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Siemens' answer in an era of uncertainty – Customer Co-Creation.

Co-Creation is the Activity of jointly creating **Win-Win Solutions** with Prototyping and rapid Business Impact

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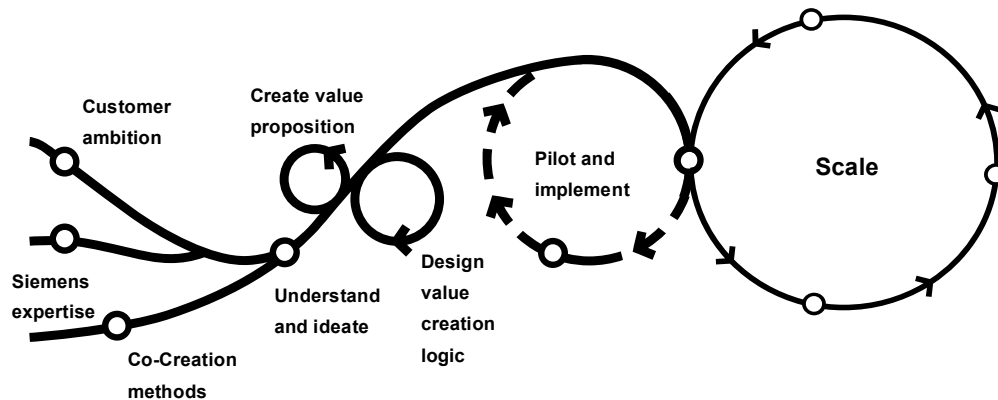
Siemens Co-Creation Framework and Agile Development process

The journey to Digital Transformation is unique for each industry, utility and plant. Each customer's business ambition has a specific understanding of digitalization based on their need, requirements, pain points. In other words, customers are looking for a different relationship with their suppliers requiring a dedicated approach to formalize that ambition create value derived from their optimization opportunities. Digital Enterprise Lab understands that such success requires high Customer Proximity and Engagement. Such success is achieved through Siemens Co-Creation Framework and Agile Development process, which puts the customers and their needs at the center of product/solution development.

Customer Engagement during the digitalization journey with the Co-Creation Framework is broken into two main steps.

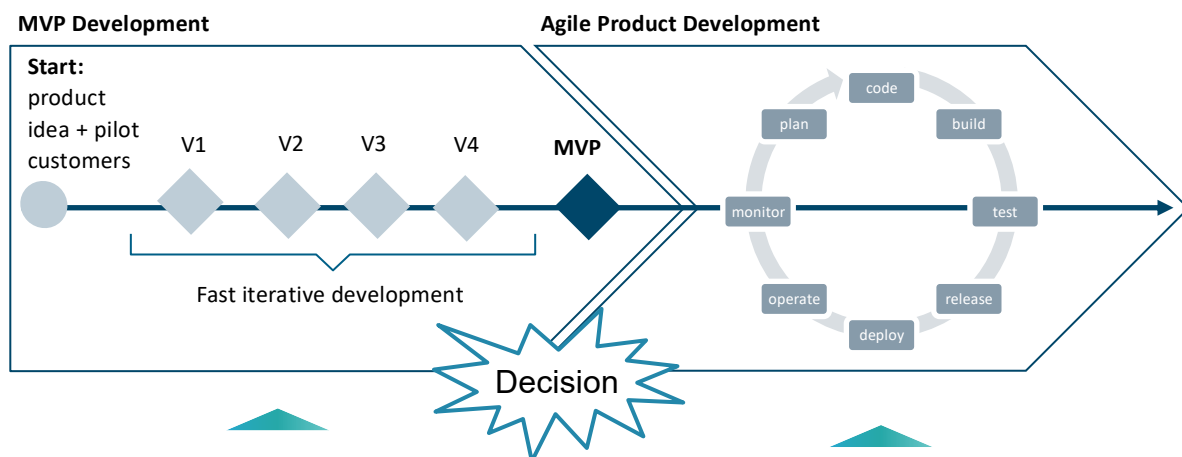
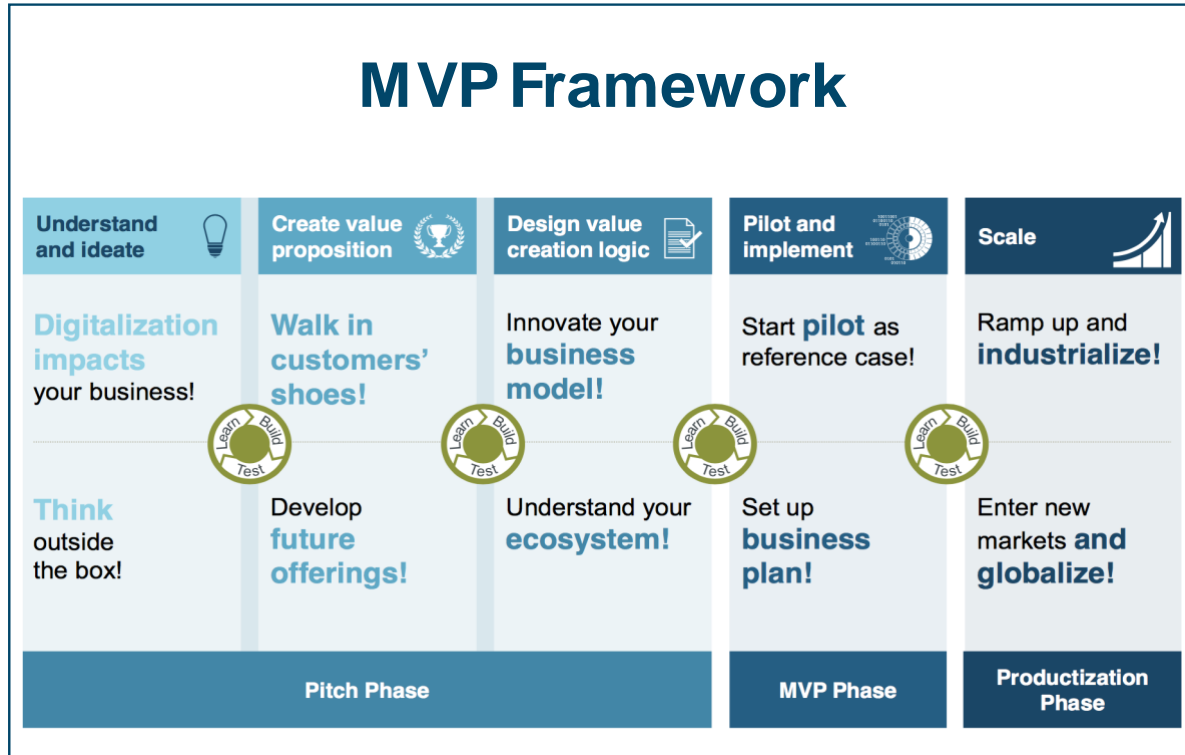
First step: Co-Creation Workshop (Design Thinking, Optimization Opportunity / Identifying Pain Points, and Setting Roadmap/Timeline to Achieve Ambition Goals):

Co-Creation's Design Thinking process starts with combining customer's ambitions and Siemens domain and technology expertise to understand and ideate solutions (optimization opportunities) with the most significant impact on the business. Optimizations opportunities are prioritized using MVP approach (Minimal Viable Product) driving product development to be focused on solutions with highest business impact (value) and lowest cost and time to market. The Digitalization Journey is then formalized into timeline (roadmap).



Step 2: Co-Creation Agile Development process (Development of MVP Solutions Identified in Roadmap, Release, Scale):

Customer Co-Creation Framework is a product or service design process in which input from the customer plays a central role from beginning to end. In other words, Customer Co-Creation Framework is involving the customer throughout the development as well to ensure development efficiency. This occurs with Agile Development Framework (Two Phase Development Approach)



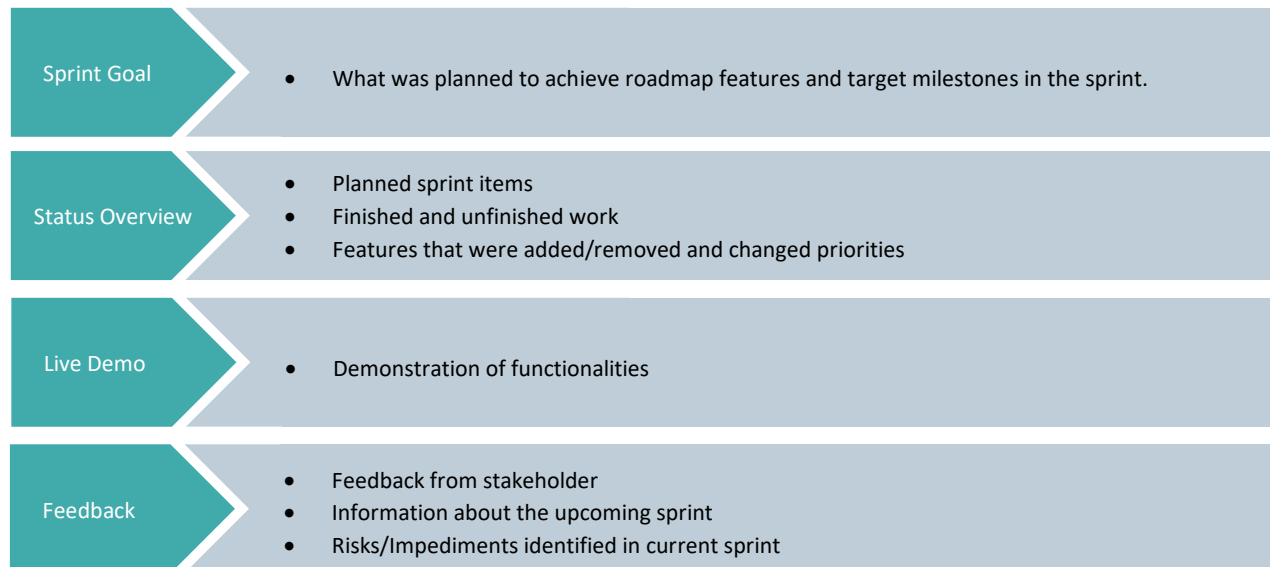
Focus on core features

- Collect customer feedback along the stages of development; make increments available
- Iteratively learn what provides the most value to the customer

Focus on full feature sets with high quality

- Continuously review and prioritize feature backlog
- Ship features at regular short intervals (weeks)

Each iteration (Sprint) is two weeks. At the beginning of each sprint, all stakeholders (customer and Siemens) meet to discuss solutions features and prioritization. After each sprint, stakeholders meet again to discuss the following.



In summary, Customer Engagement & Co-Creation Framework, along with Agile Development Methodology, engages Siemens to develop products and solutions with the customer and for the customer. Development is no longer done in Headquarter, rather at your doorsteps. Customer involvement and input throughout the development is key to creating a “win-win” value proposition. Co-Creation Framework, with Siemens’ leading domain expertise in each industry and technology coupled with customer’s ambition, is key to Digitalization journey success.

Customer Digitalization Journey

- Digitalization Ambitions
 - o Where to start?
 - o How do I transform?
 - o Timeline and Budget of the Digital Transformation Journey
- Optimization Opportunities (Pain Points) specific to customer’s requirements/needs

Siemens Co-Creation Framework & Agile Development Process

- **Step 1: Co-Creation Workshop:**
 - o No involvement of costs (No CapEx investment. Only investment is customer’s time)
 - o Product Development right at customer’s doorsteps
 - o Value proposition (Product and/or service developed per customer’s specific requirements and needs)
 - o Prioritization of optimization opportunity with the customer per their priorities and MVP approach
 - o Timeline/roadmap for Digital Transformation with the customer per their budgetary and time requirements
 - o Customer in control of Prioritization of requirements and timeline

- **Step 2: Co-Creation Agile Development Process:**
 - o Iterative development (Sprints and each Sprint is two weeks)
 - o Customer plays a central role in development (Drive/influence on priority and content of the backlog for each Sprint)
 - o Shorter Go-to-Market or deployment of solution
 - o Focus on “hire a team” compared to “buy the outcome” (cost is based on solution complexity, prioritization of features and duration which customer still plays a key role throughout development iteration/sprint)

For more questions on the process or interested in taking the first step, you can reach out to your regional Digital Enterprise Lab (DE-L) / Mindsphere Application Center (MAC):

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