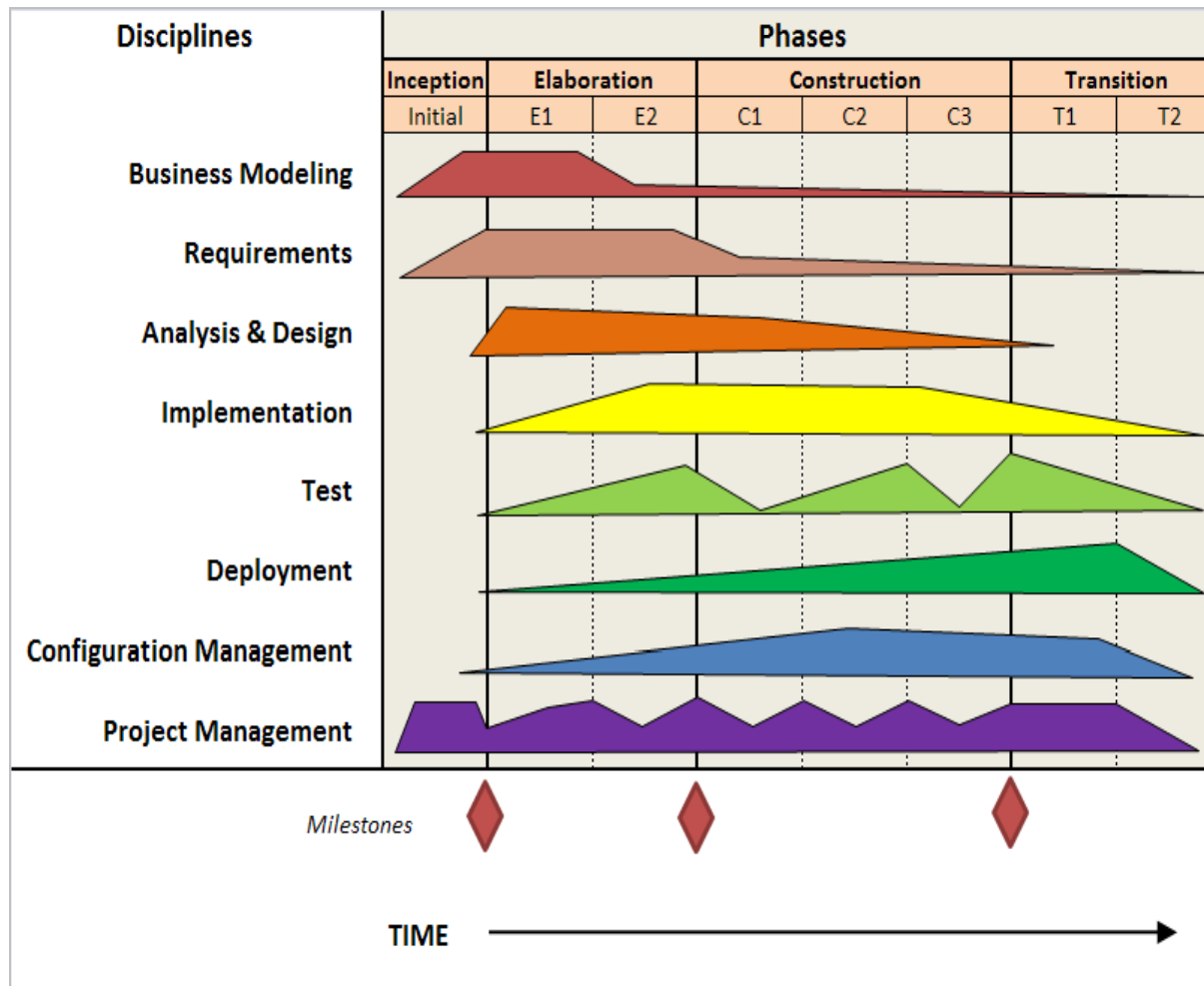
Waterfall Approach



Implementation Best Practices



Use “Agile” Approach



Business value is delivered incrementally in time-boxed cross-discipline iterations

Aras uses the Rational Unified Process (RUP) Methodology

Deployment



▶ Implementation

- Go It Alone? Or Turn Key?
- Neither recommended

▶ Recommendations

- Get People Trained – Aras is Different... Easier, but Different
- Consulting Assistance
 - Discovery Workshop
 - Architectural Guidance
 - Hands-on Consulting Side-by-Side to bring Key People down learning curve

▶ Most Important for Aras = Successful Deployment

Questions?



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