

Siemens and SAP Announce Strategic Relationship

Two industry leaders join forces to provide end-to-end lifecycle capabilities

CIMdata Highlight

Today, July 14, 2020, Siemens Digital Industries Software (Siemens) and SAP, two long-time leaders in the product lifecycle management (PLM) market, announced a strategic relationship designed to drive industrial transformation and digitalization in support of Industry 4.0. These two industry leaders are combining their expertise in PLM, supply chain management, project and portfolio management, and asset management to deliver new innovations and business models that enable their customers to remove process and information silos and accelerate industrial transformation. As part of this relationship, SAP will resell Siemens' Teamcenter solution as its core product data management (PDM) backbone and Siemens will resell SAP's Intelligent Asset Management and Project and Portfolio Management solutions.

The objectives of this relationship include:

- Creating a comprehensive digital thread throughout the complete lifecycle
- Enabling enterprises to deploy a sustainable and closed-loop development process
- Fueling the design of products with real-time supply chain connectivity and in-use feedback
- Dramatically improving time to value for both customer bases

Each company is a leader in their respective domains—Siemens in engineering, simulation, and comprehensive product development support; SAP in resource management, manufacturing support, and supply chain management, just to name a few. Both have demonstrated strong lifecycle approaches. Each company brings deep experience, expertise, and technology in their respective domains and both have offered integrations with the other's environments for years. While they have some overlapping solutions and technologies, overall, they offer highly complementary solutions. For example, SAP's Innovation Management offering supports the “fuzzy front end” of innovation, capturing early market requirements, a natural fit with the formal requirements and configuration management capabilities in Teamcenter, creating the beginnings of the digital thread. SAP Intelligent Asset Management is a natural complement to Siemens MindSphere open IoT ecosystem, which provides the smart product connectivity used to enable advanced maintenance and control of fielded assets, as well as with Siemens recently announced Teamcenter Capital Asset Lifecycle Management (CALM) offering.

CIMdata believes that this Siemens-SAP relationship will provide significant business and IT benefits for customers of both companies. More strategically integrating their solutions should indeed enable their customers to create and use a more complete digital thread than has been possible in the past. This new combination will also enable the definition and management of a more comprehensive digital twin strategy. Finally, it should enable companies to create and leverage more effective supply chains for development, production, and aftersales services and support.

CIMdata believes that, over time, this relationship will provide the opportunity to expand and leverage more areas of support from each company, e.g., software lifecycle management and electronics design from Siemens, and customer relationship management and logistics from SAP. Additionally, both companies have substantial R&D organizations that can be applied to creating more in-depth comprehensive solutions to address their common customers' needs.

We are excited about the potentially disruptive nature of this new relationship and look forward to seeing it develop and deliver new capabilities for manufacturers in all industries. Additionally, we are looking forward to seeing how their go-to-market strategies evolve, as well as how programs and roadmaps of both Siemens and SAP are defined and executed.

About CIMdata

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata's services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.