

SIEMENS

A Request for Proposals

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Global Website Development for the Siemens Private Communication Systems Group

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Siemens Private Communication Systems Group (PN), based in Munich, Germany, provides communications products, solutions, and services to consumers, businesses, and institutions in more than 160 countries. Fiscal 1997 sales exceeded DM 11.1 billion (approximately US \$9.15 billion). PN is part of the communications segment of Siemens AG, a global enterprise with DM 106 billion in 1997 sales.

PN seeks outside expertise to help overhaul its Worldwide Web and Internet presence to deliver additional value to customers, third-parties, and all other stakeholders around the world. We aim to realize the Internet's full potential to:

- Cultivate existing customer and third-party relationships
- Pursue new customers
- Support and enhance the Siemens brand and product subbrands
- Extend our international market presence
- Conduct cost-effective online commerce

Our intent is to build a long-term, strategic agency relationship that extends beyond project work and helps us consistently exceed the rising Internet expectations of the market as well as of PN's internal business units and international affiliate companies.

Response deadline & timeline

We look forward to a response from interested agencies in a Microsoft Word 6.0 (PC-version) file sent via email to bill.makley@siemenscom.com **by 6 p.m., CET, Monday, 26.January, 1998.**

The next step will be to schedule a three-hour agency presentation in Munich, 4-6 February. We will announce our decision no later than 16 February. We hope to begin working with the successful candidate as soon as possible thereafter – aiming for a new, first-phase content organization and home page design by 19.March, the opening of the 1998 CeBIT trade fair.

If you have any questions, please direct them to Bill Makley via email or voice contact.

Company background

PN has nearly 34,000 employees worldwide (16,600 in Germany) serving more than one million enterprise customers in over 160 countries. We develop and manufacture our products in Europe, the United States, China, and Latin America.

The Siemens Private Communication Systems Group (PN) is part of the Communications business segment of Siemens AG, a global enterprise with DM 106 billion in fiscal 1997 revenues. PN's companion companies are Siemens Public Communication Networks (OEN) Group and Defence Electronics, with respective 1997 sales of DM 14.5 billion and DM 1.5 billion.

As stated on the previous page, PN's 1997 revenues were DM 11.1 billion, or about US \$9.15 billion -- up from 1996 revenues of DM 8.6 billion. The goal for 2001 is DM 16.8 billion -- with an increasingly greater profit contribution to Siemens AG along the way. An effective online business model can help the company achieve this goal.

In addition to PN's own direct sales force in Germany (jointly with OEN), we have independent operating companies or joint ventures in the U.S., Great Britain, Belgium, Italy, Spain, China, and India. We otherwise operate through Siemens AG companies in other nations. Global customers include IBM, Ford, and SmithKline Beecham.

While we focus mostly on direct sales channels to maintain close customer contact, we have also developed indirect sales channels through the PTTs, distributors, and special dealer networks to extend our market reach.

Our primary markets are: (1) enterprises (including corporations, institutions, and governments), for voice and data networks; and (2) consumers, for personal communications.

The following categories of products and solutions (with 1996 percentage breakouts) largely address the enterprise market, although communication terminals, such as desktop and mobile phones as well as fax machines, also address the consumer market.

The product and solution groupings are:

- Small and medium-size communication systems (22%)
- Large communication systems and networks (37%)
- Communication terminals (32%)
- Applications of communications technologies such as messaging (e.g. PhoneMail), videoconferencing, and call centers (9%)
- Networking systems, which meets the demand for voice/data integration (N/A)

In the enterprise systems and terminals business, margins are falling or flat, while growth in market demand is slight at best. PN's systems business under fire not only from traditional competitive sources such as Lucent Technologies, Nortel, and other firms, but also from new competitive technologies, such as PC/LAN-based technologies.

One key competitive distinction of Siemens PN is its global service and support. Siemens has enormous investments in a worldwide service and support infrastructure, which helps generate substantial yearly revenue. For our global customers, it means a "single face" for service and support anywhere in the world.

PN's corporate vision of "Communications Unlimited" has two goals: (1) becoming "The Global SystemHouse for Communication" for our business-to-business customers and (2) becoming "The Global Brand Name in Personal Communication" for consumers seeking personal communications solutions.

Going forward, PN is focusing resources on areas of applications, such as multimedia messaging and call centers as well as networking -- areas which offer greater growth and higher margins. In these areas, we find increasing opportunities to work together with another large Siemens company, Siemens Nixdorf Informationssysteme AG.

We are also focusing sales efforts on specific customer segments such as health care, financial services, retail, and so forth. Wherever possible, too, we attempt to realize synergies with other Siemens business segments. At a new Florida medical center, for example, Siemens provided lighting, medical imaging, and communications, with all three Siemens companies working closely together.

For more information, please consult our website at www.siemens.de/pn.

PN WWW situation and vision

PN's current website is primarily a publishing model residing as a directory on the Munich UNIX server that hosts the Siemens AG corporate website (www.siemens.de). It offers a wide range of content in both Deutsche and English. Interactivity is limited.

The content has been challenging to organize, given the complexities of the telecommunications business, the wide range of PN's market offerings and customer sets, and PN's varied business structures that exist worldwide.

Overall, the content's bias is toward company and product information, not user or customer needs. To meet customer and prospect's information needs, however, Germany's direct sales organization (serving both PN and OEN companies) has invested considerable thought and resources into a page set available at www.siemens.de/systemhaus.

Visitors to PN's web pages can come from a variety of sources, such as directly from the Internet, from partner sites, from within the Siemens corporate site, from any page set or directory of other Siemens companies, or from the independent websites of other Siemens companies worldwide.

For the most part, PN's pages comply with the corporate design standards set forth by the Siemens AG corporate communications group. However, inconsistencies exist that are due in part to separate internal business units or functions either creating their own pages or contracting separately with PN's incumbent web agency for page design and content development.

In late January, Siemens AG will assume the *siemens.com* domain name from its U.S. holding company. It will also begin managing its server's web pages -- including PN's pages -- via a proprietary, Informix-based publishing engine (OPS) licensed from its web agency, PixelPark (Berlin).

We have been assured that the cut-over will be transparent, and will continue hosting our web pages there until better alternatives become available. Our plan is to use the OPS as publishing tool and expect our selected agency to work with that tool, as well, unless compelling economic or technical reasons come forward for proceeding on another path.

In addition to the PN website, you can find Siemens telecommunications information of various depth in countries outside of Germany in the table of Siemens websites on that follows. You should review these sites to understand the inconsistencies that prevail today.

Austria
www.siemens.at/

Belgium
www.siemens.be/

China
www.siemens.de/china/

Finland
www.siemens.fi/s/20fa.htm
www.siemens.fi/pn/index.htm

Germany – PN & OEN sales channel
www.siemens.de/systemhaus

Italy
www.italtel.it/

Sweden
www.siemens.se/

Switzerland
www.siemens.ch/

U.S. - Siemens Business Communication Systems
www.siemenscom.com

U.S. - Siemens Wireless Terminals
www.siemens-wireless.com

You should also visit the Siemens AG corporate website at www.siemens.de as well as our peer Siemens communications company, Public Communication Networks, at www.siemens.de/oen.

Our vision is to unify PN's corporate web content and functionality as described in our 3- and 12-month goals (on the next page) under a single global framework – in Deutsche and English – hosted on regional mirrored servers for optimal performance and minimal latency.

We aim to build a system smart enough to implement 1:1 marketing as much as possible and across as many target user segments as possible. We also want to make as transparent as possible any division between Siemens (and its other business segments) and the Private Communication Systems Group.

One overarching goal of the global/local approach is, with our agency's help, to create a web "solution" that is so compelling that local countries will buy into the concept with little selling on our part. We will recommend that they link to our web content and functionality rather than produce their own. If they want to localize any content, we will refer them to our agency for that service.

We expect also to set up secure extranets and/or virtual private networks between PN and our largest customers, channels, vendors, and development partners. In many cases, we will only provide the platform for those extranets to the PN "owners" of these constituents, but will seek technical advice from our agency on setting them up and developing their content and functionality.

One extranet in particular that we would like to establish as soon as possible is one that enables customer self-service for answering technical questions as well as creating and tracking trouble-tickets.

Last, we want to establish electronic commerce in both enterprise and consumer markets as soon as possible. In both cases we need to minimize channel conflicts. Already, some retail channel initiatives are underway as are some other electronic commerce initiatives using models of Electronic Data Interchange and Electronic Funds Transfer.

PN's Strategic Marketing group, headed by Vice President Gerald Odoj, will be fully responsible for the agency relationship, with Bill Makley, as Global Manager, Electronic Information & Commerce Services, directing those responsibilities on a day-to-day basis. Odoj works out of PN's world headquarters in Munich, Germany, while Makley works out of PN's North American headquarters at Siemens Business Communication Systems in Santa Clara, California.

Our goals

Within 3 months...

1. Improve navigability, usability, design, and overall value of the company's current website content, providing a more personalized, user-oriented experience for our site visitors.
2. Develop a global technical strategy, architecture, and plan that will support international localization, multilingual publishing, automated web content management, secure extranets among our largest/most valued constituents, and the long-term goals below.
3. Identify benchmarks to gauge cost-effectiveness of WWW investments and use them to create a system for ongoing evaluation.

Within 12 months...

1. Implement the global architecture and migrate PN's multiple WWW sites that currently exist throughout the world.
2. Provide global support of total customer care, offering our installed base with fast information access; customized site views; interactive database marketing; training, forums and email support; partner/channel support; and secure electronic transactions.
3. Via electronic transactions, serve a range of constituents, such as enterprise customers, consumers and their market channels, and third-party partners. Among the online transactions we envision are ordering, order tracking, software/patch delivery, trouble-ticket entry, trouble-ticket tracking, training enrollment and invoicing, and self-help via case-based reasoning.

Agency Requirements

PN understands that the use of e-mail and the Internet's World Wide Web varies around the world, with its greatest concentration in developed countries, especially in the U.S. However, we believe that customer and market expectations as well as economics and competition will quickly drive the transformation of the Web from today's predominant publishing model to one providing total customer care in nearly all countries where we do business.

To help us understand the calculus of these drivers and stay ahead of them, the ideal outside agency will offer the following attributes:

1. Interactive marketing experience – especially in both consumer and capital goods – with the demonstrated ability to integrate electronic media with other marketing channels and programs (telecommunications client experience is a plus);
2. Good creativity and excellent, efficient design, focused on an optimized 1:1 user experience;
3. Exceptional technical expertise, capable of implementing today's best-of-breed technologies, including dynamic, database publishing, and to evaluate and put into practice emerging technologies;
4. Strategic outlook, with evidence of excellence in tactical execution;
5. Global reach, to effect a local point-of-presence but within a consistent worldwide framework;
6. Electronic commerce experience and capabilities;
7. Excellent business sense, with an eye on maximizing client's investment returns;

Selection Criteria

We will make our decision based on these criteria (approximately percentage-weighted):

1. **Response to the attached questionnaire (25%)** – This three-part survey will help us evaluate your agency's capabilities against other candidates.
2. **Sample client sites and references (20%)** – We will look here to see what you have done for your clients to date. We will also ask to call some of your clients to discuss their satisfaction with your work. The questionnaire will ask for client samples and URLs. Feel free to suggest other examples, as well.
3. **Proposal for a global PN website (40%)** – We expect this response to address our 3-month goals and be based on what you learned here in this RFP and from your independent investigation of our business and current web content. Please address each goal separately and include approximate costs for your time and resources.

For the site overhaul, please describe a global approach based on the PixelPark OPS and the Dynamic Internet Communication Model described in the slide set and include costs not only for planning and executing the new information structure, but also for sustaining it. (While we are not "price-shopping" per se, we need to know the investments needed to get a new site going and to keep it going.) Also, suggest a migration strategy and timeline for moving efficiently from today's status to this new model.

Last, we mentioned the need for a "first-phase" home page design and content organization by CeBIT's opening, 19.March. Please offer a concept and cost for doing this work.

4. **Quality of your capabilities presentation to us (15%)** – We will look for validation of what we have learned about your agency through your response to our questionnaire as well as any additional qualities that will inform our selection process. Also, we aim to gain more understanding of how your agency works best with clients, in general, and with us, specifically, if we choose to work together.

Internet Agency Questionnaire

Please answer the following questions. You do not have to reply on this document and can extend its format to whatever length you need to provide adequate space for your response. Keep your responses in the same sequence as these questions, however. If you do not have a response for a particular question or table, please still include the question in your response and mark the item with "N/A."

Your Agency Name:

Contact Name:

Contact Information:

1. Agency Overview

- 1.1. What is your agency's strategic vision for clients in general? What is its strategic vision of using the Internet for marketing and commerce purposes?
- 1.2. Please provide the following agency information:
 - 1.2.1. WWW client list (include URLs and indicate if you did entire site or what part of their site was your agency's responsibility)
 - 1.2.2. Current overall agency billings, with WWW/Internet-related billings broken out
 - 1.2.3. Accounts won/lost in the past two years and why
 - 1.2.4. Total number of employees and their functional distribution within your organization
- 1.3. Please indicate your most important international WWW accounts. Include client name, industry sector, length of relationship, primary countries of market focus, and list of all marketing-related activities including web/interactive marketing
- 1.4. Do you have any local or worldwide relationships with any of our telecommunications competitors listed below? Please indicate any other telecommunications clients that might present a conflict-of-interest. Indicate in what countries your firm does work for which client and briefly describe the nature of the work.

<input type="checkbox"/> Alcatel	<input type="checkbox"/> Intecom/Matra	<input type="checkbox"/> Motorola
<input type="checkbox"/> AT&T	<input type="checkbox"/> Hitachi	<input type="checkbox"/> NEC
<input type="checkbox"/> Ericsson	<input type="checkbox"/> Lucent	<input type="checkbox"/> Nortel
<input type="checkbox"/> Fujitsu	<input type="checkbox"/> Mitel	<input type="checkbox"/> Other
- 1.5. If you have noted any agency relationships with other telecommunications firms, please describe how you would avoid any conflicts of interest.

- 1.6. Indicate the ownership structure of your agency network:
- Management owned
 - Subsidiary of advertising agency
 - Part of advertising group
 - Member of independent agencies network
 - Other (please describe)
- 1.7. List your international offices and/or affiliates, Include location, # employees, approximate annual fees, founding year, # of local clients generating fees in excess of DM 100,000, and denote each office as owned or affiliated. If affiliated, indicate length of affiliation.
- 1.8. How do you cover countries where your network has no outlet/affiliate? Please give names of agencies.
- 1.9. Which of your offices would you propose as lead office? Who would be the responsible manager? Who would be our primary account team? What are the team members' backgrounds?
- 1.10. Describe the typical process of interaction among your account team, creative team, technical team, and client's marketing resources?
- 1.11. How do you define a scope of work? How are changes in that definition handled? How do you prevent "scope creep"? (If possible, please provide a written example of a scope of work and project specification done for a comparable client.)
- 1.12. Your agency may be required, at least initially and on other occasions, to work with other web design firms and/or marketing agencies. You also will be required to work with other advertising and/or public relations agencies, either occasionally for campaigns/promotions or on an continuing basis for integrating key marketing messages. Would this be of concern to your agency? If so, why?
- 1.13. What agencies or firms would you describe as your top three competitors?
- 1.14. What distinguishes your agency from your competitors, in general as well as specifically in the areas of interactive marketing?
- 1.15. When could you start working with us?
- 1.16. What is your fee structure?

2. Internet marketing experience *(provide URLs wherever appropriate)*

- 2.1. What is your agency's branding philosophy? Provide your three best examples of helping clients who use the WWW to enhance and extend their brand recognition.
- 2.2. Please list at least six representative WWW clients during the past 2 years and briefly describe their interactive marketing projects, your agency's role in those projects and, importantly, their project results against expectations. Explain what, if any, lessons were learned.
- 2.3. Describe the best example of how, in the last 18 months, a client's WWW site that was made a key part of an integrated marketing campaign. What was the goal? What other media were used? What was the media strategy? How successful was the campaign? Why or why not?
- 2.4. Describe any client extranets you have set up in the last 18 months.
- 2.5. Have you ever dealt with clients having the complexities as we have described here? If so, please describe the challenges and solutions you provided.
- 2.6. What research does your agency have (or have access to) for insights into international Internet access, usage, and other issues that may affect market response to a web-based interactive marketing campaign? How have you combined that research with marketing research to determine optimal deployment of your clients' investments into interactive marketing over the WWW?
- 2.7. What examples can you offer and describe of clients for whom you have integrated other media with the WWW, such as call center response
- 2.8. What resources, if any does your agency have for response management? Are these in-house or subcontracted? Provide client examples.
- 2.9. What experience does your firm have in setting up electronic catalogs, online ordering, order tracking, and back-end fulfillment? Please offer examples and, if available, URLs.
- 2.10. How do you evaluate the success or failure of interactive WWW marketing projects?
- 2.11. Describe any marketing experience your agency has had in telecommunications and/or in related fields such as data networking, computers, or software.

3. Technical expertise

- 3.1. Describe your agency's core technical competencies.
- 3.2. Describe your technical staff resources. How many employees? In what disciplines?
Located where?
- 3.3. What amount of development work does your agency do in-house? What portion is subcontracted?
 - 3.3.1. If any portion of your development work is subcontracted, describe the circumstances – technical, too much work, other – under which you subcontract that work out.
 - 3.3.2. If you subcontract, what kind of development work – creative, production, programming, hosting – do you outsource?
 - 3.3.3. If you subcontract, who are your prime subcontractors and how long have you been using them?
- 3.4. What hosting resources do you have? Are they in-house or subcontracted?
 - 3.4.1. Briefly, what are the performance specs on your hosting platform capabilities, regardless of their source?
 - 3.4.2. How have you hosted distributed international sites for clients? In what countries? Where were the servers? How did you maintain content integrity?
 - 3.4.3. Have you built multilingual sites before? If so, describe them and how their content was/is managed.
- 3.5. How do you manage web content for clients? Static HTML files? Dynamic HTML, on-the-fly from databases? A combination of both?
- 3.6. Please describe 2-3 WWW sites and/or web-based interactive marketing campaigns that show evidence of developing and implementing complex, back-end technical capabilities. Describe the technical challenges and how you met them.
- 3.7. Has your agency helped any clients set up secure extranets? If so, please describe.

- 3.8. What provisions does your agency make for your technical staff to stay up-to-date with emerging technologies, including experimentation?