Chapter VI

Multiple Information Systems for Coping with a Growing and Changing Business: Robert Bosch GmbH

Learning Outcomes

- Understand the importance of aligning the business and IT strategies in a company at both corporate level and country level
- Identify the issues faced by RBUS in moving to a standardized corporate-wide information system such as SAP R/3 during 1992-1999

Case Overview

In early 1998, Don Chauncey, the vice president and chief information officer (CIO) for Robert Bosch Corporation (RBUS), faced a serious problem. He had just talked with Computron Software, Inc. (http://www.computronsoftware.com) executives, who had told him that they were going to support their financial systems software on IBM AS/400 computers only through December 2001. In
the future, Computron wanted to provide these functions on a client-server
platform.

Don was also under pressure from the RBUS Human Resource (HR) function,
who were requesting applications that were not possible using the current
systems, which were operated on an outsourced IBM mainframe computer. The
HR and IS staff were asking to be allowed to update to PeopleSoft in order to
address the company’s payroll and human resource needs.

Krish Kumar, the director of Corporate Information Technology (CIT) for the
Automotive Original Equipment Division (UO), was also evaluating the company’s
information systems in order to address customer needs. The current noninte-
grated system solutions had created pockets of implementation gaps between the
business entities. Not only had they created complexity in the organization, but
the old reporting methods also added time to the production of performance
measures. Furthermore, the trend for Original Equipment Manufacturers (OEMs)
was to have their customers deliver total systems and not just parts. Don and
Krish had to establish a strategy to make the multiple IS demands work together
in order to cope with the growing and changing business.

Case Study

Introduction

The name Robert Bosch is closely associated with the automobile. By 1999,
however, Bosch had become known not only for automotive equipment, such as
anti-lock braking systems (ABS), brakes, fuel-injection technology, and driver
information systems, but also for a whole range of other product areas, such as
communications technology, power tools, household appliances,
thermotechnology, automation technology, and packaging machinery.

The international orientation of the Bosch Group is in line with a tradition that is
almost as old as the company itself. Even before the turn of the previous century,
Bosch had already established its first foreign offices, and it began construction
of its first factory in the United States in 1909. In 1914, the capacity of this plant
exceeded that of the German Bosch plants. In 1999, Bosch was composed of
approximately 250 subsidiaries and affiliated companies in 48 countries. The
Bosch Group has 185 production plants worldwide, of which 142 are located
outside Germany and are spread across Europe, North and South America,
Africa, Asia, and Australia. Throughout the world, Bosch holds an interest in an
additional 37 joint-venture companies. An essential constituent of Bosch corpo-

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Startups, Corporate Garage, High Growth Firms, and Their Entrepreneurial Environment (2015). Effects of IT on Enterprise Architecture, Governance, and Growth (pp. 250-269).
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