Chapter VIII

Robert Bosch Corporation: Analysis and Recommendations

Learning Outcomes

- Analyze the case study presented in earlier chapters (1992-1999), noting the connections between theory and practice
- Compare your analysis with that of the authors
- Generalize from the particular example and come up with suggestions for managers implementing new ERP systems

Overview

In the Robert Bosch case study, we presented the strategic issues facing the CIOs of the information technology division of the corporation, Robert Bosch GmbH, and its U.S. subsidiary, Robert Bosch US (RBUS). Bosch had traditionally followed an international/multidomestic strategy, using multiple information systems for its plants, divisions, and business sectors. Due to increased pressure to cut costs, increase interchangeability of products among the many plants worldwide, and fulfill customer requirements, the corporation was moving to a
global strategy. In this chapter, we provide our analysis of the Robert Bosch case study and answer the questions that were raised at the ends of Chapters 6 and 7. The analysis is designed to generate debate and discussion among students, thereby adding to their learning about SAP R/3 implementation. It does not in any way represent the position and opinion of Robert Bosch GmbH and Robert Bosch U.S. In Chapter 9, we will discuss the strategies and actions actually undertaken by the IT divisions of Robert Bosch GmbH and Robert Bosch US during the implementation period, 2001-2004.

**Analysis and Recommendations**

**Analysis of Strategies Used to Integrate Multiple Information Systems at Robert Bosch Corporation (1992-1999)**

We will analyze the case study presented in Chapter 6 in this section. The questions are mainly concerned with organizational issues and the need for RB to use a standardized IT system throughout its organization. The case provides financial data in order to emphasize that the profit level was not satisfactory in 1998, and the company needed to change its focus on developing systems based on the divisional model.

**Organizational Structure of Robert Bosch GmbH and RBUS**

Robert Bosch is a good example of how an organization evolves over time through acquisitions and mergers, and is a practical example of the organizational theory and change management issues discussed in Chapters II and III. RB GmbH has ventured out beyond “what it is good at.” The company did not just settle down in its core automotive business and stop growing at that point, but realized that since its name was out there and it had a good customer base, it should capitalize on this and try its hand at other things. This is where the mergers, acquisitions, and joint ventures began to play a significant role in the company’s plans. RB did all it could to diversify the company; and did it very well, gaining a foothold in areas ranging from communication technology to power tools and even household goods. RB’s structure is constantly changing due to industry change, and that is what sustains RB as a market leader and innovator. The organizational structure of the Robert Bosch GmbH follows the divisional model, in this case consisting of the K-divisions, communication technology
Inventory Management Process: Problems in an Indian Convenience Store
www.igi-global.com/chapter/inventory-management-process/69109?camid=4v1a