

MARKET NOTE

Enabling Human-Centered Innovation: Key Highlights from the Siemens Media & Analyst Conference 2020

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Enabling Human-Centered Innovation – Key Highlights From the Siemens Media & Analyst Conference 2020

This IDC Market Note provides an overview of highlights from the 2020 annual Siemens Media & Analyst Conference, focusing on announcements related to the Siemens Xcelerator solution portfolio strategy as well as new product releases such as Teamcenter X and Teamcenter Share.

Key Takeaways

- There are three business imperatives that make Siemens Digital Industries Software unique: comprehensive digital twin; its personalized, adaptable, and modern approach; and flexible open ecosystem.
- Siemens strengthened the positioning of its low-code application platform Mendix, which has become the foundation for many of Siemens' cloud offerings.
- One of the major announcements at the event were the newly launched Teamcenter X and Teamcenter Share applications, both of which are about cloud-based collaboration and based on Mendix.
- Teamcenter X is a cloud-based software-as-a-service (SaaS) product life-cycle management (PLM) that offers instant-on PLM based on industry best practices, while Teamcenter Share is a next-generation, cloud-based computer-aided design (CAD) file management platform.
- Another major announcement at the event was around Siemens' partnership with IBM to enable companies to establish a digital thread between product design, equipment manufacturers, and asset or plant operators.

Source: IDC, 2020

IN THIS MARKET NOTE

This IDC Market Note provides an overview of key highlights from the 2020 annual Siemens Media & Analyst Conference that took place virtually on June 16 and 17, 2020, due to the COVID-19 pandemic. The event featured announcements and updates on the Siemens Xcelerator solution portfolio strategy, product releases, and a series of customer stories across manufacturing industries. This year's theme was human-centered innovation, highlighting how customers come together as a community to create and innovate new products and services that benefit a wider ecosystem.

Siemens' Unique Value Proposition

Since the last Media & Analyst Conference in September 2019 when Siemens introduced its new name – Siemens Digital Industries Software – and introduced its holistic portfolio called Xcelerator – designed to help customers build tomorrow's products today – the company has taken feedback from the customer and analyst community, leading to a strengthened proposition, and consequently, new announcements. Siemens' unique value proposition that resonates with its customer community is as follows.

Comprehensive Digital Twin

The definition of the digital twin differs from vendor to vendor, but Siemens prides itself in offering its customers the technology to create what it calls a "comprehensive" digital twin, which is at the core of the Xcelerator portfolio. This means that the digital twin should ultimately and ideally cover the entire product and production life cycle and includes a closed loop to ensure the actual performance data is fed back into the models that are continuously refined. It also needs to be actionable, enabling users to act on the feedback loop from Internet-of-Things (IoT) models and simulation results to make meaningful changes both upstream and downstream.

The digital twin should also help manufacturers solve their needs and bring value to their processes, whether they be simple or complex. Case in point is VinFast, a customer that Siemens helped to set up an automotive company in 21 months; VinFast did this by becoming a digital enterprise. But during the COVID-19 pandemic, the automotive start-up manufacturer was determined to pivot its business and produce 55,000 ventilators a month to help people affected by virus, a task filled with challenges that may not be obvious at first. VinFast first licensed Medtronic's design, then it tasked Siemens to help build the digital twin for manufacturing. In about three weeks, VinFast became proficient at ventilator manufacturing technology.

Ultimately, "comprehensive" alludes to the greater or possible value that companies can achieve. While small wins (e.g., in a particular area of the product or factory life cycle) at the start are important, major business benefits come from a comprehensive vision of the role and value that the digital twin can play.

Personalized, Adaptable, and Modern Approach

With this business imperative, Siemens is trying to provide customers with several paths rather than a single approach, giving them the autonomy to work at their own pace and adjust as needed. This is mostly enabled by its low-code application development and integration platform, Mendix, which has become the foundation for many of Siemens' cloud offerings. With Siemens seeing low code skyrocketing over the past few years, it believes people in the future will not only be users of these products – they will increasingly also become shapers and developers who build and publish their services into the platform.

Flexible Open Ecosystem

The third differentiator focuses on creating an industrial network effect by bringing together suppliers, customers, partner distributors, etc. within the ecosystem enabled by the Xcelerator portfolio. Through this ecosystem created by Siemens, thousands of developers are building apps, domain services, and knowledge that other participants can benefit from, especially if they need to develop solutions under time pressure.

Product Updates

Mendix

10 months ago, the primary focus of the low-code app platform was on business customers, but this has been expanded to include industrial services. Going forward, this will enable customers and developers to build, integrate, and extend applications such as NX, Teamcenter, Opcenter, and MindSphere. The value for customers is a single, cloud-based architecture used across the portfolio, powering an ecosystem of developers with low-code capabilities and industrial services – whether it is PLM, MES, or IoT, they all are built on a common, modern, low-code cloud architecture. This year, Mendix crossed \$100 million annual recurring revenue, marking a key milestone for this 2018 acquisition.

Teamcenter

One of the major announcements at the event were the newly launched Teamcenter X and Teamcenter Share applications, which are about cloud-based collaboration and based on Mendix.

Teamcenter X

Teamcenter X is a cloud-based SaaS PLM that offers instant-on PLM based on industry best practices, with the capability to grow to the full Teamcenter suite. The application is built on the industrial cloud services Siemens is building into the Mendix low-code application platform.

Teamcenter X offers the convenience of choosing from preconfigured engineering and business solutions (for processes involving others besides engineers) that deliver immediate value, with the flexibility to add more capabilities as business needs grow. This enables users to solve their problems quickly rather than spending time on on-premises PLM configurations. Suitable for companies of all sizes and industries (but with a sweet spot on the midmarket), the base functionality of Teamcenter X spans across document management, visualization, workflow, part revision, and basic bill of materials (BOM).

The value of Teamcenter X for customers is that it is always up-to-date (includes major upgrades but also smaller patches), secure, easy to onboard users, has a fixed price, and is compatible with all the other Teamcenter applications.

Teamcenter Share

Siemens also announced Teamcenter Share, a new, cloud-based, design-centric project collaboration service designed for companies that want to move to an engineering-focused collaboration tool. As such, Teamcenter Share is a next-generation, cloud-based CAD file management platform. It will be available in the summer of 2020, and Siemens has opened a community for testing and trials.

Key functionality of Teamcenter Share will include the secure sharing of projects with relevant stakeholders; accessing, manipulating, and sharing of CAD files on any device; data synchronization of CAD files on any desktop with cloud storage; and reviewing designs in augmented reality (AR) on phones and tablets.

Teamcenter Share is particularly suitable for companies that don't have the appropriate IT infrastructure but have an immediate need for project collaboration and for secure CAD file management. This potentially applies to, but is not limited to, small and medium-sized businesses.

Teamcenter Share addresses the need for cloud-based project collaboration, including basic ad hoc and design-centric project collaboration. Customers that require collaboration beyond that will likely opt for Teamcenter X.

Key benefits of Teamcenter Share include:

- Data from any common CAD software can be synchronized from desktop to cloud
- Enables unlimited permission-based sharing
- No additional and expensive hardware (such as head-mounted displays or smart glasses) is needed
- Easy-to-use, "Dropbox-like" capability

NX Sketch

New to the Xcelerator portfolio is the NX Sketch software tool, which enables users to sketch in CAD without predefining parameters, design intent, and relationships. Using artificial intelligence (AI) to infer relationships on the fly, users can move away from a paper hand sketch and create concept designs within the NX software, resulting in greater productivity.

Siemens-IBM Partnership to Deliver a Service Life-Cycle Management Proposition

Another major announcement at the event was Siemens' partnership with IBM to enable companies to establish a digital thread between product design, equipment manufacturers, and asset or plant operators. This partnership combines and integrates Siemens' capabilities around engineering simulation and product configuration (e.g., Teamcenter, Opcenter, and MindSphere) with IBM's proven capabilities around the operational aspects of service management, namely its IBM Maximo solution portfolio, which includes solutions for scheduling, dispatching, work orders, billing, and field service management. Enabling a digital thread is key when optimizing a closed-loop service life-cycle management business process.

IDC'S POINT OF VIEW

Since last year when Siemens strengthened the positioning of Mendix as a low-code tool to enable citizen developers, the company – with the recent release of Teamcenter X and Teamcenter Share – has had an even greater push toward giving customers more choices and independence to solve their business challenges at their own speed and with their preferred approach. To that end, the industrial networking effect Siemens is pitching is materializing for customers signing up to a host of Siemens products from the Xcelerator portfolio.

The Xcelerator portfolio is not only promoting the benefits of the industrial network Siemens is creating, but it also enables customers to engage in and build their own ecosystems, which is a new way to create value-added initiatives and drive innovation going forward.

We also observed that while Siemens did not center its event message around the concept of digital twin, it made it very clear how it differentiates its view of the digital twin (comprehensive and actionable). In this context, Siemens gave room to emphasize the importance of the digital thread, supported by the Teamcenter portfolio, bolstering the notion that while not every manufacturer might need a digital twin, they still have to address and dissolve data silos across their organizations.

Shortly after the Siemens Media & Analyst Conference, Siemens and SAP announced their partnership to enable an end-to-end product and asset life cycle - Industry 4.0 offering for manufacturers across industries, aiming to incorporate real-time supply chain data into product and asset design, R&D, and engineering. We will follow how this partnership evolves, but customers can expect in the short term that SAP will start reselling Siemens Teamcenter as a "core foundation for product life-cycle collaboration and data management." On the other hand, Siemens will sell SAP Project and Portfolio Management and SAP Intelligent Asset Management to complement Teamcenter capabilities on the front and back ends of the product and asset life cycle.

LEARN MORE

Related Research

- *Key Technologies That Will Help European Manufacturers Survive COVID-19 and Beyond* (IDC #EUR146217720, April 2020)
- *Siemens Media and Analyst Conference 2019: Embracing Complexity* (IDC #AP45596419, November 2019)

Synopsis

This IDC Market Note provides an overview of the key highlights from the 2020 annual Siemens Media & Analyst Conference, focusing on announcements and updates on the Siemens Xcelerator solution portfolio strategy as well as new product releases.

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