

Reimagine Your Possibilities

ACE 2023

Key Takeaways

ACE 2023 brought together Aras, their customers, prospects, and partners, as well as a group of industry analysts in Orlando, FL on 1-4 May in a time of great change for the company.

Aras continues to expand their partnerships with global enterprise software companies (AVEVA and Ansys) building new commercial offerings on top of their Aras Innovator platform.

Aras and Microsoft announced a major expansion of their long-time partnership, including listing Aras Innovator on the Microsoft Azure Marketplace.

The event highlighted customers from a range of industries, some long-time Aras users and others just starting their Aras Innovator journey.

CIMdata had the pleasure of attending ACE 2023, the Aras user conference held on 1-4 May 2023 in Orlando, Florida.¹ This was the first in-person ACE since 2019 and a lot has changed since then. For Aras, in 2019 the company was talking about going public in the not-too-distant future. But a 14-month period spanning early 2021 into 2022 saw four major investments in Aras' market space,² including a "significant growth investment" into Aras by GI Partners, a private investment firm based in San Francisco, California.³ With the new investors, the company had a change at the top, with founder Mr. Peter Schroer transitioning to become an Aras board member and Mr. Roque Martin, an industry veteran, taking over as Chief Executive Officer (CEO).⁴ The company reported strong growth before the investment and growth has continued since then. ACE 2023 was really Mr. Martin's coming out party to the Aras community.

During his opening keynote, Mr. Martin hit hard on the event theme "Reimagine Your Possibilities." He urged those in attendance to not be bound by a "traditional approach to PLM" and to remain flexible, open, and ready to adapt to business needs. Mr. Martin emphasized that the attendees should not be "distracted by shiny objects," one of many digs at Aras' market rivals sprinkled throughout his remarks. He focused on how the company's acquisitions enhanced their market position and were consistent with their open and flexible approach. The Minerva acquisition brought in both needed Aras Innovator implementation skills, but also Aras-native high-tech electronics and medical devices industry solutions

¹ Research for this commentary was partially supported by Aras.

² The other investments in Aras' market space during that period included PTC completing their acquisition of Arena (January 2021), Autodesk acquiring Upchain (May 2021), and Altair acquiring Cassini (February 2022).

³ <https://www.aras.com/en/news/press-releases/2021/04/aras-announces-significant-growth-investment-by-gi-partners>. CIMdata also published a Commentary on this investment: <https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/15537-gi-partners-announces-major-investment-in-aras-corporation-taking-enterprise-open-source-to-the-next-level-highlight>.

⁴ <https://www.aras.com/en/news/press-releases/2021/10/aras-announces-roque-martin-as-new-chief-executive-officer>

developed by Minerva. Many of their competitors have industry-specific offerings that can both speed and de-risk implementations in industry verticals and Aras will be able to better take advantage of these opportunities with those solutions in-house.

As a tool-agnostic platform, Aras has long relied on third-parties to help them link with tool offerings from their major competitors (and many others). In May 2022, Aras announced an investment in XPLM Solution GmbH, a global leader in integrating applications, processes, data, and information from a range of solutions, including other PLM offerings, MCAD, ECAD, SysML, ERP, Microsoft Office, Requirements Management, and ALM/software tools.⁵ A later presentation offered more detail on XPLM and their XSPHERE offering, which extends Aras' native no-code/low-code approach to integrations.

Aras has also been successful in licensing the Aras Innovator platform for other software companies to build focused applications for their business segments. In 2021, Ansys chose Aras Innovator as the basis for Ansys Minerva, a new simulation process and data management offering.⁶ Ansys sponsored the event and provided an update as part of ACE 2023. Mr. Martin also highlighted their 2022 partnership with AVEVA, who will build their Asset Lifecycle Management solutions on top of Aras Innovator, which was the subject of a more detailed presentation later in the program.⁷ While not mentioned in the keynote, another partner, SSI, offered a session on how they were linking their ShipConstructor marine design solution with Aras Innovator to offer ShipbuildingPLM.⁸ While Aras is not alone in licensing their platform to others as the basis of new offerings, they have been the most aggressive in the PLM space in pursuing these opportunities. All of these OEM partners highlight the importance of the Aras Innovator architecture, upgradeability and openness as major factors in their decision to work with the company.

Mr. Martin followed his solo keynote with a panel session with four major Aras partners. Mr. Mark Hindsbo, Vice President & General Manager for multiple Ansys business units, emphasized how simulation is a key part of the digital thread. CIMdata heartily agrees. For Ansys, it was a make vs. buy decision and it is a "heterogeneous world" out there, making a solution like Aras Innovator a strong choice. Mr. Rick Standish, Vice President of Engineering Information Management at AVEVA, described his five-year mission to find the right platform provider to bring a "change management focus" to the process industries. In the recent past, AVEVA has undergone a significant evolution itself, being acquired by Schneider Electric and adding some of their new parent's software assets to a new AVEVA.⁹ Even prior to the linkup with Aras, Mr. Standish claimed AVEVA took an agnostic approach to managing information. His presentation included a video showing a 150+foot long process management control center that aggregates engineering, process, and business information to dynamically manage process-centric companies. Over time, AVEVA plans to move from a traditional software firm to a company that offers data and insights as a service to their many leading global process industry customers. They are just starting a multi-year OEM agreement to support developing targeted asset management capabilities in four different industrial sectors. If the small snippet they presented is any indication, they have an enormous vision, one in which Aras will be central in delivering. Why Aras? Mr. Standish said that AVEVA can do things with Aras Innovator that it could not do with other platforms on the market. The flexibility of the Aras Innovator data model, and their ability to make changes to meet their specific needs were also cited by Mr. Standish.

⁵ <https://www.aras.com/en/news/press-releases/2022/05/aras-invests-in-xplm>. CIMdata also published a Highlight on this investment: <https://www.cimdata.com/de/resources/cimdata-blog/item/18700-aras-invests-in-xplm-highlight>.

⁶ <https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/13251-aras-and-ansys-announce-a-strategic-partnership-highlight>.

⁷ <https://www.aras.com/en/news/press-releases/2022/09/aveva-announces-strategic-partnership-with-aras>

⁸ <https://www.ssi-corporate.com/products/shipbuildingplm/> and <https://www.ssi-corporate.com/blog-lighthouse/aras-and-ssi-partner-to-solve-shipbuilding-information-challenges-and-drive-transformation/>

⁹ <https://www.aveva.com/en/about/news/press-releases/2023/aveva-announces-the-completion-of-its-acquisition-by-schneider-electric/>

The last member of the panel, Mr. Rad Desiraju, Director of Worldwide Strategy for Microsoft, spoke about how Microsoft can best support manufacturing and supply chain, with a focus on four broad topics: improving customer experience; unlocking innovation and delivering new products; enabling intelligent factories; and building a resilient and sustainable supply chain. It is important to note that Microsoft is a significant manufacturer (think Xbox, Surface, and Azure datacenters), one that relies on Aras Innovator for support. Mr. Desiraju described Microsoft as a “partner-led” company, with thousands of partner offerings on their Microsoft Azure Marketplace and, at this event, the companies announced that Aras Innovator would be available on the Azure Marketplace. As importantly, Azure customers can consume Azure cloud credits on Aras Enterprise SaaS.¹⁰ Being on such marketplaces can provide a lot of business opportunities to the ISVs who are listed there. But to pay for Aras Enterprise SaaS using Azure cloud credits is a big deal. Getting budget to support PLM implementations is consistently cited in our market research as an inhibitor to getting PLM up and running in industrial companies. It could greatly simplify the adoption process for companies that have large Azure consumption subscriptions. If companies can tap into the corporate account this could be huge for both Aras and their customers and prospects.

In a later session, Mr. Standish provided more details on their initial focus. He cited three primary use cases: engineering system of record for the digital twin; requirement and configuration management for regulated industries; and product lifecycle management for highly complex engineer-to-order (ETO) products. Mr. Standish expects their multi-year partnership to yield several commercial offerings, starting with efforts with several “lighthouse” customers. Two joint AVEVA/Aras customers, McDermott and Technip, had presentations in this ACE track.

Mr. Sanjay Angadi, Senior Director of the Systems and Platform Business Unit at Ansys, offered more details on Ansys Minerva. Ansys must thrive in a hybrid environment, stated Mr. Angadi, and they cannot dictate platform choices to their customers. Their Simulation Process and Data Management (SPDM) offering must co-exist in the broader environment used within their target customers. Mr. Angadi also emphasized that Ansys Minerva is not just an app built on top of Aras Innovator. They subtracted some elements from the Aras code, and added some services of their own. He claimed that Ansys had over 40 Ansys Minerva customers, coming from automotive, federal aerospace & defense, electronics, energy, healthcare, and industrial. He also stated that Ansys Minerva came in #1 in quite a number of competitive benchmarks. But while Ansys Minerva will play a critical role in the product lifecycle, Mr. Angadi recognized that it is only a contributor to the digital thread, and Ansys Minerva will feed information to Aras Innovator (or other PLM offerings) as part of a company’s overall digital thread.

ACE 2023 included a wide range of customer presentations, some from long-time Aras Innovator users, to some interesting organizations just starting their Aras journey. Mr. Husman Khan, Head of Engineering Services at Ocado Technology, gave a fascinating presentation on the advanced robotics offering developed by his firm that can pluck a grocery order of 50 items from a warehouse spanning 9 football pitches (it is a UK company) in about 5 minutes. Mr. Khan emphasized that his firm always looks for the best cultural fit when picking strategic partners, a critical decision point in choosing Aras. While Ocado is at the leading edge of technology in its industry, the next speaker came from an organization that is as old as the U.S. Constitution, the United States Postal Service (USPS).¹¹ Mr. Gregory Lindsey, Maintenance Management Specialist at the USPS, also said they were just starting their Aras journey, but he and his organization face a massive challenge. They have long tried to manage the product lifecycle, but mostly focusing on maintaining their far-flung assets, according to Mr. Lindsey. They chose Aras Innovator to

¹⁰ <https://www.aras.com/en/news/press-releases/2023/05/aras-enterprise-saas-now-available-in-the-microsoft-azure-marketplace>.

¹¹ “When the Constitution was ratified in 1789, the Postal Clause in Article I, Section 8 gave Congress the power “To establish Post Offices and post Roads” and “To make all Laws which shall be necessary and proper” for executing this task”. <https://constitutioncenter.org/blog/the-postal-clauses-grant-of-broad-power-to-congress-over-a-system-in-crisis>

help them build configuration management capabilities accessible by a wide range of USPS users from across a range of functions. The Maintenance function is responsible for configuration management at the USPS and they have a monumental task. They have over 300 mail processing facilities, each with a range of sorting equipment for which they have not developed the specifications (that is in the engineering groups) or taken delivery. They must ascertain the as-maintained bill of material for these systems from archival information and will require integrations with 70 to 80 different systems to support their efforts. Mr. Lindsey was proud to state that the only problems in their initial data migration to Aras Innovator were in the native data itself. As a result, he said their digital thread was "getting nice and linear, not a ball of cat fuzz." In fact, their early results are so promising they plan on taking on bigger chunks of their internal processes to replace roll-your-own (RYO) systems, and bringing engineering work into Aras. To CIMdata, this is a critical step. Configuration starts in PLM, which is most often used to manage engineering work. Support from their system integration partner, Razorleaf, will be critical to their on-going success.

This CIMdata commentary is but a snapshot of the ACE 2023 content. Enthusiasm was high in the audience, both joy in being together once again, but also from the opportunities their work using Aras solutions can bring. Many of the presentations highlighted major implementation successes and the company's future looks bright. (In fact, several of these customers are past CIMdata clients.) Their new equity investors GI Partners pulled the trigger on major investments on Minerva and XPLM that clearly were in the pipeline before they invested, and are continuing many of the business practices that made Aras unique. CIMdata believes the company's future is bright and looks forward to hearing how some of these new adopters will take Aras in even more exciting directions.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design, deliver, and support innovative products and services by identifying and implementing appropriate digital initiatives. For forty years, CIMdata has provided industrial organizations and providers of technologies and services with world-class knowledge, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) solutions and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and education through certificate programs and international conferences. To learn more, visit www.CIMdata.com or email info@CIMdata.com.