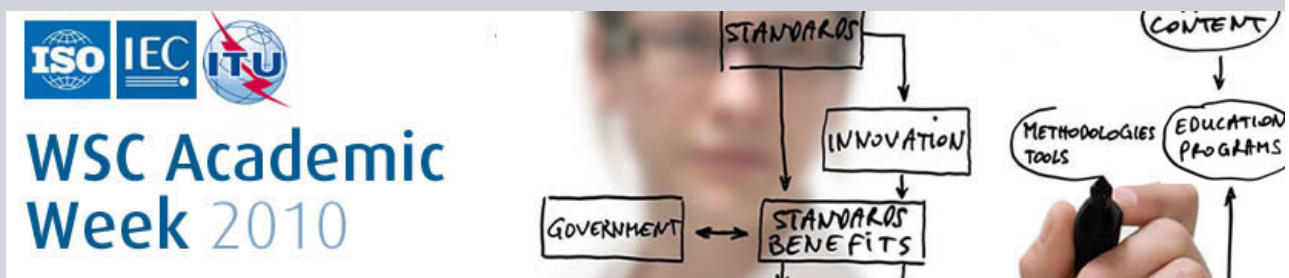


# Valuation of microeconomic benefits of standardization work in a multinational corporation

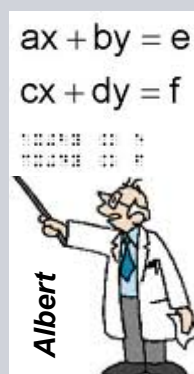
Markus Reigl  
Head Standardisation Corporate, Siemens AG



2010-07-09

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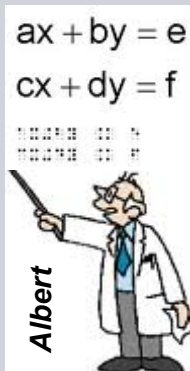
## CONTENTS



- 1 Macro Economic Science
- 2 Micro Economic Science

3 Applicable Economic Valuation Methodology





**1** Macro  
Economic  
Research

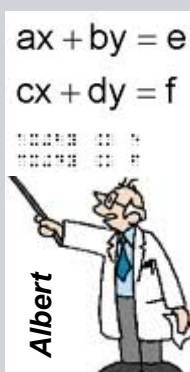
Swann, Temple, Sharmer (UK, 1996)

**Blind, Grupp (DIN-Study, 2000)**

- Focus on
  - 1) Standards & Innovation
  - 2) Standards & Foreign Trade
- Methodology
  - a) Thesis build in ME Theories
  - b) Verification by Maths
- Result

Overall benefit for national economy roughly 32“DM (in 1998 figures)

  - 16“ € in 1998
  - 26“ € in 2008 (1% of GDP)
- Recommendation
  - a) Focus in international Stds.
  - b) Closer associate R&D with Stds.



**2** Micro  
Economic  
Research

Forrell, Aloner (US, 1985)

**Blum, Töpfer, Eickhoff, Junginger, et. al., (DIN-Study, 2000)**

- Theories
  - 1) eco of household & competition
  - 2) asymmetrical information
  - 3) market imperfection
  - 4) adverse selection
  - 5) theory of games
  - 6) principle-agent
- Empirics
  - a) questionnaire 50q / 340p
  - b) 700 companies
- Result
  - NCO: €1. - €3' → avr. €350.
  - CS: €2' - €6' → avr. €250.



→ **Figures !**

**3** Applicable  
Economic Valuation  
Methodology

→ **Facts !**



There  
comes the Toolbox



# Toolbox contains 5 Tools



## Retrospective Mode

## Projective Mode

Tool 1: Driver Tree Analysis: structure of business levers in an S&R project

Tool 2: Time-Series Statistics

Tool 3: Cause Consequences Analysis

Tool 4: Cost Benefits Analysis

Tool 5: Investment Analysis



## Retrospective Mode

## Projective Mode

Tool 1: Driver Tree Analysis: structure of business levers in an S&R project

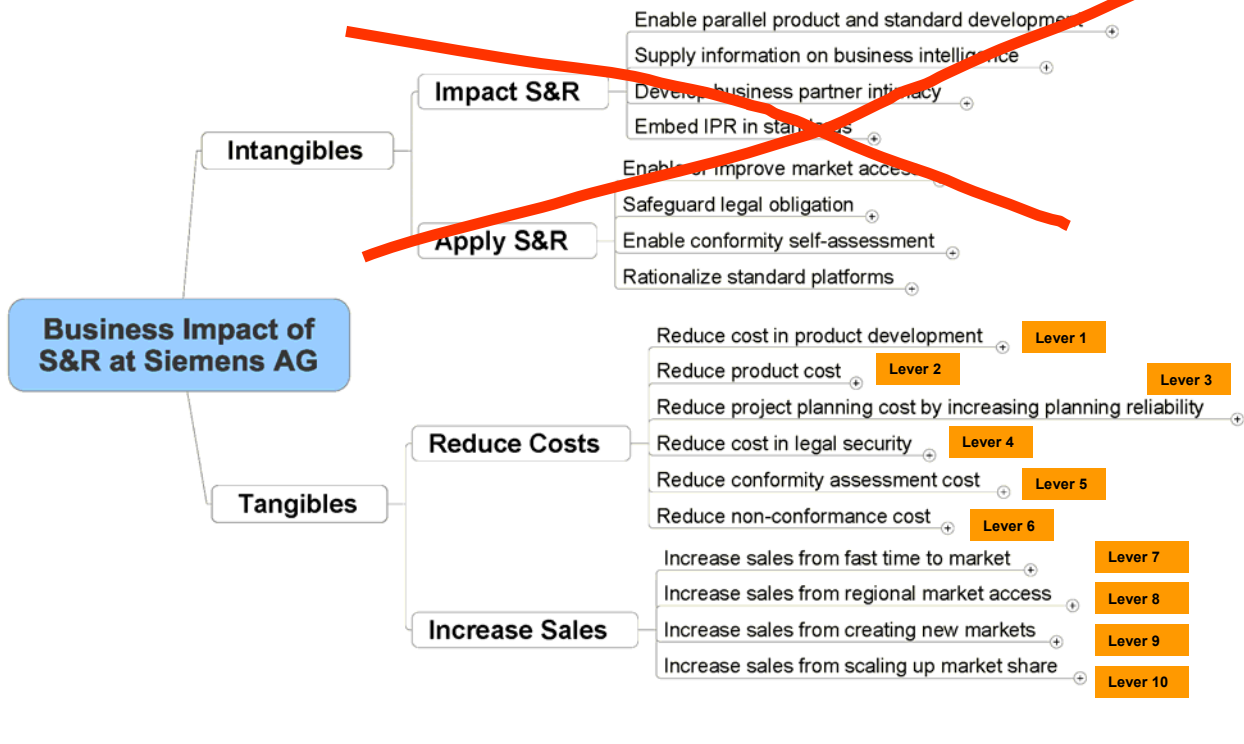
Tool 2: Time-Series Statistics

Tool 3: Cause Consequences Analysis

Tool 4: Cost Benefits Analysis

Tool 5: Investment Analysis

## Description with First-Level Details:



Driver Tree 2009 03 27.mmap - 27.03.2009 -

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### Retrospective Mode

### Projective Mode

Tool 1: Driver Tree Analysis: structure of business levers in an S&R project

Tool 2: Time-Series Statistics

Tool 3: Cause Consequences Analysis

Tool 4: Cost Benefits Analysis

Tool 5: Investment Analysis

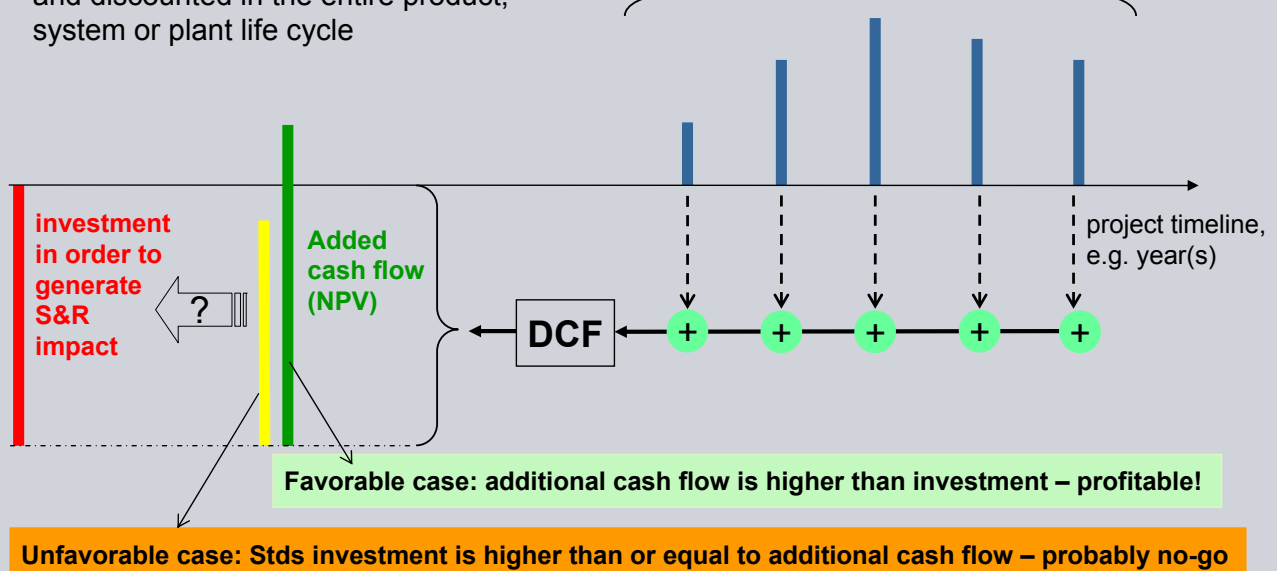


## Tool 5: Investment Analysis Principle

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**Goal:** To provide a quantitative framework that helps Stds. managers determine cost-benefits accumulated and discounted in the entire product, system or plant life cycle

Future additional free cash flow based on business activities corresponding to the products or portfolio elements



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**Valuating  
standardisation  
work just like any  
other business  
support function**

