China's Bluetron Scales Industrial Automation Software with Thales Sentinel

From one hundred licenses to thousands

THALES

Building a future we can all trust

Bluetron Digital Technology Co., Ltd., based in China, produces software for smart industrial automation for a 10,000+ user base. Amid China's overall digital transformation, Bluetron began a digital transformation of their own. They looked to expand and scale their software offerings as well as create an industrial automation software operating system platform, called supOS, including 3rd-party software. Since Bluetron was already using Thales Sentinel for software licensing and monetization, they turned to Thales to help reach their digital transformation goals as well.

History with Sentinel

Soon after its inception in 2018, Bluetron began using Thales Sentinel for both hardware key and software (digital) licenses. They initially approached Thales because of its well-respected brand recognition in China, and after fully assessing the Sentinel platform, Bluetron chose Sentinel over the competition for three reasons: **customer support partnership, comprehensive functionality, and the ability to integrate with existing licensing systems.** To be sure, Bluetron did consider building a homegrown solution. However, after completing their assessment, Bluetron concluded that Sentinel provided a mature, comprehensive and flexible solution to meet its complex and changing requirements and high security assurance. Moreover, by using Sentinel, Bluetron could free up their engineers to focus on core product development rather than in-house licensing.

Pivoting to Software-License Centric

Starting in 2024, Bluetron moved from offering both Sentinel hardware key licenses (HL) and software licenses (SL) to predominantly offering SL. The reasons they preferred to be software-license centric were as follows:

1. **Recurring revenue through subscriptions.** Prior to their digital transformation, Bluetron customers were purchasing perpetual licenses, paying a one-time fee for unending use of the software. To establish recurring revenue, however, Bluetron needed to pivot to a subscription model. Their target: 100,000 end users within five years. Bluetron therefore moved to offering software (digital) licenses with immediate delivery, as opposed to hardware licenses that can take weeks for shipment. By providing a digital license, Bluetron enabled subscriptions to start within seconds.

2. **Customer satisfaction.** By offering subscriptions, customers would have the option of paying yearly rather than investing a large fee upfront for a perpetual license.

3. **Efficiency.** Hardware key licenses require a production line, manual handling, and management of shipping and delivery. Software key licenses require none of these processes and therefore vastly increase time to market.

4. **Maintaining 3rd-party licensing.** Sentinel SL, like Sentinel HL, also used the "Licgen" API integration for their 3rd party software licensing, allowing Bluetron to continue providing existing licenses along with Sentinel licenses.

5. **Automation with Self-Service.** Using digital licenses, Bluetron could set up automated registrations, deliveries, and renewals through customer portals. Bluetron automated the following functionalities with Sentinel SL:

   • New Orders via Channel. This was especially critical for Bluetron as they have **over 50 channel distributors.**

   • Free Trials, Converting to Paid

   • New Orders and Activations

   • Order Updates

   • Order Renewals

Future Proofing

Bluetron also selected Sentinel because of its software monetization and protection capabilities. Moving forward, Bluetron aims to utilize Sentinel to offer:

1. Increased **IP protection** across all software products
2. **Cloud** licensing and SaaS monetization
3. **AI** module monetization and IP protection
4. Packaging **value-added services**
5. **Data-driven customer revenue** increases through renewals, cross sells and upsells
6. **Further automation and streamlining,** ultimately offering **one license for all** of their platform products including 3rd-party software.

Results

The migration to Sentinel SL was a success. Bluetron was able to move **from an initial 100 Sentinel licenses to thousands,** with the eventual goal of offering only Sentinel SL. By migrating to Sentinel SL, Bluetron benefited from:

1. **Increased profitability:** Enabling a scalable subscription model increased revenue, and enhanced control over software usage helps prevent revenue leakage.

2. **Reduced costs:** Sentinel SL eliminated hardware key expenses and manual processes.

3. **Improved time-to-market:** Faster license delivery enabled quicker product launches and pricing model changes.

4. **Single source of truth:** Sentinel's API allowed for integration with 3rd-party licensing systems.

5. **Enhanced customer satisfaction:** End users received licenses promptly and enjoyed an automated, self-service process for registration and activation.

6. **A smaller carbon footprint:** Environmental costs of producing hardware keys, such as plastics and transportation emissions, were eliminated.

7. **IP Protection:** SL provided the same level of security as HL since they use the same API.

Bluetron was extremely pleased with the broad capabilities offered by Sentinel software licenses. "Sentinel monetization solutions unlocked the ability to scale our subscription model for recurring revenue. The well-known Thales brand and professional service guarantee our global business growth in the future," said Mr. Zhang Tan, Vice Chairman of Bluetron.

Bluetron's success story serves as an example for industrial automation software companies seeking to digitize their licensing strategies for efficiency and scalability. In addition to the robust platform, implementation in partnership with Thales' technical support team was a major factor in Bluetron's satisfaction with the transformation.

"Thales' thorough, personable, and tailored assistance allowed us to implement Sentinel software licenses with ease. We are extremely pleased with Thales' professional services," emphasized Tan. "Moving forward, the collaboration between Bluetron and Thales will continue to grow."

About Thales

Thales is a global leader in cybersecurity, helping the most trusted organizations protect critical applications, data, identities, and software anywhere, at scale. Through Thales' integrated platforms, customers achieve better visibility of risks, defend against cyber threats, close compliance gaps, and deliver trusted digital experiences for billions of consumers every day.

Thales Sentinel Monetization Layers

Layer	Description
Data Insights	Drive customer success and business intelligence initiatives
New Business Models	Find new ways to sell, access new markets and customer segments
Flexible Packaging	Create new differentiators without product investment
Licensing	Copy protection and revenue protection
IP Protection	Safeguard against IP theft

cpl.thalesgroup.com

Contact us – For all office locations and contact information, please visit cpl.thalesgroup.com/software-monetization/contact-us