

Are You Experienced? With ENOVIA's Help

CIMdata Commentary

Key takeaways:

- *ENOVIA is undergoing a number of key organizational changes that will increase their control over the ENOVIA business, which had a good 2015*
- *EXALEAD and Netvibes are key strategic assets at the heart of Dassault Systèmes' PLM Analytics and Internet of Experience strategies*
- *Dassault Systèmes is moving customers to the 3DEXPERIENCE platform, selling Industry Solution Experiences that they continue to broaden and deepen*

On 24 February, CIMdata attended ENOVIA's annual Analyst Day at their North American HQ in Waltham, MA, to get an update on their strategy, offerings, and results. ENOVIA has long played a vital role in Dassault Systèmes strategy. In Dassault Systèmes' 2007 annual report, Mr. Dominique Florack, currently Dassault Systèmes' Senior Executive Vice President, Research and Development, clearly stated Dassault Systèmes' intentions for ENOVIA: "From a technology perspective, we announced our new ENOVIA collaboration platform, based on MatrixOne technology. Our plan is for this to become the central platform for any full PLM system in the future."¹ The endpoint has expanded now beyond PLM to the 3DEXPERIENCE platform, the centerpiece of Dassault Systèmes' strategy.

Some key organizational changes were discussed at the event. In January, Mr. Stephane Declee was named ENOVIA CEO. Mr. Declee, a 25+ year Dassault Systèmes veteran, has held a variety of leadership roles, including head of ENOVIA R&D and the leader of Dassault Systèmes' early industry-based organizations. He replaced Mr. Andy Kalambi, who came to Dassault Systèmes from their MatrixOne acquisition in 2006. Mr. Kalambi was named CEO of the 3DEXPERIENCE platform, a potentially key role given the centrality of the platform to the company. The ENOVIA business is changing too, in a more fundamental way. Over the last few years, Dassault Systèmes has marketed to industries more heavily than to their brands, and invested accordingly. ENOVIA will now join CATIA and SOLIDWORKS as integrated brands controlling both their business and their R&D, with more emphasis on brand marketing. CIMdata believes this is a good move. While the 3DEXPERIENCE platform vision can be compelling, many customers still want to buy a brand-based offering to meet a particular need. Managing this tension between brand and industry is tough, but essential to both types of sale.

Mr. Kalambi's business update showed some very positive results. ENOVIA now claims over 1.4 million users at over 14,000 customers, including about 3,000 large enterprise customers. In the PLM business, one commonly noted key process indicator (KPI) is deals of \$1 million or more, and Mr. Kalambi cited many such deals, at mostly household name companies, including a number that he claimed were competitive wins. Their top growth industries are Consumer Packaged Goods (CPG), Energy, Process & Utilities (EPU), Architecture, Engineering and Construction (AEC), and Life Sciences. A few process PLM deals were mentioned, undoubtedly using the Engenuity assets rebuilt on ENOVIA a few years ago. This is an important topic to many of CIMdata's industrial clients who need an integrated mechanical and process PLM solution, something Dassault Systèmes can offer.

¹ http://www.3ds.com/fileadmin/COMPANY/Investors/Annual-Reports/PDF/2007-Dassault_Systèmes-Annual-Report-EN.pdf

Since announcing ENOVIA V6 in 2008, ENOVIA has powered V6 adoption at customers. While many had migrated to ENOVIA V6, they had not yet moved to the 3DEXPERIENCE platform. Two years ago Dassault Systèmes launched a “Move to 3DEXPERIENCE” campaign, reaching out to over 1,000 customers. Their goal was to double their ENOVIA customers on the 3DEXPERIENCE platform in 2015, and they almost tripled it. They now claim over 100 large direct Dassault Systèmes customers in production across a wide range of industries, with more implemented by their systems integrator (SI) partners.

While the event was held by Dassault Systèmes' ENOVIA brand, the company predominantly goes to market with cross-brand industry offerings described at three levels: Industry Solution Experiences (which target business value), composed of Industry Process Experiences (process value), delivered by Roles (user value). Most solutions and processes rely on ENOVIA, but it is interesting that most roles do not. Some elements of Dassault Systèmes' industry solutions portfolio are being delivered on the cloud, where Dassault Systèmes claims to support both public and private options, in addition to their traditional on-premise business. Based on their early results, AEC customers have been the most eager. Their collaborative business models among far-flung participants are a good fit for the cloud, and Dassault Systèmes' AEC offering supports the heterogeneous tool environment common in that segment. CIMdata believes having a single source of truth using a solution like ENOVIA can add a lot of value in that segment. This emphasis on openness and integration exists across the industry portfolio, which is essential in this era of platformization. Product innovation platforms like the 3DEXPERIENCE platform should be measured, in part, by the value delivered on the platform by its ecosystem. For many years, the Component Application Architecture (CAA) program was a huge strength for the V5 architecture, one that is growing in V6 as more end user companies adopt V6 and want tightly integrated solutions. As 3DEXPERIENCE adoption grows, more and more V5 partners will move to embrace V6. But given the 3DEXPERIENCE platform vision, new partners will be needed to support it beyond just CAA V5. At the outset of the meeting, Dassault Systèmes stated their desire to double their partner base in the next three years. Clearly, many of those partners will be delivering apps or other value on the 3DEXPERIENCE platform.

The company also provided more details on their PLM Analytics strategy, which centers around EXALEAD. Mr. Declée echoed Dassault Systèmes' belief that the current approach to business intelligence (BI) is unsustainable due, in part, to the size and unstructured nature of the data. Using Exalead to power analytics was one reason Dassault Systèmes acquired the company in 2010. Jaguar Land Rover (JLR), a large customer that is all-in on the Dassault Systèmes vision, is using the Dassault Systèmes offerings to power an analytics solution that spans PLM and beyond. Anyone who has had to prepare information for executive meetings knows the time and effort that can go into harvesting data from many sources, and then massaging that data into MS Excel or MS PowerPoint. Instead, the goal is to have executing the work, and providing deliverables and normal status updates, result in precisely what the executives need to run the business. The Dassault Systèmes offering uses EXALEAD to develop insights by harvesting different enterprise data sources (including ERP, project management, and many others) and delivering the results using Netvibes in the 3DEXPERIENCE user interface. Dassault Systèmes claimed that all JLR executive reviews now employ the solution, and further stated that Exalead provides the only analytics solution in the market optimized for PLM. This notion of “invisible governance” was discussed later in the day and is essential to eliminate the “make work” involved in decision-making that JLR seems to be avoiding by using the 3DEXPERIENCE platform. CIMdata believes solutions like

these have great potential to improve the efficiency and effectiveness of organizations using them.

The Internet of Things (IoT) is becoming more important for all of the PLM solution and service providers. Mr. Olivier Ribet, Vice President High-Tech Industry from Dassault Systèmes, recast the IoT into the Internet of Experiences (IoE), which includes the notion of a virtual twin. Twins are popular in PLM right now, with PTC and Siemens PLM Software also speak about digital twins. All three companies mean something a bit different, consistent with their history and current strategies. Whatever your view on twins—competing in a world of IoT/IoE requires leveraging a whole new ecosystem of partners, providers, and standards. During his presentation, Mr. Ribet highlighted Dassault Systèmes' current and planned efforts in this area, citing partnerships with PTC, IBM for IBM Bluemix, and GE Predix, among others. Building these ecosystems can be hard work, and CIMdata applauds Dassault Systèmes' efforts to date and their ambitious plans going forward.

As part of his presentation on ENOVIA R2016x theme and demos, Mr. Kevin Baughey, ENOVIA's User Experience Director, provided an overview of Dassault Systèmes' new midmarket solution based on the 3DEXPERIENCE platform. This offering focuses on the addition of deliverables-based project management along with document, CAD, and BOM collaboration, and is a good start. The midmarket is a tough market. Just because customers are small does not mean they do not have big problems. They do. They just do not have the resources, IT and otherwise, to support implementations. CIMdata expects future releases will enhance support for managing engineering work in process, a key requirement for many firms in the midmarket.

The afternoon sessions also provided updates on several industries, including High Tech, EPU, transportation and mobility (T&M), and Industrial Equipment. Each presentation employed a similar structure, highlighting the Industry Solution Experiences and Industry Process Experiences for that industry. Customers are buying industry solutions today, with some offered on the cloud. Dassault Systèmes continues to build out their industry solutions by adding Industry Process Experiences and underlying roles. Many industries face the same issue: how do we get more products to market faster and more effectively? To meet this need, Dassault Systèmes has greatly improved their configuration management capabilities to visually define buildable configurations with a combination of pull-down menus and mouse clicks. PSA, a long-time Dassault Systèmes customer, helped them build this new solution. For some customers, Dassault Systèmes has extended this out to the consumer level, using the 3DEXCITE offerings to support prospective Audi A6 customers to experience their car on Audi.com.

Thanks go out to the ENOVIA team for organizing such a comprehensive event. While the event covered many changes in offerings and organization, it also highlighted the significant opportunity in front of Dassault Systèmes. Platformization will require solutions built on scalable, open architectures—architectures that provide capabilities that enable them to connect to best of class functionality for diverse needs spanning research, design, engineering, sourcing, manufacturing, sales, marketing, and service. These are platforms that enable capabilities conducive to innovation, such as business intelligence and analysis functions as well as social networking. It is clear to see the Dassault Systèmes is well on its way, delivering a solution today that will enable tomorrow's product innovation platforms.

About CIMdata

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