



Group INTB 21



# Introduction

# Meet the Consulting Team



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Who are  
Siemens Healthineers?

Global leader in medical technology, driving innovation in diagnostics and digital health.

Siemens Healthineers'  
strategic objective?

Aims to capture value through digital transformation and partnerships in healthcare.

What affects  
Siemens Healthineers?

Regulatory changes, aging populations and a shift to sustainability shape Siemens' market environment.

Why did we choose  
Siemens Healthineers?

They are a global leader in healthcare and not only focus on delivering best practices, but it positions itself to constantly meet evolving market needs and regulatory requirements.

## Strategic Challenges

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graph LR; SC((Strategic Challenges)) --- RC((Regulatory Complexity)); SC --- MD((Market Demand Drivers)); SC --- CA((Competitive Advantages)); SC --- VCS((Value Creation Strategy));
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### Regulatory Complexity

- Navigation of strict EU regulations and AI risk compliance.
- Ensures innovation remains within the legal boundaries

### Market Demand Drivers

- Rapidly aging populations increase the need for diagnostics.
- Healthcare cost pressures drive demand for efficiency.

### Competitive Advantages

- Advanced AI platforms and data capabilities.
- Strong global partnerships and technical knowledge.

### Value Creation Strategy

- Significant investments in R&D and sustainable solutions.
- Builds advantages for future growth that are difficult to replicate.

# Diagnostic Stage



# PESTEL Analysis

Operating environment shaped by digital health, patient data, and ethics laws and policies

Key drivers: Ageing population, AI advancements, health technology innovation, labour shortages

Key challenges: Regulatory complexity, rising cost pressures, ever-changing laws (especially where AI is concerned)

# Key PESTEL Drivers

Factor	Key Influences	Implications
Political	EU health & AI regulations	Strict safety and conformity standards must be met
Economic	9.9% of global GDP spent on healthcare, rising costs in energy and semiconductor production	Strong long-term demand, short-term cost pressures
Social	Ageing populations, labour shortages	Growing demand for AI and other innovations in diagnostics
Technological	Ongoing rapid digitalisation of health sector due to labour shortages + advancements in AI	Big opportunities for technological innovation (AI-Rad Companion, Syngo Carbon)
Environmental	Climate commitments, EU Circular Economy Act 2026	Push for low-carbon, circular manufacturing
Legal	Medical device, data, and AI laws	Increased compliance costs



DIMENSION	THREAT LEVEL	FACTORS
Threat of new entrants	Low	Considerable barriers to entry in the form of capital and safety requirements.
Supplier bargaining power	Low to Moderate	High level of specialisation means a lack of alternatives for buyers.
Buyer power	High	Buyers tend to be large institutions with large budgets. Buyers leverage position of power by demanding concessions, servicing, maintenance etc... Suppliers able to regain negotiation power through customer loyalty.
Threat of substitutes	Low to Moderate	Moderate threat from portable imagery technologies and alternative diagnostic methods. Hospitals outsourcing procedures to labs possesses somewhat of a threat. High level of complexity in procedures makes substitution complicated
Competitive rivalry	Moderate to High	Intense competition – thousands vying for market share. Customers expect Value, service and differentiation.

Insights  
gained from  
Porter's five  
forces

# Porter's Value Chain Model: Siemens Healthineers



Analyzes internal operations to identify value creation and cost drivers (Ruan, 2020).



Primary Activities: Direct value-adding processes	Support Activities: Enable primary activities
<ul style="list-style-type: none"><li>• <u>Inbound Logistics</u> : Sourcing High-tech components</li><li>• <u>Operations</u> : R&amp;D (€1.5bn annually) + manufacturing</li><li>• <u>Outbound Logistics</u> : Global delivery + Installation</li><li>• <u>Marketing and Sales</u> : Partnerships + Recurring contracts</li><li>• <u>Service</u> : Maintenance + Remote monitoring</li></ul>	<ul style="list-style-type: none"><li>• <u>Infrastructure</u> : Corporate Governance + IT systems</li><li>• <u>Procurement</u> : Managing Global supply network</li><li>• <u>HRM</u> : 70,000+ employees to manage</li><li>• <u>Technological Development</u> : Maintain competitive advantage</li></ul>

# Key Insights from Value Chain Analysis – Siemens Healthineers

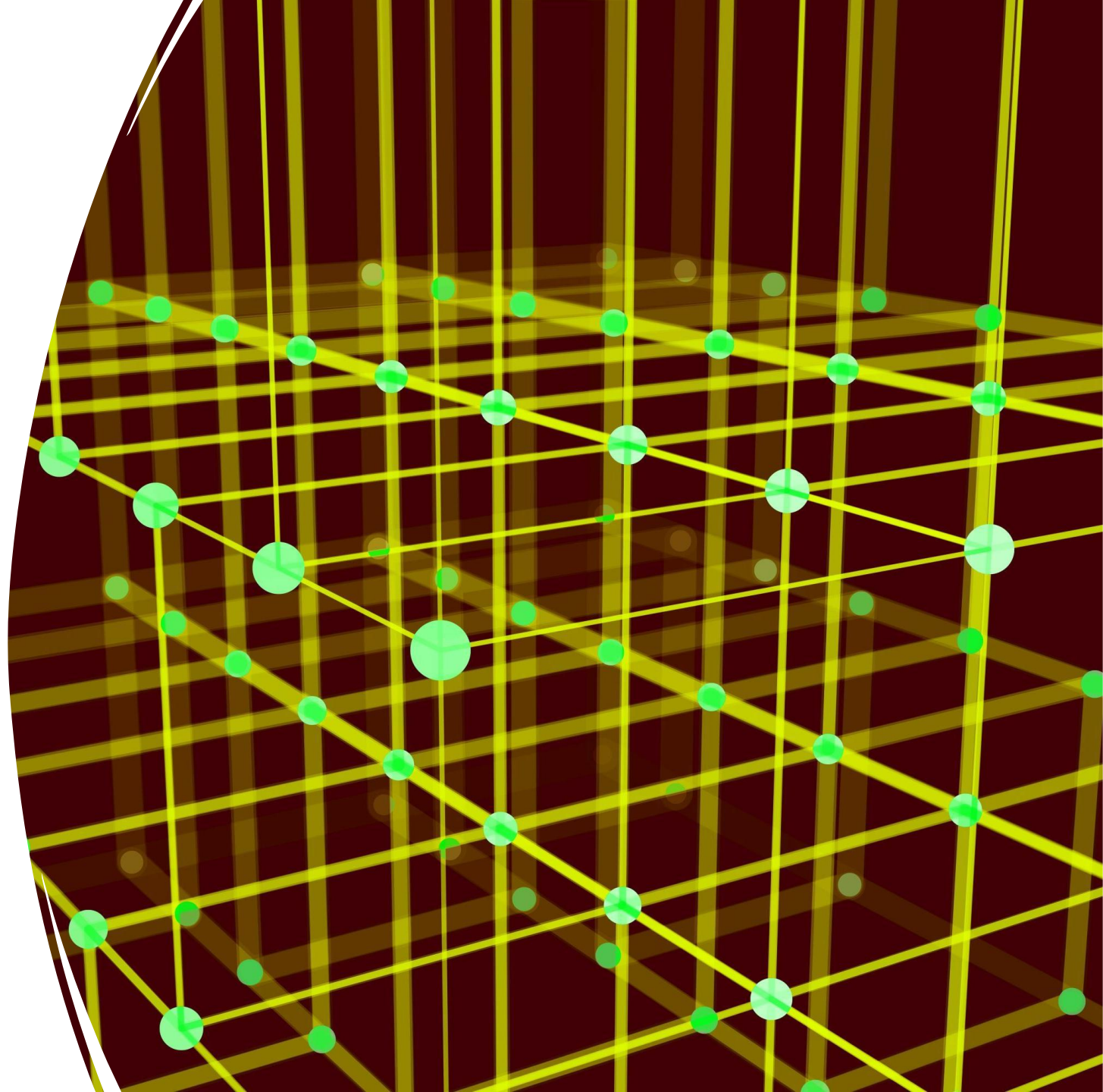


Activity	Value Creation 	Cost Driver 
Inbound Logistics	High quality, Differentiated components	Global sourcing of expensive products
Operations	Pioneering innovation for new products	Substantial R&D investment
Outbound Logistics	Global market increases revenue	International delivery, Complex set-up
Marketing and Sales	Enables recurring contracts, Customer loyalty	Development of partnerships, Sales infrastructure
Service	Recurring revenue, Customer satisfaction	24/7 monitoring, Mobile engineers
Support Activities	Technological edge, Skilled workforce, efficient systems	Overheads: HR, IT, Compliance

**Key Insights** – Siemens Healthineers invests heavily to differentiate and maintain competitive advantage. Efficient process throughout their support activities provide the basis for their success

# Intervention Stage

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# Current Strategy



Strategic Focus	Competitive Strengths	Weaknesses/Challenges
<ul style="list-style-type: none"><li>• Technological learning through DT and AI learning.</li><li>• Maintain leadership status in remote healthcare and digitalised medical solutions.</li><li>• Their strategy aligns with global healthcare trends.</li></ul>	<ul style="list-style-type: none"><li>• Internal resources (R&amp;D, Digital Technologies, AI).</li><li>• Competitive advantage through innovation and goodwill.</li><li>• Recognised as a global leader, providing trust.</li></ul>	<ul style="list-style-type: none"><li>• Focused on current products rather than developing new products.</li><li>• Difficulties with coordination as a multinational (disadvantage compared to smaller startups).</li></ul>



# Strategic Opportunities (Blue Ocean Strategy)

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- **Why?** - The healthcare industry is highly saturated, and a blue ocean strategy would diversify the brand, reducing risk.

## **Potential Directions**

- Shift from post-diagnosis to early detection (utilise current AI capabilities).
- Expand into emerging markets (leverage goodwill and partnerships).





# Ethical AI Leadership

## **Beyond Compliance**

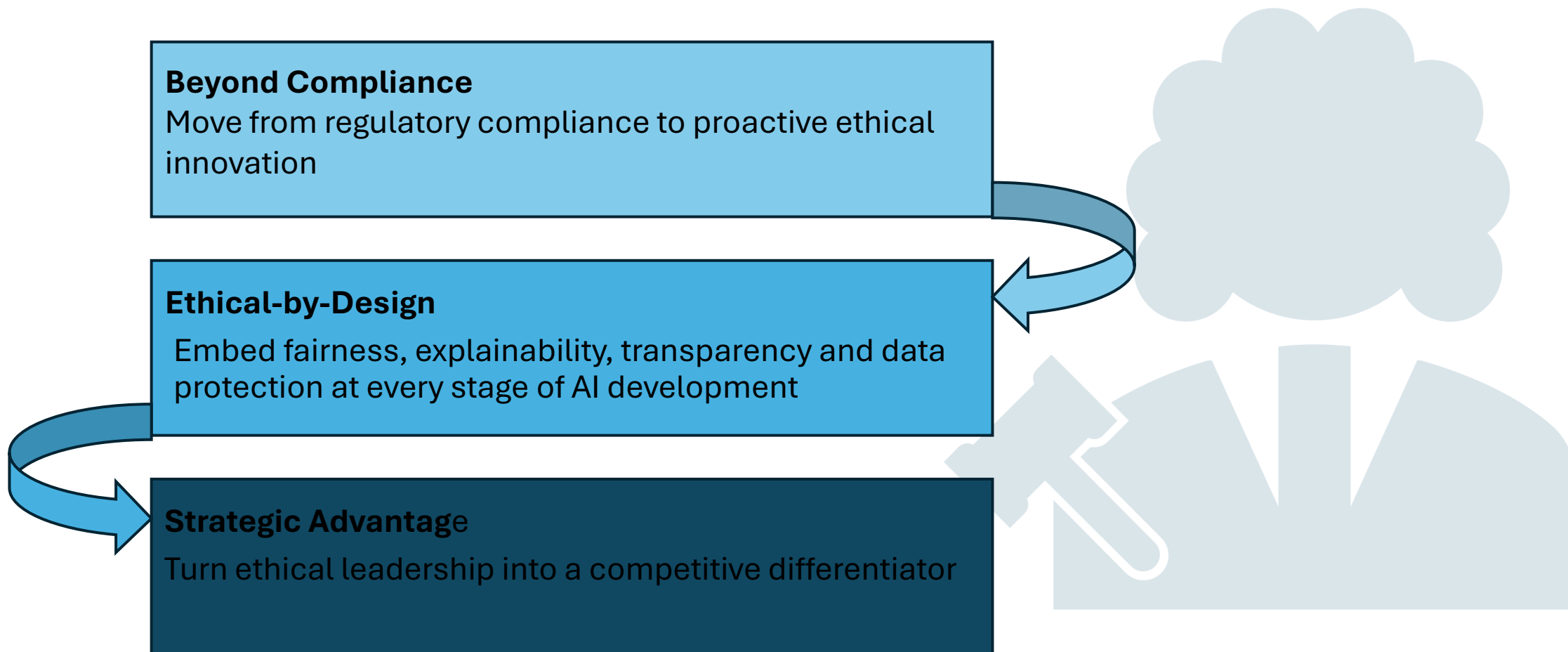
Move from regulatory compliance to proactive ethical innovation

## **Ethical-by-Design**

Embed fairness, explainability, transparency and data protection at every stage of AI development

## **Strategic Advantage**

Turn ethical leadership into a competitive differentiator



# Sustainability & Supply-Chain Alignment

## Transparent Supply Chains

Leverage AI and predictive analytics for real-time visibility and track emissions, waste, and compliance across global suppliers



## Regional Alignment

Tailor sustainability standards to local regulatory and infrastructural contexts and address uneven progress in emerging markets vs. Europe

## Value Creation

Transform sustainability from a cost centre into resilience and long-term value





Evaluation Stage



# Expansion of products and services

Strengthened Competitive Advantage	Innovation in Early Detection	Blue Ocean Opportunities	Sustainable Growth and Impact
AI-enabled diagnostic platforms position the company to meet growing global needs for scalable, cost-effective healthcare technology.	Expanding the use of AI from post diagnostic treatment to early detection provides Siemens with new product opportunities.	By collaborating with emerging governments and entering untapped markets, it can create uncontested market space and deliver sustainable healthcare innovations.	Improving healthcare access for underserved individuals supports decarbonisation and aligns with its goals.

# Integration of sustainable practices

## **Leadership in Sustainability**

Positions the company as a sustainability leader, but there's room to synchronise these efforts.

## **Regulatory Alignment and Transparency**

Embed environmental and social considerations into every product and market strategy.

## **Operational Resilience and Innovation**

Developing modular, energy-efficient diagnostic tools and circular supply chains.

## **Access to New Markets**

Prioritising sustainability as core business strategy opens doors to eco-conscious markets, making environmental leadership a competitive differentiator.

## **Enhanced Brand Purpose and Advantage**

Sustainability reinforces social purpose, boosts brand reputation, and aligns business performance with global health and environmental priorities.



# Strengthen business ethics

- There is an opportunity to move beyond basic compliance towards proactive ethical innovation. By embedding an “ethical-by-design” framework in every stage of AI development, Siemens can transform regulatory demands into a catalyst for trust-based value creation.
  - This forward-looking ethical governance can strengthen Siemens’ global reputation for safety, integrity, and accountability.
  - In a data-driven healthcare landscape, such ethical leadership not only builds worldwide trust but also serves as a powerful source of competitive advantage.
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# Build Partnerships

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Leveraging Existing Networks - global partnerships provide a unique advantage and support continuous innovation.



Opportunity for Strategic Expansion – by deepening collaborations, Siemens can unlock new markets aligned with Blue Ocean Strategy principles.



Driving Global Healthcare Transformation - partnerships enable Siemens to break down healthcare barriers while accelerating sustainable industry growth across international markets.



Strengthened Competitive Edge – positioning Siemens as a trusted partner enhances long-term competitive advantage.



Thank you for listening

Any questions?