



SIEMENS



Smarter decisions...better products.

Siemens PLM Software – the quality approach

www.siemens.com/plm

Siemens PLM Software's quality commitment

To our customers,
Market leaders must innovate relentlessly. At Siemens PLM Software, we believe that effective product lifecycle management (PLM) is today's most powerful foundation for facilitating product and process innovation on a global scale.

Quality is essential to enabling you – and customers like you – to realize the innovative advantages of PLM and deliver real-world business value through global innovation networks. Quality and innovation work hand in hand; they facilitate excellence, improve your business processes and increase your operational efficiency.

Quality is about driving improvement today, tomorrow and far into the future. Quality enables you to meet or beat your expectations each and every time you interact with our products and leverage our services. "Never let a customer fail" is our company's mantra and the founding principle that drives our approach to quality.

Siemens PLM Software is organizationally, systematically and repeatedly dedicated to helping you succeed. We are committed to delivering quality products and services that meet your requirements and expectations. This dedication is extended by continuous improvement programs that are rigorously applied to gather user feedback, introduce imaginative new technology and enhance our product, service and support offerings.

We call our quality program the Siemens PLM Software Business Management System. It complies with the quality-based principles found in ISO 9000. We use these principles throughout our company's management processes, best practices and continuous improvement programs to meet your needs and expectations.

We embed these quality principles each and every day as we partner with you and all of our other customers to transform the process of innovation. We use the same principles ourselves to transform and continuously improve our own process of innovation.

Siemens PLM Software never lets its customers fail. As PLM's visionary leader, we demonstrate value and promise to our customers by providing measurable business growth through innovation.

I hope that this brochure will help you see how strongly these commitments matter to us and how they translate into the products and services that we provide.

Sincerely,



Tony Affuso
Chairman and CEO,
Siemens PLM Software

Value and promise

Siemens PLM Software's standards-based quality program is driven by a commitment to excellence and the realization that quality depends entirely on each customer's individual definition of success and our ability to meet these expectations and requirements.

These principles are summarized in our company's mantra "never let a customer fail." Siemens PLM Software operates under a formal quality policy that commits us to "continual improvement with the purpose of constantly increasing the value of the products and services provided to our customers."



Proven results

"One of the keys to maintaining our reputation is to develop relationships with suppliers who adhere to the same principles of quality in products and services."

JCB

Siemens PLM Software's commitment to quality is reflected in our promise to never let a customer fail.

Our quality vision is "Siemens stands for world class quality." This vision of quality is based on the following principles:

- Quality is determined by our customers
- Quality means understanding and exceeding customer expectations
- Quality starts at the top
- Quality is a value embraced by all employees
- Quality needs to be integrated into products and processes at an early stage
- Quality is a matter of measurement and transparency
- Quality needs continuous improvement

As the industry's visionary leader in product lifecycle management (PLM), Siemens applies best practices and management principles that enable its customers to meaningfully and measurably grow their businesses through product and process innovation.

Since 1996, Siemens PLM Software has used the ISO 9000 standard as a basis for establishing the Business Management System (BMS), which the company uses to develop, maintain and continuously improve the quality of its products and

services. We demonstrate our quality credentials through the independent third-party certification of the Business Management System under the ISO 9001:2008 international standard.

Siemens PLM Software uses the TickIT interpretation of the ISO 9001 standard for our certification (TickIT is the international quality management standard for the software industry based on ISO 9001).

Siemens PLM Software embraces eight key principles to drive the Business Management System and define the leadership behaviors that the company expects from all of its employees.

Ensuring an excellent customer experience is central to these management principles – as well as to the metrics that we embed throughout our operations to quantitatively understand customer needs and measure our effectiveness in meeting these requirements on a day-to-day basis.

Siemens PLM Software management principles determine our ability to meet the world's highest quality standards, as established by industry's most exacting product makers.

Scope of Siemens PLM Software's ISO 9000 commitment

Proven results

“Boeing encourages all of our suppliers to improve the quality of internal processes, as evidenced by an ISO 9000 registration. We congratulate (Siemens) on this accomplishment.”

Boeing Military Aircraft and Missile Systems Division

The scope of Siemens PLM Software's ISO 9001:2008 registration illustrates our commitment to addressing quality across all of our organizations and programs. No part is exempt from deploying effective processes that meet the standard's objectives and requirements.

Siemens PLM Software's scope of registration is truly global, covering all of its operations including its product development, sales, marketing, support and services organizations. The software development processes that we implement across all of our product lines – including our NX™, Teamcenter®, Velocity Series™, Solid Edge®, Tecnomatix® and PLM Components software – are certified as

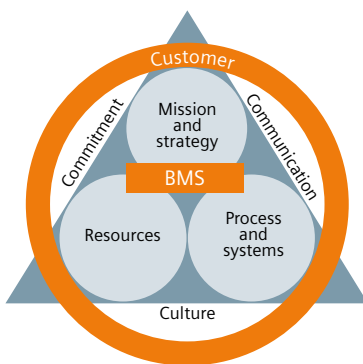
meeting the requirements of the ISO 9001: 2008 standard. As of mid-2011 (May 2011), certification extends to 50 Siemens offices in 22 countries.

As part of the requirements to ISO 9001:2008, Siemens PLM Software undergoes a thorough and extensive program of audits that includes both external and internal assessments. Annually, this program includes 50 or more days of external assessment – approximately 80 percent of days are focused on the our software development organization. Our level of internal auditing consistently brings the total number of audit days to in excess of 140.



Our scope of certification includes sales, marketing and professional services (installation, implementation, consultancy, training and support) for the NX, Tecnomatix, Velocity Series, Teamcenter and PLM Components products. It also covers the provision of our operations services (customer services, distribution services, educational services, product support, internal support services) and development of internal information systems. In addition, our scope of certification reflects the software development, maintenance, product marketing and vendor relationship activities for our NX, Tecnomatix, Velocity Series, Teamcenter and PLM Components products.

Customer focus



The Siemens Business Management System incorporates three key operational components – mission and strategy, process and systems, and resources – that are managed within the context of Siemens PLM Software’s 3 Cs – culture, commitment and communication. The integrated nature of these components directly influences our ability to deliver quality products and services. In addition, the voice of the customer surrounds every aspect of the Business Management System, providing the single most important driving force behind our quality program.

Siemens PLM Software involves its customers in its quality program by capturing, tracking and leveraging their opinions and requirements across every phase in our product lifecycle. For Siemens PLM Software, customer loyalty isn’t the only thing, it is everything.

Customer focus is the unifying theme that underpins our business practices and the Business Management System (BMS) that drives our quality improvement program. Our customers define quality each and every day in the way they view our products, use these products to empower their innovation and interact with our service and support organizations to improve the productivity of their user communities.

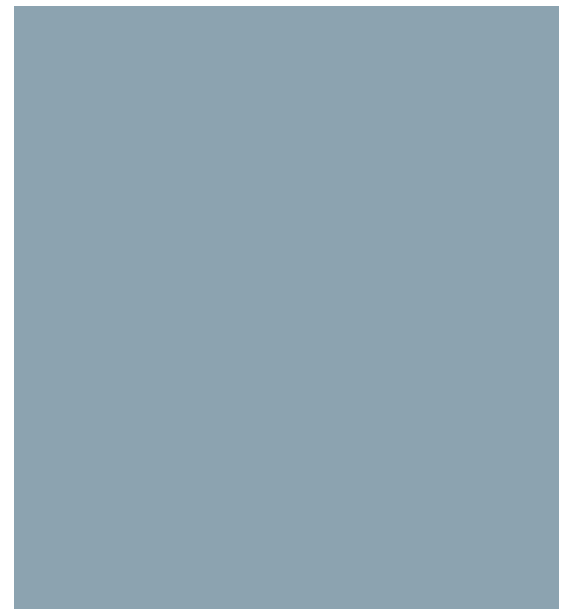
Today’s customers purchase products and services based on their perceived value. Most customers measure expected benefits and choose products and experiences that provide them with superior value. With this in mind, we define quality as customer-perceived value.

Siemens PLM Software’s ability to understand and meet customer requirements is crucial to delivering this value. The principles that underlie the Business Management System start with the following premise:

Siemens PLM Software regards customer requirements and their value perceptions as key business drivers that directly influence product design and direction.

Once those requirements and perceptions are known, we translate these values into metrics (i.e., hard data) that we can use to improve our processes and constantly update and address these issues across every stage in our product lifecycle. This approach is manifested in a second guiding premise:

At Siemens PLM Software, we maintain an active, company-wide quality program to ensure that quality performance is actually achieved.



Siemens PLM Software relies on two key elements to address these premises:

- A synergistic Business Management System that fosters continuous customer focus by enabling multiple business-related factors to work together to facilitate the delivery of quality products and services.
- The ability of our management principles to facilitate six key quality results (as summarized in the accompanying table)

Siemens PLM Software uses a balanced scorecard to track business financials, customer loyalty, employee engagement and market metrics and provides executive-level insight into our business performance. Siemens PLM Software’s Business Performance Dashboard (BPD) allows executives to view a live barometer of our entire business. This tool reflects built-in data quality metrics, including quality indices that can be monitored for continual improvement.

How Siemens PLM Software delivers business results

BMS attribute	Approach
Customer involvement	Understanding what is important to our customers and listening to their feedback
Fact-based decision making	Basing decisions on facts and using quality tools to fix problems constructively
Preventive action	Anticipating and addressing potential problems before they arise
Corrective action	Determining a problem’s root cause instead of concentrating solely on its symptoms
Continual improvement	Checking to ensure that our corrective actions actually work and incorporating that verified action as a new best practice
Metrics-driven requirements management	Measuring product success against quantitative customer requirements and expectations

Customer loyalty and customer feedback



As part of its customer communication process, Siemens PLM Software annually conducts the Voice of the Customer Survey to collect customer feedback on Siemens products and services. Customer feedback is an essential component in our continual improvement initiative, enabling our company to understand what issues are important to our customer base – and to improve the performance of our global operations on a focused basis.

While the measurement of customer satisfaction continues to be a high priority, we made a conscious decision in 2005 to extend our customer commitment by focusing on the higher form of customer engagement that drives customer loyalty.

With this focus firmly in mind, we seek feedback from a sample of customers and share the survey's results with our management teams around the globe. These management reviews generate action items that are defined and tracked in our Voice of the Customer Action Management (VOCAM) system.

Action ID	Status	Priority	Assigned To	Due Date
00000001	Open	High	LVR	2008-08-08
00000002	Open	Medium	SE	2008-08-08
00000003	Open	Low	M	2008-08-08

The status of every VOCAM action is reviewed by Siemens PLM Software executives monthly. This level of attention demonstrates our commitment to a metrics-driven quality program that focuses on improving the customer experience.

The extended Voice of the Customer Survey enables customers to provide invaluable feedback that we can use to drive our improvement initiatives.

In addition, Siemens PLM Software supports global charity and encourages survey participation by making charitable donations based upon customer participation.

We also collect real-time feedback from customers using another web-based tool – our Customer Feedback System. This system, enables customers to enter both compliments and complaints. Once input, feedback is immediately routed to appropriate management responsible for the product or service in question. Further escalation or reassignment occurs when necessary. For complaints, a corrective action process is put into place. Status and responses are recorded so that customers can access current and past feedback.

The Customer Feedback System can be accessed through the Siemens PLM Software homepage, as well as through the GTAC Customer Support page or directly at <http://webtac.industrysoftware.automation.siemens.com/feedback/>

Customer involvement

Siemens PLM Software recognizes that its business success is dependent on the success of its customers' product and service-related experiences. Our business principles and quality program enhance the effectiveness and quality of these delivery experiences through continual monitoring, process manage

ment improvement, the systematic capture of customer feedback and experience-related measurement and analysis.

We directly involve our customers in these practices through the implementation of best practices described in the accompanying table.

Siemens customer involvement practices

Siemens PLM Software practice	Customer value
Customer involvement process	Process that identifies customer requests for specific product enhancements
Help Desk surveys	Feedback that indicates how Siemens PLM Software is dealing with issues raised by the customer base
Voice of the Customer surveys	Annual customer feedback survey
Customer Feedback System	Mechanism to receive, manage and take action with respect to individual compliments and complaints
Product testing	Systematic and repeatable process that's used to test and validate product releases
PLM World	Independent non-profit organization that provides customers with an open forum for exchanging ideas with our product development organization
GTAC	The Siemens PLM Software organization that provides technical support for the application and operating system needs of the customers
Joint application development (JAD)	Framework that we use to collaborate with our customers and to understand how real-world business development (JAD) requirements drive functional and design requirements for our software products



Product quality



Siemens PLM Software designs and builds quality into its solutions at every step in the software development lifecycle, which is comprised of the following formal stages.

- Requirements definition
- Prototyping (optional)
- Functional specification
- Design specification
- Implementation (coding)
- Pre/post integration testing
- Release integration/user documentation
- Final product validation

Siemens PLM Software enables the production of quality products by using project management tools to plan, direct and control project execution. A project plan documents the project's milestones, including the completion of every step in the software development lifecycle. Ongoing management reviews ensure that milestones are completed in accordance with the original project plan – and that changes in the project's content, resources or delivery schedules remain consistent with the quality specifications defined by the project specification and test plan.

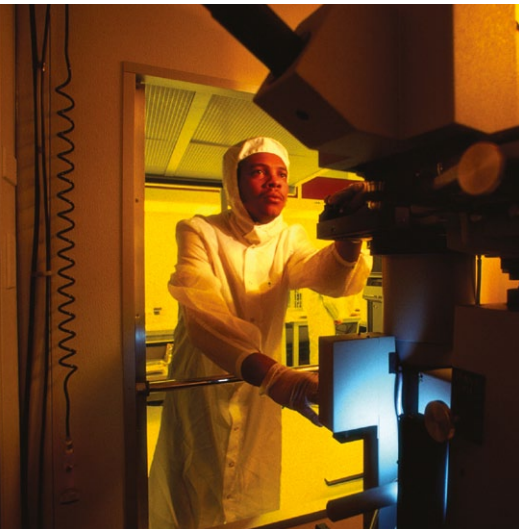
Tests and appropriate reviews are performed at every stage in the software development lifecycle. During the requirements definition and functional specification stages, reviewers include trusted customers, as well as Siemens PLM Software's own developers and application engineers. During the design specification stage, reviews are performed by senior Siemens PLM Software technical analysts.

Our test plans also include extensive testing throughout the implementation and release integration stages. Customers are engaged in product validation prior to production release through such customer involvement activities as joint application development meetings, alpha testing and beta testing procedures.

Siemens PLM Software automates product testing whenever possible. It also employs testing practices that simulate real-world system use, including the repeatable and systematic execution of project software on multiple platforms during the implementation and integration stages. Siemens maintains a large suite of customer parts for testing new functionality, as well as for performing regression tests.

We compliment our automated testing procedures with systems testing performed by our application engineers and development specialists. Our system testers rate every new release with respect to key quality considerations, including compatibility of data and programs from previous production releases, functionality, usability, reliability and performance.

Our software releases reflect continual quality improvement. We regularly track software metrics that demonstrate progress toward these improvement goals. We integrate enhancement projects into its product releases to maintain consistent quality and eliminate regression. We implement a rigorous problem reporting system to regularly address high priority issues raised by our customer base.

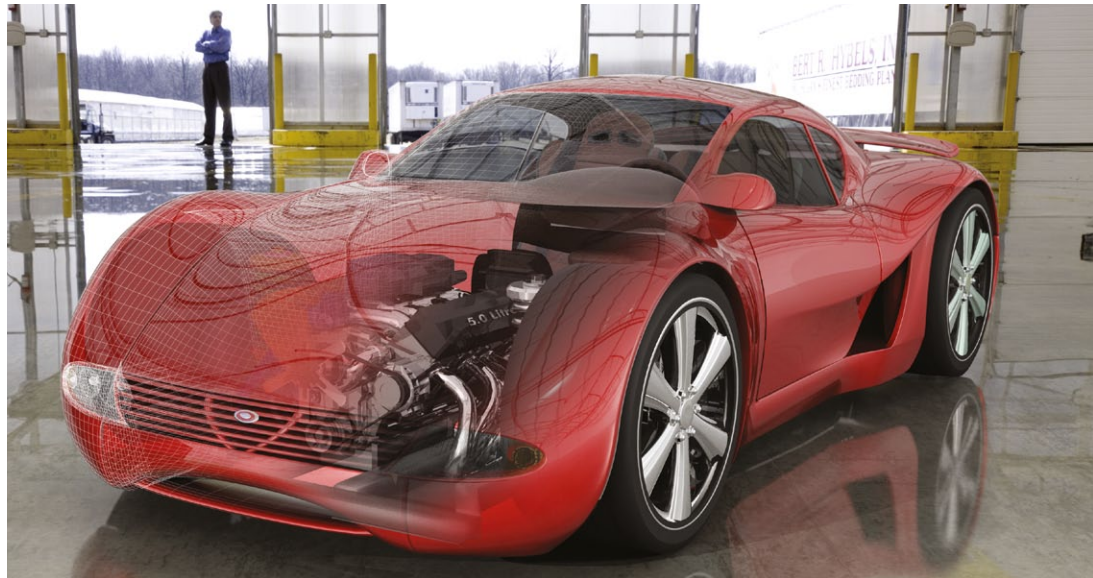


Siemens PLM Software's culture of quality

Proven results

"(Siemens PLM Software) is among an elite group of suppliers selected by GM that drive to be world class and exceed GM's expectations in quality, service, technology and price, and the only IT supplier to be honored."

General Motors Supplier of the Year ceremony



Proven results

"We are proud to honor (Siemens PLM Software) as one of the 'Best of the Best' GM suppliers in 2006. (Siemens PLM Software) achieved the award based on outstanding performance in 2006. We appreciate their energy, hard work and dedication to the success of GM."

General Motors Supplier of the Year ceremony

Siemens PLM Software received Ford's Q1 Certification, which represents Ford's highest supplier rating. Recognized worldwide as an indicator of exceptional quality, the Q1 Certification required that Siemens PLM Software:

- Meet and exceed the performance rating required by Ford's internal customer surveys
- Prove ISO 9001:2008 certification and provide continual assessment at key sites
- Provide validation of an effective quality operating system/quality management system (thereby complying with Ford's QOS/QMS program)
- Sponsor Q1 Certification annually at key Ford internal customer sites

Values established by Siemens PLM Software’s culture of quality

Value

Siemens PLM Software activity

Responsible:
Committing to ethical and responsible actions

Siemens PLM Software is determined to meet – and wherever possible, exceed – all legal and ethical requirements. Our responsibility is to conduct all business according to the highest professional and ethical standards and practices: there must be no tolerance for noncompliant behavior.

The principles related to “responsible” serve as the compass by which we navigate our way through our business decisions. We also encourage business partners, suppliers and other stakeholders to adopt a similar standard of ethical behavior.

Excellent:
Achieving high performance and excellent results

Siemens PLM Software sets ambitious targets – derived from our vision and verified by benchmarks – and give our all to achieve them. We stand beside our customers in the search for perfect quality, generating solutions that exceed expectations.

Excellence demands we define a path of continuous improvement, constantly challenging existing processes. It also requires us to embrace change so we are in the right place when new opportunities appear. Excellence also means attracting the best talent in the marketplace and giving our people the skills and opportunities they need to become high-achievers. We are committed to living a high-performance culture.

Innovative:
Being innovative to create sustainable value

Innovation is a cornerstone of Siemens PLM Software’s success. We closely align R&D activities with business strategy, hold key patents and have a strong position in both established and emerging technologies. Our goal is to be a trend setter in all of our businesses.

We unlock the energy and creativity of our employees, embracing the new and different. We are also ingenious and embrace this quality in all its varied meanings – original, inventive and resourceful.

We are entrepreneurs whose innovations are successful on a global scale. We measure the success of our innovations by our customers’ success. We constantly renew our portfolio to provide answers to society’s most vital challenges, enabling us to create sustainable value.

Siemens PLM Software has a long history of a quality culture in which quality-related values and skill sets are established and promulgated across its global operations.

As a business unit of Siemens, Siemens PLM Software is able to continue its cultural focus on quality while leveraging the 160 years of quality-focused tradition within Siemens.

Siemens PLM Software embeds quality within its processes. Quality aligns with each of our three core values: Responsible, Excellent and Innovative. Quality is more than just providing “a quality product”. Quality is a focus on understanding and meeting or exceeding customer needs, driving effective processes and seeking continual improvement. This focus drives the success of Siemens PLM Software.

Siemens PLM Software’s quality strategy focuses on:

- Excellent processes for quality
- Quality controlling
- Quality mindset and outstanding capabilities
- Leadership for quality

These categories are measured systematically, assessed for maturity and leveraged as the basis for the initiatives we adopt to ensure continual performance improvement.

Siemens Industry Software

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About Siemens PLM Software

Siemens PLM Software, a business unit of the Siemens Industry Automation Division, is a leading global provider of product lifecycle management (PLM) software and services with 7 million licensed seats and 71,000 customers worldwide. Headquartered in Plano, Texas, Siemens PLM Software works collaboratively with companies to deliver open solutions that help them turn more ideas into successful products. For more information on Siemens PLM Software products and services, visit www.siemens.com/plm.

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