Chapter VII

“Unrest Produces Creativity”: Standardization of Business Processes in Robert Bosch Corporation with the Use of SAP R/3

Learning Outcomes:

- Understand in detail how an ERP system can be implemented in differing ways in a company, with resulting benefits and problems
- To show with a detailed industry example how if an ERP software is not implemented correctly, it may lead to multiple ERP systems existing within an organization that cannot communicate with each other
- Understand decisions that were made at Robert Bosch GmbH and RBUS regarding SAP R/3 implementation between 1992-1999
Case Overview

During August 1999, Don Chauncey, Vice President of IS for Robert Bosch Corporation (RBUS), finished making his presentation on the direction of an SAP implementation to the RBUS North American Operating Committee (NAOC). The plan was to introduce SAP R/3 Financials, Human Resources and Payroll, and Logistics modules for RBUS and UO (North American Automotive Original Equipment). He had complied with QI’s (Querschnittsbereich Infomations – verarbeitung – Division for Information Technology of Robert Bosch GmbH) request to define a project for the implementation of SAP in the North American Bosch businesses.

Before proceeding further, the NAOC requested additional information regarding the project costs, specifically how much was due to: (1) “must do” items, (2) a corporate standard, and (3) the need to improve processes. The NAOC also wanted to know what the current running costs were vs. the forecast costs once SAP had been implemented. The critical concern of the NAOC was the overall cost of the implementation of the SAP system.

This was a major challenge for Don as he started work on revising the proposal. In Germany, QI had established SAP as the standard software to be used within Robert Bosch. Mike Bieganski, the vice president for Information Systems and Services at the K1 Division, presented possible alternatives that could be adapted to address the concerns of NAOC. Krish Kumar, the director of Corporate Information Technology for UO, was certain that implementation of SAP R/3 in his division was imperative. Kamran Ashraf, the director of Corporate Information Systems, and Don started planning their strategy to address several major issues:

a. How to structure the SAP system to keep it flexible and ensure consistency,
b. How to design the implementation process,
c. How to justify the cost of the SAP implementation from a business standpoint.

QI’s Request for Common Systems Globally

Establishment of QI

Reviewing the problems with legacy systems in Robert Bosch, the Board of Management defined two mission statements for the IT management team during 1994. First, the IT division had to operate like an external IT provider, and
Grounding Business Interaction Models: Socio-Instrumental Pragmatism as Theoretical Foundation
www.igi-global.com/chapter/grounding-business-interaction-models/19445?camid=4v1a