



SIEMENS

# Growth through consolidation and partnerships

1897–1918

**In 1897, Siemens & Halske was transformed into a stock corporation. The enterprise expanded its portfolio through acquisitions and partnerships and established Siemensstadt – a new, rapidly growing industrial campus.**

By 1890, the German economy was growing dramatically, and strong competitors were gaining a foothold in the booming power engineering market. After the death of Werner von Siemens, the new company management transformed Siemens & Halske into a stock corporation in order to ensure its competitiveness and expand its capital base over the long term. Initially, the company's shares remained almost exclusively in the hands of the Siemens family. Its articles of association also aimed to prevent any significant outside influence.

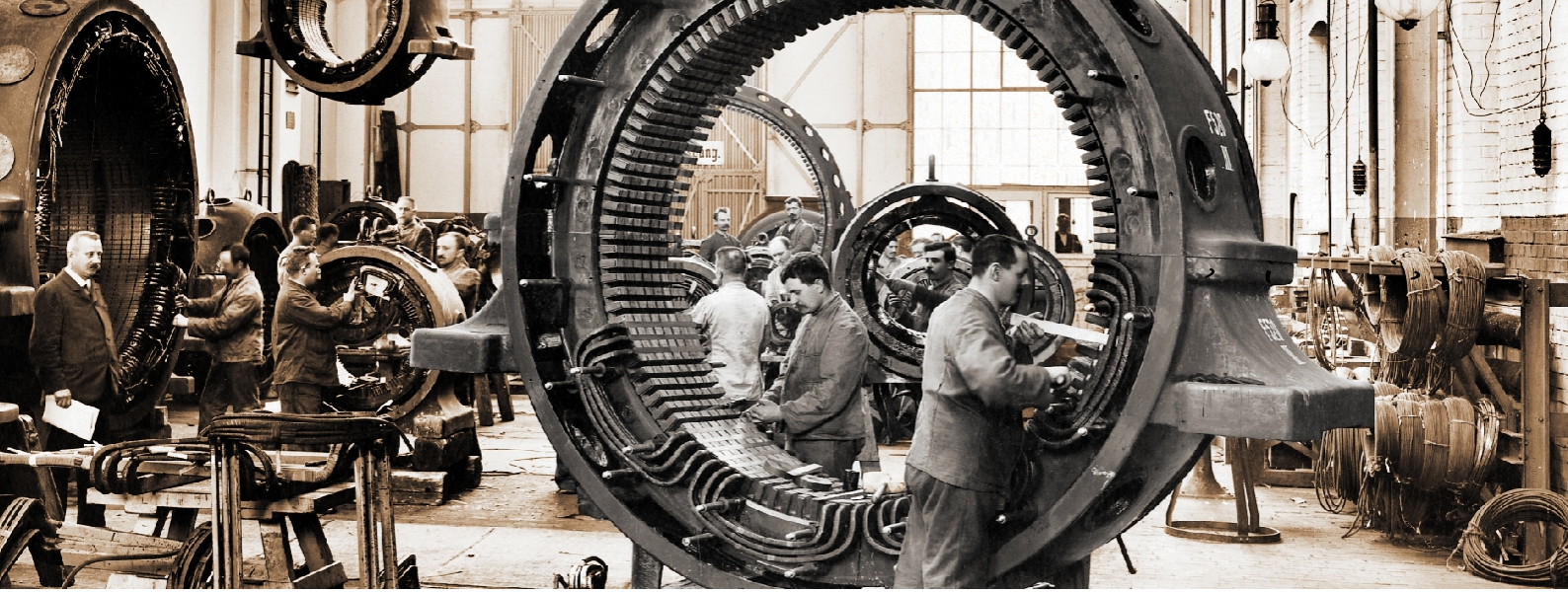


Karl Janisch and Hans Hertlein made architectural history: The industrial buildings at Siemensstadt created a new language of forms.

## **Siemensstadt – The epitome of modern industrial architecture**

The company's expansion necessitated the consolidation of manufacturing and administration at a larger location. In 1897, Siemens & Halske purchased a tract of land – the Nonnenwiesen – on Berlin's northwestern periphery. Its cable factory Kabelwerk Westend went into operation at the new location just two years later. By 1913, most of the company's operations had been gradually relocated to the new industrial campus, which was now known as Siemensstadt (Siemens City). Under the aegis of chief





architect Karl Janisch and his successor Hans Hertlein, striking buildings were constructed – technical and architectural icons that still dominate the campus today. One noteworthy innovation to emerge during the creation of the new industrial campus was the construction of an employee housing area, complete with the requisite infrastructure.

### **Laying a sound basis for technology and innovation – Corporate Technology is founded**

At the beginning of the 20th century, Siemens' production facilities had their own small, location-specific laboratories that conducted application-related research. To secure the company's ability to maintain a solid footing in technology and innovation over the long term, a central laboratory was established in 1905. This facility – which initially comprised just a few employees but boasted a team of ten by 1910 – was the forerunner of today's Corporate Technology (CT) research department, whose 8,000 employees still serve the entire company.

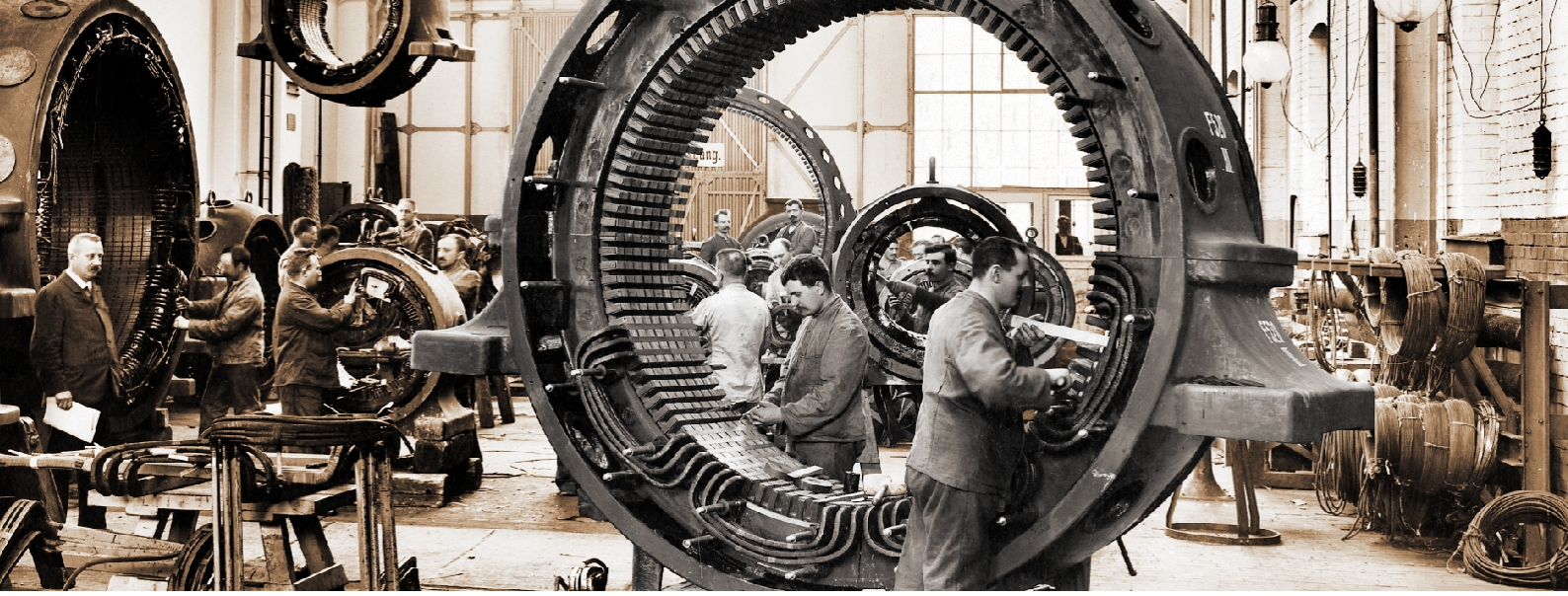
### **Siemens-Schuckertwerke – A leading position in power engineering**

In 1903, Siemens & Halske acquired the electrical company Elektrizitäts-Aktiengesellschaft vorm. Schuckert & Co. (EAG) and merged the latter's activities with its own power engineering business to form Siemens-Schuckertwerke GmbH. As technological advances were made in electrical engineering, numerous new operations were added to the two parent companies' traditional core businesses (power engineering and communications engineering). Siemens' declared aim at this time was to cover all areas of electrical engineering. Also in 1903, Siemens and EAG co-founded the Gesellschaft für drahtlose Telegraphie System Telefunken, which focused on the new field of wireless radio communication.



Siemens-Schuckertwerke gained a lead in the power engineering market.





## **World War One – A historical turning point for Siemens as well**

By fiscal 1914, Siemens had 82,000 employees worldwide, a quarter of whom worked outside Germany. With 168 representative offices, subsidiaries and technical bureaus in 49 countries, it had become one of the world's foremost companies in its industry. However, the outbreak of World War I caught not only Germany's electrical industry completely unprepared. The consequences were devastating. German industry – already oriented to exports in those early days – lost almost all access to its foreign markets. As a company with a global focus, Siemens was especially hard hit. It lost most of its world market position, not least of all because most of its foreign subsidiaries were expropriated.

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[siemens.com/history/1897-1918](https://www.siemens.com/history/1897-1918)