

Field Report: Siemens Automation Summit, June 5-8, 2006

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From the outset **Siemens' Automation Summit** exceeded all expectations in terms of organization, attendance and educational opportunities. This was a well organized, world class event that provided a valuable experience for end users and automation partners alike. The event was hosted at the Mandalay Bay Hotel in Las Vegas, Nevada, a city known for its many distractions, providing a great venue to unwind in the evening after non stop days of training, presentations and collaboration. A highly motivated audience of over 900 end user attendees was drawn to this event, because it offered a valuable educational experience on Siemens Automation Systems.

Break-out Sessions that focused on Siemens product training, general business trends, regulatory issues, and competitive threats to the manufacturing community were presented by the Siemens partners, end users and Siemens staff. In conjunction with the Breakout Sessions, for which there simply were too many to enumerate, a Partner Pavilion provided an opportunity for Siemens Automation Partners to showcase their value added services. This was not all about products, but an opportunity to create a collaborative environment for both their end user customers and Automation Partners.

Arguably the event has leveraged the end user community derived from the acquisition of **Moore Products** several years ago, but the attendance exceeded expectations. The Moore Process system legacy has clearly faded as Siemens has effectively integrated the Moore's APACS into their Totally Integrated Automation strategy.

Partner Program Strengthens Commitment to North America

The recent launch of an expanded global Partner Program along with additions to their sales channel is forming the backbone of an aggressive strategy to grow the business in Process and Discrete manufacturing. Siemens has further strengthened their focus on the Discrete Manufacturing sector, although the percentage of breakout sessions was weighted more toward Process applications.

Siemens' commitment to the North American market is definitively increasing, but they recognize they can't execute in-dependently. The commitment to North America is backed by a strong Partner Program, coined the 5-5-5 program:

- 1) Partner brings 5 customers;
- 2) Siemens brings 5 customers, and
- 3) Over the next two years Siemens generates five new customers for the partners.

The certification process to become a partner takes 6 months to a year, but in exchange, partners receive training along with preferential pricing on equipment.

Partner Pavilion Draws Over 30 Participants

Over 30 Solutions Partners, ranging in expertise from DCS, General Automation, Motion Control, and MES solutions, bridged the gap between Siemens automation technology and application knowledge. This was an opportunity to better understand through the partners on why they have selected to apply Siemens products in a wide variety of applications.

It was apparent after discussions with several Solutions Partners that Siemens automation technology is a platform that allows for more efficient problem solving. Specific application examples from DMC described a significant cost savings in savings software deployment in an engine assembly application. It was not the cost of the automation that lowered the cost of deployment, but the modern programming tools based on the IEC 61131-3 languages that was an enabler. DMC is an excellent example of the quality of the automation partner selection as they clearly understand the advantages of a programming environment that drives efficiency in deployment. These types of comments are exemplary of a new evolution in the Siemens product line that has moved to the forefront with automation programming environments that enable efficiency, reusability, and rapid deployment.

Overall, the Automation Summit provided the end user community with an opportunity to understand first hand from Partners on their capabilities, but also to clearly understand how Siemens automation solutions can achieve a lower Total Cost of Ownership over the life time of the application.

Conclusion

Siemens' objectives for North American look ambitious and they clearly have raised their level of commitment to this region. They realize that they cannot be experts in every application, but the goal is to continue to grow the Partner Program and support this with a strong eco-system of application and support engineers. Siemens is a patient and strong competitor that has the potential to make inroads in broad range of industries. The announcement that **DuPont** has chosen Siemens and **Honeywell** as preferred suppliers is an indication of their value proposition in process application. In contrast, they continue to make inroads in the North American automotive sector with major project wins at **BMW**, **Daimler Chrysler** and **General Motors**. They have penetrated outside of their core competency of Power-train applications and now offer automotive OEMs an alternative in Paint and Assembly applications. The commitment is here in North America, and it is diversified across a wide range of industries that is supported by an eco-system that is essential to remain viable in this market.