

Topic:
PLM

PLM – Has Awareness and Adoption Increased?

Results of our survey on the mechanical CAD market

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

PLM – Best Kept Secret?

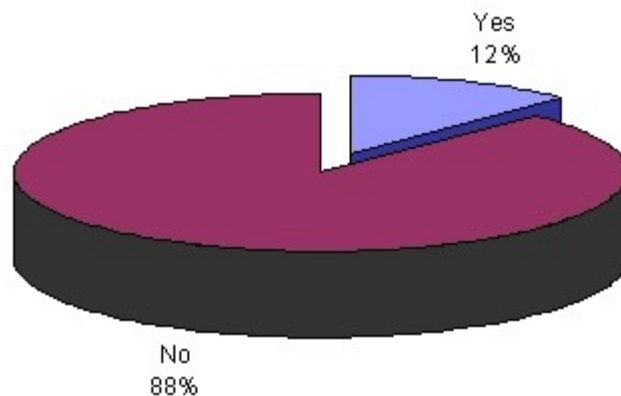
Five years ago, vendors and analysts were talking up a 'new' solution in the market place, PLM (Product Lifecycle Management). Our interest was piqued in terms of how quickly the market would react to the marketing efforts of the vendor community and so we conducted an initial investigation of awareness and take up. The research revealed a surprising lack of impact from the initial hype surrounding the launch of PLM.

Five years on, we decided to re-investigate the market reality to see how things have changed. We therefore asked a sample of contacts within design functions at 216 mechanical engineering companies a few questions about PLM to gauge the current uptake and awareness of this solution. 56% of respondents were in either a 'manager' or 'director' role, the others included design engineers/team leaders/technicians etc., all, however, were in the engineering design functional area of their companies.

PL... what?

Surprisingly, as with our initial investigation we found that the awareness of PLM was at the same low level as it was five years ago, with only a minority (12%) of the managers interviewed stating they had even heard of the term PLM.

Have You Heard of the Acronym PLM?



This low recognition level came from a broad cross section of company sizes, including many small businesses — not the typical targets of PLM vendors. Even more worrying is that only 18% of managers at companies with more than 100 employees were familiar with the term PLM, reflecting the focus of marketing activities by the vendor community. A surprising 19% of managers who had heard of the acronym PLM were in companies with less than 25 employees; therefore, vendors have made some headway into educating the lower end of the market.

More Understanding?

Of the 26 managers who stated they had heard of PLM, 46% could also correctly identify what the acronym stands for, representing an increase from our last investigation where the figure was only 39%. However, thirteen managers still said they did not know or could not remember what the acronym stood for and when asked how familiar they were with PLM, only two managers were able to say they were very familiar with it with a further eight managers stating they only knew the name. Thus, there is clearly still some way to go in terms of education of the market.

Concept Awareness

Is it the abbreviation and concept of PLM that managers of design functions are unfamiliar with? Straightforward definitions of PLM are hard to come across; our interviewers gave the following very basic outline of the PLM concept to the whole sample: *"PLM offers a solution for managing and sharing information from every phase in a product's lifecycle, making the best use of all the data and knowledge gathered from concept through to manufacturing and beyond."*

50% of our sample said they were aware that solutions of this nature were available, representing a clear increase on the 40% in our last survey. Clearly there is still some way to go before the PLM tag is more widely associated with this type of enterprise-wide solution, evident in the overall small number of managers able to discuss the subject with us knowledgeably.

PLM in Action, Providing Results

There is a slight decrease in usage apparent amongst the user base. 3% of respondents were already using PLM as opposed to 4% in the last survey. A further 7% are planning to use it in the near term future, the same as in our last survey.

There is an opportunity for vendors to increase the take up of PLM, specifically, by better communicating the benefits of such a solution to their target audience. Although the base size of users is very small, five out of six managers who were using PLM stated they had experienced an increase in productivity/efficiency with the majority (60%) stating this increase exceeded their expectation. In the small business market, where word of mouth recommendation is typically the most valued information used in decision making, the efficiency gains have obviously caused a stir, driving adoption in smaller companies. By communicating the efficiency gains better through case studies and other marketing collateral, we expect the vendor community to benefit from increased adoption in the short to medium term future, both in its traditional medium to large business target and the small business space.

Who are You?

Clearly, the message is just not getting to market and marketing budgets are not being geared towards PLM with enough zest to provide results for the vendor community. This is not only evident in the lack of familiarity with the concept, but also with brand and vendor names in particular. When asked to list the names of vendors of PLM software solutions, only 18% of those aware of the type of solution were able to list a name, and as can be seen from some of the answers given in the table below we enter into a bit of a parallel universe where 'Autodesk', 'AutoCAD', 'SolidWorks' and 'Microsoft Project Manager' are identified as PLM solutions, clearly showing that confusion and uncertainty exists to some extent in the market!

Brand Name	Mentions
UGS (formerly Unigraphics) and Cutting Edge (A UGS reseller)	5
IBM/Dassault Systèmes/Catia/MatrixOne	5
Pro Engineer and Intralink	1
Autodesk	1
AutoCAD	1
Livelink	1
Microsoft Project Manager	1
SysPro 6	1
PDM WORKS	1
SEP	1
Solidworks	1
Total	19

Nevertheless, despite some fuzzy thinking around the edges, the two main PLM stables are represented in the recognition tables joint equal at the top — UGS with its network of reseller partners and the ever growing Dassault Systèmes group (which also includes SolidWorks but not on the PLM front) and its sales and development partner IBM.

Conclusion

Awareness of PLM has barely increased over the five years since we initially investigated the uptake in the market, with only 6% of our respondents able to correctly tell us what the acronym stands for. Overall market awareness also remains low and so despite smaller sized companies adopting the solution there is clearly still more evangelising required by the vendor community, both to educate the market about their solution and to garner brand awareness. In summary;

- 86% of all respondents approached stated they had never heard of the acronym PLM
- 82% of respondents in companies with more than 100 employees stated they had never heard of the acronym PLM, despite being the focus of previous marketing activities.

Business Advantage provides research, marketing and database services to the global technical computing sector, embracing CAD/CAM/CAE/PDM/PLM etc.

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