Cyon Research 2014 Survey of Engineering Software Users

A Cyon Research Report

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Executive Summary

Respondents to our 2014 survey of engineering software users are continuing to be somewhat optimistic about business expectations. But the optimism is stronger in the AEC sectors than in manufacturing, with more than half expecting to see improvements in revenue growth through the end of 2015. There were significant differences by geography. A higher percentage of respondents from the US had a positive outlook; those from the EU had the smallest percentage of positive outlook respondents. While half the respondents from China expected revenue to increase, China and Russia also had by far greater percentage of respondents who expected revenue to decrease.

Expectations of hiring for positions in design and engineering roles is flat globally, though significantly depressed in CIS. Interestingly, comments from our respondents from the AEC sectors were more upbeat than respondents from the manufacturing sectors.

On the other hand, we're still seeing a shift away from holding onto hardware longer—median refresh rates for desktops in the US is still more than three years, but the averages have come down from 2.9 years to 2.6 years from 2012. Mid-sized firms have dropped their averages for HPC down to 2.3 years. Respondents' hardware refresh strategies tended towards focusing on the pain of the refresh, citing issues of cost, table-stakes, or failure avoidance, among others. Fewer focused on the potential for gain from competitive advantage.

We were also surprised at the large percentage of firms globally that still struggle with network performance. More than a third of those surveyed indicated that a significant improvement in network performance would result in a productivity increase noticeable at the firm level.

Examining these economic attitudes was just one aspect of the Cyon Research 2014 survey, which received 638 validated responses from individuals around the world whose firms use a mix of CAD, CAE, and data management software.

Over the past several years, Cyon Research has refined its survey technique to explore in depth why companies pick the software vendors they do, track how their hardware refresh rate changes with the economy, where they stand on the software technology curve, and how they might spend any marginal increases in budgets for design and engineering.

We continue to be intrigued by the difference between what firms say is important to them when they buy software, and what they tell their customers is important about THEIR products. For the latter, performance, reliability, and specialized knowledge top the list. But when respondents tell us what is important to them when they buy, its performance, yes, but then features/functionality, and ease of use. Reliability and specialized knowledge don't even make the top five.

We note a significant trend for US-based respondents, away from reliance on local/regional VARs for their software purchases.

Our current survey data shows that a larger percentage of respondents are spending much less time in the evaluation stages than they did five years ago.

We explored these issues based on industry sectors, manufacturing versus AEC, size of firm, the management level of the respondent, number of seats of CAD and CAE software, and the person's involvement in the procurement process.

These data are merely a sample of the vast amount of information Cyon Research has acquired during the 2014 survey. Our survey of engineering software users is an ongoing project, intended to capture market trends early. Cyon Research customers receive this and other updates as part of their annual subscription.