

# Blockchain

**SIEMENS**  
*Ingenuity for life*

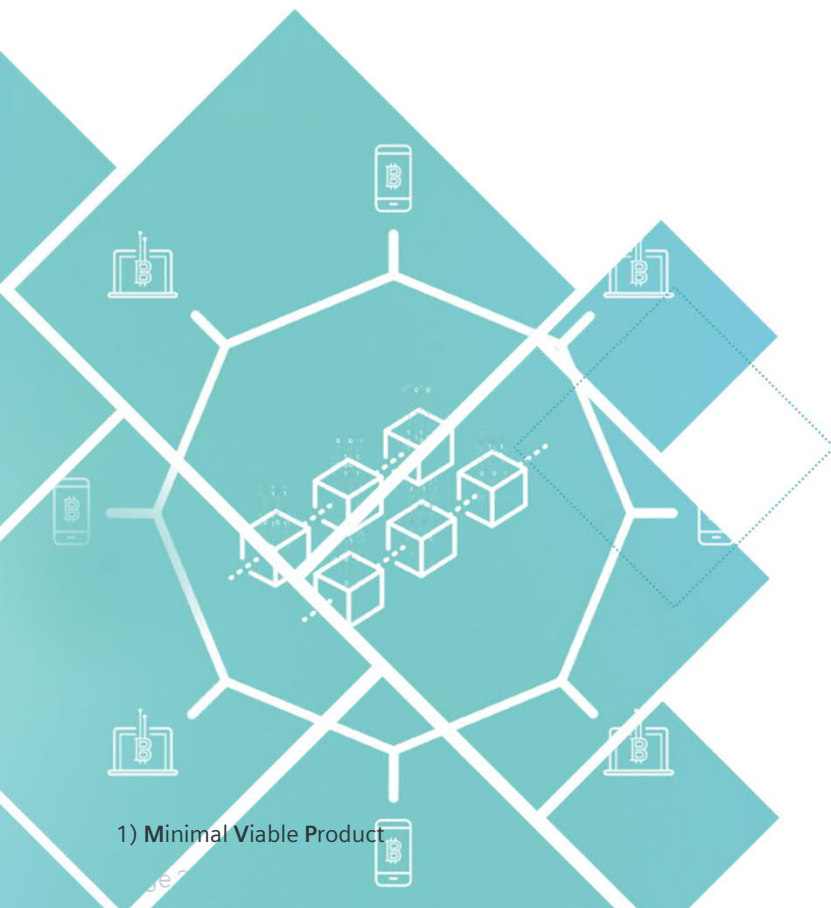
**Make Blockchain  
revolutionize  
your procurement**



# As innovative procurement experts we have Blockchain on our mind since 2017



## Overview of our blockchain activities (selection)



- '17 First blockchain pilot in Siemens SCM: Blockchain Tool Tracker
- '18 Interview series with external cross-industrial experts on blockchain in SCM
- Close cooperation with Siemens SCM Digi Network to develop Siemens SCM **Universal Asset Passport** on Blockchain
- Development of Tesla MVP<sup>1</sup> for asset management on Blockchain
- Newly developed **Blockchain Readiness Assessment for Industry Networks (BRAIN)**

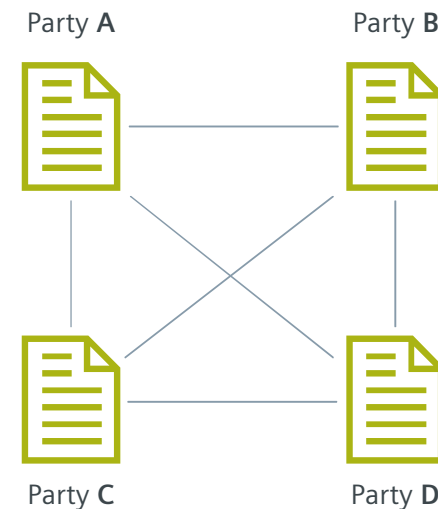
We are proud to have colleagues in our network that made Blockchain work in

more than **10** successful procurement and SCM use cases.

1) Minimal Viable Product

# Increasing trust and transparency, Blockchain will change the way we do business in the future

*What's Blockchain and why it is a game changer*



## Information Silos

Every party keeps its own set of information in its silo, **non-transparent** for others. Information is exchanged sporadically. Information received from others is **verified manually**. High manual **effort, even conflicts, occur** when information from two or more parties doesn't match.

## Distributed Ledger

Each partner holds an **encrypted copy** of the **shared ledger**. Even though data access is restricted per user, **consensus algorithms automatically** verify each addition to the ledger according to smart contracts and considering stored information. Then **each partners' copy** of the ledger is **updated**.

Our **structured approach** helps you to invest in the right **Blockchain** ideas – and make them **succeed**



*How our Blockchain and industry expertise drives your ideas*

## Your Blockchain Idea

It all starts with you. From problem definition to solution design – **we support your ideation** with **structure** and our **background in industrial procurement**. And since **we don't monetize on cloud services**, learning that for your use case Blockchain isn't the way to go – **before you invest big** in a MVP – is also fine for us.

*GO FOR THE RIGHT*

## The BRAIN framework

In recent years, **a lot of Blockchain MVPs** have been conducted. Only a few made it to operations – often for non-technical reasons. To leverage **the technology's doubtless potential**, a complex set of factors has to be considered. The **Blockchain Readiness Assessment for Industrial Networks (BRAIN)** helps you to evaluate your project from all angles and **makes sure all critical aspects are considered**.

*DO IT RIGHT*

## The Universal Asset Passport

The development of your Blockchain application doesn't need to start from scratch. Leverage our **experience in various industrial Blockchain projects** based on which the Universal Asset passport was built. This **modular Blockchain tool set** allows for efficient development of **your Blockchain solution** based on proven modules, e.g. for asset management or track and trace applications.

*LEVERAGE EXPERIENCE*

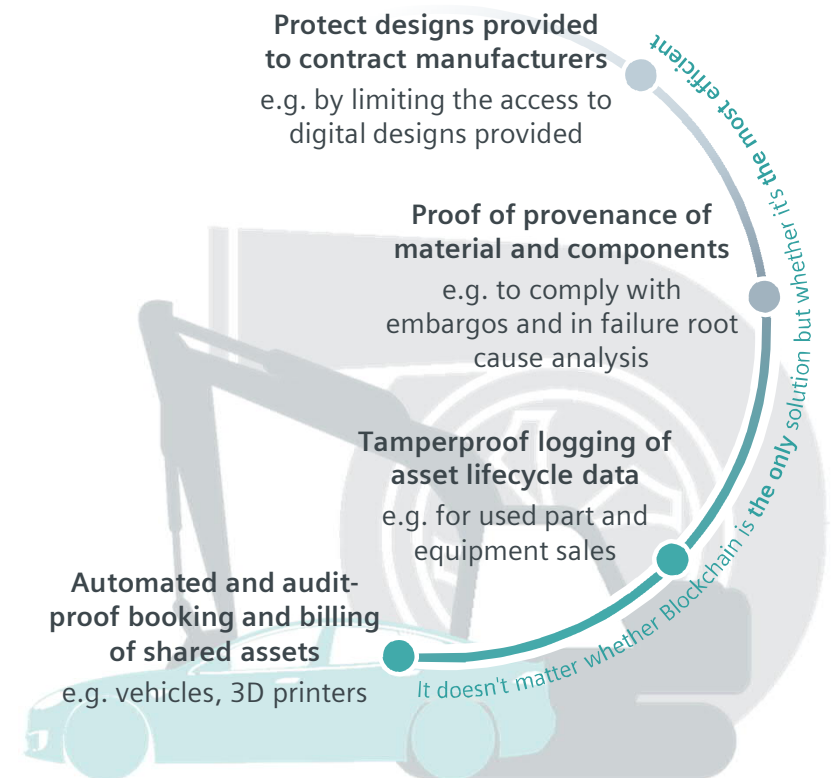
# One should not ask **whether** blockchain is **the only** solution – but **where** it is the most **efficient**

## *Why and where the Blockchain holds great potential for Procurement and SCM (selection)*

Procurement and supply chain management involve **vast numbers of transactions** with numerous parties. Often **high in value** and **complexly regulated**. these transactions require participants to invest **significant efforts** into **administration** and **documentation**.

Hence, we expect blockchain technology to significantly reduce transaction costs for example by...

- eliminating most of the **effort for the validation of data** provided by other parties through **automated consensus mechanisms** (e.g. matching test reports to serialized parts)
- providing one immutable log of transaction related data as the aligned **single source of truth** to increase **speed and fairness of dispute settling** and **reduce the number of disputes** over accuracy of information
- increasing **data quality** through elimination of the need for manual data transfer from system to system as well as **validation of new entries** against historic data (e.g. purchase order vs. order confirmation vs. shipping notification vs. invoice)
- providing a **reliable data source** for **further automation** of adjacent processes (e.g. payments)



# The best time to **demystify blockchain** is now – benefit from our **structure and experience**



*How we help you to invest only in the most prospective cases – and make them scale*



## The challenge

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Blockchain is surrounded by an aura of curiosity as well as some healthy skepticism. It can be hard to objectively evaluate its potential. Consequently, investments in Blockchain projects are hard to take and entail significant risks: The risk to invest too much in the wrong projects and – even worse – not to invest in the right ones and hence missing out on opportunities to speed up processes, improve collaboration and reduce transaction cost.

## Our approach

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With vast experience in industrial procurement and backed by a large cross-expertise network we guide you all the way from ideation to implementation. Starting from ideating new blockchain use cases or evaluating existing ideas with support of our BRAIN framework via solution design and rapid prototyping to solution-architecture – all from one hand and provider agnostic.

## The impact

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Since we don't monetize on it IT infrastructure and as procurement experts we give you honest advise on which projects to invest in – and in which not. You can focus your investments on the most prospective projects and develop and scale them based on a sound ecosystem of partners.