



Siemens AG

IT Carve-out of Siemens Networks

On 1 April 2007, Siemens Networks (SN, established 1 October 2006) and Nokia's networking operations were merged into the joint venture Nokia Siemens Networks (NSN).

The transfer of corporate responsibility to NSN triggered Siemens' carve-out plan for the IT infrastructure and applications. Part of this plan involved carving out SN's entire IT from the Siemens group's IT operations while maintaining its ongoing business activities. However, the Group's size (sales of €9.2 billion (2006), 37,000 employees in 100 countries), different organizational models across countries and the wide range of IT systems and landscapes posed major challenges.

The challenges

- Lack of transparency regarding SN's enterprise-wide IT systems, services and data.
- Multiple applications, which will be partly shut down and partly continued.

- Ensure the smooth transition of functions of certain services (e-mail, cross-application access, etc.) for NSN on the go-live date.
- Business continuity despite carve-out.
- Compliance with Siemens' corporate guidelines (Siemens carve-out policies).

The Solution

The Siemens IT Solutions and Services community for carve-outs, mergers and acquisitions (CMA) had already accumulated a solid body of experience from several prior projects. Together with other Siemens Divisions, it also has developed a standardized and structured approach that could be used for this project.

IT program / project management

During an early project phase, the team identified all IT systems, services and users and collected the corresponding data in a database (data gathering).

As part of the IT architecture management process, the team prepared intermediate and final solution concepts for the carve-out in close cooperation with Siemens and SN, which served as the basis for the implementation orders issued by customers. In addition, IT Program Management was set up on both sides to ensure a smooth project implementation. In the meantime, the country coordination department was in charge of coordinating and translating the IT concepts into country specific solutions with the corresponding central and local IT components and services.

SN Carve-out Project in China

Siemens IT Solutions and Services China set up a 10-person team that planned and coordinated the highly complex project together with the Siemens Chief Information Technology team. The joint team developed country-specific solutions on the basis of predefined blueprints (location based concepts) and coordinated them with the central IT components and services in Germany.

Processes, applications and data
SN performed the application separation in-house. Siemens IT Solutions and Services provided support for:

- logically and physically separating the relevant business data.
- preparing the final closing statement for SN and separating the relevant corporate Siemens applications.

Siemens continued to run all applications required by NSN with so-called Transitional Service Agreements and transferred them to NSN's management in accordance with the migration schedule.

Infrastructure, security

Carve-out procedures within Siemens are governed by corporate carve-out policies and are based on a standardized process with defined milestones.

- **Logical Network Separation:** Global logical separation from the Siemens network (LAN and WAN) based on a Virtual Private Network (VPN) with a central carve-out firewall; all communication between SN and Siemens IT resources must be routed through the carve-out firewall.
- **Network Isolation:** Installation of separate SN IT components such as Active Directory, e-mail, remote LAN access and proxy servers within the logical SN network.
- **Physical Network Separation:** Installation of IT components and provision of corresponding services for SN, including voice services, within a new, separate physical SN network.

Customer benefits

Due to this proven approach and the effective project management, the carve-out of SN in China was completed within less than a year. As the operator of SN's IT infrastructure, Siemens IT Solutions and Services was able to put its knowledge of SN's existing systems to effective use and closely link its solution design with implementation based on the new organization's business operation model.

Its knowledge, compliance with Siemens-specific policies and security considerations enabled Siemens IT Solutions and Services as a certified carve-out partner of Siemens to implement the necessary decisions and related activities quickly and reliably.

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