

## Meeting global and local needs

### Introduction

Siemens is a global company employing 450,000 people. Its head office is in Germany. The UK base is in Berkshire and the company employs 21,000 people in the UK based at more than 100 sites. Turnover in the UK is worth over £3 billion. It makes and sells electrical and electronic products and systems. Products range from toasters to trains, from hearing aids to power stations. This case study is about how a global company can also meet local needs.

### Globalisation

Siemens is a multi-national firm. It works in 190 countries round the world. Globalisation refers to the way that many businesses now operate on a global scale. The worry is that national concerns will be overlooked. Siemens head office has to decide what to produce and where. It can gain from specialist knowledge in certain countries, or skills in others. There are also dangers, such as changes in the value of foreign money. To compete, each business must offer something special. Siemens in the UK offers the full spectrum of the company's products and services.

### Global markets

Each part of Siemens should add profits to the Group. It must also meet the needs of its local market. There are thirty Siemens businesses in the UK. Each decides how best to meet its local needs, whilst drawing on Siemens' global expertise.

### Economic sectors

An 'economy' refers to how goods and services are produced and used across a population. Most have a number of parts, or sectors. At a national level, these divide into three sectors:

- \* Primary. This refers to raw materials. It includes mines, quarries, farming and fishing.
- \* Secondary. In this sector products are made or refined. Raw materials are tuned into finished products and parts.
- \* Tertiary. This is the service sector. In here are banking, insurance, transport etc.

In the UK Siemens operates in the secondary and tertiary sectors. 48% of its turnover is derived from the secondary sector and 52% from the tertiary.

### Siemens in action

Siemens makes a wide range of products. Products manufactured in the UK include:

- \* hearing aids
- \* traffic controls, including traffic lights and motorway signs
- \* superconducting magnets for MRI scanners.

The trend is towards producing more services than goods. This follows the trend of what customers want. In some cases, Siemens combines products and services in major projects. It is working with the NHS to provide new hospitals. These contracts include both equipment and service. As part of the service, Siemens provides on-site managers. These provide a unique contact point for each customer.

### Conclusion

Siemens is a global business leader. It works across many sectors. Although its head office is in Germany, not all decisions are taken there. It gives power to businesses in the group to take local decisions in response to local market needs. This improves the relationship with customers.