Chapter IX

Robert Bosch SAP R/3 Implementation: Changes During 2000-2004

Learning Outcomes

- Understand changes to the organization during 2000-2004
- Discuss the status of SAP R/3 implementation for RBUS
- Understand the status of SAP R/3 implementation for RB GmbH
- Discuss future directions for the IT division at RB GmbH

Changes in Management During 2000-2004 in Robert Bosch as Related to the Case Study

During 2000-2004, many changes took place in Robert Bosch. In 2000, the CIO of Robert Bosch in Stuttgart, Dr. Eggensperger, resigned and was replaced by Mr. Gerd Friedrich. Mr. Friedrich holds a degree in mathematics and physics and spent the first six years of his career in the research and development department.
at Siemens AG. He then moved to Nixdorf, a fast-growing computer company in Germany, after which he joined the telecommunications division of Bosch, starting in R&D and ending as a board member before he was appointed as the head of the QI management team and as the CIO of Robert Bosch GmbH.

A few months later, Ms. Bauer left QI and became the CIO of the Bosch-Siemens Household Appliance Company. In 2003, Dr. Scholl, the chairman of the board of management, became the chairman of the supervisory board. Mr. Franz Fehrenbach became the sixth chairman of the board of management in the 117-year history of Robert Bosch. Dr. Dais, who among other areas is responsible for IT, became the deputy chairman of the board of management.

In 2003, Bosch’s sales were Euro 36.5 billion, with a foreign share of 71%, and the company employed 229,439 people worldwide. The three business sectors, automotive technology, industrial technology and consumer goods and building technology, contributed 65%, 11.9%, and 23.1%, respectively, to the company’s sales. A huge acquisition in the industrial technology sector reduced the dependence of the company on the vagaries of the automotive industry. The divisions within the automotive technology sector were renamed to become the Gasoline Systems (GS), Diesel Systems (DS), Chassis Systems (CS), Energy and Body Systems (EB), Car Multimedia (CM), and Automotive Aftermarket (AA) divisions. At a press conference in April 2004, Franz Fehrenbach, the chairman, stated that the company was “financially in good shape.” He referred to the income before taxes, which rose from Euro 1.4 to Euro 1.8 billion, an increase in return on sales from 4% to 5% — according to Fehrenbach also due to the fact that “we made a major effort to improve our work processes.” Across all business areas, Fehrenbach predicted the strongest prospects for Bosch in Asia and America, which is where he expected most of the economic growth in the next 10 years to occur. Asia alone was expected to generate more than half of the worldwide increase in automotive production by the year 2014. “This is a region of increased demand for us,” said Fehrenbach. The growth rate in China for the company was expected to be about 25% on a Euro basis, similar to the level achieved for 2003.

In RB North America, the CEO Robert Oswald retired and his successor was Dr. Kurt W. Liedtke, who is also a member of the board of management. The Bosch Group in North America reported an increase in sales from $6.2 billion in 2002 to nearly $6.6 billion in 2003, with workforce figures remaining stable at more than 23,000 associates. Bosch automotive sales in North America increased from $4.2 billion in 2002 to $4.5 billion in 2003. Mike Bieganski was appointed as vice president of information technology for RB North America and was driving the process of implementing SAP R/3 in RB North America. Don Chauncey became the vice president for data security. Krish Kumar has left the company. Kamran Ashraf now works for Mike Bieganski as director of human resources and payroll.
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