COMMENTARY

Accelerating SaaS Innovation:

What's New with Aras Innovator SaaS

Takeaways

Aras Innovator SaaS demographics differ from competitors due to its configurability. Aras has a mix of large-, medium-, and small-sized SaaS customers, including some with extensive configurations as Aras supports 100% of its on-premises capabilities in the cloud.

On-premises and private cloud customers are migrating to Aras Innovator SaaS, and SaaS implementations makes up more than half of all new business.

Aras' Gen 2 capabilities are attractive to companies that have highly customized legacy solutions and want to take full advantage of cloud-SaaS benefits.

The latest Aras Innovator SaaS release adds the Aras InnovatorEdge low-code API framework supporting model-based integration, AI for conversational access to documentation, and AI assist for search. Aras continues to enhance and add value to their solution including its DevOps solution, federated integration to Microsoft Office 365 and the Google Suite, and a new comprehensive customer support portal.

Introduction

Software as a Service, or SaaS, has multiple meanings. For some solution providers, it means only subscription licensing and the software can run in an on-premises datacenter or in a cloud or hyperscaler's data center on virtual machines. The most advanced definition of SaaS is subscription software that runs on cloud-based infrastructure provided, maintained, and administered by the solution provider. Furthermore, the solution provider generally outsources physical infrastructure to hyperscalers such as Microsoft Azure, AWS, or Google Cloud.[1] The most advanced solutions differ from on-premises versions in that they are designed to leverage hyperscaler services and APIs that optimize scalability, performance, and upgradeability, while typically supporting some level of multitenancy to manage cost.

Most enterprise software domains, such as PLM, ERP, CRM, SCM, and MES offer cloud-based SaaS options; however, the adoption rates vary significantly. CRM and SCM have high adoption rates, whereas MES adoption is low due to its need to connect in real-time to shop floor devices. While PLM and ERP

[1] Research for this commentary was partially supported by Aras.

are moving to the cloud at a measured rate according to CIMdata research. Unfortunately, both PLM and ERP are typically complex to migrate to the cloud for several reasons, including:

- Decustomization—Many companies customize solutions in ways that cannot be supported in a cloud-SaaS environment. As a result, customizations (and the business value they represent) must be removed and only the necessary out-of-the-box capabilities utilized to obtain needed functionality before cloud migration can happen.
- Number of integrations—PLM and ERP commonly have many integrations to other enterprise solutions both commercially and internally developed. The effort to update, rework, and test integrations can be costly and time-consuming.
- Security—Data security on the cloud is still raised as an issue, but most experts believe that security on the cloud is better than on-premises, and that position is accepted by most companies today.

CIMdata's recent research on when companies intend to become cloud-enabled revealed the following results:

Cloud Enablement Timeline	Percent of Respondents
Long-Term (More than 5 years)	14%
Mid-term (3-5 years)	12%
Near-term (1-3 years)	14%

Most industrial companies that CIMdata interacts with claim their strategies are to either be cloud first, or they are in the process of migrating or actively planning to move to the cloud. For now, the major PLM solution providers are supporting both cloud and on-premises versions. But CIMdata expects that over time new capabilities will be implemented first or only on the cloud and eventually on-premises implementations will become legacy solutions needing retirement.

Aras Innovator SaaS Background

Aras has been in operation for over 25 years and has been deploying production software since 2003. They began with a robust and flexible architecture which has enabled them to adapt as IT technology and trends have evolved. Aras has had subscription licensing and the ability to run on virtual machines in hyperscaler data centers from its initial release. In 2020, Aras released the first cloud-based SaaS version of Aras Innovator. Aras was able to easily adapt their architecture to leverage the cloud via containerization and other hyperscaler technologies. Today, the Aras SaaS solution is multitenant and containerized, enabling it to leverage hyperscaler services that support scalability and redundancy. It also takes advantage of telemetry features for monitoring and administration to improve performance and security while optimizing costs.

An important architectural choice Aras made during its cloud-SaaS development was to keep customer data single tenant. The value of this choice is that customers can choose when they upgrade and be assured that their data is not comingled with another company's data.

Unlike many other PLM solution providers who have had to "lock down" their solution's customizability, Aras has maintained its low-code model-based approach to PLM configurability. Any configuration done on-premises is fully compatible with the cloud-SaaS environment. As a result, the configuration done in an on-premises instance can be easily deployed in the production SaaS environment. The Aras low-code approach is well-understood and proven to be adaptable to virtually all customer requirements while

being fully upgradable. Aras has over two decades of proof points demonstrating the solution's flexibility, configurability, and upgradability.

Furthermore, CIMdata considers the Aras solution as a leading Gen 2 solution.[2] Gen 1 SaaS PLM solutions were developed natively on hyperscaler platforms (Azure, AWS, etc.) with multitenant capabilities focused on being deployable, upgradable, cost-effective, but not necessarily configurable, and focused on BOM management. Gen 2 refers to second-generation SaaS PLM solutions that have been built to leverage the full capabilities of hyperscaler platforms usually via containerization. By containerizing on-premises code, often with broad and deep capability support, Gen 2 solutions can efficiently transition to the cloud while utilizing the flexibility and scalability that various cloud services typically offer. These solutions may be multitenant, but data is often single-tenant providing flexibility of upgrade timing. Gen 1 benefits are maintained, but the flexibility of on-premises solutions, such as configurability and customizability, is often retained enabling companies to maximize their return on investment (ROI).

Benefits of Cloud-SaaS PLM

New Aras Innovator SaaS prospects receive a solution that combines a proven architecture and performance yet meets cloud-first requirements. Aras Innovator SaaS out-of-the-box (OOTB) applications provide a robust baseline PLM environment, and the low-code/extensive configurability ensure they can adapt the solution and build what they need to compete in today's complex global marketplace.

On-premises customers get the ability to migrate their existing solution to a cloud-first hyperscaler leveraging the infrastructure, scalability, monitoring capabilities, and security that come native to the cloud. For example, the Aras Innovator upgrade service becomes much easier to administer as the database no longer needs to be transferred back and forth during the upgrade process. Aras includes their DevOps product with Aras Innovator SaaS providing customers with an OOTB solution to manage configurations. It provides an end-to-end software development/configuration pipeline including automated testing. This feature helps both the customer and Aras ensure that new changes work when released and older changes don't cause regression errors.

Additionally, both prospects and existing customers receive the usual benefits of reduced IT burden and associated cost, as well as faster deployment and automated backup and recovery while improving accessibility, scalability, and security. Aras has successfully migrated large-, medium-, and small-sized customers to Innovator SaaS, and more than half of its new customers are currently implementing their SaaS product.

What's New

Since its launch, Aras has expanded its product innovation platform[3] with many new services and capabilities. All the features that have been enabled over the years, as well as configurations developed by customers, continue to work in Aras Innovator SaaS. In CIMdata's view, the biggest new feature in Aras Innovator SaaS is Aras InnovatorEdge, a model-based approach for integrations. Assembling digital threads requires integrations between solutions, which is often an expensive and complex process. Aras InnovatorEdge is part of the platform and extends Aras' well-understood low-code approach to integration development. This will help existing customers make their solutions easier to maintain, and

[2] https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/18738-aras-enterprise-saas-a-gen-2-leader-commentary

[3] https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/13114-aras-innovator-architected-for-the-future-commentary

speed new customers' deployments as model-based development is quicker and easier to maintain than legacy approaches.

Like most software companies, Aras is feverishly working on AI as described at their ACE 2025 conference.[4] The initial AI products include AI Assist Search and Intelligent Assistant services, which leverage Microsoft's Azure OpenAI Service and Copilot Studio. The search feature enhances search capabilities across both structured and unstructured data, enabling users to interact conversationally. Intelligent Assistant enables users to interact with documentation and the Aras knowledgebase using natural language. Aras has briefed CIMdata on other exciting AI concepts and we look forward to seeing how they improve users' productivity and innovation as they become available.

What's Improved

Aras Innovator SaaS operates on Microsoft Azure, utilizing its extensive and evolving capabilities. By leveraging Microsoft Azure, Aras focuses on enhancing features that impact users. Telemetry helps monitor application health, performance, and security, ensuring a smooth user experience. Aras' DevOps process benefits from Microsoft Azure's scalability, ensuring compatibility with other enterprise applications. With Microsoft's advancements in AI, AI Assist Search and Intelligent Assistant will improve as Microsoft Azure AI is enhanced. This layered approach provides end users with a flexible and scalable platform through Aras Innovator SaaS and Microsoft Azure.

Finally, Aras considers the digital thread an essential feature for improving company operations. With data connected as a digital thread, processes can move faster and have better traceability in both directions, which in turn facilitates decision-making and enhances customer satisfaction and profitability. Aras has supported Microsoft Office and Microsoft SharePoint for many years, but it has utilized the new Aras InnovatorEdge capability to enhance the integration with Microsoft Office 365 and added an integration to the Google Suite. In both cases, the integration employs a federated approach where Aras Innovator (both on-premises and SaaS) references data from the respective cloud environments and exchanges metadata. By referencing data in a single logical repository, the single source of truth is maintained, and metadata ensures configuration integrity.

Conclusion

Cloud-SaaS adoption for PLM is becoming mainstream. Many providers, including Aras, report that most prospects plan to use cloud-SaaS technology, with current customers planning migrations. Unfortunately, large on-premises deployments have been slow to migrate due to customization needs. However, Aras Innovator SaaS, a Gen 2 solution, allows direct migration without change, as both on-premises and SaaS environments support the same features and extensive configurations.

Aras continues to advance its low code paradigm by extending it to integration development with Aras InnovatorEdge. Any technology that significantly enhances the ability to extend the digital thread is a high-value improvement. The new AI products and enhanced integration with Microsoft Office 365 are examples of practical improvements that directly benefit end-users.

Aras, a CIMdata PLM mindshare leader, has again shown why they belong in the category. Aras' SaaS solution enables companies to fully configure data models, processes, and applications to meet their business requirements without compromise. On-premises subscribers should consider migrating to SaaS

[4] https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/27555-aras-ace-2025-connected-intelligence-fuels-a-plm-milestone-commentary

to reap benefits of the modern cloud-based SaaS approach. Companies looking for a PLM solution that can be tailored to their specific requirements rather than having to accept what comes out-of-the-box should consider Aras Innovator SaaS.

About CIMdata

CIMdata, a global strategic management consulting firm, provides services designed to maximize an enterprise's ability to design, deliver, and support innovative products and services. For more than forty years, CIMdata has provided industrial organizations, providers of digital technologies and services, and investment firms with world-class insight, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) topics and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and education through certificate programs and international conferences. To learn more, visit www.CIMdata.com or email info@CIMdata.com.