

# Value Co-Creation

Working with customers to  
develop digital fields of business

## Value-adding and fast solutions in the digital world

Mutual trust: Perhaps never before has this been so important as a basis between producer and user, between supplier and customer, as in the digital era, which has an increasingly unpredictable feel about it. The Siemens answer is customer value co-creation. By this the company means working as partners on specifically tailored solutions that are quickly moved from prototype to implementation and just as quickly have an effect on the customer's business. The 20 MindSphere Application Centers around the world are here to support this building block of the digital transformation.

## Structured approach in a five-stage process

Working with the customer, Siemens experts find out which challenges need to be tackled in each individual case. In doing so, Siemens reconciles three factors: the customer's wishes and ambitions, Siemens' own sector knowledge and technical expertise, and customer value co-creation methods and experience. The approach makes a complex process clear and finds fast solutions that are tailored and customer-validated.

Siemens goes through the following five steps with its customers:

### Understand and ideate

Siemens brings together in-depth sector knowledge and technological expertise in various digital technologies. Whether in data analysis and artificial intelligence or simulation and cloud technologies, always in the customer's own industrial surroundings. How can this knowledge be put to use in a specific case to create value and business models with the customer? The partners find that out in open and transparent dialog.

### Create value proposition

In the digital world, one lesson that originated in the analog world has become even more important: Much more crucial than the product is the value that it represents for the customer's needs. Siemens and the customer slip into the role of the latter's customers: What do they produce or offer as a service? In what competitive situation are they? What challenges do they face? What (digital) solutions help them to improve their business? And what solutions will they need in the future? Siemens uses proven and structured design-thinking approaches that foster creativity and out-of-the-box thinking.

### **Design value creation logic**

The resulting business model is the core of the project. Siemens brings to the table first-class expertise and experience in innovating business models – a must when it comes to lasting success in the digital market. With the customer, Siemens designs a suitable business model for the drafted solution. Here, too, Siemens builds on years of experience in working with and designing such innovative business models, which are quickly developed, iteratively and with a focus on fast customer validation, into airtight solutions.

### **Pilot and implement**

The first prototypes follow quickly since that is the only way to quickly prove feasibility and verify functionality in short feedback cycles. This approach, often taken in start-up situations, of rapid prototyping with minimum viable products (MVP – a product with just enough features to satisfy early customers) is the way to find out immediately whether the drafted solution is sound with the associated business model. When there is a problem somewhere, the partners reconsider. They have no fear of setbacks; they simply try things out. But if things go as expected, the process can quickly be pursued further.

### **Scale**

When the prototype(s) have been through a few iterations with the associated business model, the issue becomes future cooperation. The solution, including business model, is scaled, generating sustainable business. In this way, Siemens builds up long-term trust and shows its customers a clearly marked path to their own digital transformation.

### **Example of success: aircraft parts from 3D printers**

Siemens' cooperation with Strata, a supplier of aircraft parts from the United Arab Emirates (UAE), shows that this approach leads to success in a very short time.

At the beginning, what would result from the partnership was completely undefined. The result is an airplane part from a 3D printer which was developed for Strata's customer, Etihad. The part is the frame in which the monitors are installed in the cabin. The new frame is lighter than the earlier part, reducing the weight of the aircraft and the costs for its operator. Only five months passed from the start of the project to aviation certification of the part. Normally the process lasts an average of 18 to 24 months from production to certification. The monitor frame produced by 3D printing is the first component to be completely designed, produced and certified for aviation in the UAE – a major milestone for the country's vision of establishing local industries.

### **Further information**

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