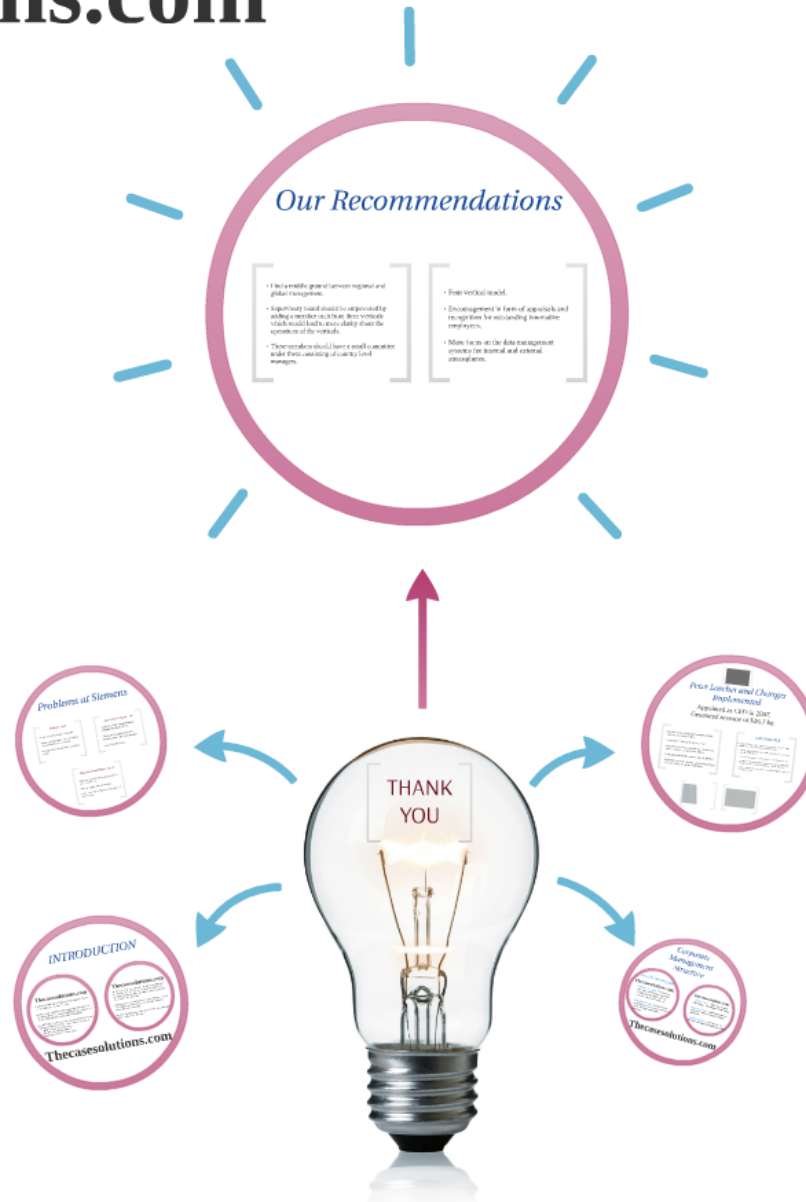


## Siemens: Building a Structure to Drive Performance and Responsibility (B)



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SECTION - C GROUP - 8

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# *INTRODUCTION*

## **Thecasesolutions.com**

- Founded by Wernervon Siemens and his partner Johann Georg Halske on October 12, 1847.
- Siemens laid foundation of company after invention of pointer telegraph. Siemens and Halske built Europe's first electric telegraph line from Berlin to Frankfurt.
- In 1897 after becoming a joint stock corporation, Siemens became a collection of three inter related companies:
  - High voltage current products
  - Electrical medical equipment
  - Telegraph and radio technologies

## **Thecasesolutions.com**

- In 1989, the structure changed from functional reporting one to divisional one. The new structure emphasised on local responsiveness which enabled Siemens to penetrate the market more efficiently.
- Siemens major competitors were General Electric, United Technologies and Honeywell International, Japanese Mitsubishi and Swiss ABB.
- In 2007, Siemens reported to have 475000 employees and 66487 million euro of revenue.

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# *Corporate Management Structure*

## *Two-Tier Board System*

### **Thecasesolutions.com**

- **Supervisory Board** - Consisted of non- executive directors who had monitoring roles and could not exercise managerial functions.
- **Managing Board** - Responsible for preparing annual financial statements and convening shareholder's meetings.

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- **Controlling Power** - CEC, was charged with strategic management of corporation.
- **Operating Groups** - Consisting 6 business areas, responsible for ongoing business operations.
- **Coaching Function** - Made operational decisions that impacted Siemens as whole.

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