

# Platforms for a Smart Connected World: CONTACT Cloud Connect 2020

## CIMdata Commentary

### Key takeaways:

- *In 2020, CONTACT Software is celebrating their thirtieth year delivering quality solutions to their customers.*
- *CONTACT has evolved their solution to support the evolving needs of their customers and target industries.*
- *Industries' movement from Industry 3.0 to the Industry 4.0 vision levies many requirements on PLM-enabling solutions and CONTACT either had delivered or plans to deliver just about all of them.*
- *Their plans to invest €50 million over the next 36 months will help them evolve from a "hidden champion" to a more prominent global solution provider.*

CONTACT Software, a German product lifecycle management (PLM) solution provider based in Bremen, Germany, is celebrating its thirtieth year delivering solutions to their many clients. The company hoped to celebrate with their customers and partners at their 2020 CONTACT Open World conference, one of many in-person events that were casualties of the global COVID-19 pandemic. In its place, they launched Cloud Connect 2020 with a total of 3 dates as an online event for the DACH region; for customers, prospects, and partners in Europe, and Asia; and for the American market. CIMdata had the pleasure of attending the American session and also reviewed the materials for the DACH event. The company did not want to simply replace their 2-day in-person event and chose instead to have shorter events focused on updates on CONTACT product developments for their customers and partners. There was a lot of progress to report.<sup>1</sup>

In one sense, CONTACT Software is a product of its environment. They started in an Industry 3.0 world in 1990 and worked to support the product lifecycle needs of their customers, at least initially mostly from within the DACH region. Many of their customers would be considered part of the *mittelstand*, a term that refers to small- and medium-sized enterprises in this region. These enterprises are participants in demanding advanced manufacturing value chains, often having the same PLM needs as very large companies. CONTACT Software has always had a broad vision for their solution—built around openness and adherence to standards—that is focused on satisfying their customers evolving needs. Today, CONTACT serves much more than just *mittelstand* companies in a wide range of industries. And, as industrial requirements have moved from enabling Industry 3.0 to a new Industry 4.0 vision, CONTACT and its solution have evolved along with it.

One of the major PLM industry trends documented by CIMdata is the move to deliver product lifecycle capabilities using a platform approach.<sup>2</sup> Over the last year, CIMdata has written extensively about the CONTACT Elements platform. This CIMdata Commentary provides details on the platform itself.<sup>3</sup> This second Commentary focuses on InSync, their platform

<sup>1</sup> Research for this commentary was partially supported by CONTACT Software.

<sup>2</sup> CIMdata's platform definition is provided here: <https://www.cimdata.com/en/resources/complimentary-reports-research/position-papers/item/8484-product-innovation-platforms-definition-their-role-in-the-enterprise-and-their-long-term-viability-position-paper>

<sup>3</sup> See: <https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/12102-contact-elements-a-future-proof-digital-platform-commentary>

capabilities to help deliver high quality user experiences.<sup>4</sup> In fact, CONTACT leverages InSync in many of the new capabilities they described in the virtual session.

The opening keynote, entitled “Digital Transformation: What Else!,” was delivered by Mr. Michael S. Murgai, member of CONTACT’s board and Director for Strategy & Operations. According to Mr. Murgai, about 100 customers and business partners attended the International Asia and America sessions. While the focus of the event was on their solution, its evolution, and use, Mr. Murgai also provided some important financial news. Despite the COVID-19 pandemic, CONTACT Software expects the same profit in 2020 as they achieved in 2019. More importantly, CONTACT plans to invest €50 million over the next 36 months to expand the company. They believe this will help them move from a “hidden champion” to a leading global solution provider. CIMdata applauds this move. Their solution provides a lot of capabilities that companies need to navigate in this evolving smart, connected world. CIMdata also agrees with another statement by Mr. Murgai, that many companies are leveraging the current crisis as an opportunity to make big changes, often around digital transformation, that will help them emerge stronger than before. Mr. Murgai hopes, along with the rest of us, that the crisis will abate in the near future and they can have a belated thirty year celebration in person in 2021.

Dr. Patrick Müller, CONTACT’s Senior Product Manager for PLM, offered insights into their roadmap and highlights of recent and coming releases. Dr. Müller reiterated the connection between PLM and digitalization and introduced the concept of “digital dexterity,” an important idea since many companies want to transform but lack the baseline skills and processes necessary to do so successfully. He emphasized their focus on xBOM management, an important capability highlighted by CIMdata at our 2020 PLM Market & Industry Forum events. One key concept in Industry 4.0 is serving markets of one or mass customization. In practice, the way many companies achieve this goal is through advanced variant configuration management. CONTACT Software, and many other PLM solution providers, have invested in this capability to meet this important requirement. Dr. Müller talked about their support for configure to order (CTO) and engineer to order (ETO) strategies, suggesting that CONTACT wants to help their customers get to what he called CTO+ in which CTO-focused companies can support some aspects of ETO in their product development and delivery process. One issue that CTO and ETO companies can have is cost uncertainty in their estimating process, which often results in companies not knowing if they will make money on an order until after it is completed. To avoid these issues, CONTACT made their product costing module available from their Web UI, making it more accessible to more business users. This is an essential capability and yet another example of CONTACT Software offering advanced capabilities more typical of larger competitors. Dr. Müller also highlighted their work in PLM and application lifecycle management (ALM) integration, another critical topic for developing smart, connected products. CONTACT is using their “Catalyst” integration capability to support this. Their roadmap includes a wide range of capabilities to come in future releases, including improved CAD data management and requirements management, adding support for simulation data management, and Catalyst 2.0, a more abstracted, event-based enterprise application integration (EAI) adapted to OSLC and other standards to improve interoperability. This is yet another example their standards-based approach to their solution and is critical for building complex digital threads from many enterprise sources. He also previewed their plans to introduce industry-focused offerings for automotive, machinery & plant engineering, and

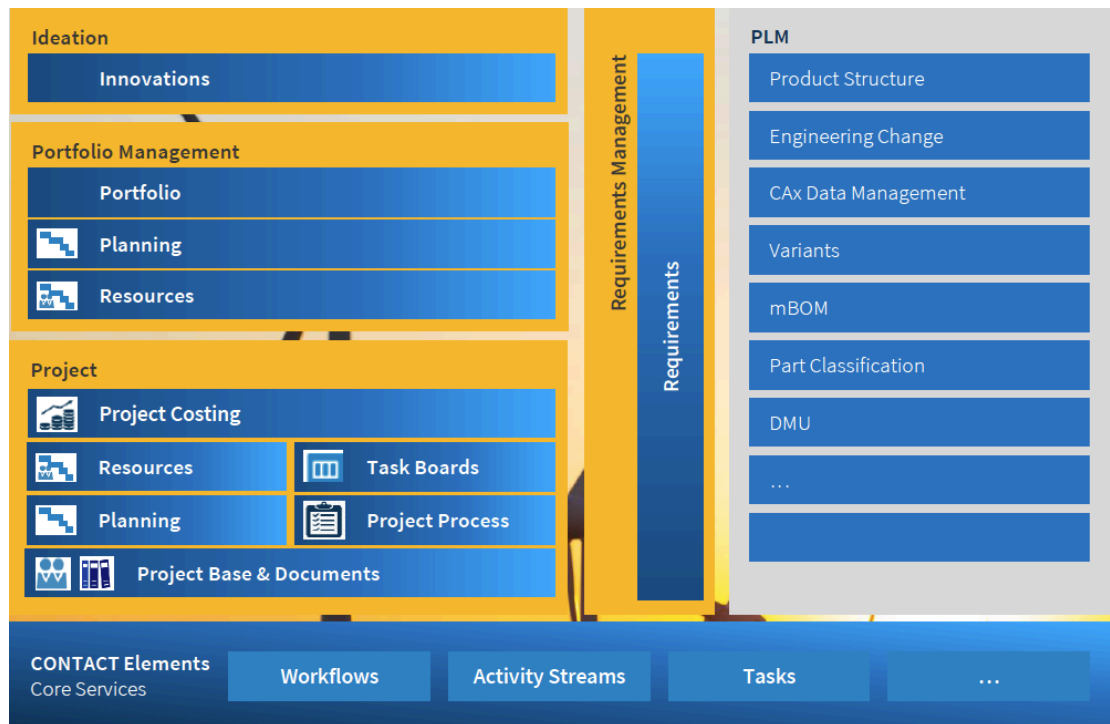
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<sup>4</sup> See: <https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/13274-contact-s-insync-helps-deliver-high-quality-user-experiences-commentary>

marine. This is consistent with others in the PLM space and is important to help speed adoption and productive use of new software.

Mr. Thomas Dickopf and Mr. Lucas Kirsch from CONTACT led a session on “Closed Loop System Engineering.” The transition to a smart connected world has brought the practice of systems engineering out of its roots in aerospace and made it important, if not essential, in many other industries. CONTACT saw this trend coming and has made substantial investments in recent years around this topic. During this session, Mr. Dickopf and Mr. Kirsch discussed how IoT can help close the product development loop, yet another topic of CIMdata’s recent Forum series. CONTACT is providing model-in-the-loop (MIL), twin-in-the-loop (TIL), and system-in-the-loop (SIL) capabilities to support development activities across the systems engineering Vee. CIMdata believes this capability is essential to achieving the hyped benefits from IoT on product development. If you cannot do the necessary modeling and testing at different stages of the lifecycle it will be difficult to truly understand product behavior. CONTACT is using an open source offering to manage the large volumes of IoT data needed to support this approach, and leveraging their project management capabilities to handle the model-based systems engineering (MBSE) systems and methods and CIM Database to manage the models. Typical of many tech firms in Europe, CONTACT works with universities to define and prove out these capabilities with industrial partners in joint R&D projects.

The CONTACT Elements portfolio also includes significant project and program management capabilities, delivered as their project collaboration suite (PCS) available to all of CONTACT’s products offerings including the stand-alone Project Office offering. Mr. Udo Leischner, CONTACT’s Product Manager for PCS, provided an update on their roadmap and offered release highlights. An overview of the PCS portfolio is shown in Figure 1.



**Figure 1—Overview of the Project Office Portfolio  
(Courtesy of CONTACT Software)**

This diagram is another illustration of how CONTACT’s offering includes capabilities not available from some other major competitors. In this case, it is the Innovations box in the upper

left. CIMdata's definition of PLM emphasizes that the lifecycle is from idea through life, but most PLM-enabling solutions do not include what's known as the "fuzzy front end of innovation" where ideas are generated, enhanced, and investigated before they are used to drive product innovation. The CONTACT Elements platform includes this capability.

Mr. Leischner spoke about how Project Office is evolving, with improved Gantt charts, better linkage with Microsoft Project, and enhancements to their timesheet functionality. Upcoming enhancements include improved support for baselining of project plans and critical path analysis. Baselining is essential to capture lessons learned that will help improve future projects. CONTACT's solution is already used to support large capital projects and these enhancements will make it even more valuable to those customers and many others.

The last presentation from the session was from a CONTACT partner, Neilsoft, Ltd., an Indian firm with global reach that claims it is in the business of "enhancing the project efficiency for our customers." Presenters Mr. Vaibhav Aneja and Mr. Aniruddha Phatak from Neilsoft described how their engineering services firm provides these enhancements to their customers in the architecture, engineering, and construction (AEC), manufacturing, and process sectors. Their partnership with CONTACT Software, announced in 2017, offered them a flexible platform to deliver important capabilities. This presentation focused on their work with a large design and build contractor in the AEC industry. Their "Project Office AEC" solution uses the CONTACT Elements platform as its "engine" and Neilsoft is building a deep integration with Revit, an Autodesk solution for Building Information Modeling (BIM), to provide stakeholders access to the knowledge embodied in the evolving BIM models. Today, Neilsoft is using the CONTACT platform to manage a large project being executed in Africa but with partners and teams around the world accessing the platform from the Microsoft Azure cloud. In Phase I the focus is on document management and workflow, with an end-to-end project management solution the goal of Phase II. Adding Revit integration would be a big step for CONTACT. Building smart factories and facilities is another part of the Industry 4.0 vision and CONTACT is positioning itself to take advantage of this need.

## Conclusion

CONTACT Cloud Connect 2020 provided impressive insights into the company and its evolving portfolio. CONTACT has always "punched above its weight." The functionality covered at the event shows that CONTACT is not slowing down. In fact, with the increased investment planned over the next 36 months CONTACT Software is serving notice to the entire PLM market that they aim to drive our smart, connected future. Their current offerings and the roadmaps presented illustrate that their products are ready for this challenge. CIMdata believes that the company needs to expand their go-to-market machine to make it a reality. They have already taken some steps in this direction and the increased investment over the next 36 months will be a big step forward.

## 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:

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