AI Overview

2026 Market & Industry Forum—7 April 2026

Key Takeaways

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01

LLMs Don't Reason—They Predict

Hallucinations aren't bugs; they're the architecture working as designed. Grounding is a prerequisite, not optional.

02

The Market Is Confusing Itself

Three conflations are muddling AI strategy: AI vs. GenAI, Conversational AI vs. Agentic AI, Demo vs. Deployment.

03

AI Won't Replace PLM—It Layers Onto It

The threat is real but surgical. Core engineering stack is protected; the knowledge-work layer is exposed.

04

You Need a Shared Framework

"AI strategy" means different things across the ecosystem. Five implementation patterns give you a common vocabulary.

05

The Data Will Challenge Assumptions

118 respondents across 3 regions. The global study benchmarks all three sides—gaps between them are commercially significant.

3

The Opportunity

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The PLM market reached US$87.3B in 2025—an 8.7% increase. AI investment across every cohort is growing. Nobody is pulling back.

But investment and results are not the same thing.

A shared map
of the AI landscape in PLM

A framework
for making strategic decisions within it

An introduction
to the first global study on AI across all three sides of this ecosystem

This is not an AI tutorial. It is a calibration exercise.

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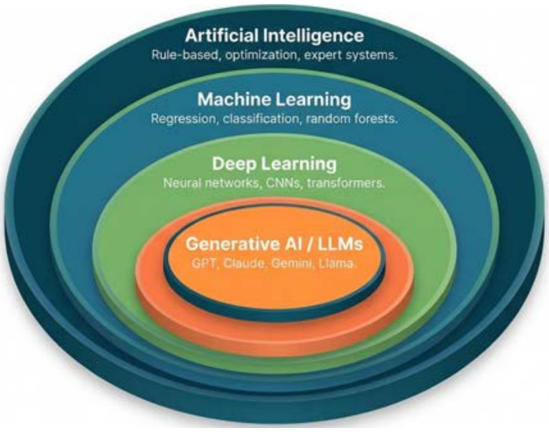
The AI Landscape



What LLMs can do:

- **LLMs predict the next most probable token given a sequence.** They do not reason, plan, or understand.
- Every response is a statistically plausible completion, not a verified answer.

Practical implication:

- Hallucinations are not bugs. They are the architecture working as designed.
- Grounding and validation infrastructure are prerequisites for enterprise deployment, not optional additions.

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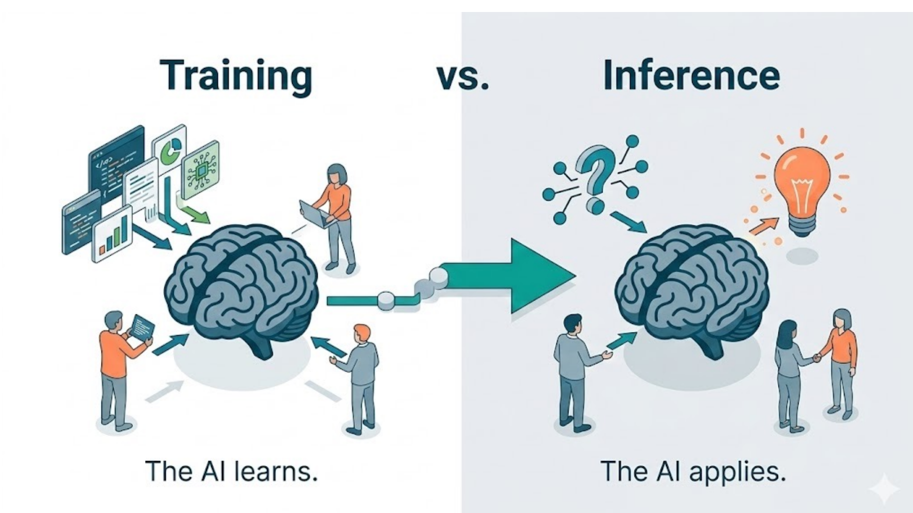
Training vs. Inference



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What Makes Something an Agent

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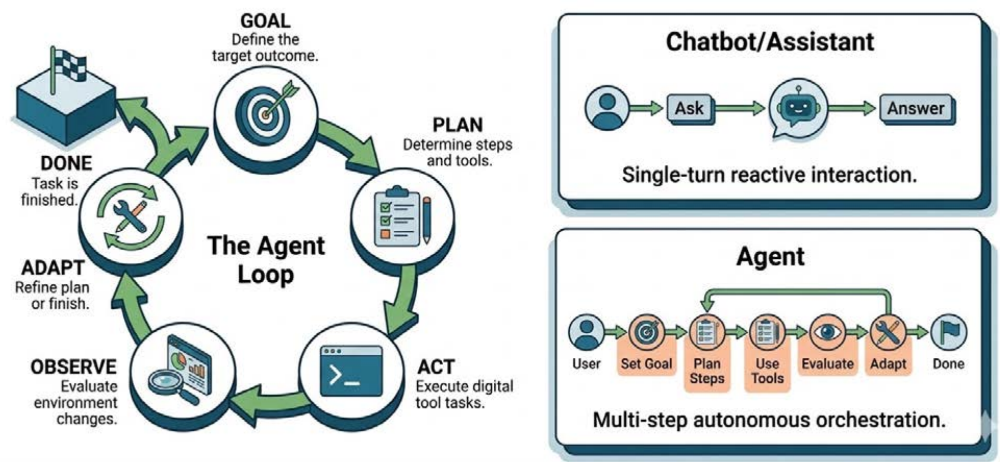

A workflow with an AI decision node is not an agent. It is a workflow.

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The Reality Gap

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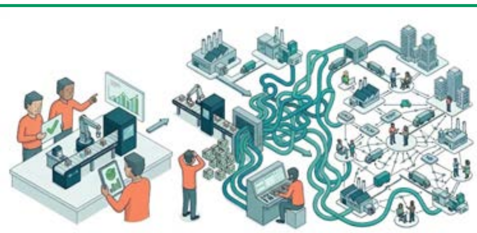
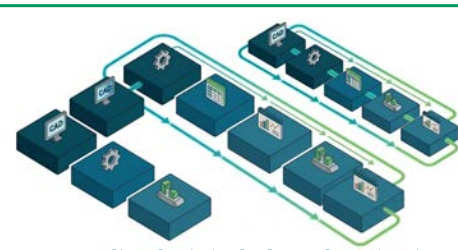
1. Data lives in silos

2. Most AI is single-system



3. "Pilot purgatory"



4. Unrealized Digital Thread aspirations

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Grounding AI Manually

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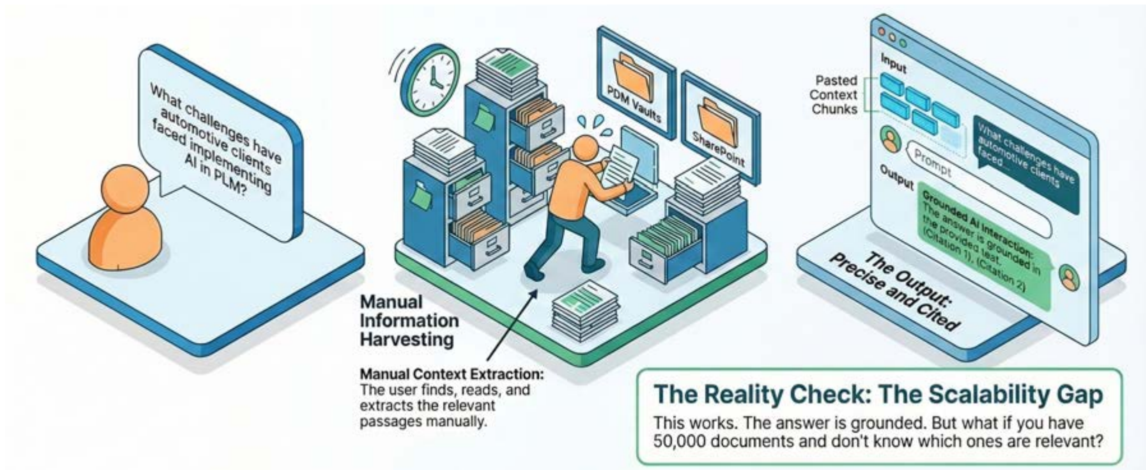

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Grounding AI Automatically: RAG

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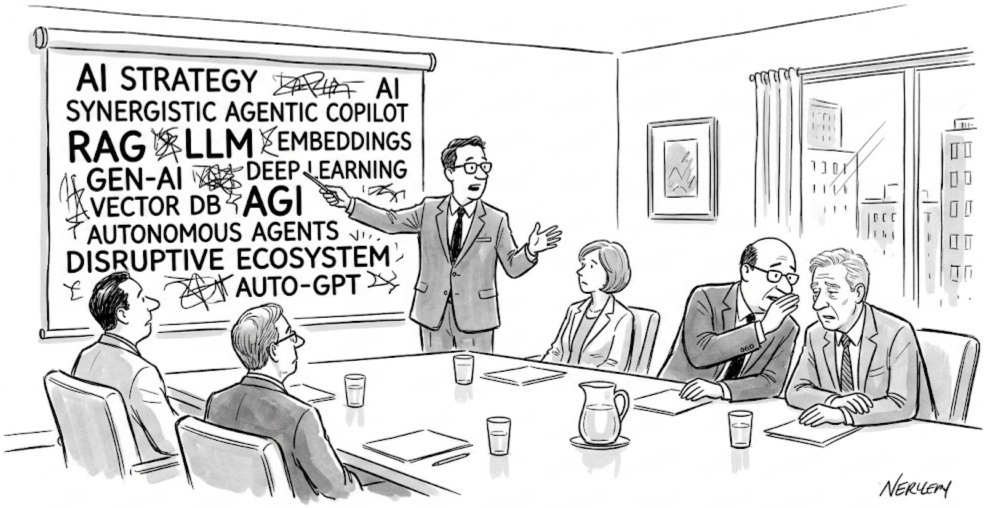
The AI Confusion Problem in PLM



'I stopped understanding at synergistic agentic copilot.'

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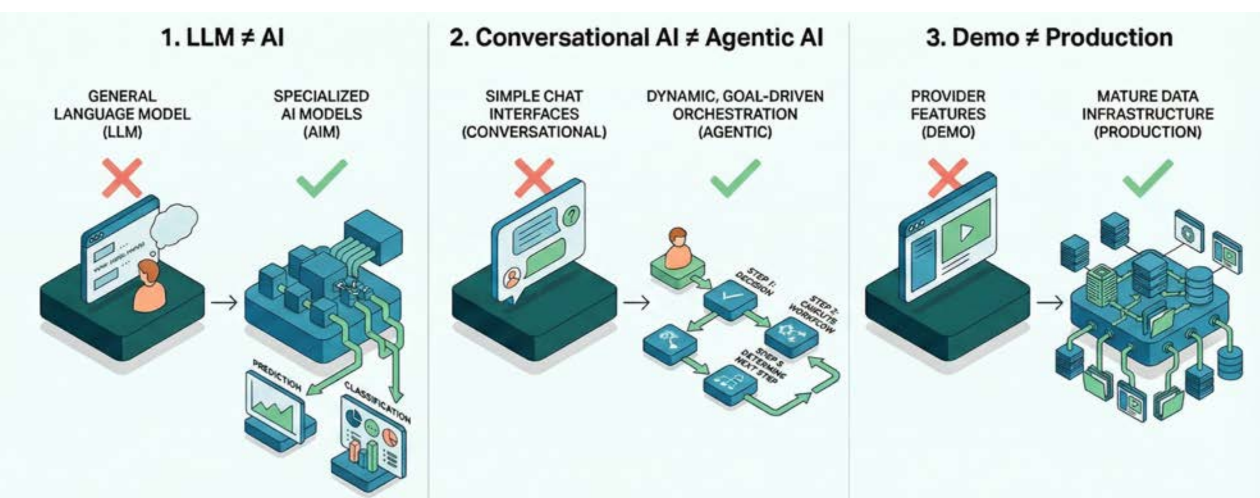
Often Confused Terms



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What the Market is Hearing

Separating fact from fiction (1 of 2)

"AI could replace more than 50% of enterprise software spending"	*"The traditional app stack will collapse in favor of AI-driven workflows"*	*"Agentic AI eclipses the SaaS model; the No-UI future means screens become optional"*	*"The SaaS-to-AI transition is the next perpetual-to-SaaS moment"*

THE COMMON FLAW
None of these claims were made about **engineering software**

The PLM Economy needs a sharper read on what AI can and cannot displace in an industrial context

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CIMdata's Read: AI & PLM Solutions

Separating fact from fiction (2 of 2)

The threat is real—but surgical	• Knowledge work layer (reports, compliance docs, change summaries) is genuinely exposed to AI displacement • Core engineering stack (BOM, configuration control, ECN, CAD data) is protected by decades of domain-specific logic in certified, regulated workflows
You don't replace a PLM platform with AI—you add AI to it	• Rebuilding the rules embedded in existing PLM systems via AI agents would take years and reproduce what already exists • The large PLM providers are not being disrupted; they are embedding AI into their existing systems
Business model pressure arrives before product pressure	• If engineering teams automate documentation with AI, they have a case to push back on seat counts and price increases • The pricing question is real and unresolved—Session 3 examines the monetization data

The Build-vs-Buy (or Wait) Spectrum

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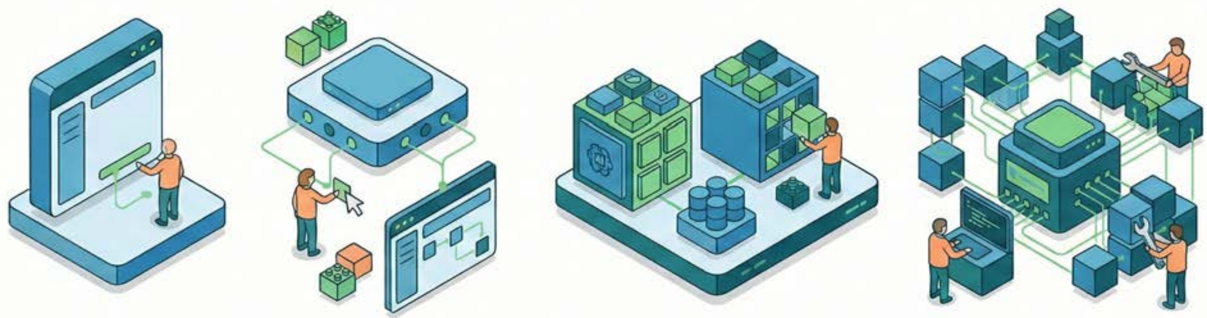
Fully embedded | Low-code/no-code | Platform-assisted development | From scratch



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Why a Shared Framework

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THE PROBLEM

"AI strategy" means something different to each of us.

Product managers build roadmaps. SIs scope engagements. Analysts make assessments—all using inconsistent definitions.

THE SOLUTION

CIMdata's AI Implementation Patterns

Four strategic lenses that give every stakeholder a common reference point—from roadmap to RFP.

► *Four patterns. One shared language.*

1. **Common Vocabulary** — A shared language for conversations across the ecosystem
2. **Build / Buy / Partner** — A decision tool for evaluating strategic sourcing options
3. **Provider Positioning** — A map showing where each provider's AI offering sits
4. **SI Engagement Design** — A scoping anchor for structuring consulting engagements

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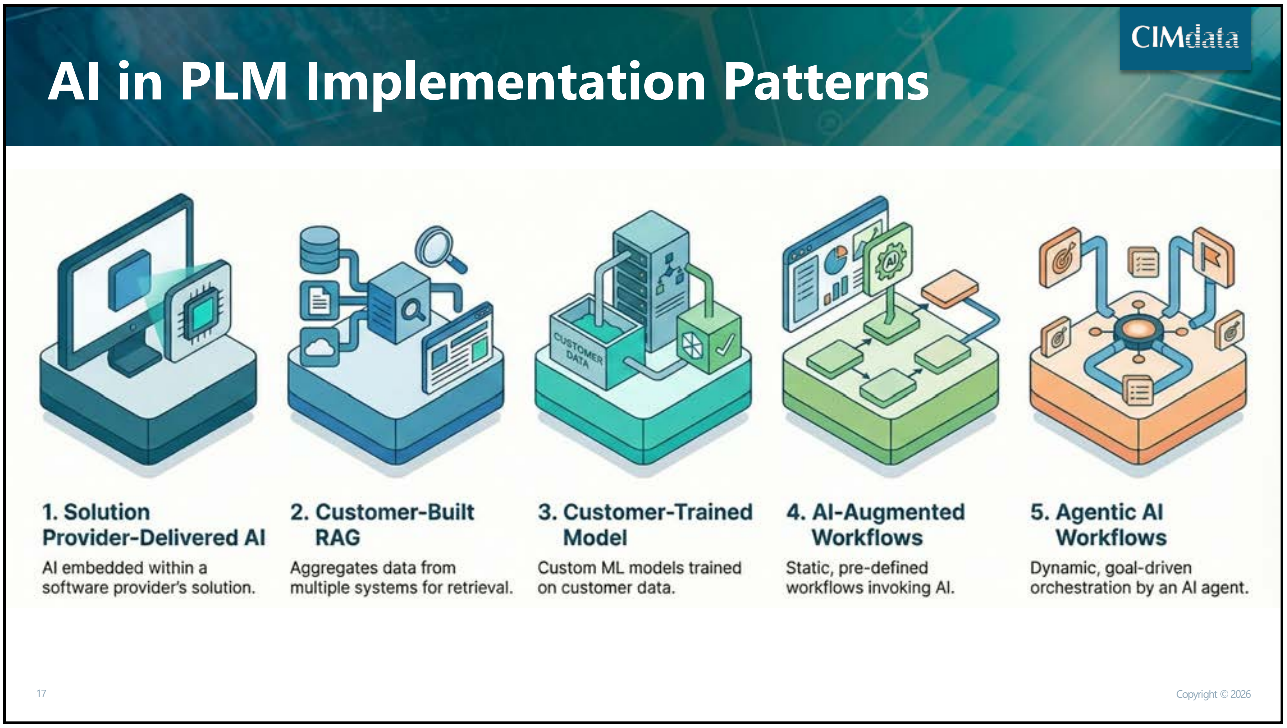

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AI in PLM Implementation Patterns
1. Solution Provider-Delivered AI
AI embedded within a software provider's solution.
2. Customer-Built RAG
Aggregates data from multiple systems for retrieval.
3. Customer-Trained Model
Custom ML models trained on customer data.
4. AI-Augmented Workflows
Static, pre-defined workflows invoking AI.
5. Agentic AI Workflows
Dynamic, goal-driven orchestration by an AI agent.
CUSTOMER DATA
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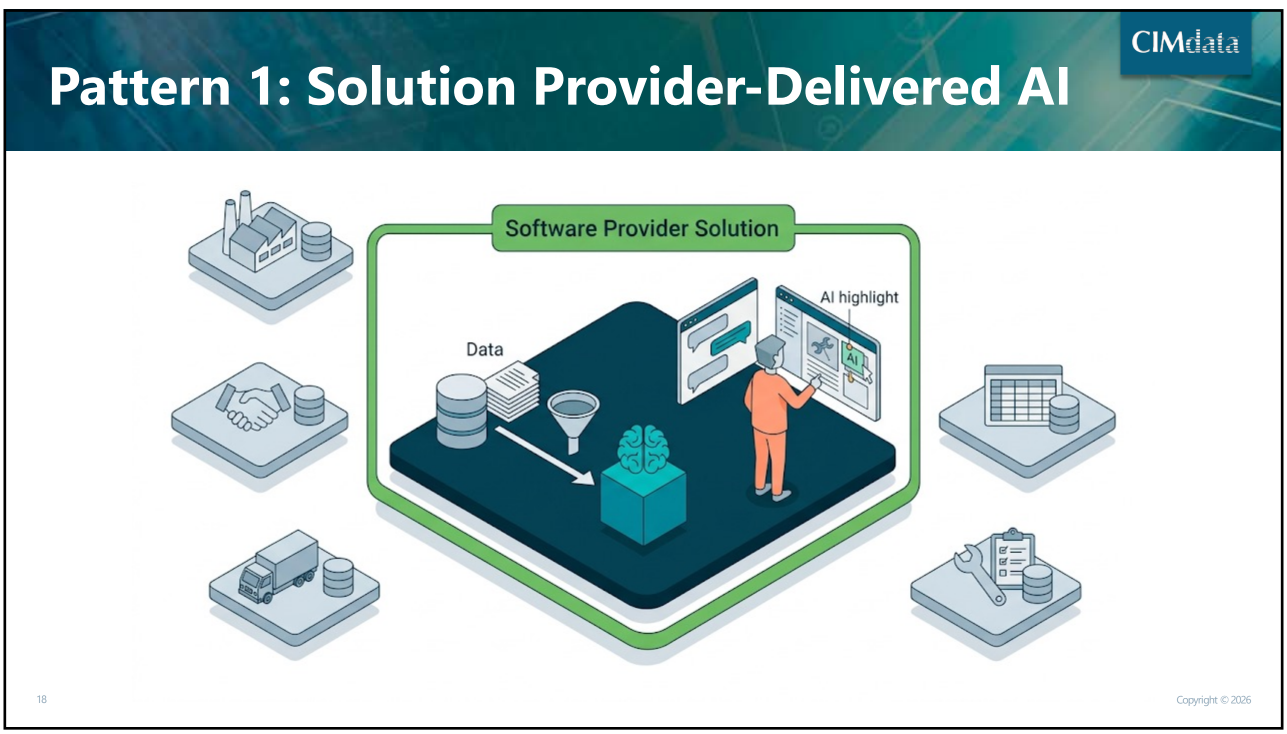

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Pattern 1: Solution Provider-Delivered AI
Software Provider Solution
Data
AI highlight
AI
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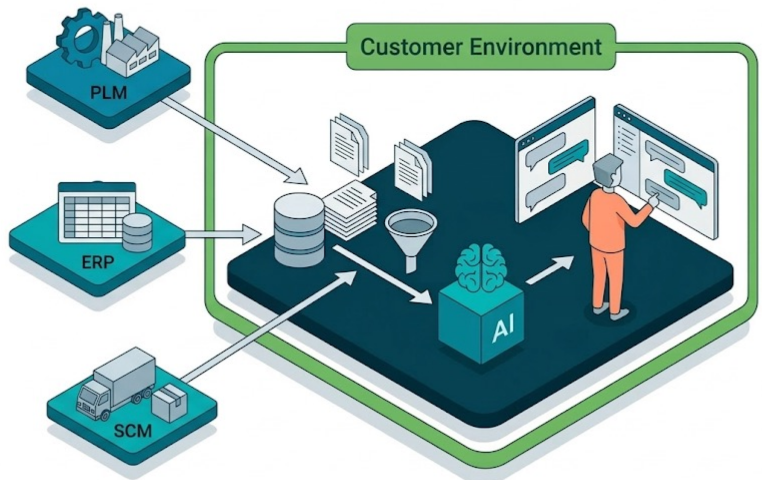
Pattern 2: Customer-Built RAG



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Pattern 3: Customer-Trained Model

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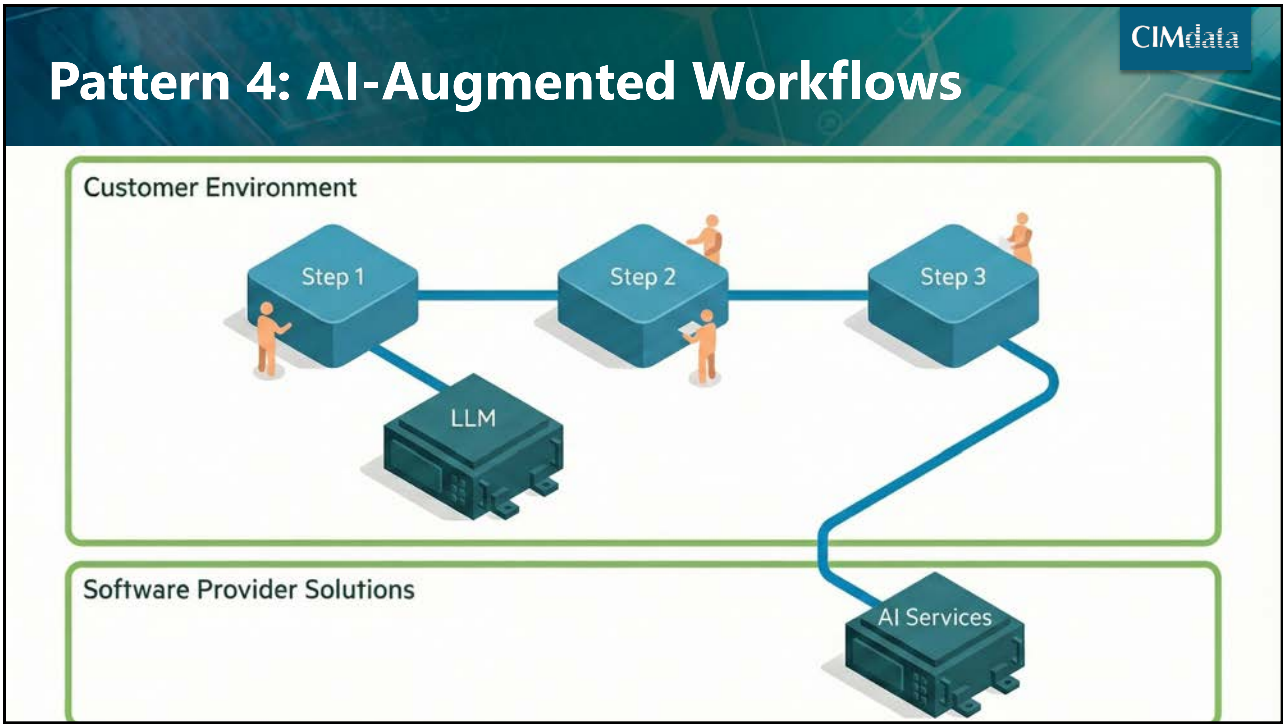

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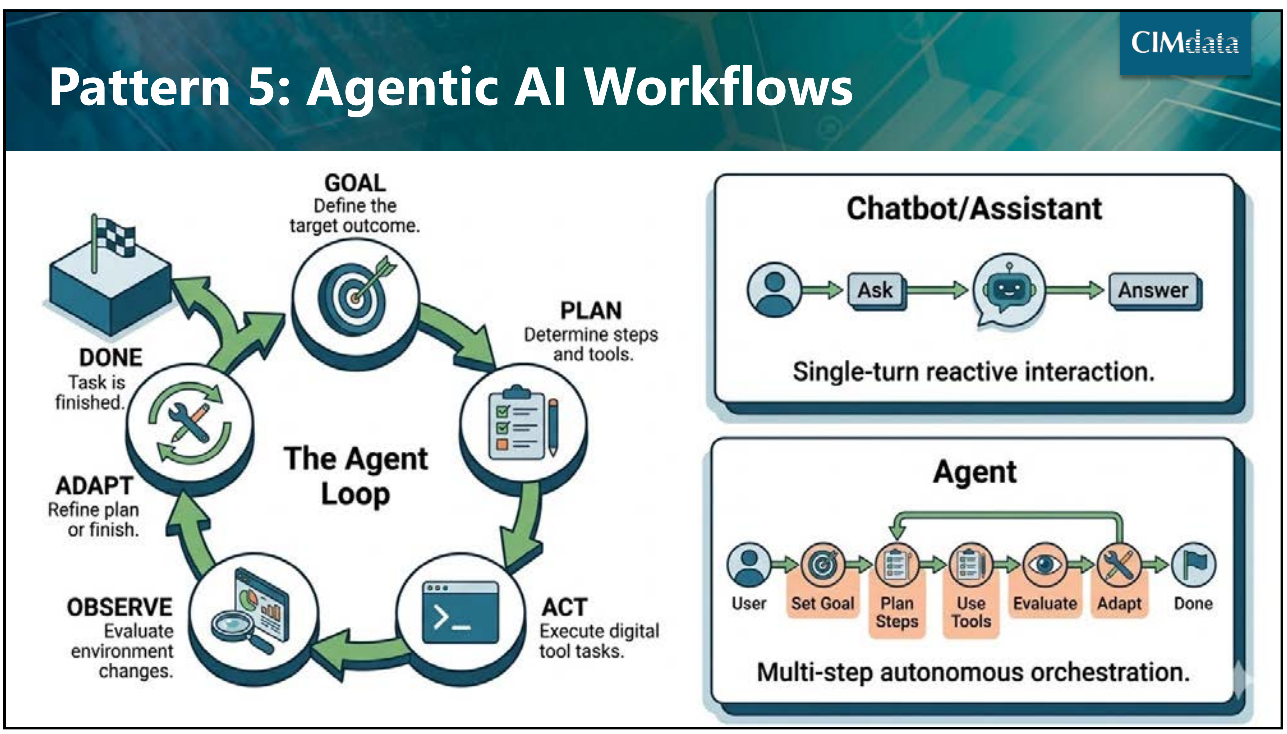
Pattern 4: AI-Augmented Workflows
Customer Environment
Step 1
Step 2
Step 3
LLM
Software Provider Solutions
AI Services



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Pattern 5: Agentic AI Workflows
GOAL
Define the target outcome.
PLAN
Determine steps and tools.
ACT
Execute digital tool tasks.
OBSERVE
Evaluate environment changes.
ADAPT
Refine plan or finish.
DONE
Task is finished.
The Agent Loop
Chatbot/Assistant
Ask
Answer
Single-turn reactive interaction.
Agent
User
Set Goal
Plan Steps
Use Tools
Evaluate
Adapt
Done
Multi-step autonomous orchestration.

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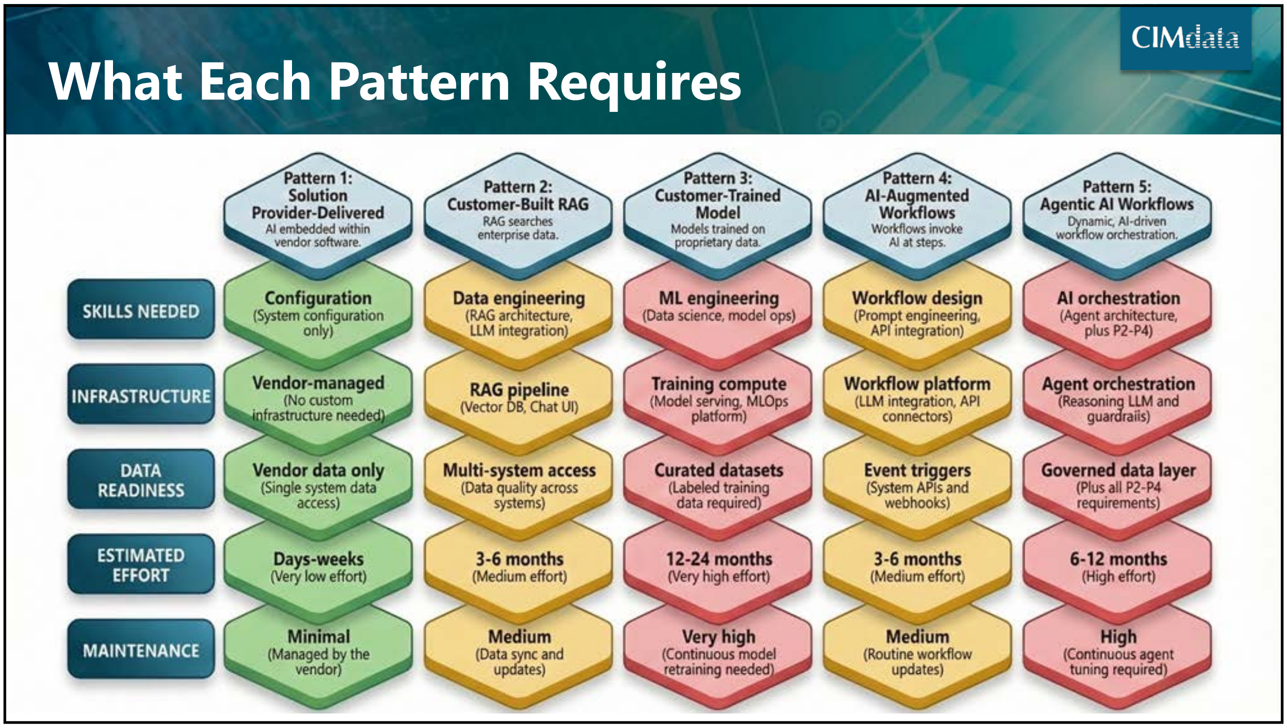

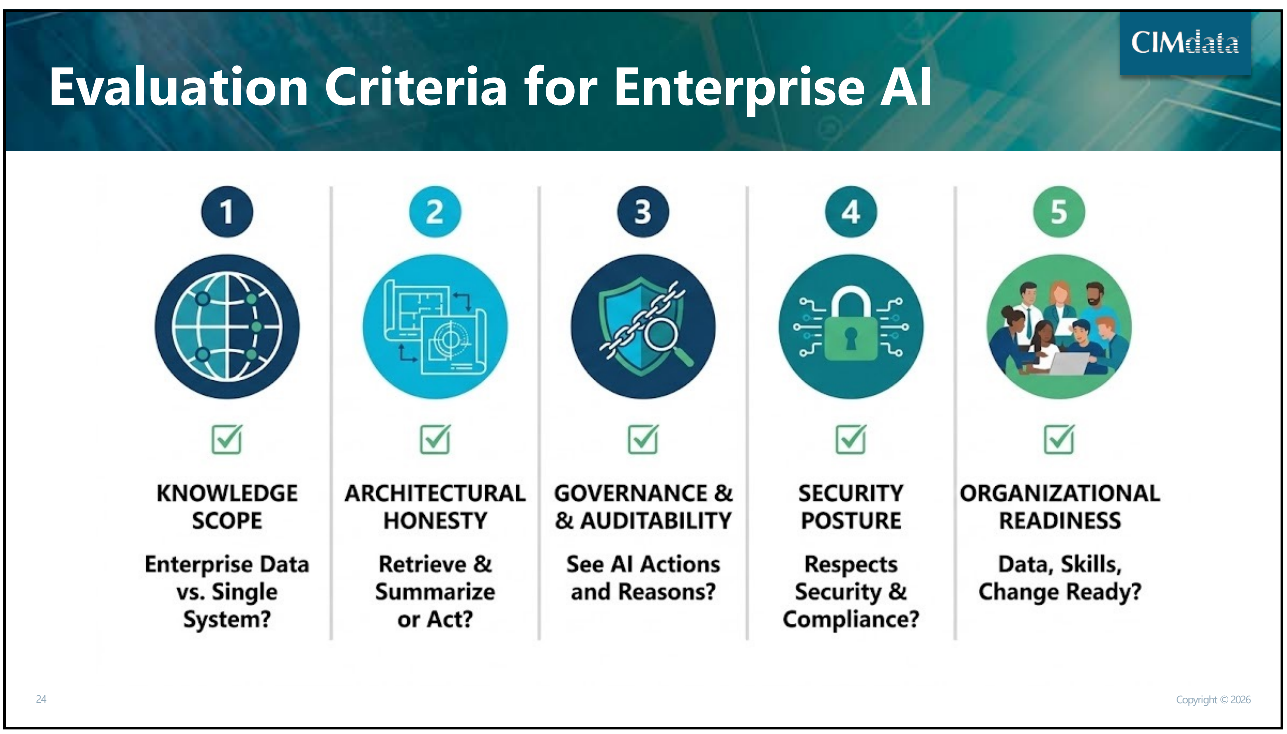

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AI in PLM Study

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WHAT IS THIS STUDY

The **first global, independent study** to benchmark the **current state and future direction of AI in PLM**—surveying industrial clients, software providers, and service providers.

118 Respondents
3 Global Regions · Americas, EMEA, APAC
Q1 2026 · Fielded

WHY THIS STUDY

Software providers know their roadmaps, but not what customers are experiencing

Industrial customers know their deployment reality but not how providers are thinking about the next three years

Service providers operate closest to ground truth—but their perspective has never been systematically captured alongside the other two

"This asymmetry is commercially costly. This study measures it."

Why Three Perspectives

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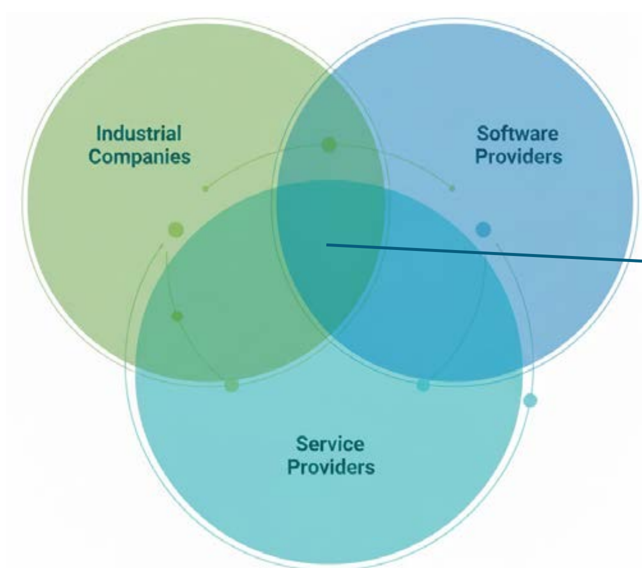

- Reveals demand vs. supply gaps
- Shows what works in practice vs. theory
- Enables comprehensive gap analysis
- Provides actionable intelligence for all stakeholders

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Who Participated

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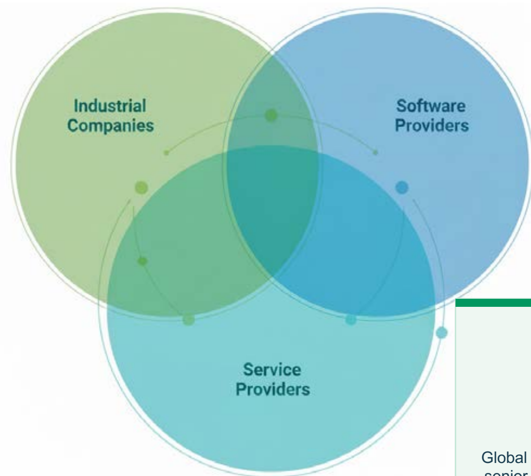
55
respondents
Industrial Companies (IC)
Large enterprises in discrete manufacturing
Operational reality, not executive aspiration



28
respondents
Software Providers (SW)
Bimodal: PLM incumbents and recent AI entrants—half began offering AI in 2024 or later

35
respondents
Service Providers (SI)
Global firms and boutique implementers—senior consultants and solution architects

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How to Read the Next Two Sessions

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Your guide to what follows *Two sessions. One data set. One through-line.*

SESSION 2
AI in Industry

Your customer intelligence
What industrial companies are experiencing—where they are in the journey, what is blocking them, and what benefits they are realizing, including some nobody predicted.

Three dimensions
→ **Journey stage:** where companies are → **Barriers:** what is slowing adoption → **Payoff:** benefits realized

SESSION 3
AI in the PLM Economy

A mirror
How the PLM Economy's understanding of customers compares to what customers report—and where the gaps create both risk and opportunity.

Two lenses
→ **Software providers:** what they believe customers need → **Customers:** what they experience

→ The PLM Economy shapes what industrial customers get. This session shows where that relationship needs recalibration.

The benchmark data will confirm some assumptions in this room and challenge others. **The providers who take the calibration findings seriously will have an information advantage.**

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Concluding Remarks

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