



Fabrication and Assembly Industrial Machinery and Mobile Equipment (IM&ME)

Program brief
December 1st, 2003

Contents

- I. Campaign Executive Summary
- II. Target Audience
 - a. Market description
 - b. Roles and Functions
 - c. Current perception
 - d. Target perception
- III. PLM Solution
 - a. Solution Description
 - b. Solution Differentiators
- IV. Campaign elements
 - a. Key messages with proof points
 - b. Offer & call to action
 - c. Recommended Tactics
 - d. Deliverables
- V. Campaign Support

Campaign Executive Summary

Description of campaign:

A campaign designed to address customers in the Industrial Machinery and Mobile Equipment segment with specific pain points and customer references. Follow-up through telemarketing. Then invitation to a seminar where IBM materials can be used.

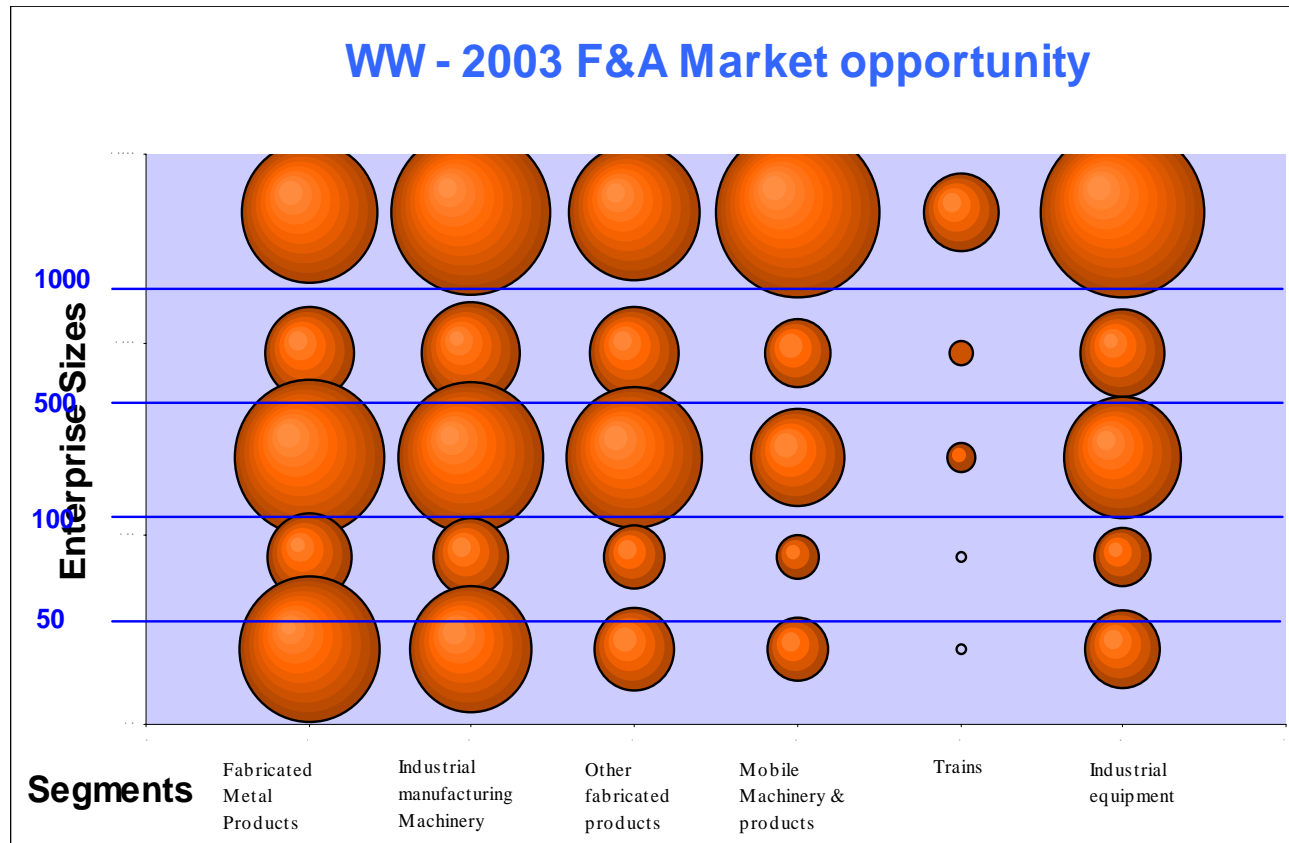
Initial target for Q1 is the Engineering or project manager due to contacts within this segment, however, the seminars could also target CxO level within a customer.

The campaigns will be run through a co-marketing program with our Business Partners. IBM will provide text and design for collaterals required for execution of the campaigns (through Campaign Designer) and additional services such as printing and mailing can be provided where necessary. Sales support materials will also be provided for subsequent follow-up of leads.

Target Audience

- Market description
- Roles and Functions
- Current perception
- Target perception

Market description - Opportunity



© 2003 IBM Corporation

- A 379 M\$ Market Opportunity worldwide (2003 estimate)
- In which IBM/DS have a 21% market share (28% in Machinery, 6% in Mob. Eqt)
- A clear target are SMEs with 100 to 500 employees

IM&ME – Which companies ?

Industrial Manufacturing Machinery



Standard Industries

Auto Vending Machines	3581
General Industrial Machinery / N.e.c.	3569, 3566
Service Industry Machines / N.e.c.	3589
Special Industry Machinery / N.e.c.	3559, 3599



Metal Working

Machine Tools & Accessories	3541, 3542, 3543, 3545
Metalworking Machines / N.e.c.	3549
Welding Apparatus	3548



Build to Order Machinery

Food Product Machinery	3556
Oil & Gas Field Machinery	3533
Packing Machinery	3565
Paper Industries Machinery	3554
Printing Industry Machinery	3555
Rolling Mill Machinery	3547
Textile Machinery	3552
Woodworking Machinery	3553

US Sic-Codes

Mobile Equipment & Products



Farm Machinery

Farm Machinery & Equipment	3523
----------------------------	------



Industrial Transportation Equipment

Industrial Trucks and Tractors	3537
Transportation Equipment / N.e.c.	3799



Materials Handling

Conveyors and Conveying Equipment	3535
Elevators and Moving Stairways	3534
Hoists / Cranes & Monorails	3536

© 2003 IBM Corporation

Targeted Companies (#)

SOLUTION NAME	# of Esta by Esta size	EMEA				TOTAL	
		GERMANY	FRANCE	UK	ITALY		
IM&ME	1-49	16,184	7,049	8,330	18,611	50,174	Industrial MFG + Mobile Equipment
	50-99	1,951	370	550	707	3,578	
	>100	1,581	353	446	264	2,644	
SP&PP	1-49	10,023	6,279	9,221	13,002	38,525	Home & Garden + Leisure + Beverage Packaigh + Glass + Plastic
	50-99	1,220	501	710	537	2,968	
	>100	924	541	542	163	2,170	
IE	1-49	3,846	8,081	2,438	4,247	18,612	Heating & Refrigeration + Power Generation + Pump , pipes & fitting
	50-99	530	289	250	290	1,359	
	>100	380	231	243	110	964	
GT	1-49					16,423	16,423
	50-99					1,364	1,364
	>100					1,512	1,512
						140,293	

SOLUTION NAME	# of Esta by Esta size	USA	JAPAN	TOTAL
IM&ME	1-49	65,750	25,040	90,790
	50-99	3,102	4,512	7,614
	>100	2,269	1,137	3,406
SP&PP	1-49	33,554	15,683	49,237
	50-99	2,956	1,473	4,429
	>100	3,603	840	4,443
IE	1-49	9,968	6,518	16,486
	50-99	966	755	1,721
	>100	1,550	607	2,157
GT	1-49	12,072	5,391	17,463
	50-99	838	504	1,342
	>100	602	620	1,222
				200,310

US= 85% North America
 JAPAN= 46% Australia & Asia
 1-49 = 86% of Total.
 50-99 = 8%
 >100 = 6%

Key customer characteristics in the IM&ME industry

Industrial Manufacturing Machinery

- *In the every day life of product and equipment manufacturers, a lot of new modification or customers specification are generated. They need to improve customers relationships by collaboration and integrating systems with suppliers*
- *Cost and time-to-market with the right product and cost equally important because competitive pressure in product is cost.*

Mobile Equipment & Products

- *Design change based on either physical prototype for a new styling design.*
- *Service growing area for profit making with long product lifecycles (10-50 years)*
- *Managing numerous supplier relationships.*

PLM Process Model and Main IM&ME Pains

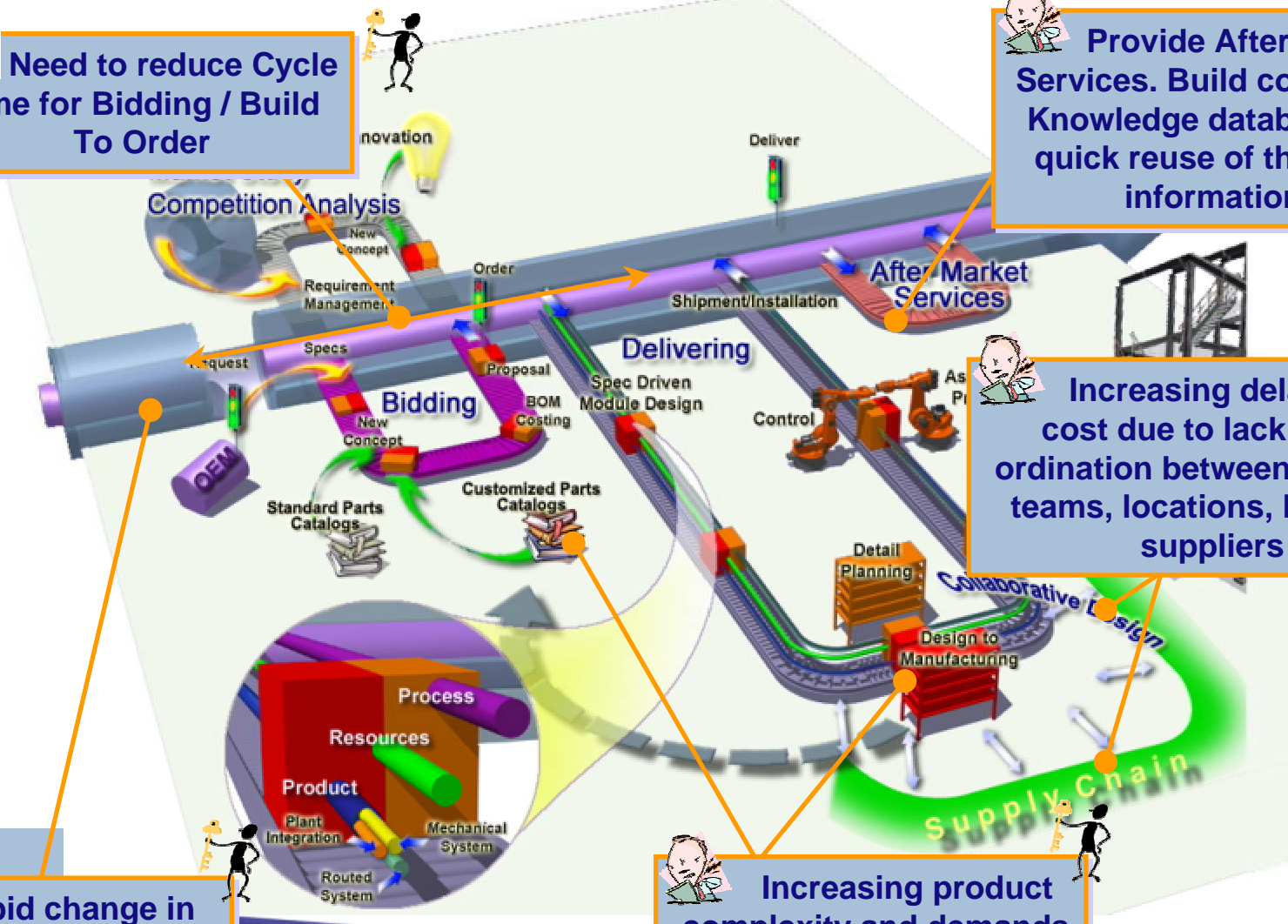
Need to reduce Cycle time for Bidding / Build To Order

Provide After Market Services. Build cooperate Knowledge database for quick reuse of the right information

Increasing delays and cost due to lack of co-ordination between different teams, locations, BUs and suppliers

Increasing product complexity and demands of international standards

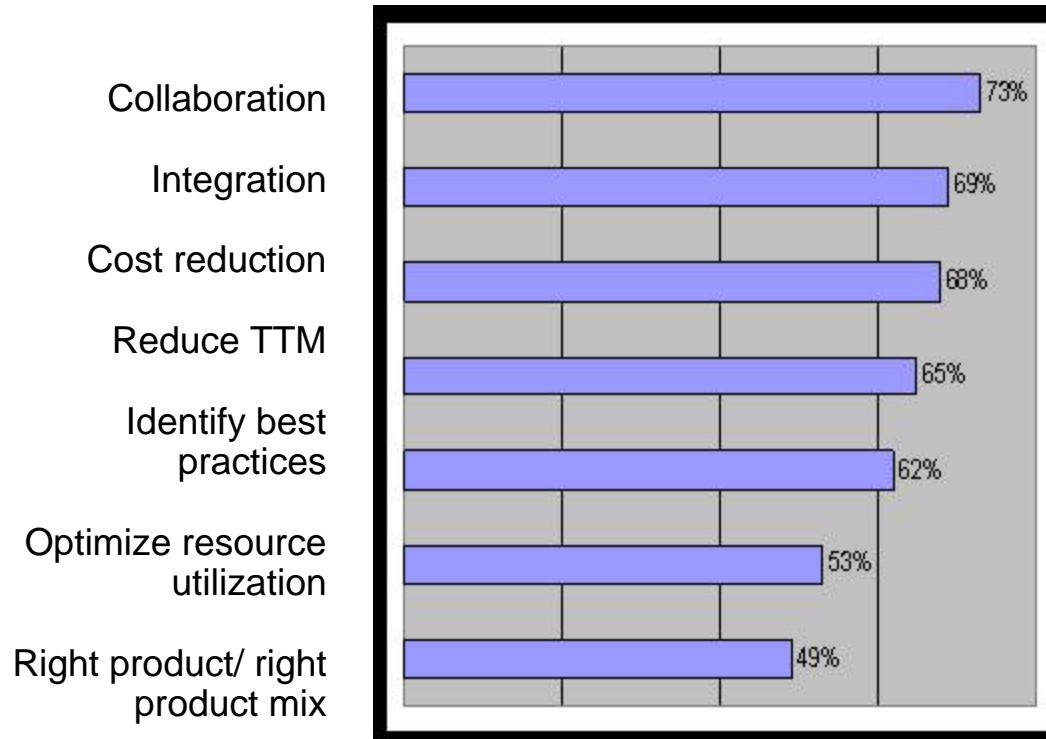
Rapid change in customers needs



Target audience – Primary Roles & Functions

- C-Level
 - CEO, CFO, CTO, ...
 - Cares about profitability, cash-flow and the company's image and reputation
 - Cares about resources, skills, recruiting & keeping the right people
 - Probably the final decision maker for implementing a PLM solution
 - The smaller the company, the more likely the CEO is the company Owner, if not founder, and therefore it is his livelihood
- Technical or Project Leader
 - Technical Director, LOB Manager, Product or Project Manager
 - Responsible for product development-related activities be it on a company or project level
 - Focused on improving the efficiency and profitability of the product development processes
 - Cares about project success of his projects, eliminating everything that doesn't add value and collaboration within his department or (extended) team
- IT Manager
 - Manages the company's IT infrastructure.
 - Participates in PLM decisions and drives the hardware and middleware selection
 - Responsible for the deployment of new software and hardware and 1st level end-user support
 - PLM is his opportunity to better service his internal customers

Current perception - Key Customer Pain Points in PLM Space (2003 Report by AMR)



- Customers believe that collaborating in real time with customers and suppliers will be critical to their success
- Companies want to find ways to better integrate their product lifecycle management solutions with other enterprise processes and applications
- Reducing design, manufacturing and service costs, and time to market is also a primary concern

Collaboration and Integration are top of mind issues that are driving the formulation of IBM's PLM solutions

Target perception (customer's perception of IBM/DS)

1. Trusted reliable partners
2. Proximity of support and skills via a network of Certified Business Partners
3. Understand their business and challenges, and share experience in their industry
4. Provides all the necessary leading technologies and services to help implement the adapted solution for their business
5. Proven quality solutions which are modular, open, based on existing standards customizable and can grow with their business
6. Proven quality solutions are affordable, easily implementable, and show a fast R.O.I proven by visits at existing references
7. Proven quality solutions (software & services primarily) are tailored for SMEs, for their industry, with a proven track record (illustrated through reference customers)
8. IBM and DS are PLM Thought Leaders, are able to explain and articulate their shared vision, and propose a roadmap for the future

PLM Solution

- Solution Description
- Solution Differentiators

Solution – PLM Express for Product Design & Packaging in F&A/CG

- 2 Additional configurations to address the IM&ME product design processes
 - **PLM Express for Mechanical Engineering** - This configuration addresses the mechanical engineering processes from assembly definition to functional verification, based on extensive features for 3D creation of parts and assemblies, associative drawing extraction, DMU and collaborative design review capabilities, knowledgware, and includes specialized applications for sheetmetal, rapid prototyping, 3D tolerancing, transparent analysis, kinematics and realistic rendering
 - **PLM Express for Equipment Engineering** - Comprehensive features for 3D creation of parts and assemblies, associative drawing extraction, based on seamlessly integrated PDM functionality. The configuration also provides DMU and collaborative design review capabilities, enables reuse of intelligent features and integration of company standards via it's knowledgware capabilities, and includes specialized applications for Sheetmetal, Electrical harnesses, piping and tubing, and plant layout.
- Prices ranging from 12 k\$ to 18k\$ per seat, a significant opportunity
- Minimum of 2 seats per customer order
- No specific Ts&Cs for the program

Solution description – PLM Express for SMARTTEAM

- 4 Packages based around the SMARTTEAM products to address :
 - Collaborative Design** – utilizing SMARTTEAM’s open, standards-based methods design engineers across the extended enterprise share 3D product information. With over 70% of design costs committed at the early stages of design it is crucial to design right the first time to minimize change costs.
 - Engineering Data and Document Management** – Integrated management of design data and documents in a multi-CAD authoring environment, including secure vaulting, version control and link management.
 - Bidding and Request for Quote Management** – companies that streamline their business using SMARTTEAM’s pre-defined standard processes can more quickly and more accurately calculate product costing, enabling the ability to handle greater volume and improve their win ratio.
 - ServiceAfterSales™** – companies can benefit from using SMARTTEAM’s Web-based, on-site field support to open new revenue streams with regular maintenance plans, replacement parts and asset management to their existing customers, for increased loyalty and repeat business.
- Prices ranging from xxx to xxx
- Minimum order of nn seats
- No specific Ts&Cs linked to the program

Solution differentiators

- Wide solution range covering the whole machinery industry
 - CATIA provides one of if not the widest applications portfolio to support all aspects of product definition and simulation, complemented in specific domains by an increasing number of third party applications. It therefore allows the full digital creation and preparation of all types of machinery or mobile equipment, end to end.
- Process support from bidding through design to manufacturing and maintenance.
 - This extensive applications portfolio is complemented by the wide range of management and collaboration capabilities provided by the SMARTEAM line of products, and therefore supports not only the data creation, use and editing needs of end-users, but also the management and workflow of data and information across individuals to enable the integration and optimization of industry processes, end to end
- Integrated transparent simulation capabilities for product optimization.
- Digital mock up for movement / clash review, and analysis.
- Dedicated DS / IBM forces to help and develop in Machinery Industry.
 - IBM and Dassault Systemes rely on a worldwide network of Business Partners who have experience in working with SMEs in the IM&ME industry, and provide continuous training and methodologies to their partners to ensure that their customers can benefit from best of breed practices in their industry.

- Collaboration
- Part of the IBM Express offerings for SMEs (middleware, ...)
- End to end solution delivery from a single vendor

Campaign Elements

- Key Messages with proof points
- Offer & call to action
- Recommended Tactics
- Deliverables
 - Demand Generation
 - ✓ Campaign Designer Templates (self-mailer and invitation)
 - ✓ Web Page Template
 - ✓ Telemarketing Scripts
 - Collateral
 - Sales Aids
 - ✓ Presentations
 - ✓ Demos
 - ✓ References
 - ✓ ROI Tool

Key Messages

Value 1: Reduce Cycle time for Bidding

- ✓ Not restart from scratch each time by managing families of machine where new project are derived from previous
- ✓ Avoid Long feasibility studies on customer specific requirements by enabling fast customisation concept studies and their integration into the machine mock-up
- ✓ Early estimate of the machine performances enabling DMU synthesis (kinematics) and analysis (fatigue, dynamics...)
- ✓ Enable early estimation of machine cost by maximising the use of standard components, easy BOM extraction for cost analysis

Value 2: Reduce Cycle time for Build to Order

- ✓ Capitalize pre-approved standard components and enable fast access to designers in order to maximize the number of standard or customized components
- ✓ Avoid long and late iterations on validation of the machine enabling concurrent engineering of design and DMU and quick virtual mock-up analysis to detect errors earlier
- ✓ Speed up late engineering changes by managing design changes and propagate modification to the complete product
- ✓ Avoid linear vertical processes during design phase using concurrent engineering of 3D design, electrical tubing, assembly and validation

Value 3: Increase product complexity and demands of international standards

- ✓ Implement quality standard by reducing cost on product audit trails
- ✓ Support product modularity by reducing test and prototype evaluation costs
- ✓ Support testing and certification process by achieving product certification and requirement compliance first time

Value 4: Reduce delays and cost by improving co-ordination between different teams, locations, BUs and suppliers

- ✓ Exploit different BU skills and products within new customer solution sharing the same information platform / planning, reducing technical re-work and minimizing risks
- ✓ Integrate Supply Chain by allowing an easy access to data to the suppliers and integrate them into a shared project planning

Value 5: Maintain product through the entire lifecycle and search quickly the right information

- ✓ Avoid being late into documentation production by implementing easy technical publication process
- ✓ Reduce maintenance costs by minimizing number of references to be managed at shop floor and getting configured BOM Management
- ✓ Capitalize maintenance procedures by enhancing maintenance documentation with assembly/de-assembly videos of the machine mock-up

Supporting Elements – Proof Points

- IBM/DS long term partnership & recognized success & leadership
- IBM/DS presence in the SMB space
- Proximity of support via a Network of local, skilled BPs
- Dedicated F&A Competency Center
- ROI Tool
- References
 - Video: Maegerle, Maschio, Homag, Schlumberger, Puhler, Motoman, Arburg, APB, Alusuisse, Peltor
 - Other deliverables: Alekovod, Schlumberger, Automatic Systems, Ekovent, Huber & Suhner, IHS, Iscar, Koncar, Maegerle, **Maschio**, Peltor, WS Atkins, Bombardier, Unior, **Sanyo Machine Tools** (available end 2003)

IM&ME Q1 program objectives:

- Suggested campaign tactics:
 - Initial mass-mailing using self-mailer (with reply card)
 - Suggested calls-to-action: PLM Express Brochure, IM&ME white paper, Business Partner consultation, Business Partner Seminar
 - Telemarketing on respondents and % of non-respondents
 - Seminar invitation to respondents and non-respondents
 - Seminar covering:
 - IM&ME Industry background, pains, trends and directions (presentation available)
 - Customer reference: Business benefits, pains solved by IBM PLM Solution
 - How IBM PLM solutions respond to customer pains (available)
 - IM&ME Demo(s) (available)
 - Discussion between customers and Business Partner over lunch
 - BANT qualification of leads received through campaign

Program Deliverables

Campaign kit	Description	Delivery Dates
Business Partner campaign briefing	Campaign description including target, offer, messaging, call to action...	03/12/2003 (Draft for review)
Calls-to-action	<ul style="list-style-type: none"> ▪ PLM Diagnostic Tool ▪ Business Partner Seminar/Event ▪ Business Partner Consultation ▪ PLM Virtual Factory (Q2) ▪ Trial Program (CATIA/SMARTTEAM) (Q2) ▪ Flexible licensing T's & C's (Q2) 	Available - - Q2/04 Q2/04 Q2/04
Mailing Template (campaign designer)	Created by IBM but customisable by Business Partner <ul style="list-style-type: none"> ▪ Self-mailer / Letter ▪ Invitation 	Example available Example available
PLM Brochure (campaign designer)	PLM brochure customisable by Business Partner with own logo, contact details, etc	Available
Telemarketing Script	For use by IBM or Business Partner telemarketing reps.	Available – requires customising
Web page content	For Business Partner to post to their sites OR hosted by IBM (to be confirmed)	Available
Additional services	Fee-based services available to Business Partners for running campaigns: <ul style="list-style-type: none"> ▪ Printing ▪ Mailing ▪ Data / Response Management ▪ Telemarketing 	Available