

Siemens PLM Software Acquires Polarion Software

CIMdata Highlight

Key takeaways:

- *Smart, connected products are becoming the norm in a wide range of manufacturing industries*
- *Companies must blend and manage software development tools within their existing PLM environments to strive for a single source of truth*
- *Acquiring Polarion Software provides Siemens PLM Software with cloud-based application lifecycle management solutions and software development expertise to extend their current PLM portfolio*

Over the last few decades, manufactured products have become increasingly “smart” as the level of electronics and software have grown. The ubiquity of Internet access and the availability of cheap sensors and computing power make it easy to connect these smart products to drive new value for customers, enable innovative business models, and help manufacturing companies learn how their products are actually used and perform in the field.

Based on CIMdata’s consulting experience, many industrial companies are still struggling to adopt the technologies and processes necessary to make smart, connected products. Traditionally, PLM was more focused on the mechanical elements of a product. As products became smart, the embedded software was developed using other tools, sometimes licensed, but often open source. That software routinely became part of the bill of material (BOM) by attaching a .zip or .tar archive to the mechanically oriented BOM. Just as PLM evolved from authoring tools and data and process management, tools for software development evolved to support authoring, configuration management, change management, workflow, and other capabilities under the application lifecycle management (ALM) umbrella.

To improve the level of integration of processes and artifacts, many leading PLM solution providers linked up with software tools companies. In 2014, Siemens PLM Software announced a partnership with Polarion Software, a leading provider of cloud-based ALM solutions. This announcement came soon after Siemens AG’s Venture Capital unit (SFS VC) invested \$10 million in Polarion. The companies partnered, in part, to help improve ALM-PLM integration. On 25 November 2015, Siemens PLM Software took the next step, entering into an agreement to acquire Polarion.

CIMdata thinks this acquisition makes excellent business sense. Dassault Systèmes obtained some software assets with their 2010 Geensoft acquisition and in 2011 PTC acquired MKS, a leading provider of on-premise ALM solutions. By first investing in Polarion, and then partnering with them, Siemens PLM Software was able to look under the covers to see just how well Polarion’s cloud-based ALM solution could work with Teamcenter and support their overall digitalization strategy. Clearly they liked what they saw and corporate Siemens pulled the trigger on buying the whole company, which will be integrated within Siemens PLM Software. Polarion’s product capabilities will enable Siemens PLM Software to better integrate software specification, development, testing, and simulation into their systems-driven product development environment.

With user interfaces moving to Web-based technologies like HTML5, weaving Polarion’s browser-based tools into Teamcenter to support new use cases should be straightforward. What will be more difficult is defining and supporting new development processes that truly

enable the synthesis of mechanical and software development. If the promise of model-based systems engineering (MBSE) is to be realized, product development solutions must be able to power trade-offs in delivering user value with hardware, electronics, and software, or some combination. Siemens PLM Software obtained core MBSE tools and skills via their LMS acquisition.



Figure 1—Polarion's Integrated Cloud-Based Application Lifecycle Management Offerings

CIMdata believes that adding Polarion Software gives them another essential piece of the product innovation platform puzzle by providing source code management and supporting the needs of open source development.

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.