

Aras ACE2015: RETHINK PLM

CIMdata Commentary

Key takeaways:

- *The theme this for year's Aras ACE conference was "RETHINK PLM" which inspired attendees to reconsider how PLM can be implemented to support rapid changes due to changing business and technology needs*
- *Peter Schroer, Aras CEO posed several questions that he was contemplating to rethink PLM: What if mechanical is no longer the big driver for PLM? What is the true intellectual property of a complex product? How will Cloud impact product development?*
- *Aras grew its revenue by 80% in 2014 (and has grown an average of 45% over last five years), added 35 new employees, and announced new partnerships with IBM and Infor*
- *Aras reviewed deliveries on last year's roadmap including Visual Collaboration, a secure 3D view and markup solution tightly integrated with threaded discussions linked to product objects, new ECAD integrations, as well as this year's planned roadmap which includes support for technical documentation, manufacturing process planning, with updates to mobile, and quality management*

Aras held their latest ACE conference from April 21 through April 23 2015. This annual event continues to grow; this year there were over 400 registrants from around the globe. The theme of this year's conference was "RETHINK PLM." The conference had a high energy level and focused on expanding the footprint of PLM. Attendees were huddled in deep discussions during the breaks and events and really seemed to enjoy the conference. This year there were multiple presentation tracks including Live Demos, Upcoming Applications, Developing Electronic Products, Business Track, Product Workshops, Implementation Track, Technical Track, and User Roundtables. The Live Demos track was delivered by Aras and focused on the out-of-the-box capabilities of Aras Innovator[®] such as document management, cad data management, and project management. The User Roundtable track consisted of a series of panels of PLM experts that took audience questions on PLM implementation related topics. Live Demos and User Roundtables were very popular with people new to Aras.

Keynote presentations were delivered by Peter Schroer, Aras' founder and CEO, and Professor Dr.-Ing. Martin Eigner, Chair of Virtual Product Engineering (VPE) at the Technical University of Kaiserslautern, and founder of Eigner+Partner, an early PLM solution provider that is now a part of Oracle. User presentations included, Key Safety Systems (KSS), Sonnax Industries, Nidec Motor Company, and Getrag. Their presentations displayed the many ways in which Aras is used, ranging from consolidating workgroup spreadsheet-based applications into enterprise solutions, to global enterprise change management, to deep CAD and mechatronic data integrations.

Peter Schroer's keynote emphasized a variety of Aras facts:

- Aras is now 15 years old
- Over 1,000 Companies are running Aras and more than 500 trained consultants are supporting the community

- Five year average annual growth rate of 45%
- An 80% subscription revenue increase in 2014
- A 97% subscription renewal rate
- Aras Innovator 11 was released, containing many new and enhanced solutions and capabilities
- The product management team expanded again to support additional planned applications

Mr. Schroer also had several interesting announcements:

- Aras Innovator is now available in Microsoft Azure App Store, allowing a new production instance of Aras to be launched in less than an hour. Demo versions are available as well as standard Aras subscriptions. In addition, Mr. Bob Baker, from Microsoft delivered a keynote describing the scope of the Azure product, from technology through security and how it leverages existing Windows and Microsoft technology supporting easy migration to a cloud implementation from a data center instance.
- Infor, the 3rd largest private software company in the world, partnered with Aras to deliver their new PLM Accelerate powered by Aras. It uses Aras Innovator as its core technology and is integrated with Infor's ION framework and Infor Ming.le, a social collaboration, business process improvement and contextual analytics platform, and several of Infor's ERP solutions. Infor has over 400 customers using Infor's legacy PLM solution so this gives customers a solid upgrade path.
- Component Engineering, was launched in 2014 as an add-on application, providing access to libraries of electronic parts through the IHS CAPS Universe Database. For the latest release the database has been expanded to 430 million standard electronic parts and workflows have been improved making it easier to incorporate standard components into products. There was a lot of discussion about enabling mechanical parts within the solution, while not available yet; IHS was assessing the demand in the partner area.
- Aras announced a partnership with IBM to integrate Aras Innovator with IBM's ALM products including Jazz, Rhapsody, and Doors. This will help customers who need to manage the complete definition of complex systems including requirements and mechanical, electrical, and software components in a single integrated solution.
- Visual Collaboration was a showcase solution released with Aras Innovator 11 earlier this year. It is a combination of a native HTML5 view and markup application and the Secure Social technology that was previewed last year. Visual collaboration is available to every user and leverages the 2D and 3D PDF converter built into Aras Innovator. Visual Collaboration enables secure discussion threads, including marked-up snapshots, to be associated with many item types within the Aras solution. The discussion capability is very configurable, providing flexible control in how comments are rolled up or aggregated into discussion threads.
- A number of Aras partners, including Microsoft, T-Systems, CloudOne, and UltraLevel announced cloud offerings. The Microsoft offering is already available

and can be accessed in the Azure marketplace. T-Systems will be launching a service later this year to offer individual user subscriptions running on their cloud infrastructure. This is a full subscription, not just the open version, so it significantly lowers the cost of entry for subscribers. CIMdata is looking forward to seeing if these offerings get adopted by the market.

Professor Dr.-Ing. Martin Eigner presented the second Keynote. In addition to his academic role, Dr. Eigner has an extensive consulting practice with a variety of industries. Formerly he founded Eigner+Partner, a PLM software company that developed an early, innovative PLM solution still available today under the name Oracle Agile e6. He stated that products today have exceeded the complexity that we can deal with and a new approach is needed. Dr. Eigner echoed Mr. Schroer's comments that PLM needs to expand beyond individual engineering disciplines and use a systems engineering approach to cover the complete product. Eigner presented a solution that uses Aras Innovator as the foundation to manage a model-based systems engineering (MBSE) product. The solution builds on the RFLP (Requirements, Functional, Logical, and Physical) approach common in the systems engineering methodology. The solution supports automated linking across the RFLP domains over the lifecycle and complete requirements traceability. CIMdata sees growing interest in systems engineering based approaches to product design, and Dr. Eigner's solution shows that it is possible to address upcoming product lifecycle challenges by leveraging technology that is available today.

The Technical and Developing Electronic Products tracks included topics important to those planning or currently working on an implementation. Topics ranged from high-level strategy presentations on implementing a global security structure, upgrade planning, detailed technical sessions on Component Engineering, and configuring the new Visual Collaboration¹ capability. Aras as well as their solution partners delivered the presentations.

One of the Business tracks was sponsored by IBM and was linked to Mr. Schroer's premise "What if mechanical design is not the core intellectual property of a company?" IBM delivered several presentations on the impact of software on products including Internet of Things, Application Lifecycle Management, systems engineering, and continuous engineering—when the complete product lifecycle is integrated from requirements through after sales services. Mr. Steve Denman of IBM reviewed the partnership with Aras that includes developing a reference architecture for ALM-PLM integration. The goal is to support data models, use cases, and process models for integrated systems engineering (SE), model-based engineering (MBE), ALM, mechanical design, and electronic design automation (EDA). Aras reviewed an early proof of concept delivered by the project. CIMdata is excited to see this important initiative and is looking forward to the release of the reference architecture as well as production implementations.

The Upcoming Applications track gave previews of what Aras product management is working on. Mr. John Sperling, VP of Product Management, noted that his team is now working on a wide variety of applications that build on the technical foundation of Aras Innovator. Active projects include a major upgrade for Quality Management, Self-Service Reporting, a wizard interface to generate reports, Manufacturing Engineering, mobile updates including support for Apple iOS and Android, expanded ECAD support, as well as improvements to the product design and program management solutions. CIMdata was very interested in the upcoming technical publications application, which is based on a custom

¹ <http://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/3451-aras-innovator-11-making-collaboration-flow-visually-commentary>

project done for an Aras client. It is a solution to manage complex documents that include mechanical, electrical, and software data such as user manuals, shop floor documents, web sites, and marketing materials. Keeping documentation synchronized with product information is a painful process at many companies so tighter links with product configurations can only help the status quo.

Mr. Rob McAveney, Chief Architect, closed out ACE2015 with a roadmap review. He reviewed areas where Aras was rethinking PLM including collaboration, content, configuration management, and connected PLM. Recent and upcoming releases will address all these areas, and if done right Mr. McAveney believes PLM will achieve the vision of becoming a way of doing business supported by invisible technology. Aras is unique in that they publish their product roadmap² on their website for all to see, contribute to, and vote on. Aras accepts votes from anyone in the community whether they are a paying Aras customer or not. Aras is different.

Conclusion

Aras Corp and the Aras Innovator solution continue to mature. Aras continues to grow quickly in number of people, revenue, customers, and locations. Their enterprise open source business model continues to be a clear differentiator compared to competitors and enables customers and prospects to focus on solving business problems without expending a lot of effort to optimize the mix of software licenses and negotiating cost. Visual Collaboration simplifies information access, and also offers a compelling way to securely capture unstructured information within the product context. It should help Aras support collaboration use cases and move beyond the repository or system of record use cases that PLM solutions typically support. The upcoming Technical Publications solution should help companies leverage product information downstream and improve the quality of publications because their configurations are linked to the product configuration.

The ACE conference is a great place to learn more about Aras and about PLM. Since it is a free event, it is a low cost way to get high quality information about PLM, from a community not just the vendor. The partner area was a common meeting place and a lot of good information was available about partner products, but also about PLM in general. ACE events are held in the US, Germany, France, Japan, Korea, and China, so if you are outside the US you will still have an opportunity to attend an event closer to home.

Aras has worked hard and smart to raise the awareness of its product, and the growth presented at ACE quantifies what they have achieved. The Aras Innovator solution continues to add capabilities such as Component Engineering, ALM, and Technical Publications that extend PLM functional coverage. They also continue to work on core PLM enabling technologies such as MCAD and ECAD integrations and configuration management. The customer presentations and solution showcase demonstrated how the technology can support interesting use cases and support complex business problems. The community model and general openness of Aras was well received by ACE attendees, with many indicating they could not wait until next year. CIMdata recognized the delivery of important products announced at ACE2014 and will continue to watch progress against the 2015 Roadmap.

² <http://www.aras.com/plm-roadmap/>

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata's services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.