

Dassault Systems Acquires Enginuity

CIMdata Commentary

On 27 April 2011, Dassault Systèmes significantly upgraded their formulation, recipe, and specification management offering by acquiring Enginuity, a Connecticut-based software company. While no terms of the agreement were announced, the DS earnings call presentation suggests they spent no more than 30 million Euros for the acquisition.

In business since 1992, the privately-held Enginuity focuses on PLM solutions for the CPG, personal care, cosmetics, pharmaceuticals, and specialty chemicals industries. They support implementations in 26 countries, from 30 to more than 800 users. Enginuity has a strong customer list, including P&G, Revlon, Pfizer, Merck, Schering-Plough, AkzoNobel, and Clairol. According to Enginuity, their solution runs on multiple backend data management solutions. Their strong use of XML should make the move to ENOVIA straightforward. DS will continue to offer ENOVIA Specification Central to support some customer use cases. Specification Central is the specification management capability started at MatrixOne that has continued to evolve. Dassault Systèmes believes there are cases where recipe development is not required and that the existing solution remains a good fit for these.

By acquiring Enginuity, Dassault Systèmes now has an offering that can compete in multiple process-oriented markets, particularly those driven by formulas. These are some of the fastest growing markets in collaborative Product Definition management (cPDm), and this acquisition will enhance their competitive position. As with acquisitions of this type, it will be important for Dassault Systèmes to ensure that the Enginuity team and its ecosystem remain in place and to support the transition and on-going development.

The combination of ENOVIA V6 and Enginuity should provide strong support for both mechanical and process PLM elements of a complete product. The true test will be the solution's ability to manage interactions between products in development on each side of the system. Based on our work supporting industrial clients, this level of process integration, enabling both mechanical and process product development, is still not well supported in most PLM solution offerings.

With this move, Dassault Systèmes expands its addressable market by acquiring a strong company with a proven process PLM offering. Of course, there is still the matter of integration, building a strong joint go to market plan, and other acquisition and execution issues, but those should be manageable. CIMdata saw good growth in cPDm in 2010 and, if Dassault Systèmes' Q1 results are indicative of the market in 2011, having a broader cPDm platform to capture business in that growing sector of the PLM market will provide DS the opportunity to drive future growth.

About CIMdata

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