

3D Systems Likely to Continue Desktop Factory 3D Printer Plans

Pete Basiliere

3D Systems acquired the assets of shuttered industry pioneer Desktop Factory. The deal is further evidence of the unsettled, emerging state of low-cost, three-dimensional printing technology.

NEWS ANALYSIS

Event

On 31 August 2009, 3D Systems announced that it has acquired technology, equipment and intellectual property from Desktop Factory, an Idealab company that was working on developing a three-dimensional (3-D) printer priced at less than \$5,000. In mid-August, Desktop Factory had announced that it was shutting down and selling its assets because it was unable to obtain further financing. 3D Systems has invited key employees to join its staff and says it plans to continue the development and integration of Desktop Factory's technology within its own family of products. 3D Systems also said that the terms of the transaction were not material.

Analysis

Very low-cost 3-D printers are at the "Technology Trigger" stage of Gartner's "Hype Cycle for Emerging Technologies, 2009." This deal will help 3D Systems advance its goals of developing affordable 3-D printers and producing a printer that offers usable, low-cost durable plastic parts. Desktop Factory had not finished developing its 3-D printer, but 3D Systems considered its technology promising and will be evaluating the intellectual property it has acquired with an eye toward determining whether it can be used to enhance 3D Systems products. In particular, it may be used to form the basis of a 3-D printer based on Desktop Factory's laser printing technology.

Should 3D Systems successfully finish developing the Desktop Factory technology, it could potentially broaden its technology portfolio from million-dollar selective laser sintering systems and its current \$9,000 V-flash modeler to offerings with much lower price points.

Declining global demand due to the economic slowdown has caused sales to drop in high-end rapid prototyping and modeling equipment and related materials. While sales of lower-cost systems are increasing, they do not yet compensate for these setbacks. However, even as sales of 3-D printers priced at less than \$40,000 have softened, many manufacturers, retailers and educational institutions still find their prices attractive and value their prototyping and modeling qualities for many applications. Gartner is optimistic about the longer-term prospects of this segment due to this continuing demand.

RECOMMENDATIONS

- **Enterprises:** Evaluate 3-D printers costing under \$40,000, which can be practical for many uses in business and education. However, do not budget in the short term for a sub-\$5,000 printer, as the technology remains under development.
- **Technology providers:** Begin or continue with intellectual-property development of 3-D printer technology to exploit the market's long-term potential for growth. Canon, HP and Xerox should continue collaborating with 3-D printing pioneers.

RECOMMENDED READING

- "Cool Vendors in Print Markets and Management, 2009" — LandPrint.com, which Gartner has named a Cool Vendor in the print market, enables any user to print a model of any place on earth. **By Cecile Drew, Ken Weilerstein, Pete Basiliere and Sharon McNee**

- "Emerging Technology Analysis: 3-D Printing" — 3-D printing is a disruptive technology poised to reshape the engineering, manufacturing, marketing and consumer markets.
By Pete Basiliere and Jackie Fenn

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