

A Coordinated Approach

An Interview with Ken Cornelius,
Siemens Infrastructure & Cities Sector Head of the Global Center of Competence, Americas

EDITORS' NOTE Ken Cornelius began his Siemens career as a sales representative in 1977 and has held numerous sales, marketing, and senior management positions, most recently as President and Chief Executive Officer of Siemens One, a division of Siemens Corporation. He was named to his current position in 2012. Cornelius currently serves on the board of directors of the Metro Atlanta Chamber of Commerce and the Georgia Chamber of Commerce. As the Siemens City Ambassador for Metro Atlanta, he regularly meets with leaders in the civic, governmental, and nonprofit sectors.



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COMPANY BRIEF With its U.S. corporate headquarters in Washington, D.C., Siemens (www.usa.siemens.com) employs more than 60,000 people in the United States. With global headquarters in Munich, Siemens is one of the world's largest electronics and engineering companies. Founded over 165 years ago, the company employs approximately 360,000 people in 190 countries and provides solutions for more affordable and efficient health care. The growing demands of cities and the nation's infrastructure needs cleaner sources of energy production and industrial productivity. The Center of Competence Cities team is responsible for business and solutions development, as well as partnerships, to enable Siemens to help cities solve the problems they face today and in the future.

What role does Siemens' Center of Competence Cities play within the larger Siemens organization?

It is the organization that pulls together all of the Siemens divisions to create a coordinated approach to large commercial customers and large government entities, be they cities, counties or states. It supports 15 or 20 different business units that often have their own sales organizations and, most of the time, they are organized based on the way their market operates.

The basic approach is similar to the Siemens One strategy that was started 12 years ago, when the company saw benefit in approaching top business executives of major

corporations and major government entities at the strategy development level and helped them identify the new, innovative technologies that might be coming down the road in subsequent years.

The approach was not just to sell products but rather to help our clients see how we envision things being resolved in the future. It was a unique way to get them to see that Siemens invests a lot of money in technology for infrastructure; we make infrastructure solutions; and

we make sure that it all incorporates the latest technology.

In the U.S. alone, Siemens invests more than \$1 billion annually in research and development.

Do these services call for a niche market?

Niche may be technically correct, but it's the biggest niche there is. We work with companies to build their own power distribution systems; we build components, like the imaging equipment in hospitals or breakers in other electrical systems for products such as printing presses or cranes.

The divisions we have are set up to take care of those people: a division makes breakers and talks with customers that buy breakers. But the niche for us is dealing with executives of large entities, be they government or private. They need to make sure that their public safety system is working in sync with their transportation system, and that it is working in sync with the power distribution and consumption.

I was talking to the Mayor of London a few months ago as we were concluding our first year of approaching cities with this, and he indicated the three most important issues for his reelection are public safety, enabling folks to get to work on time, and the environment.

Transportation is about more than just trains; it's syncing your buses and your traffic systems, and how you plan for congested areas including getting into and out of large sporting events, for example.

How customized do solutions need to be for cities? Are there some consistent issues?

The concerns of the citizens are pretty much the same across the board: public safety, keeping the cost of living down, transportation, and the environment. However, there are differences as well.

For example, in Atlanta we have fewer people per square mile and there are no natural barriers so you can build cheaply the further out you go.

New York seems expensive to operate as a city but it actually has one of the lowest costs per person from an overall city infrastructure standpoint because the density is so high.

Twenty years ago, it was popular to move out to the suburbs. Now people want a walkable, livable way of life and New York is the most walkable and livable city in the world; Paris and London are close behind.

In terms of the financial pressures on city and state government, is significant spending still going on and is enough being done to address these issues?

Even if you cut the spending by 10 or 20 percent, you're still spending a lot. The problem is that a lot of the spending is politically motivated: If you reduce expenses, you could negatively impact jobs. There is a lot of reluctance to put in cost-saving programs that may reduce jobs.

But if you believe in the history of free markets, in the long term, you're better off having a healthy city with higher skilled employees who will, in turn, invest money in the future that will show returns in higher tech, sustainable jobs.

Do young people understand the type of careers offered in infrastructure development?

They're beginning to. With all of the discussion around STEM, there is an awareness infiltrating the education system; even elementary school teachers are starting to talk to their students about it.

This trend is taking over in places like New York where there is strong leadership and communication, and a lot of money is spent on this issue.

What is it about New York that makes it work so well?

There is a unique bond between New Yorkers and their city. Everybody is proud of how the city works and how it is viewed by people from around the world. New Yorkers take great pride in their city, so if something is wrong, they work hard to fix it. ●