

Gun Shy on CAD Downloads? 10 Reasons to Get Trigger-Happy

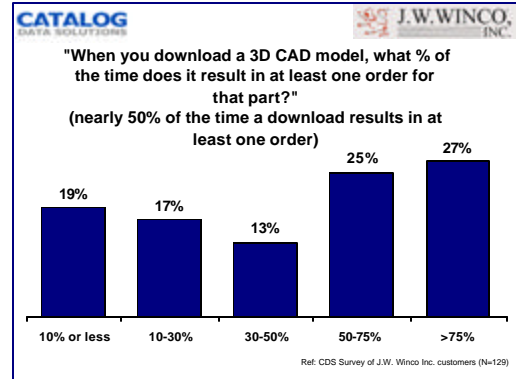
You've got CAD, you are even designing new products in 3D CAD, but those CAD models are all hidden away for internal use only.

CAD Models are created in Computer Aided Design CAD systems – to design parts or assemblies ahead of manufacturing. Nowadays such parts are typically designed in 3D, and CAD systems enable 'virtual prototyping' to predict, in the computer, how a part will behave, what it'll weigh, what it'll cost and how it can be manufactured.

Did you know that hiding those CAD models away could be a huge mistake?

If you manufacture or distribute industrial components then offering free CAD downloads from your web site could make very good sense for your company:

- 1. Achieve your goals faster.** Your growth strategy should take advantage of all company assets (including CAD models) to push new business approaches that drive growth. According to a 2007 survey of designers nearly 50% of downloaded CAD model results in at least one order for that product. *"Overall this online marketing strategy has been so successful in increasing product sales that we have largely stopped attending tradeshows"*
Herb Arum, Marketing Manager, Stock Drive Products/Sterling Instrument

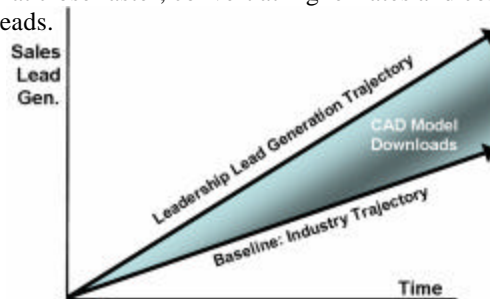


- 2. Reach the real decision maker – influence the purchase process.** Get selected at design time by the design engineer - the true decision maker. Save the design engineer time and have your parts 'locked and loaded' into new designs ahead of the traditional buying process then get sales at purchase time (Buyers rarely change what the designer specifies). In fact the more complex your parts are to draw (e.g. even a caster is complex to draw in 3D) the more design time you save for your customers and the more valuable your CAD models are. *"I view not getting 3D models from vendors as costing me money. If I can get a CAD file and a product that costs more, I will purchase it to save \$\$."* Joshua Russell, Automated Systems of Tacoma
- 3. Sell more, sell easier.** Present your configurable or made-to-order products online 24*7 - more than 90% of engineers already use the internet to locate technical product information – and error free selection ensures only valid parts can be ordered. *"The enhanced product information and part attributes available via CDS's advanced search functionality allow customer engineers to quickly find parts and confirm selection..."*
Todd Mueller, Manager, Business Development, Gates Corporation

- 4. Generate low-cost, high-quality sales leads.** Obtain sales leads from email registrations in return for CAD model downloads – high quality sales leads that close faster, convert at higher rates and cost a small fraction (<10%) as much as traditional sales leads.

"In less than a year, already 60% of our sales leads are from CAD models. CAD downloads sales leads convert to sales at a higher rate and even more importantly they convert faster!"

John M Winkler, CEO, Office of the President,
J.W. Winco Inc.



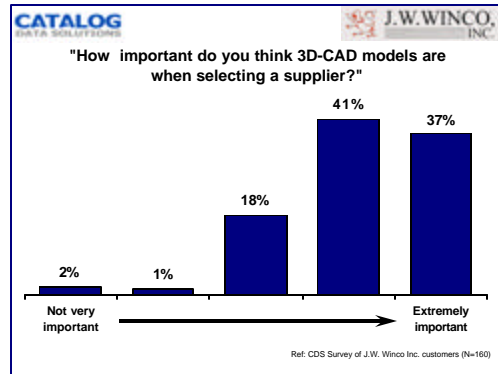
- 5. Reach new customers.** Be found and considered when potential customers search for products you can supply.

"Online CAD models sometimes dictate which vendor I choose. If I am looking at two vendors, and one has online CAD models it makes it much, much easier for me to implement their part into my assembly."

Chris Viray, StrataLight

6. Increase existing customer satisfaction and loyalty. Save customers time, accelerate their time to market
"With the addition of 3D CAD downloads to our website we are delighted to have immediately seen an increase in sales and new customers." Brant Pelton, General Manager, International Gas Springs

7. Obtain a competitive advantage. So far only about 5% of Manufacturers offer downloadable CAD models. By providing models of your products, you save design engineers valuable time as they don't have to draw them! Research into design engineers' opinions shows that 97% rate CAD models important when selecting a supplier.
"Suppliers without 3D models on their website are at risk of losing customers to their competition who do offer 3D models"
 John Major, CEO, Catalog Data Solutions



8. Lower costs. Reduce technical sales queries for product configuration, order errors, printing, mailing and emailing.
"We wanted to offer an advanced user experience for selecting and ordering our complex products, let customers help themselves, shorten our sales cycle, reduce our time to market, increase sales and lower cost of sales through internal efficiency gains that lower operating costs"
 Marc Macaluso, eBusiness Manager, Emerson Power Transmission

9. Enhance your distribution channel. Enable all these benefits within your distribution and OEM channel partners – encourage them to offer your CAD models.
"Every company should offer this" François Larouche, Bartech Machinery

10. ROI – A real case study. J.W. Winco Inc Marketing (see detailed case study at <http://www.catalogdatasolutions.com/jwwincocasestudy.html>)

J.W. Winco Marketing	2006 Spend	2006 Leads	Cost/Lead
Traditional Marketing Trade Journal Ads, Trade shows, Press releases, Direct mail	~\$125,000	~2500 (40%)	~\$50
CAD Model Download Marketing Initial setup, annual hosting and downloads	<ul style="list-style-type: none"> \$31,685 for 18,453 3D CAD models (Cost/model ~\$2) Hosting and downloads \$8,500/year¹ 	~3600 (60%)	<ul style="list-style-type: none"> ✓ ~\$6/lead² (3 year amortization) ✓ ~\$4/lead² (5 year amortization)

"The conversion rate is higher for the 3D CAD leads due to the direct nature of the source. An engineer comes to our web site because he has seen our ad in a trade publication that promotes our parts on 3D CAD, he sees a part to implement into his design, he downloads the CAD and for simplicity, he orders the part from us. If J.W. Winco were to only advertise parts in our advertisements, without having 3D CAD models or our web site, converting the sale would be very slow. That is of course how we had to do it in the old days before the Web. Today web-based tools like downloadable CAD enable faster conversion rates."

John Winkler, CEO, Office of the President, J.W. Winco

¹ Typical costs are \$1/download, usually with minimum and maximum monthly charges for ease of budgeting

² Conservatively assumes no future increase in number of download registrations and annual hosting costs stay constant

Conclusions

1. Cad Download leads cost ~90% less! Amortizing setup costs over several years gives a cost per registered download sales lead of less than \$5 versus a \$50 cost per traditional marketing lead for JW Winco.

2. CAD Download leads are higher quality sales leads .

3. CAD Downloads do not replace traditional marketing. Traditional marketing vehicles, as well as online keywords search engine marketing, are the means to inform potential customers about 3D CAD downloads available from your web site.

4. Carpe Diem- seize the moment to lead with this new and innovative approach – **arguably this is the best business-to-business (B2B) ecommerce lead generation available for industrial suppliers.** Today you can achieve this with protection of your intellectual property and by using a hosted solution with no software or hardware purchases .

“I am a designer, and I dictate where the parts are purchased from. If you have the CAD model I want, you get the sale. It is just that simple.”

Daniel M Smith, Goodrich Corporation

For more information: www.catalogdatasolutions.com
