One Siemens – Our path to sustainable value creation

As an integrated technology company, we have a strong setup. One Siemens – which defines metrics for revenue growth, capital efficiency, profitability and the optimization of our capital structure – is the framework for our Company’s sustainable development.

Framework for sustainable value creation

To increase our revenue, use our capital more efficiently and more profitably and optimize our capital structure – these are our goals. Goals that we’ve further defined with the clear metrics of our One Siemens framework. Taken together, these metrics comprise a balanced system that provides the basis for generating a sustainable increase in value. We have three concrete objectives. First, we want our revenue growth to outpace that of our key competitors. Second, we want our growth to be capital efficient. That’s why we’ve defined an ambitious target corridor for return on capital employed. At the Sector level, we want to continuously achieve top margins compared to our competitors across industry cycles. And third, we’ve set a target for our capital structure that will enable us to achieve sustainable, strongly based profitability.
Focus on innovation-driven growth markets

Use the power of Siemens

Get closer to our customers

Revenue growth
Growth > most relevant competitors

Capital structure
Adjusted industrial net debt/EBITDA

Capital efficiency/Profitability
Return on capital employed/top margins throughout business cycles
Focus on innovation-driven growth markets

Our pioneering spirit is a basis of our success. Our activities are focused on innovation-driven markets – markets with long-term growth potential. To play a leading role in these markets, we’re continuously strengthening our portfolio and further expanding our Environmental Portfolio.

Be a pioneer in technology-driven markets
We’ve been delivering innovative engineering achievements for 165 years, continuously tapping new markets and occupying new growth fields. To enhance this special strength, we’re concentrating on innovation- and technology-driven growth markets – on markets with potential for our future core business. We’re strengthening our power of innovation by leveraging synergies worldwide and increasingly utilizing external expertise. We’ve opened our lab doors to universities, research institutes and industry partners. More than 1,000 cooperative research projects a year enable us to respond quickly to the new requirements of local and global markets.

Strengthen our portfolio
Only by keeping our portfolio focused on attractive future-oriented markets can we achieve profitable long-term growth. That’s why we practice intensive, systematic portfolio management. The cornerstone of our portfolio policy is the principle that our businesses must capture and maintain No. 1 or No. 2 positions in their respective markets. The prerequisites for profitability and growth, these leading positions enable us to sustainably increase Siemens’ value. As the history of our Company proves, we’ve always been successful when we’ve been at the forefront of technological innovation. Size alone is not enough to ensure long-term success. This is the guiding principle of all significant changes in our portfolio.

Provide a leading environmental portfolio
Our Environmental Portfolio, which bundles products and solutions that contribute to environmental and climate protection, has captured an outstanding position on the technology market worldwide and is one of our strategic growth drivers. In fiscal 2012, the Portfolio generated revenue of €33.2 billion and made a substantial contribution to climate protection. At the same time, our ecofriendly products and solutions enabled customers worldwide to slash their CO₂ emissions by 332 million tons – an amount equal to some 41% of the CO₂ emissions generated in Germany in 2010.
Get closer to our customers

We want to be close to our markets and a strong local partner to our customers throughout the world. That’s why – besides playing a leading role in the industrial countries – we’re also successfully developing and producing more and more innovative products and solutions in the emerging countries. The professionalization and expansion of our service offerings is another of our strategic aims since innovative services harbor a wealth of new business opportunities and intensify customer loyalty.

Grow in emerging markets

The so-called BRIC countries (Brazil, Russia, India and China) and the up-and-coming nations of Asia, South America and the Middle East are achieving high levels of economic growth, in which we intend to participate. Over the past few years, we’ve achieved strong growth in the emerging countries. The demand for economical products and solutions tailored to local customer requirements is particularly strong in these countries. To meet this challenge, we’ve launched our SMART (simple, maintenance-friendly, affordable, reliable and timely-to-market) initiative, which offers new products targeted for the entry-level segment.

Expand our service business

To get closer to our customers – for us, this means providing outstanding services that increase customer value. With our comprehensive service offerings, we want to achieve the kind of long-lasting customer satisfaction that makes us the first choice for follow-up investment. It’s not only our sales organization that nurtures close relationships with our customers and fosters their loyalty: above all, it’s our local service employees, who – in some instances building on relationships that go back decades – have detailed knowledge of our customers’ needs and requirements. For these reasons, we want to consistently expand our service business in order to leverage additional potential for profitable growth.

Intensify our customer focus

Our customers expect comprehensive, single-source consulting that’s geared to their individual needs. And it’s our goal and obligation to meet this expectation everywhere in the world. For us, a strong customer focus doesn’t just mean having an in-depth understanding of our customers’ unique requirements; it also means providing them with customized solutions. Successful customer support requires excellent employees, an efficient setup and effective methods. Only when these three factors have been fully integrated to form a unified whole can we expand our strategic partnerships and create value for our customers.
Use the power of Siemens

To rank among the best, you have to excel – in everything you do. And that means you need an outstanding team. At Siemens, we have extraordinarily dedicated employees. And we go to great lengths to continuously expand their knowledge while promoting equal opportunity and nurturing cooperation among men and women from different countries and cultural backgrounds. Our clear and unambiguous commitment to integrity guides us in our ongoing pursuit of business success. Our actions are governed by binding principles to which we expect our customers, suppliers and employees to adhere.

Encourage lifelong learning and development
One of our greatest strengths is our outstanding workforce. Our employees’ expertise, skills and dedication have made Siemens the company it is today. Building on this foundation, we’re aiming to grow even further. And one means to achieving this strategic end quickly and effectively is continuous learning, which not only enhances our people’s knowhow but also directly fosters their pioneering spirit, initiative and willingness to assume increasing responsibility. All around the world, we give our people at all levels the chance to fully develop their potential.

Empower our diverse and engaged people worldwide
Siemens is a global powerhouse with a highly diverse workforce. People from some 140 countries work at our ten largest Regional Companies alone. That’s why we take a systematic approach to diversity. Multifaceted teams of employees with a broad range of skills, experience and qualifications promote the wealth of ideas at our Company and strengthen our power of innovation. To find out how we can further boost workforce motivation, we regularly conduct employee surveys worldwide in 40 languages. The survey input is systematically applied to enhance our processes.

Stand for integrity
We’re committed to fair competition. In our efforts to succeed on the world’s markets, we aim to comply with all applicable laws and regulations. Ethical business conduct is a non-negotiable component of our corporate culture. We’ve formulated transparent and binding principles of behavior and taken a clear and unmistakable position in the battle against corruption. We also fulfill our responsibilities to society, the environment and our employees. For us, occupational safety, health management and the conservation of natural resources are all part of ethical business conduct.

To learn more, please see: www.siemens.com/one-siemens
We will emerge from the current economic crisis with renewed strength. Supported by our new Company-wide program to reduce costs, increase productivity, enhance efficiency and improve our processes and market access, One Siemens – our framework for sustainable value creation – is pointing the way forward.

As an integrated technology company, we have a virtually unparalleled position in our global markets – a position that’s made us a true partner of trust to our customers, our shareholders and our employees worldwide.

**Trust unites us** –
Building strong partnerships for 165 years