

MEDIA RELEASE

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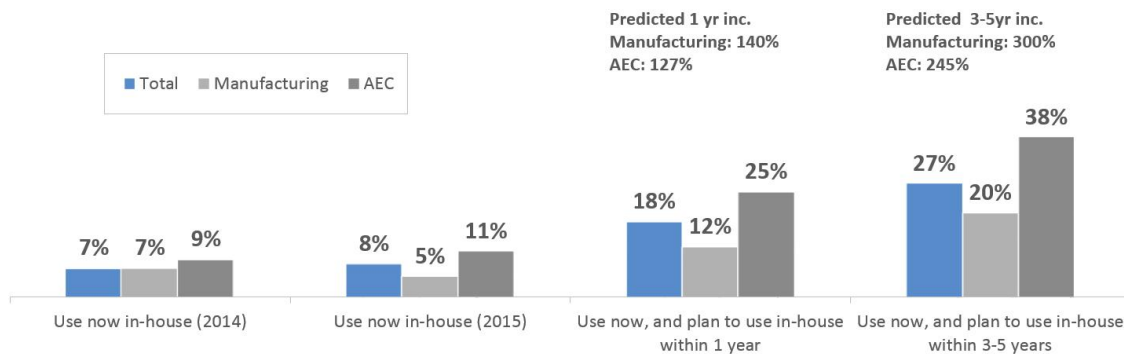
For immediate release:

The Business Advantage Group's Worldwide CAD Trends 2015 Results Cloud Based CAD/CAM/CAE/PDM/PLM Trends

125% Growth Anticipated in Year Ahead, 240% within the next 5 Years

The IT, software and telecom industry research specialist, The [Business Advantage Group](#) recently announced the results of its [Worldwide CAD Trends 2015 Survey](#) and this week announced more details specific to the trends in Cloud based CAD.

Cloud Based CAD by Key Sectors



“Cloud based CAD is currently in use by 8% of respondents and strong future growth is anticipated. By the end of this year (2015) around 18% (~125% growth) are expected to be using “Cloud based CAD”. This is likely to go up to 27% in the next 3-5 years (238% growth). Cloud based CAD continues to be an area of interest in today’s market although the Usage and Importance rankings are low at the present time,” said Chris Turner, CEO/Managing Director of Business Advantage.

Cloud based CAD has 'high awareness' (51%) among CAD users, managers and executives and offers new business and delivery models for CAD/CAM/CAE/PDM/PLM software companies. Rather than software being deployed and used locally, Cloud based solutions enable the software to be loaded and run somewhere else but be accessible anywhere with an internet connection. It is not yet obvious whether this trend will best serve users or software companies wanting to switch users to subscription based revenue models, but the CAD Trends survey offers some clues.

1. **2014 Forecasted Growth:** the 100%+ growth predicted last year was not achieved in 2014 and this held true across all sectors. Cloud based CAD has seen low overall growth during the past year (7% to 8%). However, there were significant differences in growth across sectors. The AEC sector saw 22% growth over last year (usage increased from 9% to 11%) whilst manufacturing did not show any change over the previous year.
2. **2015-2020 Growth:** 2015 growth overall is predicted at 125% (8% to 18% of all CAD users) and 3-5 year growth at 238% (8% to 27%). Looking at individual sectors, in 2015 AEC Cloud based CAD is predicted to grow by 172% (11% to 25%) and Manufacturing Cloud based CAD is predicted to grow by 140% (5% to 12%). Over the next 3-5 years usage in AEC is predicted to grow by ~245% (from 11% to 38%) and Manufacturing by 300% (from 5% to 20%).
3. **Importance:** Compared to a number of the other trends, Cloud based CAD, remains low in Importance ranking (mean score of 4 out of 10). This may indicate that sufficient ROI isn't yet obvious to all users. Importance by sector varies with AEC users rating this trend at 4.3 out of 10 and Manufacturing users rating it at 3.7 out of 10. At the present time, Cloud based CAD appears to be more important to AEC users, where the greater need for 'mobility' within the AEC sector contributes to the higher importance ratings.
4. **Top Benefits:** Top perceived benefits and productivity changes over all sectors are 'higher mobility' (66%) followed by 'ease of updating software' (45%), 'cost reductions' (39%) and 'increased storage capability' (31%), but by individual sector these vary considerably. For example, 'higher mobility' scored 74% in AEC and 58% in Manufacturing, cost reductions scored 28% in AEC and 49% in Manufacturing and 'increased storage capability' scored 38% in AEC and 16% in Manufacturing.

Conclusions and recommendations for software vendors:

- In some niches or sectors, significant growth is evident, however the continued low importance relative to other trends makes Cloud based CAD a niche trend so far. Looking at the anticipated usage in 5 years' time, only 27% of all CAD users in the study (including CAD, Design, Engineering professionals - users, managers and executives) expect to be using Cloud based CAD.
- Simply delivering the existing CAD functionality via the cloud rather than the status quo of locally installed CAD/CAM/CAE/PDM/PLM solutions does not appear to be appealing enough. Even adding the currently perceived top benefits of 'higher mobility' and the 'ease of updating' software look unlikely at this time to make Cloud based CAD a significant trend. We suspect that, to compete effectively with the status quo of current CAD/CAM/CAE/PDM/PLM solutions,

Cloud based CAD solutions need to add and communicate new 'must-have' benefits, functionality and productivity improvements.

1. These benefits, functionality and productivity improvements will likely differ by sectors, given the differences in perceived benefits across sectors.

The Worldwide CAD Trends 2015 Survey Report is a high level report and many deeper insights are available from the full data set. If you are interested in more detailed analysis/insights, for example by region, industry or software vendor, then please feel free to contact us.

Notes for Editors

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Business Advantage: Formed in 1992, **The Business Advantage Group** is a B2B market research, business development and marketing consulting practice operating in the global IT, Digital Communication and Telecommunications sectors. Their team of specialist researchers and consultants has undertaken over 1,200 B2B market research and consulting projects on a worldwide basis and has completed assignments for information and communications technology clients in over 100 countries, spanning five continents.

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