

# Client Success Story

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# Cash is King

## How Siemens utilizes the strength of Pega to digitalize Collections

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# SIEMENS



# Introduction



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Application Program Manager



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Global Process Owner O2C

# Content

- » **Siemens and it's Global Business Services**
- » **Insights into our Collections application**
- » **7 Lessons learnt on our Journey with Pega**
- » **What next?**

Siemens does this through a broad portfolio of businesses and services that address these specific areas. Siemens Global Business is an integral part of that portfolio.

## Industrial Business

Digital Industries



Smart Infrastructure



Mobility



Siemens Healthineers<sup>1</sup>



Portfolio Companies



Siemens Advanta



## Services

Siemens Financial Services



Siemens Real Estate



Global Business Services



<sup>1</sup> Publicly listed subsidiary of Siemens; Siemens' share in Siemens Healthineers is 75%

# GBS End-to-End services to Siemens' business entities



LEAD GENERATION TO INCOMING PAYMENTS

## Opportunity-to-Cash Services

- >1,000,000 customer requests processed p.a.
- €22 bn cash collected/managed p.a.
- ~5.3 million customer payments allocated p.a.



SOURCING TO PAYMENT EXECUTION

## Purchase-to-Pay Services

- >32,500 of tactical sourcing negotiations performed p.a.
- >1,200 e-sourcing events managed p.a.
- 13,000 suppliers qualified p.a.
- 1.5 Mio Purchase Orders processed p.a., (direct and indirect materials)
- 27 Mio invoices processed p.a.
- 65% end-to-end automation



FINANCE RECORDS TO CLOSING REPORTS

## Record-to-Report Services

- >60% automation in period-end closing activities
- 1.1 million master data entries handled with PEGA business process management
- Administrating 9 million m2 and €3.6 billion in assets
- 80% reduction of working time with our Contract Management Application
- Handling tax compliance for 35 countries, processing >41.000 indirect tax returns annually



ENHANCING EMPLOYEE EXPERIENCE

## Hire-to-Retire Services

- >360,000 employees served in ~80 countries along employee lifecycle
- 15 equity programs, >12.5 Mio shares
- 2.6 Mio of travel expense claims per year
- 80+ IT services and solutions
- +16 Mio employee interactions with CARL in FY 23



EXPERTISE DRIVEN AND PROJECT-BASED SERVICES

## Business Solutions and Services

- ~25,000 customers provided feedback for Siemens Net Promoter Score p.a.
- ~350 virtual, real and hybrid Live Communication Experiences realized p.a.
- >280 Mio words in over 60 languages ordered in Global Translation Services
- ~ 4.7 bn € of customer freight value managed
- Track & Trace for ~ 9.8 million transport orders



TECHNICAL REQUIREMENT TO SOLUTIONS

## Engineering Services

- 8500 completed engineering projects
- >1'0 million engineering hours capacity to cover the complete END2END process from technical sales support till remote commissioning
- Supporting customers in 30 countries



HIGHLY PROFESSIONAL PERSONNEL SERVICES

## Temporary Personnel

- ~1.3 million hits on our job exchanges p.a.
- 12,000 incoming applications
- 2,000 direct approaches to candidates

# Opportunity to Cash Services along the Customer Journey



# Insights into Siemens Collections („CCMT“)

## Problem statement

- Scattered landscape of tools
- Manual extraction and distribution of correspondences
- Manual reporting
- Undiversified collections approach



## Targets

- Full transparency of customer activities
- Boost productivity and simplify work for staff
- Improve cash flow
- Drive efficiency
- Correspondences and reporting automated



### Preparation

#### Customer Segmentation

According to criteria such as size and payment behavior.

#### Definition of Collection Strategy

Per customer segment (timeline for dunning letter, overdue calls, legal notes, etc.)

#### Task creation based on Receivables

Based on a leading invoice. Distribution based on customer assignment to collector.

### Execution

#### Diary Front End

To see customer history and contact moments including action panel to register feedback.

#### Dispute Management






Query sheet to request resolution for internal payment obstacles.

#### Reporting

Operative and management reporting.



# Why Pega?

-  Ability to integrate across multiple processes
-  Re-Use of available components / Situational Layer Cake
-  Cybersecurity
-  Tracking and Tracing
-  Proven to Scale



# 6 Lessons Learnt

“Good decisions come from experience.  
Experience comes from bad decisions.”

Mark Twain



# Lessons Learnt

## 1/6 „Drive Adoption with Killer Features“

**SIEMENS** → Next Assignment Search Nico Mueller Cash Collection Sand Box

**My Work**

Task	Overdue	Due	Pre-Due	All
Incoming email	463	0	0	463
Flexible Email	36	0	0	36
Promise To Pay Follow Up Call	19	0	0	19
Cash Allocation Proposal	0	0	0	10
Call	10	0	0	10
Dispute	1	0	0	8
Invoice Copy	7	0	0	7
Dispute Customer Follow Up Call	5	0	0	5
Balance	4	0	0	4

Overdue Tasks

550

EUR 166.478.337 K  
EUR 166.478.337 K

My Tasks

568

EUR 166.653.02 K  
EUR 166.653.02 K

My Customers

81

EUR 1.017.709 K  
EUR 1.017.709 K

Unassigned emails

74

Legal Assignments

8

Pending Legal

8

Promised to Pay

3

EUR 0.00  
EUR 0.00

My Open Disputes

11

EUR 18.122.11  
EUR 18.122.11

Outbound Emails - Pending & Failed

2

Task	Case ID	Category	Company Code	Strategy	Task Due Date	Task Amount
100 <span>Make Call</span>	CALL-3102954	Call	9999	Small good paying customers	10/23 9:20 AM	EUR656.36
100 <span>Make Call</span>	CALL-3096629	Call	9999	Small good paying customers	10/23 9:20 AM	EUR666.74
100 <span>Make Call</span>	CALL-3105390	Call	9999	Small good paying customers	10/23 9:20 AM	EUR1.814.40
100 <span>Make Call</span>	CALL-3111204	Call	9999	Small good paying customers	10/23 9:20 AM	EUR805.20
100 <span>Make Call</span>	CALL-3115460	Call	9999	Small good paying customers	10/23 9:20 AM	EUR1.333.30
100 <span>Make Call</span>	CALL-3115324	Call	9999	Small good paying customers	10/23 9:20 AM	EUR14.217.80
100 <span>Make Call</span>	CALL-3124146	Call	9999	Small good paying customers	10/12/23 9:20 AM	EUR1.461.88
100 <span>Make Call</span>	CALL-3126117	Call	9999	Small good paying customers	10/13/23 9:20 AM	EUR95.009.29
100 <span>Fix Failed Email</span>	B-1417405	Balance	9999	Small good paying customers	10/15/23 6:09 AM	EUR1.461.88

**SIEMENS** → Next Assignment Search Nico Mueller Cash Collection Sand Box

**Collection (CO-314946) Aneean Gravida (30477065) - 9999**

Overdue Amount: EUR656.36 Contact: John Due Phone: Email: nico.mueller@siemens.com

Sum Of Selected Items: Total Receivable Amount: EUR656.36 Total Overdue Amount: EUR656.36 Overdue Percentage: 100.00%

Cust. No.	Ref. No.	IT	Status	S	DF	Pled Ind.	Amount	Doc Date	Due Date	NA	GA	Assignment	Header	Profit Ctr	CFP	M	Note
30477065	1028155242	FG	RV				EUR 727.20	3/26/20	4/25/20	1,487	1,487	1539	P736609				200521 21.05 Anthony confirmed he has now p
30477065	1028175667		RV				EUR 128.16	5/5/20	6/4/20	1,161	1,487	1513	P736613				Dispute Closed Free Free

**Recent actions**

- Dispute (D-201195) 3/22/24 11:38 AM Dispute was closed.
- Dispute (D-170911) 10/31/23 12:08 PM Dispute was closed.
- Balance (B-1417466) 10/15/23 4:13 AM Email was sent.
- Promise To Pay (PTP-466888) 10/23/23 2:20 AM Promise to pay was broken.
- Dispute (D-170943) 9/25/23 2:32 PM Dispute was assigned.
- Balance (B-1393363) 9/15/23 4:18 AM Email was sent.
- Balance (B-1365675) 9/15/23 4:35 AM Email was sent.
- Write Off (WO-6) 8/9/23 9:47 PM Write Off was fully approved.
- Balance (B-1337931) 7/15/23 5:15 AM Email was sent.
- Balance (B-1315029) 6/15/23 4:07 AM Email was sent.
- Balance (B-1328105) 5/15/23 4:09 AM Email was sent.
- Balance (B-1264100) 4/15/23 4:45 AM Email was sent.
- Balance (B-1340661) 3/15/23 7:03 AM Email was sent.

# Lessons Learnt

1/6 „Drive Adoption with Killer Features“

## Sending a customer invoice



00;00;00  
h m s

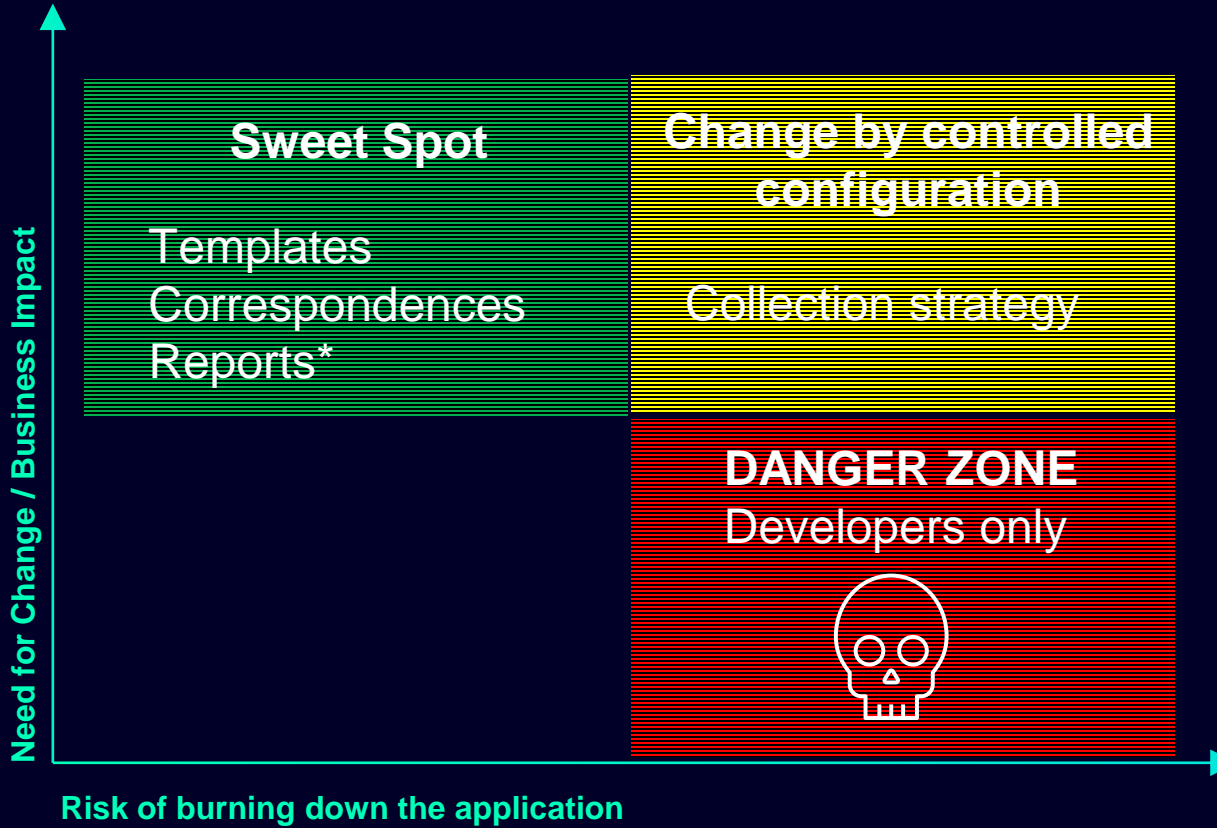
Prior to Digital O2C Platform

00;00;00  
h m s

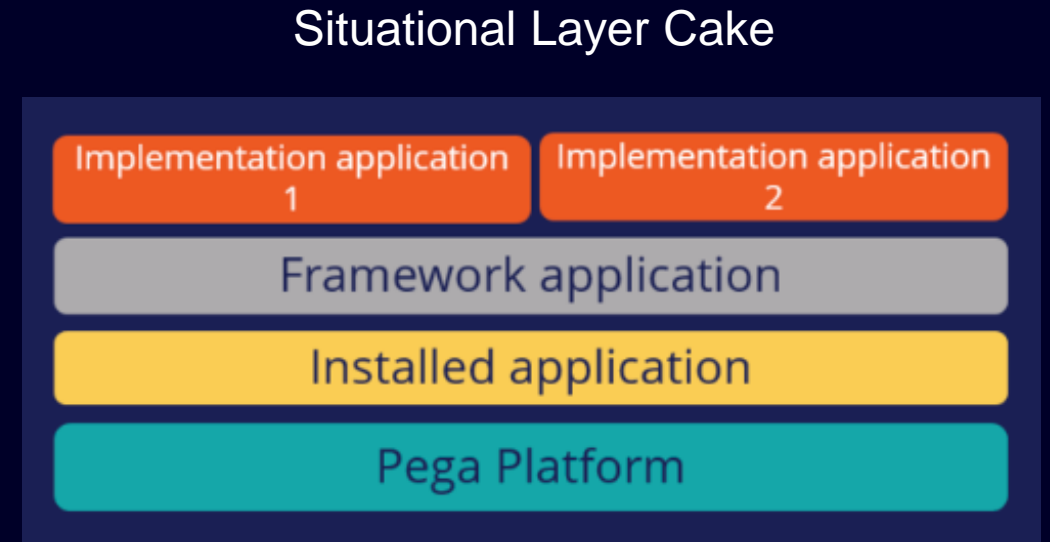
With Digital O2C Platform

# Lessons Learnt

2/6 „Global Solution with Local Flavor“



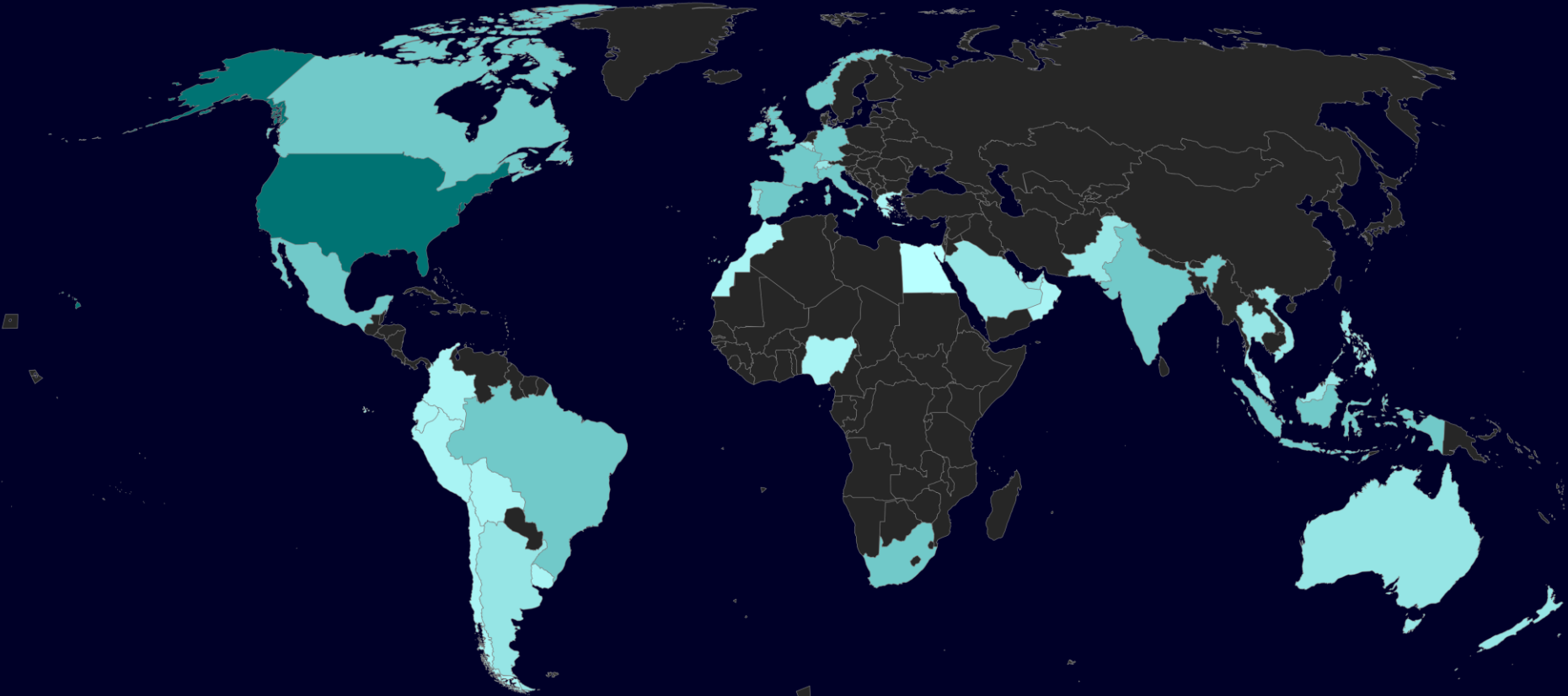
+



\* Secure impact on app performance

# Lessons Learnt

3/6 Rollout (fast and lean)



**+40**

Countries

**140**

Legal Entities

**30bn**

Cash p.a.

**300k**

Active Customers

**7mn**

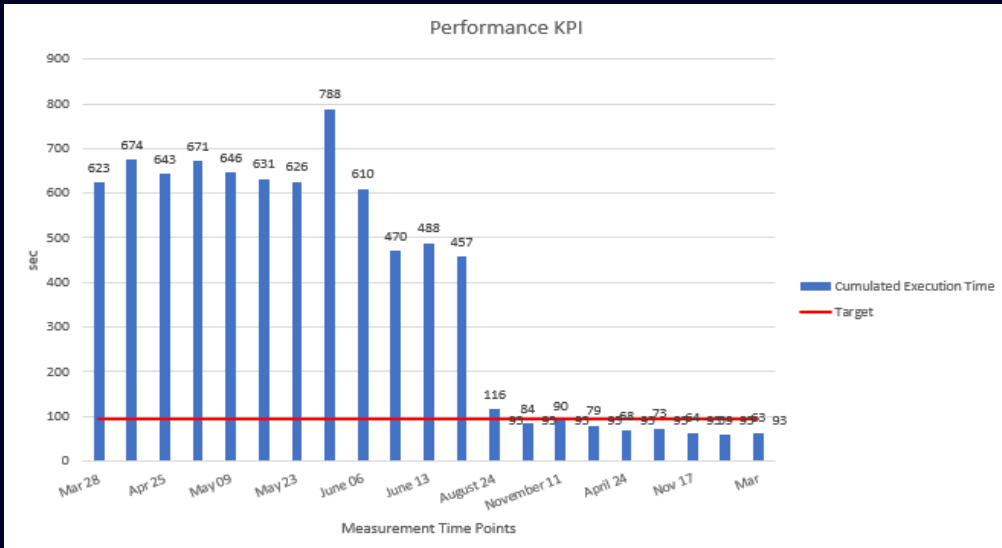
Invoices p.a.

Powered by Bing  
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# Lessons Learnt

## 4/6 Mind your Stepcale

### Synthetic Performance KPI



Not pretty but a screenshot of the real-life example!



- Centralized data sourcing (Snowflake)
- Decoupling of interfaces
- Monitoring and Data Transparency
- Control over Database Size & Indexing
- The “Zibby Test”

# Lessons Learnt

5/6 Pick your right Partners!



**Strong Platform + Cool Inhouse IT /CoE + Great Solution partner**



# Lessons Learnt

6/6 Did anybody mentioned Adoption already?

## Key adoption criteria

- Make User's and Customer's life easier
- Adaptability and flexibility but also change management and consensus of harmonization
- Good advocates of existing user base and evangelists in the region
- Trust in Data and Consistency
- Application performance and UI



# Whats Next?

## Technological Progress and Business Trends

- » **Adding more Brain to the Muscle**
- » **Benefitting from immense progress on GenAI**
- » **Leveraging B2C daily practice in B2B**
- » **Respond to demographic change**
- » **Scaling beyond Siemens...**



# Any questions?



## Siemens Global Business Services

**Siemens Global Business Services (GBS)** enables Siemens AG units worldwide and external customers to accelerate their business transformation into a sustainable and digital future. Its portfolio comprises services driven by expertise and the latest technology – with a strong focus on innovation and digitalization in areas like business administration, human resources, supply chain management, sales, marketing, and engineering.

Siemens GBS provides business services for Siemens AG, Siemens Energy AG, and Siemens Healthineers AG and serves its clients globally out of four major Hubs and one service unit. Siemens GBS headquarters are based in Munich, Germany.

For more information, visit [www.siemens.com/gbs](https://www.siemens.com/gbs)



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