

Returning to the global market

1919–1932

In 1919, Siemens faced major challenges. In the aftermath of World War I, it had to readjust to the peacetime economy and reestablish itself on the international markets. By introducing new production and administrative processes, the company laid the foundation for the recovery of its successful business operations.

The impact of World War I lasted well into the 1920s due to the interruption of previously initiated economic and technological developments caused by the conflict and the considerable restrictions on German industry imposed by the Treaty of Versailles in 1919. All the same, the war also released dynamic forces that would stimulate industry for years to come.

The assembly line – New ways of production support economic recovery

One of the most important of these effects was mechanized mass production in the form of assembly line manufacturing. The reduction of Siemens & Halske's product portfolio due to the war and the associated rationalization of production led the company to standardize its products, components and processes. Standardization and typification, which were important prerequisites for the mass production of armaments, continued to dominate the organization of industrial manufacture after 1918. However, standardization and the enhanced efficiency of structures and processes resulting from it were not restricted to manufacturing. They impacted administration as well – also at



*"Assembly-line production at its finest":
A vacuum cleaner production line set
new standards.*



Siemens, which had begun reorganizing and standardizing its production and administrative processes before the outbreak of World War I. After the war, the entire company was reorganized.

**“Just electrical equipment – but all of electrical equipment.”
The company shifts focus**

In its efforts to regain and sustainably expand Siemens’ prewar position on the global electrical engineering market, the company’s Managing Board concentrated above all on enhancing administrative and manufacturing efficiency. True to the motto “Only electrical engineering, but the full breadth of electrical engineering,” the company focused its business activities exclusively on the production and sale of products and solutions for electrical applications, while endeavoring to cover the entire range of such applications. In line with this strategy of unity and diversity, Siemens developed under the leadership of Carl Friedrich von Siemens in the years after 1918 into a kind of “technological holding company.” In a process of decentralization, the company spun off individual businesses to form legally separate subsidiaries and affiliated companies that nevertheless cooperated closely on a technological and organizational basis. The electrical and construction activities of Siemens & Halske’s rail activities, for example, were outsourced to *Siemens-Bauunion*, which was founded in 1921. The subsidiary *Siemens-Reiniger-Werke* was established in 1932 to manufacture and market products in the medical field.

| Eingetragene Firmenbezeichnung | Firmenkurzwort <small>Form und Schriftcharakter</small> | Firmenmarke | Firmenzeichen |
|---|--|-------------|---------------|
| Siemens & Halske Aktiengesellschaft | SIEMENS & HALSKE | | |
| Siemens-Schuckertwerke Aktiengesellschaft | SIEMENS-SCHUCKERT | | |
| Siemens-Bauunion (G. m. b. H. Kommanditgesellschaft) | SIEMENS-BAUUNION | | |
| Siemens-Planianwerke Aktiengesellschaft für Kohlefabrikate | SIEMENS-PLANIA | | |
| Siemens-Reiniger-Verfa Gesellschaft für medizinische Technik m. B. H. | SIEMENS-REINIGER-VEIFA | | |

Unity and diversity: An active portfolio policy supported competitiveness.



SIEMENS

Ingenuity for life

Returning to the world market – International rebuilding succeeds

Reestablishment on the world markets and the securing of international competitiveness were also key elements of the company's strategy. In the immediate postwar period, however, this goal appeared difficult to achieve. As a result of World War I, Siemens lost a large number of subsidiaries and sales offices outside Germany as well as nearly all its foreign patent rights. Its export business was negatively impacted by the trade restrictions imposed on German industry by the Treaty of Versailles. And the company was further hampered by increased competition on the world electrical markets – particularly by competition from the U.S. – and by protectionist tendencies.

In the 1920s, Siemens nonetheless regained and, in some areas, expanded its previous position on international markets. A cooperation agreement signed with Westinghouse Electric Company of the U.S. in 1924 helped the company keep pace with international developments in the energy field. This partnership resulted in a regular exchange of patents and knowhow. Siemens also regained a foothold in the East-Asian market through a joint venture with the Japanese company Furukawa. The new company, in which Siemens held a 30-percent stake, operated under the name Fusi Denki Seizo KK.

Overall, the 1920s were successful years for Siemens. By 1925, the company was once again one of the five leading international electrical engineering companies. It was not until the Great Depression, which began in 1929, that Siemens suffered serious setbacks. However, its restructuring and rigorous strategic orientation proved their worth and helped the company weather the adverse economic headwinds.

Find out more

[siemens.com/history/1919-1932](https://www.siemens.com/history/1919-1932)



“Fusi Denki Seizo KK” – A joint venture that documented Siemens' international competitiveness.