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No strict hierarchy in Siemens

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WHO would have thought that the head honcho in the huge German conglomerate Siemens AG was once a journalist? And for 12 years to boot. Maybe that is why Dr Heinrich Pierer, seems so down-to-earth and approachable.

Dressed simply (and without the required retinue of bodyguards that someone in his position would require) he was relatively relaxed at the Regent Hotel poolside, despite having gone through a hectic few days at Siemens 150th anniversary celebrations kick-off in Malaysia.

Pierer joined Siemens in 1969 because "... then, as now, it was a very interesting company, high tech and very international

Pierer pointed out that such an international company was very attractive for a young man (He was 28 years old at the time). Not the salary though as "... it was not attractive at that time".

He worked his way up through the various departments, starting out in finance and moving on to the legal department, the commercial division and the power division.

He became the head of the power division in 1989 and at the same time, a member of Siemens' board of directors.

Within three years of his appointment to the board, he was made chief executive officer of Siemens.

And how does he see his role as chief?

"There are 250 business segments and they all have business leaders.

"Some people compare Siemens to a big tanker but this is wrong. We are not a big tanker but a fleet of 250 speedboats and each speedboat has a captain and maybe I am the admiral, sometimes the coach, like in a football team," he explained.

He said Siemens is a very complex company, operating in 180 countries around the world with sales of up to US\$70 billion (US\$1 = RM2.47) with some 60 per cent of its business outside Germany.

It has 50,000 different products in the medical equipment, telecommunications, power generation and distribution, computer, household appliances and various other sectors.

"With all this, it is important to have a good team of players who can work independently and know how to organise their own businesses.

"And this is the philosophy, working as a team rather than in a strict hierarchy," he said.

As worldwide leader of such an important company it is his role to meet with other leaders, visionaries and statesmen and to talk of many things "of shoes and ships and sealing wax and cabbages and kings".

During his short trip to Malaysia he met with Prime Minister Datuk Seri Dr Mahathir Mohamad.

"We had a discussion of how he sees the world, Asia and Malaysia. It is very interesting for me and for Siemens to understand what important statesmen like him think and what his vision for the country is."

He added the fact that Siemens 150th anniversary celebrations kicked off in Malaysia is an important signal both in Asia and to Germany itself of how important Asia is to Siemens.

Pierer pointed out that in Asia, Siemens has invested the most in Malaysia.

He said the company plans to plough in an additional US\$3 billion in Asia by the year 2000 out of which some US\$700 million will come to

Malaysia.

Why does such a small country require such a large investment?

"Well, the technology for semiconductor plants is quite expensive."

He added that it is vital for Siemens to be successful in Asia as it will come to represent 50 per cent of its electrical and electronic market in 10 years time.

At the moment, Asia represents 38 per cent of the electrical and electronic market for Siemens.

However, Pierer does not consider pouring in additional amounts of investment overseas as hollowing out its staff base in Germany itself.

"We have 45,000 employees in Asia now and by the year 2000 we will have 70,000.

"But this does not mean a transfer of jobs out from Germany. It simply means building additional business outside.

"Of course we want to have better business in countries where we have better cost positions but we are not transferring jobs, rather we are creating additional jobs," he said.

Pierer said unemployment in Europe is a major issue especially in Germany where there are about four million unemployed but the transfer of jobs outside Germany is only one of the issues.

However, he said, Siemens has traditionally been a company where social responsibility plays an important role and it will try to maintain as many jobs as possible.

With this in mind, he said, it is imperative for the company to become even more competitive to maintain its position in Germany to say nothing of the fast-moving world of Asia.

Pierer is behind Siemens' Time Optimised Programme (Top) which focusses on productivity, innovation, growth and culture change.

The programme is progressing quite satisfactorily although Pierer said he can never be satisfied.

It has managed to cut down the time for innovation by 50 per cent. The company's growth rate for last year was 10 per cent ("... which means something in this environment").

As for the culture change, he said that is a lifetime task.

"Changing people is the most difficult part, but we have had some positive developments.

"We have to work hard to convince people to take change as an opportunity and not as a threat," he said.

As for his personal life ... "You won't believe this but I also have a family," he said with a grin.

As he hardly finds time to spend with his wife and three children (a daughter, 30, and two sons, 26 and 19 respectively), he likes to get away with them for holidays.

Pierer enjoys especially mountain climbing with his family, trekking up to the top of the world where the air is freer and uncluttered by humanity's mad inhuman noise.

He said in the mountains he is able to really talk to his family.

A beach is so filled with people that there is no privacy to do so.

Pierer added that he is also into sports and used to be quite a good tennis player when he was young.

However now with his hectic schedule, he finds it difficult to maintain the same level of excellence in his game.

As for more personal details, well, he has to have some privacy.

"I'm sorry, but I have already told you more about myself than I have told any German reporter."

And with that the interview with him ended.

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