

# Business Strategy: Vuuch — Enterprise Social Platform for Product Development and Manufacturing

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IDC Manufacturing Insights: Product Life-Cycle Strategies

BUSINESS STRATEGY

#MI227723

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## IDC MANUFACTURING INSIGHTS OPINION

Rapid adoption of social applications is connecting people, is diminishing communication barriers, and has even led to global sociopolitical transformation. Social connections built to share unstructured information with no formal protocol are empowering the participants with access to knowledge that was previously restricted and controlled by a few individuals. These open social knowledge interactions have unlocked the potential of contributors, facilitating innovation, developing focus groups, and largely increasing the appetite of people to consume information. In addition:

- The adoption of social platforms as structured business-oriented networks in enterprises has met with some hesitation. This is especially true for the product development and manufacturing domains where protectionism of intellectual property has been the prime concern. Maturity of manufacturing domain has attracted and retained experienced personnel who adhere to the old proven ways of doing business, further impeding the adoption of open knowledge sharing.
- Manufacturers are increasingly using the embedded light social or collaboration features within document and content management applications. Such applications enhance collaboration based on files or an individual document but fail to bring out structured innovation that follows the various processes involved in life-cycle management, from initial product or process conceptualization to product withdrawal from its active use.

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## IN THIS STUDY

This IDC Manufacturing Insights report analyzes the enterprise social computing platform offered by Vuuch for manufacturers and product development organizations. The analysis leverages IDC Manufacturing Insights' vast practical knowledge of manufacturing processes to evaluate the relevance of the Vuuch platform for manufacturers. This document also highlights company and market information tailored for the investment professional's requirements.

## SITUATION OVERVIEW

### Company Overview

Table 1 presents an overview of Vuuch.

**TABLE 1**

Vuuch Company Overview

Measureable Business Attributes	Facts
Company name/Web site	Vuuch/ <a href="http://www.vuuch.com">www.vuuch.com</a>
Functional domain	Enterprise social platform
Primary addressable functional domain	Product life-cycle management (PLM)/manufacturing
Founding year	2009
Number of employees	Under 20
Financial funding source/investors	Privately held
Financial funding initiatives	Series A
Sales channel	Direct
Partners	SolidWorks, JTB World, AMC Bridge
IDC revenue estimates (2010)	<\$1 million
Delivery model	Software as a service (SaaS)
Cost per user per year (creator)	\$300

Source: IDC Manufacturing Insights, 2011

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## **Social Platforms Market Definition**

Social platforms emerged based on the recognition that people — customers, employees, business partners, and suppliers — emerge as the most valuable assets to business and require informal, unstructured, and easy-to-use communication tools that scale beyond a team for enhanced productivity. Social platforms are centered around, but not limited to, social networking applications that allow people (nodes) to connect (link), share, and interact on the Web around a common goal or interest. Social platforms also leverage other Web 2.0 tools such as bookmarking, blogs, microblogs, idea/voting applications, ranking engines, RSS, tags, and wikis for people-centric collaboration and communication. Social platform software is characterized as promoting transparent and authentic two-way dialogue that is open, synchronous, and unstructured. Most providers in this market offer hosted solutions that leverage a viral selling model and an ecosystem of third-party application developers.

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## **Product Profile: Vuuch**

Vuuch is a social platform designed to facilitate community-based knowledge sharing between various actors involved in the product development process. Vuuch's strength is primarily in connecting designers and other stakeholders involved in the initial designing or conceptualizing of a product, but it can easily be used as a productivity enhancement social application across the entire life-cycle stages of a product. Vuuch is available a software-as-a-service (SaaS) model, making it a location-agnostic application that enables suppliers, partners, and other stakeholders involved across the value chain to engage in discussions aimed at resolving issues, improvements, or suggestions before, during, or after the design process.

Vuuch's full functionality is available through a Web portal that provides a consolidated view of the activities or tasks a user might be connected to through Vuuch pages. Vuuch pages provide a dynamic connection to various software products that are used in product development; these connections can be added or removed from a user's view based on his/her participation in a project. Vuuch pages connect simple text editors, presentations, or even complex computer-aided design (CAD) products. Vuuch pages aggregate activities such as discussions and issues that have editable status, priority, and due date.

Vuuch connects designers and manufacturers within their CAD application by installing lightweight add-ins, available for widely used CAD products from different vendors.

## **THE APPROACH**

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### **Company Strategy**

Vuuch is an enterprise social platform designed to address the needs of product development and manufacturing firms of all sizes. Vuuch offers to disconnect actors involved in projects from social discussions, knowledge base, and issues after a project is completed. Vuuch ties in product development and manufacturing workflow-centric approach with enterprise social computing features.

Vuuch is based on the strategy to increase business productivity by using popular social computing concepts, but its founders also realize that the large amount of information created by applying a Facebook-style people-to-people connections model to a business can result in the creation of unnecessary information. Information or knowledge that is not directed to resolve the tasks or activities directly related to a project at hand can distract the actors, lowering business efficiencies. Vuuch connects people through activities or tasks related to their current project(s), resulting in the creation of structured data. Vuuch manages the important metadata related to the relationships between various actors connected through the activities. Vuuch does not force people to remain connected to information that may be irrelevant to their assignments.

Vuuch shares social product-based knowledge among the stakeholders via Vuuch pages. Users can work from within their design authoring and simulation products or life-cycle management applications through Vuuch pages that are collectively available in the product. Vuuch can tie people working on a component level in a subassembly or a slide in a PowerPoint presentation. Vuuch provides several easy-to-install plug-ins for PLM software applications.

Vuuch lowers the barrier to adoption of its product by offering the product in a software-as-a-service model. End users can realize the benefits without having to invest in hardware or administrative costs associated with the product. Vuuch has a partner network developing plug-ins or Vuuch-enabling widely used PLM software applications

### **FUTURE OUTLOOK**

Vuuch describes itself as an enterprise social system (ESS) that is built with manufacturers in mind and designed for product development projects. Its positioning clearly differentiates Vuuch from existing generic social platforms that are based on file-based collaboration and have been adopted by PLM end users. IDC Manufacturing Insights expects manufacturers to realize the benefits of structured information sharing with social platform primarily from within the PLM software products such as those provided by Vuuch.

The content sharing offered by internally focused social software is different from those offered by externally focused social software platform. IDC Manufacturing Insights believes increasing relevance of PLM software products that span beyond traditional design and workflow management will enable internal communities to selectively open up to external participants such as customers or partners that influence the evolution or revision of a product.

The rising number of generic social software platforms will inhibit PLM and ERP vendors to profitably develop and maintain organic social platforms that are very tightly integrated with their PLM or manufacturing offerings. This will be open opportunities for social platforms like Vuuch to provide affordable social products that seamlessly exchange knowledge in a PLM vendor-agnostic manner.

## **ESSENTIAL GUIDANCE**

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### **Actions to Consider**

#### ***Advice for Vuuch***

The professionals in the product authoring and simulation space, which includes computer-aided design, computer-aided engineering (CAE), computer-aided manufacturing (CAM), and other product or process life-cycle management applications, need to be engaged in benchmarks that could show the value of non-file-based enterprise social platforms that really solve their day-to-day issues. IDC Manufacturing Insights advises Vuuch to conduct a detailed social product benchmarking comparison of its product with other prevalent highly administrative social products, to help end users clearly understand the business benefits of true social application over file-based collaborative applications, resulting in quicker adoption of Vuuch's enterprise platform.

The loss of intellectual property concerns of manufacturers associated with open social platforms are further exasperated with externally hosted model. Vuuch needs to provide an on-premise SaaS with hardware partners. This will alleviate security concerns of manufacturers and pave a way for instilling confidence in an externally hosted model, though this may require revenue sharing with partners or increase in cost per user for delivery.

IDC Manufacturing Insights believes the sudden increase in vendors offering social computing platforms will lead to open source social computing platforms for industry verticals. Vuuch is advised to increase plug-ins for widely used PLM software applications either through partners or through an open community-based approach to successfully compete against such threats.

## LEARN MORE

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### Related Research

- *IDC MarketScape: Worldwide Product Life-Cycle Management (PLM) Applications 2011 Vendor Assessment: CAx, Discrete, and Process PLM* (IDC Manufacturing Insights #MI226875, February 2011)
- *Product Life-Cycle Management and Wisdom of Crowds* (IDC #222331, March 2010)
- *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010)
- *Worldwide Product Life-Cycle Management (PLM) 2010 Top 10 Predictions* (IDC #221891, February 2010)
- *Worldwide Product Life-Cycle Management Applications 2008 Vendor Shares* (IDC #220939, December 2009)
- *Increase in Revenue for Engineering Simulation Provider ANSYS in a Recessionary Year* (IDC #221112, December 2009)
- *Low-End Disruption in Digital Prototyping: Autodesk* (IDC #221077, December 2009)
- *Dassault Redefines Its Future — Acquires IBM PLM Global Sales Operations* (IDC #lcUS22062309, October 2009)
- *Managing Innovation with Portfolio Management — Planview* (IDC #lcUS22024709, September 2009)
- *Worldwide Project and Portfolio Management (PPM) Applications 2009–2013 Forecast: PPM Remains a Profitability Engine in Recession* (IDC #219381, August 2009)
- *Truenumbers, Adding Value to Numerical Data — What Can Product Life-Cycle Management (PLM) Customers Gain from True#?* (IDC #lcUS21955309, August 2009)
- *Worldwide Product Life-Cycle Management 2009–2013 Forecast* (IDC #219116, July 2009)
- *What Retailers Need to Know About the Maturing of Supplier Relationship Management* (IDC Global Retail Insights #GRI217947, April 2009)
- *The Maturing of Supplier Relationship Management* (IDC Manufacturing Insights #MI217686, April 2009)

- *Product, Project, and Portfolio Management: Applications for the Project-Based Enterprise* (IDC #217581, April 2009)
- *Worldwide Enterprise Asset Management 2009–2013 Forecast: First Look* (IDC #217274, March 2009)
- *Economic Crisis Response: Worldwide Product Life-Cycle Management 2008–2012 Forecast Update* (IDC #216427, February 2009)
- *Economic Crisis Response: Worldwide IT Spending 2008–2012 Forecast Update — February 2009 Revision* (IDC #216909, February 2009)
- *Worldwide Product Life-Cycle Management Applications 2007 Vendor Shares: A Strong Year for Most* (IDC #214245, October 2008)
- *Worldwide Enterprise Asset Management 2008–2012 Forecast: ROA to Drive Spending* (IDC #213653, September 2008)
- *Worldwide Project-Based Enterprise Applications 2007–2010 Forecast: Evolution or Revolution?* (IDC #208756, September 2007)

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## **Synopsis**

This IDC Manufacturing Insights report analyzes the enterprise social computing platform offered by Vuuch for manufacturers and product development organizations. The analysis leverages IDC Manufacturing Insights' practical knowledge of manufacturing processes to lay out the relevance of the Vuuch platform for manufacturers. This document also highlights company and market information tailored for the investment professional's requirements.

"To realize the real benefits of social computing, PLM end users need to adopt a specialized social platform that provides task-oriented, structured innovation and follows the various processes involved in the life-cycle management process," says Sanjeev Pal, research manager, Product, Project, and Portfolio Management.

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