Should you buy or rent electrical CAD software?

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In electrical engineering, many companies need to decide whether they should purchase or rent software licences. Increasingly, software developers are shifting from a traditional licence purchase to a subscription-based business model. However, both options have their respective advantages and disadvantages.

WSCAD offers both options for its electrical CAD planning solution so that users can choose the version that is best for them. It is important to know the differences when making a choice, since in electrical design and control cabinet engineering, electrical CAD software is the central hub for project processes.

The latest software requirements

Every stage of the electrical design process – from initial schematics, through to cabinet design and production data – must be fully coordinated. This is the only way to avoid costly interruptions in the engineering workflow. To achieve this, electrical designers need adaptable, powerful electrical CAD software.

However, anyone looking to bring their engineering team up to speed by purchasing professional electrical CAD software outright may face initial costs in the thousands of dollars. This high investment cost may not be suitable for all businesses, particularly those with limited cash flow. Therefore, having an option to subscribe to software rather than buy it outright can be advantageous.

A choice of licence models

Small companies specialising in mechanical engineering, plant design, building automation and installation technology operate in a highly fragmented market. The individual demands on an electrical CAD workstation will depend on the industry/sector, order and engineering requirements. That is why engineering companies need modern, adaptable electrical CAD solutions to ensure a smooth planning and design process. Many companies are trying to keep up with competitors on limited budgets, which is why financing alternatives, such as software subscriptions, that preserve liquidity are welcomed.

While the classic purchased model gives users the right to use the electrical CAD software with no time limitations, the subscription model has a limited period of use. The main disadvantage of purchasing a software licence - for the configuration currently required and with a maintenance contract - is the higher initial investment, because the invoice amount is typically payable in full immediately. This is considered as an acquisition with tax depreciation periods spread out over years. On the other hand, subscriptions for the same software can be 70% less than the initial purchase cost, with the full amount immediately included in operating profit as an operating expense, reducing tax. The cash flow and pre-tax profit advantages offered by software subscriptions can be beneficial to businesses

"We believe that the rental model for our new electrical CAD software has a lot going for it", says Axel Zein, CEO of WSCAD GmbH. "WSCAD contracts are available for one year or three years and can be renewed automatically. Although users have an unlimited right of use with purchased licences, some services and software updates are linked to the maintenance contract. Follow-up products are not included with purchased licences, whereas they are included with rental licences. As part of the subscription, your software stays up to date with the latest features."

No limits with purchase or rental

Traditionally, software subscriptions have been considered as disadvantaged by time limits. However, according to WSCAD, the subscription is more cost effective if the period of use is less than seven years.

At WSCAD, rental licences provide users with the full functionality of the chosen software environment. That includes access to the wscaduniverse.com database of parts from more than 370 manufacturers, interfaces with the leading ERP and PLM systems and access to the configuration and selection tools of other automation suppliers. As users are provided with the latest products throughout the term of their licence, subscribers will not have to pay if a version update is created. New updates, upgrades and follow-up products are available immediately and included in the subscription, keeping costs predictable and stable.

Additional services free of charge

Other advantages of WSCAD subscription software include temporary additional licences so that if an electrical planner or design engineer requires more software functions for a particular order, or if unexpected order peaks occur, there will be no extra charges during the subscription period. The additional licence is provided for four weeks free of charge on a one-time basis every year. Licences or add-ons can also be added to a WSCAD rental licence at any time by linking them to the term of the main licence. Whereas annual online training costs below $500 with a classic purchased licence, with a rental licence it is included in the price. As well as regular software updates and upgrades, purchased licences include technical support as provided with every WSCAD maintenance contract.

Keeping documentation safe

There is a strong trend towards software subscription, thanks to the lower initial investment, capital commitment costs and greater freedom for business planning that annual rental brings. However, control cabinet manufacturers and engineering service providers have further aspects to consider. What happens to all the planning documents and comprehensive documentation at the end of the rental period as cabinets, control systems and electrical installations can last for decades?

That's not a problem with WSCAD subscriptions. All schematics and project data are retained at the end of the software rental period and can be stored as PDF files. Old schematics and documents can be processed later, either by entering into a new rental contract to extend the period of use of the electrical CAD software, or, by using other applications to edit the stored PDF files.

Cost benefit for subscribers

A disadvantage could arise if, over time, the accumulated subscription costs were to exceed the original purchase price including annual maintenance. However, when a licence for use is purchased for an unlimited period, an upgrade fee will be charged for a follow-up product, whereas that product would be included in a subscription licence.

While many would assume that subscription costs would quickly exceed the original purchase price, WSCAD calculates the break-even point for rental versus purchased software to be seven years. This is significantly longer than the three years specified by many manufacturers, and it is a timeframe in which a follow-up product can certainly be expected to come out.

Buy or rent

Project teams in engineering departments often work with large volumes of data over long periods of time – work for which they require complete control over costs and data processing. Each individual project will have its unique requirements in terms of productive software solutions, which is why flexible alternatives to the traditional purchasing of software are so beneficial. It is important that the actual costs, depending on the range of functions, configuration and add-ons required, are recorded correctly and all aspects of use are considered before making a decision.

Zein concludes: "WSCAD's offering is oriented towards the needs of its users. We know that for various reasons, some customers prefer to purchase applications while others would rather rent them, and that's why we offer both options."

Professional electrical CAD software

WSCAD software is a modular and scalable engineering platform for the entire electrical engineering planning and design sector:

- Wide and well-structured range of functions on a single platform with a central database for all electrical tasks in the fields of building automation, electrical installation, cabinet engineering, electrical engineering, piping & instrumentation diagrams, and fluid engineering

- Includes a high-performance design engine (Editor) with built-in support for CAD standard formats DXF and DWG

- Uses modern technologies such as augmented reality (AR) apps, multi-threading and automation

- Provides access to the wscaduniverse.com database containing 1.4 million parts from more than 370 manufacturers

- Has numerous interfaces to applications, from other automation suppliers, PLM and ERP systems, and production, as well as providing access to the product configuration tools of leading manufacturers

Image captions:

Image 1: WSCAD offers its electrical CAD solution ELECTRIX in a subscription model - or classically for purchase

Image 2: Dr Axel Zein, Managing Director of WSCAD in Bergkirchen, explains what is important when buying versus renting

About WSCAD

WSCAD is part of the Buhl group with more than 700 employees. WSCAD has been developing electrical CAD solutions for three decades. Customers include medium-sized companies, international corporations and engineering service providers. More than 35,000 users rely on WSCAD as their electrical CAD solution. The software is based on one core platform that covers six engineering disciplines: Electrical Engineering, Cabinet Engineering, Piping and Instrumentation, Fluid Engineering, Building Automation and Electrical Installation. Any change made to a component in one discipline immediately reflects in all the other disciplines saving time and raising quality. WSCAD methodologies for standardization, reuse and automation significantly reduce engineering time from several weeks to just a few hours or even minutes. At the same time, these practices also ensure a much higher quality of work.

wscaduniverse.com is by far the largest electrical CAD data library on the market offering over 1.4 million parts from more than 370 manufacturers. It is the only digital library that supports WSCAD, EDZ, DWG and 3D CAD data. Use and data provisioning is free of charge for all users and manufacturers of components and equipment. WSCAD also offers apps for mobile devices: maintenance engineers and service personnel are now able to scan components within the control cabinet by using the WSCAD Cabinet AR App. This way they get instant access to the schematics, device tags, part data, 3D views and even the original data sheets from the manufacturers. Building engineers can use the Building AR App on site to scan rooms and then edit the scanned floor plans in WSCAD for building automation and electrical installation.

The WSCAD portfolio is completed by eleven seamlessly integrated service offerings from WSCAD Global Business Services. Engineering and migration check-ups, consulting and training, digitization of paper documents and conversion of third-party electrical CAD formats quickly help to shorten engineering times and increase productivity.

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