

Siemens AG, the global technology conglomerate that today heads headquarters in both Berlin and Munich, in May 2019 announced it will spin off its energy units to focus on its digital “core.” The news has stunned many in the power sector, where Siemens has clenched a formidable presence since 1866. But restructuring at Siemens is nothing new. Restructuring milestones are marked in green. *Source: Siemens AG*

—Copy and artwork by Sonal Patel, a POWER associate editor.

1847 German inventor Werner von Siemens lays the foundation for an enterprise with his design for the pointer telegraph.

1856 Now known as “Siemens & Halske,” the company primarily builds telegraph lines and has a workforce of 330 employees.

1866 von Siemens discovers the dynamo—electric principle and builds a dynamo, which becomes ready for series production by 1875.

1890 Siemens & Halske now has 6,500 employees, and it is synonymous with electrical engineering.

1895 Siemens & Halske builds South Africa’s first power plant, a three-phase plant using generators that were one of the largest of their day.

1897 Siemens & Halske becomes a stock corporation.

1903 Siemens & Halske merges with major Nuremberg-based power plant builder Elektrizitäts-Aktiengesellschaft vorm. Schuckert & Co. (EAG), forming the Siemens-Schuckertwerke GmbH division, which is active in the high-voltage system market.

1905 Siemens & Halske establishes a “central” laboratory; it is built around 1916.

1914 Siemens & Halske consolidates nearly all manufacturing operations, centering them at a Berlin suburb that becomes known as “Siemensstadt” (Siemens City).

World War I Siemens adds military equipment to its electrical engineering portfolio, and it expands into airplane and engine development.

1919 Despite losing 40% of its capital and most of its subsidiaries and affiliated companies during the war and in its aftermath, Siemens re-emerges as one of the world’s five leading electrical engineering companies.

1920 Siemens takes on shares of Deutsche Gasglühlicht AG to form OSRAM, expanding into the incandescent lamp business.

1924 Siemens-Schuckertwerke signs an agreement with Westinghouse for the “regular exchange of patents and knowhow,” marking the start of a long partnership.

1927 Siemens starts up the first commercial Benson boiler plant at the Gartenfeld cable plant in Berlin.

1929 Siemens-Schuckertwerke completes electrification of the Irish Free State, whose main power source is the Siemens-built Ardnacrusha hydroelectric power plant.

1930 Siemens introduces a fluid circuit breaker that used water as the arc quenching medium.

1931 Siemens-Schuckertwerke starts up the 228-MW Kraftwerk West plant, its first power project at the expansive Berlin site, Siemensstadt.

1932 Siemens bundles its 1924-acquired majority stake in medical technology company Reiniger, Gebbert & Schall to form Siemens-Reiniger-Werke AG.

World War II Siemens’ revenue soars during the strong wartime economy, but it restricts military manufacturing activities to electrical goods. But labor shortages soon prompt the company to use forced labor to maintain production levels. The air war damages facilities and disrupts operations. After the war, the Soviet army dismantles all inventory, stock, goods, and confiscates technical documentation. Siemens forfeits 80% of its total worth.

1949 Munich becomes the headquarters city for Siemens & Halske and Erlangen the headquarters for Siemens Schuckertwerke.

1949 Siemens develops its first experimental gas turbine, the VM1.

1950s Siemens begins to rebuild with a renewed international focus. Large contracts, such as the 300-MW San Nicolás plant in Argentina, the national telecommunications network in Saudi Arabia, and a steel mill for India enlarge Siemens’ export business substantially.

1953 Siemens develops and patents a technique to make ultra-pure silicon for semiconductor applications—another innovation that revolutionizes electrical engineering. It also forays into the data processing market.

1957 Siemens rolls out its VM3 gas turbine with a recuperator.

1958 Siemens begins work on construction of a 5.6-MW gas turbine for commercial operation on blast-furnace gas.

1958 Siemens introduces SIMATIC, the first transistorized control system.

1959 Siemens receives its first order for construction of a gas turbine, the VM80. It begins commercial operation in 1961.

1964 Siemens introduces a 220-kV SF6 high-voltage circuit breaker.

1966 Siemens & Halske AG, Siemens Schuckertwerke AG, and Siemens-Reiniger-Werke AG are consolidated to form Siemens AG. “Greater needs for capital investments, especially in the relatively new fields of semiconductors and computer technology, made it indispensable for the entire company to run under a single management,” it said.

1969 Siemens restructures its businesses into six largely autonomous operating groups: components; data systems; power engineering; electrical installations; telecommunications; and the medical engineering group.

1974 Research at a small reactor in Munich allows Siemens to build its first nuclear plant, the 660-MW Stade nuclear plant. Two years later, it puts online the 1.2-GW Unit A at the Biblis nuclear plant.

1975 Siemens initiates the world’s first thyristor-operated long-distance HVDC transmission system, between the Cabora Bassa power plant, in what is now Mozambique and the Republic of South Africa.

1980 Siemens, which has focused on microelectronics since the 1960s, makes a successful debut in digitalizing telephone technology.

1984 Siemens launches the MEGA project to advance development of chips.

1989 Acknowledging it has become “too sprawling” to manage efficiently, Siemens restructures again, carving its eight units into 15 new, leaner units, two operating groups, and two independent divisions. Units include power generation, power transmission and distribution, and industrial and building systems.

1993 Siemens hands over the 704-MW Rye House combined cycle power plant in England, a project widely cited as a success for the emerging power generating technology.

1998 Contending with a number of missteps, Siemens’ profits for power plant equipment and other units slumps. In another extensive restructuring, the company moves to retain only businesses in which it is first or second in the global market.

1998 Siemens acquires Westinghouse’s gas turbine business.

2000 Siemens’ first 501FD gas turbine is developed in Orlando.

2001 Siemens restructures its reactor-making arm and combines its nuclear activities with French company Framatome, forming AREVA NP.

2004 Siemens acquires Bonus Energy A/S, a wind energy company founded in Denmark in 1980, which already has an installed base of 3.3 GW in 20 countries.

2005 Siemens banks on “megatrends” to drive business with a specific focus on energy, the environment, automation, infrastructure, and healthcare.

2006 A compliance investigation forces Siemens to pay penalties of €1.2 billion and prompts a widespread executive shakeup.

2007 Siemens acquires UGS Corp., a specialist in digital product data management, computer assisted design, and production process simulation, propelling Siemens’ digital capabilities.

2007 Siemens Wind opens its first wind turbine blade factory in Iowa.

2008 Siemens restructures again, regrouping its 10 groups into three sectors, and 15 divisions. The energy sector concentrates on energy companies in oil and gas, and it includes power generation and power transmission and distribution.

2009 Siemens completes a trial run of the SGT5-8000H at Bavaria’s Irsching 4 power plant. The gas plant is finally commissioned in 2011, achieving a then-record efficiency of 60.75%.

2009 Siemens sheds its 34% stake in AREVA NP.

2010 Siemens delivers the world’s largest, most-powerful 800-kV converter transformer, intended for a Chinese HVDC transmission segment.

2011 Siemens, which has built all 17 of Germany’s nuclear plants, announces it will quit the nuclear business as Germany embarks on a nuclear phaseout.

2014 Joe Kaeser, Siemens AG’s current CEO, unveils a long-term plan for the company: Vision 2020. It calls on Siemens to focus on electrification, automation, and digitalization. Divisions shrink from 16 to 10.

2014 Siemens acquires Rolls-Royce’s aeroderivative gas turbine and compressor businesses.

2015 Siemens buys Dresser-Rand for \$7.8 billion. Headquarters of the Energy unit, headed by Lisa Davis, are relocated to the U.S.

2016 Siemens introduces MindSphere, the cloud-based operating system for the Internet of Things.

2017 Siemens and Gamesa merge their wind businesses, boasting a 90-country portfolio for onshore and offshore wind and related services.

2018 Kaeser initiates Vision 2020+. It incorporates all divisions into three operating companies and three strategic companies. The energy businesses—including oil and gas, transmission, power generation, and distributed energy—fall under the Gas and Power company, which is headed by Davis.

2019 Marking the end of an era for the company’s long and substantial stake in the energy business, Siemens moves to spin off and give up its majority stake in the lucrative Gas and Power company and transfer its current majority 59% stake in Siemens-Gamesa to the new business in 2020.