

Nexstra sCommerce Solutions for Intraware SubscribeNet

"We considered other vendors for our on-demand business, but quickly determined that Nexstra was the best solution to compliment our Electronic Delivery system. The real value is their integration with Intraware."

Al Martinez,

Senior Manager, Product Manufacturing and Distribution,
MSC Software



MSC Software Corporation

MSC Software Makes the Switch to Hybrid Product Delivery with Nexstra sCommerce

Customer Profile:

(October 2008)



MSC Software Corporation
Santa Ana, California
www.mscsoftware.com

Industry: Software Development and Services

Annual Revenue: Over \$250 million

Employees: 1200+

Operations: Worldwide

Customers: 1000+

Nexstra sCommerce Solution

- External customer store
- Internal employee store
- \$0 store for customers with no-cost delivery contracts
- Integration with Oracle order management system
- Reseller support
- Partner portal
- Custom reporting
- BOMs and BOM components managed in SubscribeNet

Summary

MSC Software Corporation is the leading provider of enterprise simulation solutions, enabling manufacturers to predict with complete accuracy how their designs will perform without building and testing multiple physical prototypes. The company services customers across multiple industries, including aerospace, automotive, heavy machines, electronics, consumer products, biomedical, shipbuilding, and railroads. In fact, the aerospace industry recognizes MSC Software's engineering analysis technologies as the de facto standard in high-end analysis.

As an enterprise software provider to some of the world's most successful product companies, MSC Software relies on delivering high-quality software to its clients. In 2006 the company decided to move from a 100% physical delivery model to a hybrid approach that relies primarily on electronic software delivery (ESD). To implement this new approach, MSC Software selected Intraware's SubscribeNet and Nexstra's sCommerce system, the only production-on-demand service that is fully integrated with Intraware's SubscribeNet service.

Business Goals

Eliminate onsite production operations and locate a partner who could meet key business objectives, including:

- Create a solution that would minimize the impact to our customers, resellers and employees
- Integrated Solution with both Intraware and Oracle systems
- Handle lower volume production levels at a minimal cost
- Compliance with various corporate governance requirements, including Sarbanes Oxley

Business Challenge

Like most companies moving from 100% physical delivery to a hybrid ESD/physical model, MSC Software had to address some critical issues, such as:

- Development of business processes to comply with corporate governance requirements
- Ability to control the online sale of physical materials that require pre-existing product ownership (licenses)
- Limit the potential alienation of customers, employees, and particularly resellers, a significant revenue resource for MSC Software
- Bi-directional integration with backend systems to create an automated process

Key Benefits:

- Dramatic decrease in overall physical fulfillment costs
- 50% reduction in the raw cost of goods produced
- Sustained customer, reseller, and employee satisfaction through transition
- Compliance with corporate governance requirements
- Efficient process flows due to integration with SubscribeNet and MSC Software's back-office systems

Key Nexstra sCommerce Features:

- Integration with SubscribeNet
- Entitlements control what customers can purchase
- Strong support for corporate governance requirements
- Flexible architecture allows for easy customization

The Solution

Nexstra is the only production-on-demand fulfillment solution that integrates with Intraware's SubscribeNet. Nexstra worked with MSC Software to understand its business requirements and crafted a solution that includes several e-commerce storefronts, integration with the MSC Software's Oracle order management system, numerous enhancements to Nexstra's partner and vendor portals, and the creation of several new reports for corporate governance compliance.

The Results

Prior to adopting a hybrid delivery method, MSC Software operated an in-house production facility — a good choice when production volumes and production complexity are high. However, in-house production is cost prohibitive when volumes are low. Since implementing the Nexstra / Intraware solution, the raw cost of goods produced is down 50 percent, not to mention savings due to eliminating in-house resources (staff, office space, equipment, distribution facilities, shipping expenses, and more).

The Nexstra solution enabled MSC Software to overcome every challenge and achieve each of its goals.

- **The external storefront allows customers to make purchases online**, while ensuring they access only the products they're entitled to purchase.
- **An internal employee store enables employees to purchase products and training materials**, all within a workflow that automatically manages log-ins/passwords, purchase authorizations, and back-billing to employees' departments.
- **Integration with MSC Software's Oracle order management system allows orders to flow into Nexstra's sCommerce system** and order status to flow back.
- **MSC Software resellers automatically receive a 30-percent discount when using the online store.** Resellers can pay by invoice, in foreign currencies, with payment terms, and purchases are restricted based on SubscribeNet entitlements.
- **Nexstra's partner portal enables MSC Software to monitor all orders, set priorities, correct problems, and run reports.**

"Nexstra's self-service capability gives our customers, and resellers complete access to purchasing the products they're licensed to own."

Al Martinez,

Senior Manager, Product Manufacturing and Distribution,
MSC Software



For more information, visit www.nexstra.com

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