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ACE Copenhagen



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Aras Corp Update

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Keynote Topics



- ▶ **PLM Market Update**
- ▶ **Aras Company Update**
- ▶ **Aras Community Update**



BE DIFFERENT

Aras's 2012 theme

- ▶ Don't be constrained by traditional wisdom – find the best approach
- ▶ Don't be restricted to “best practices” – find the best solution for each customer
- ▶ Ignore the marketing – solve real world problems



<http://www.aras.com/company/commitment.aspx>

DIFFERENT IS...

- ▶ Realizing each company has unique and competitive data and processes
- ▶ And developing software that adapts to fit these models, rather than expecting the business to adapt to fit the software

DIFFERENT IS...

- ▶ Accepting that healthy companies change and they should. In fact, they should change frequently to grow, compete and improve
- ▶ Technology should support real-time change and easy customization that real people can use

DIFFERENT IS...

- ▶ Enabling every company to try before they buy, and insisting that buying decisions are never made based on the promise of a software salesman

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DIFFERENT IS...

- ▶ Giving companies control over their own destiny
- ▶ This means never being locked in to proprietary solutions or restrictive licensing

DIFFERENT IS...

- ▶ Allowing the company to own its data, with the freedom to access, share and extract it whenever they want, regardless of service level agreement

DIFFERENT IS...

- ▶ Never accepting the status quo

PLM Market Update

Market Trends, Facts, Rumors



▶ Sources of information – who am I listening to?

- Peter Bilello @ CIMdata
- Marc Halpern @ Garner
- Jay Vleeschhouwer @ Griffin Securities
- The PLM community – Forums / Blogs / LinkedIn Groups

PLM Market Update

Market Trends, Facts, Rumors



▶ PLM market is healthy

- >10% growth in 2012 & 2013
- Europe/NA/Asia equally growing
- Increasing number of PLM related conferences
- Acquisition activity increasing

▶ Time of Transition

- New technologies (web, mobile, big-data, cloud)
- Many large legacy PLM users are switching vendors

PLM Market Update

Market Trends, Facts, Rumors



- ▶ **Lots of market discussions about Subscription based pricing : SaaS / Cloud / Enterprise Open Source**

- ▶ **Definition of PLM is expanding**
 - Quality applications
 - Requirements and systems engineering solutions
 - Manufacturing shop-floor solutions
 - Supply Chain applications

- ▶ **Open Source reaches level of critical mass and acceptance**

PLM Market Update

Market Trends - Open Source



- ▶ **Red Hat – largest enterprise open source company**
 - First to IPO
 - First to exceed \$1B revenues
 - Aras Subscription model = Red Hat model
- ▶ **No one should question if a company can give away software and still make profits (RedHat? Google?)**
- ▶ **US Government, Military and many large corporations all mandating open source**

Michael Tiemann, RedHat VP “.. for every \$1 Red Hat sells, we have to displace \$10 of proprietary junk that never really worked in the first place”

- ▶ I've visited a lot of companies with failed 2-3 year PLM projects, or even worse, the 3-year PLM “success” stories following the 10/10/100 Plan:
- ▶ **Means:**
 - ✓ The number of end-users is only 10% of the plan
 - ✓ The functionality is less than 10% of the plan
 - ✓ The cost exceeds 100% over the plan
- ▶ As a PLM community, we must get past the marketing and politics to focus on delivering good systems

Aras Update

Company Momentum



- ▶ **12 years developing the Aras Modeling-Engine architecture - more than 100 man-years of investment**
- ▶ **5 years of enterprise open source business model – we have forever changed the PLM market**
- ▶ **4 years of double-digit company growth**
- ▶ **2012 will be > 60% growth**
- ▶ **Fastest growing PLM in the world**



Aras Update

Company Momentum



- ▶ Installations / month now >1,000
 - 360 paying companies
 - ~1,500 freeloader companies
- ▶ Newest customers are averaging ~1,000 users each

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ALWAYS FLY TOGETHER



- ▶ And future announcements should be exciting
 - PLM Pilots with Aras are running at 3 automotive OEMs, 2 aerospace OEMs, 1 huge high-tech manufacturer, and 2 of the worlds largest industrial manufacturers