

NC Software and Related Services Market Assessment

Version 15

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**Prepared By
CIMdata, Inc.**

Alan M. Christman

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<http://www.CIMdata.com>

CIMdata, Inc.

3909 Research Park Drive, Ann Arbor, Michigan 48108

Tel: +1 (734) 668-9922 Fax: +1 (734) 668-1957

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About CIMdata

CIMdata, a leading independent worldwide firm, provides strategic consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata works with both industrial organizations and suppliers of technologies and services seeking competitive advantage in the global economy by providing world-class knowledge, expertise, and best-practice methods on PLM solutions.

CIMdata helps industrial organizations establish effective PLM strategies, identify requirements and select PLM technologies, optimize their operational structure and processes to implement solutions, and to deploy these solutions.

For PLM solution suppliers, CIMdata helps define business and market strategies, delivers worldwide market information and analyses, provides education and support for internal sales and marketing teams, as well as overall support at all stages of business and product programs to make them optimally effective in their markets.

CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM solutions. These solutions incorporate both business processes and a wide-ranging set of PLM enabling technologies including product data management (PDM), visualization, collaboration, digital manufacturing, computer-aided design/manufacturing (CAD/CAM), and numerical control (NC). CIMdata also provides expertise in the integration of PLM with other business solutions such as customer relationship management (CRM), supply chain management (SCM), and enterprise resource planning (ERP).

In addition to consulting, CIMdata conducts research, provides PLM-focused subscription services, and produces several commercial publications. The company also provides industry education through international conferences in North America, Europe, and the Pacific region.

To learn more about CIMdata's services, visit our website at www.CIMdata.com or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 (734) 668-9922. Fax: +1 (734) 668-1957.

About the Author

Alan M. Christman

Alan Christman, Chairman and member of the CIMdata Board of Directors, has more than 30 years of experience in defining, marketing, and implementing CAD/CAM/CAE/CIM technology. He has been associated with NC programming technology since the late 1960s and interactive CAD/CAM technology since the late 1970s. A consultant since 1989, Mr. Christman is a worldwide recognized authority on numerical control software systems.

He is the primary author of the CIMdata NC Software Market Assessment Reports, and Compendium of NC Software Product Reviews. He has conducted extensive research in manufacturing engineering, digital manufacturing, and topics related to CAM software usage. Mr. Christman consults with end-users of CAM software, all major CAD/CAM companies, digital manufacturing suppliers, and most significant CAM-centric vendors on a variety of strategic, marketing, and technical subjects. He frequently reviews CAM operations and performs product assessments for vendors.

Prior to joining CIMdata, Mr. Christman held a variety of corporate technical and executive positions with Union Carbide Corporation and Control Data Corporation. At Union Carbide, he served as an engineering supervisor, Manager of Manufacturing Process Analysis, and Director of Information Systems in one of their major manufacturing facilities. At Control Data, his positions included General Manager of Product Planning, General Manager of Manufacturing Industry Marketing, and General Manager of CAD/CAM Marketing. Mr. Christman has been listed in:

- Executives and Professional Who's Who
- International Who's Who in Information Technology
- International Who's Who of Professionals
- The National Register Who's Who in Executives and Businesses
- Sterlings' Who's Who
- Who's Who in the Computer Industry
- Who's Who in Computer Graphics
- Who's Who in the Midwest

He is a senior member of SME and serves on the editorial advisory board of Tooling and Production magazine. He is often quoted in the trade press and is a frequent chair/speaker at industry conferences.

Mr. Christman received Bachelor of Science and Masters of Science degrees in Chemical Engineering from the University of Michigan. He was a Ph.D. candidate in Mathematics at the University of Tennessee.

Alan Christman
Chairman, CIMdata, Inc.
E-mail: a.christman@CIMdata.com
Phone: (561) 416-9356

I. Introduction

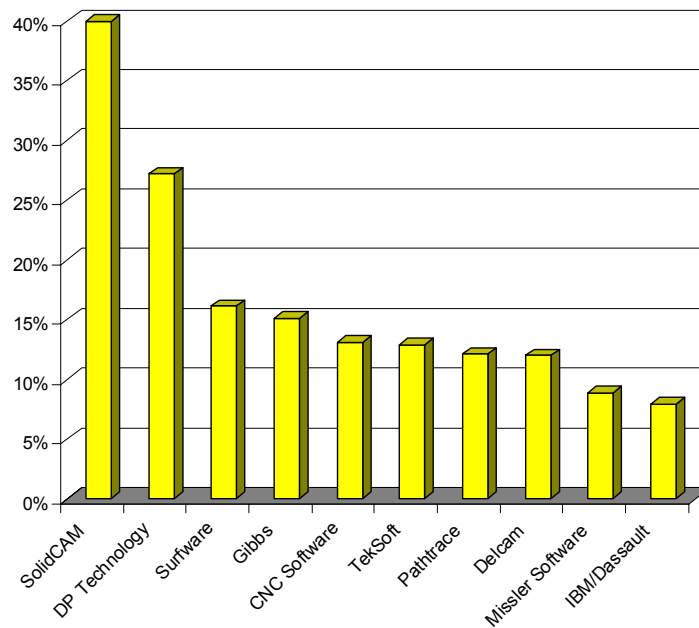
This NC Software Market Assessment Report provides information about the worldwide market for Numerical Control software products and services. The report includes market size in terms of expenditures by user companies for NC software products and related services, analyses of various technical aspects concerning the industrial use of NC software and techniques, trends in the NC software industry, demographics of machine tool use, market share of NC vendors, reseller revenues, the impact of the Internet on NC, and other information related to NC vendors.

This report is one component of the annual CIMdata NC Market Service. The annual service begins on April 1 of each year. Components of the Service include:

- An annual update to the NC Software Market Assessment Report. The Advance Packet of Key Data is issued in early April of each year. The full report is expected to be issued in the 2nd quarter of each year. This Version 15 report is the update for the year beginning April 1, 2006. Each version of the report builds on the prior version. As such, the careful reader will find some areas that are unchanged, some that are updated, and some that are totally new. By so doing, each version is complete in itself.
- A Compendium of CIMdata NC Software Product Reviews. The initial release of the Compendium was completed in September 1999. New or updated reviews will be added throughout 2006 and subscribers to the NC Market Service will receive the reviews as they are issued.
- A call-in option for NC market information. CIMdata will respond to specific questions related to the CAM market if the information is known or can be obtained with reasonable effort. CIMdata does not perform market research under the call-in option; however, CIMdata will accommodate requests for more substantial information as a research project.

H. Rapidly-Growing Companies

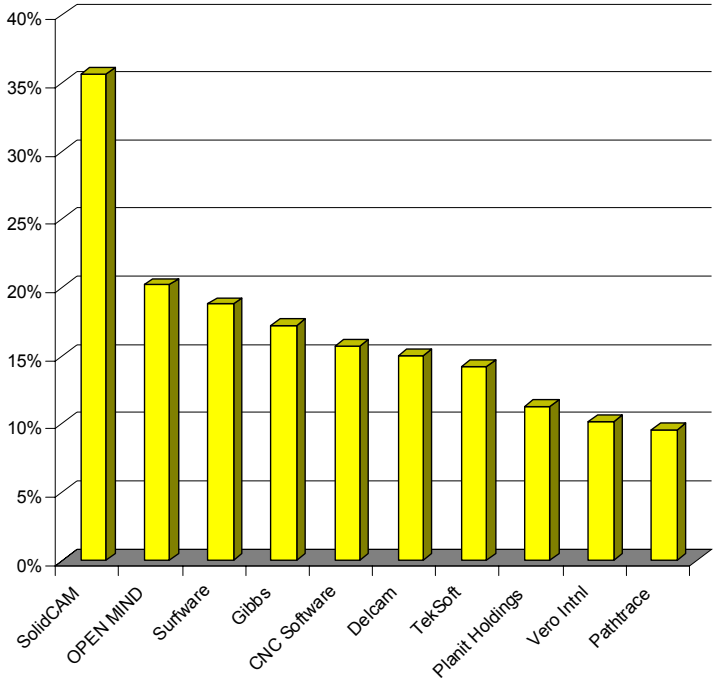
The companies that CIMdata believes experienced the largest percentage increase in NC software and related services revenues in 2005 are shown in the following figure. Only those vendors with more than \$3.0M in annual revenues are considered, since for small companies, a relatively modest increase in dollars of revenue can result in an abnormally high percentage increase. All companies in the top 10 did extremely well as most of their growth rates exceeded 10%. SolidCAM was by far the most rapidly-growing company with a 40.0% growth over 2004. They have done extremely well over the past few years. DP Technology was second with a 27.2% growth but most of their growth was due to the acquisition of Auton. Others in the top ten were Surfware, Gibbs, CNC Software, TekSoft, Pathtrace, Delcam, Missler Software, and IBM/DS.



Company	2005 Growth Rate
SolidCAM	40.0%
DP Technology	27.2%
Surfware	16.1%
Gibbs	15.1%
CNC Software	13.1%
TekSoft	12.9%
Pathtrace	12.1%
Delcam	12.0%
Missler Software	8.9%
IBM/Dassault	7.9%

Figure 74. 2005 Rapidly-Growing Companies by Vendor Revenue

In 2006, SolidCAM is again projected to be the most rapidly-growing CAM software vendor with a revenue growth rate of 35.7%. This would maintain the rapid growth that they have been achieving. OPEN MIND is expected to achieve a 20.2% growth rate. The remaining most rapidly-growing companies in the top ten for 2006 are forecasted to be Surfware, Gibbs, CNC Software, Delcam, TekSoft, Planit Holdings, Vero Intl, and Pathtrace.



Company	2006 Growth Rate
SolidCAM	35.7%
OPEN MIND	20.2%
Surfware	18.8%
Gibbs	17.2%
CNC Software	15.7%
Delcam	15.0%
TekSoft	14.2%
Planit Holdings	11.3%
Vero Intl	10.2%
Pathtrace	9.6%

Figure 75. Forecasted 2006 Rapidly-Growing Companies