

# The 3DEXPERIENCE Journey

## *CIMdata Commentary*

### *Key takeaways:*

- *Dassault Systèmes' well known CATIA solution is evolving away from a mechanical CAD tool to a comprehensive systems modeling solution*
- *A number of new brands were introduced during the recent industry analyst event, including BIOVIA and 3DXcite*
- *Dassault Systèmes is well on its way to becoming, as they say, the 3DEXPERIENCE Company*

On the 11<sup>th</sup> and 12<sup>th</sup> of June, Dassault Systèmes held their annual industry analyst event at their worldwide headquarters in Velizy, France. The event was attended by a few dozen industry analysts, twelve of whom were at the event for the first time. Bernard Charlès, Dassault Systèmes' CEO and President, energetically kicked off the event by clearly articulating the company's vision and commitment to building a robust and industry leading 3DEXPERIENCE Platform. Mr. Charlès reminded the group that Dassault Systèmes began this platform journey in 2004 as an internal set of secret projects and then made their intentions public in 2012. It is clear that the journey that they have embarked on is long and deliberate. They aren't trying to just design and deliver the next PLM-enabling solutions; they are on a journey that they hope changes what PLM is and what it will be well into the future.

Mr. Charlès stated that they will be "The 3DEXPERIENCE Company by 2021." This is a bold statement and one that doesn't only require the development of new information technology solutions that support their clients' development, manufacturing, and servicing of products, but also a whole new way of looking at what really constitutes a product. Mr. Charlès and others at Dassault Systèmes are quick to point out that companies need to develop and provide experiences to their customers—products alone are insufficient. CIMdata fully agrees with this view; the value isn't necessarily the product but the experience or capabilities the product provides. This experience can be how they buy, interact with, or have the products serviced. It is more about delivering capabilities and performance to the end customer than just delivering some type of physical product as was common in the past.

Mr. Charlès made it clear that Dassault Systèmes is a global scientific company with more than 12,000 employees representing 108 nationalities (over 4,000 of whom support product research and development), 3,500 partners, a long-term focus, and achieving a 14% CAGR. He also commented on their reorganization into twelve geographies, each with its own managing director. According to Mr. Charlès, the organization is being structured for agility and speed to support and drive innovation and to provide EXPERIENCES that help solve society's challenges (i.e., those related to cities and people, resources and energy, global and personalized health, supply globally produce locally, and education and research).

Additionally, Mr. Charlès spent some time introducing the company's newest brand, BIOVIA—the bringing together of Accelrys and Dassault Systèmes' bio-intelligence work. He also commented on how with GEOVIA's offering Dassault Systèmes is creating a digital mockup of the planet. Finally, he commented on 3DXcite, Dassault Systèmes new brand for the solutions provided by Realtime Technology AG (RTT). 3DXcite will be powered by the 3DEXPERIENCE Platform and offers a rich set of photorealistic rendering and high definition video imaging capabilities. With these additions, Dassault Systèmes' vision includes solutions to support the bio-sphere, geo-sphere, and product-sphere challenges faced by companies.

There was a noticeable air of excitement among the Dassault Systèmes participants. The company has made significant and measurable progress on the development and messaging of what they call EXPERIENCES. In general, these are PLM-enabled solutions targeted for specific user roles in one or more of Dassault Systèmes' twelve industry verticals. Mr. Charlès commented that there is a feeling in the company that is very similar to that found in start-ups. This excitement was visible and often articulated in the presentations given by Mr. Charlès, Ms. Monica Menghini, and other Dassault Systèmes executives who presented to the group of analysts.

Ms. Menghini, Executive Vice-President, Corporate Strategy, Industry and Marketing, followed Mr. Charlès' energetic and passionate presentation with one of her own. In her current role, she has been focused on defining and supporting a major transformation of the company—one that focuses the company on industry specific solution development and delivery. In her presentation, she emphasized that their clients need solutions that help them move from designing and delivering commodities and products, to designing and delivering services and ultimately experiences. This is a powerful message and many companies, in many industries, have already begun this transition. CIMdata believes that this will become even more important as more companies design and deliver products for the Circular Economy. This is where companies focus on delivering capabilities and performance—EXPERIENCES in Dassault Systèmes' vernacular.

Ms. Menghini was followed by Thibault de Tersant, Dassault Systèmes' Senior Executive Vice President, Chief Financial Officer. Mr. de Tersant provided a detailed review of Dassault Systèmes' main financial indicators and talked about how various industry trends are expected to impact the company's revenue in the coming years. Two areas discussed were cloud and mobile. He commented that the company estimates that half of its new business related to cloud delivery is expected to be incremental to their perpetual license business. He also commented that they believe that they will increase their addressable market by 15% because of cloud delivery. Mr. de Tersant's presentation and interaction with the analysts was directed, but at the same time informal and very refreshing. He spoke as much about their product strategy as he did about their finances. He too demonstrated a high level of excitement related to their journey and their current status.

The event also included focused presentations on several Dassault Systèmes' brands, including BIOVIA, DELMIA, and CATIA. To kick off the DELMIA update, Philippe Charlès, DELMIA's CEO, emphasized how Dassault Systèmes wants companies to see manufacturing not only as a cost to their bottom lines but also as a way to innovate and differentiate, thereby adding to the companies' top lines. He claimed that their digital manufacturing solutions are supporting more and more users in manufacturing engineering and on the shop floor, and with the broad set of DELMIA solutions coupled with Apriso's manufacturing software solutions, Dassault Systèmes can now deliver robust global manufacturing operations management capabilities on the 3DEXPERIENCE Platform. Ultimately, they want to be able to fully enable a closed-loop (they called it "Digital Continuity") between design and execution on factory floors throughout a global manufacturing enterprise. Various leadership team members of DELMIA Apriso also addressed how they are enhancing the solutions, providing access to the 3DEXPERIENCE Platform, and what they expect to deliver in the future. Their vision is impressive. They envision a future where DELMIA's digital manufacturing solutions portfolio supports full supply chain design, modeling, and optimization. This comprehensive vision will no doubt take years to develop and deliver, but fortunately, the DELMIA offering is well on its way.

During his presentation, Philippe Laufer, the CEO of CATIA mentioned several times that CATIA is evolving away from a mechanical CAD tool to a comprehensive modeling solution that supports new ways of modeling components, parts, systems, and experiences. Mr. Laufer emphasized CATIA's extensive systems modeling capabilities and how Dassault Systèmes wants to democratize CATIA, thereby providing its capabilities to more people throughout companies and their supply chains. Mr. Laufer commented that Dassault Systèmes envisions a CATIA offering where users imagine and shape the connected world in the age of experience, where modeling is social and instinctive, resulting in execution excellence. Mr. Laufer also introduced a number of new capabilities (e.g., the design of organic shapes and the ability to recognize smart components) and some key performance enhancements.

Much of the rest of the two-day event focused on updates on various Dassault Systèmes' industry strategies and offerings. Each of these updates provided a clear message on the main challenges they are addressing, the status of the EXPERIENCES currently available and those that have been planned, and one or more real implementation examples. Based on our interactions over the last year, Dassault Systèmes has made great strides in developing and articulating their vision and associated solutions. They have also done a good job documenting and presenting 3DEXPERIENCE Platform specific implementations. While they didn't present a case study that was all-inclusive (i.e., one that included a sizable set of EXPERIENCES), they did present more than one excellent example per industry session held. This is good evidence of the progress they have made in building out their platform. Finally, CIMdata looks forward to reviewing more customer examples showing breakthrough value from EXPERIENCES that span multiple 3DEXPERIENCE Platform apps.

## **Summary**

This year's Dassault Systèmes industry analyst event was inspiring. The excitement was certainly in the air at their Velizy campus. The team has made great strides in both the delivery and messaging related to their 3DEXPERIENCE Platform vision and associated journey. The apparent wealth of case studies that illustrate multiple EXPERIENCES was impressive and CIMdata expects to see even more next year. Dassault Systèmes is clearly in it for the long-term. Their on-going transformation will not be easy or quick. The same can be said for their current and prospective customers: their transformation from delivering products to delivering experiences will take time and effort. Dassault Systèmes is making good progress in its journey and will need to continue to articulate and evolve their messaging, solutions, and organization. CIMdata looks forward to continuing to follow them on their journey to become, as they say, the 3DEXPERIENCE Company.

## **About CIMdata**

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