Lebensfähige Agile Organisationen @ Bosch
Gestaltung, Steuerung, Führung

Dr.-Ing. Lothar Kaiser

Corporate Agile Transformation and Organization
October 12, 2023

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Who I am

Lothar Kaiser

lothar.kaiser@de.bosch.com

www.linkedin.com/in/
dr-lothar-kaiser-3156b715

Agile Transformation & Organization

Lean-Agile Guidance & Support

Problem Solving & Training

Certified SAFe® 5 Program Consultant

Certified SAFe® 5 Release Train Engineer

Member of DACH30
a group of agilists from large companies
in Germany and Switzerland

Mechanical Engineering at the University of Stuttgart

Managing Director Planning and Control Technology

Since 2000 at Robert Bosch GmbH / Bosch Rexroth AG
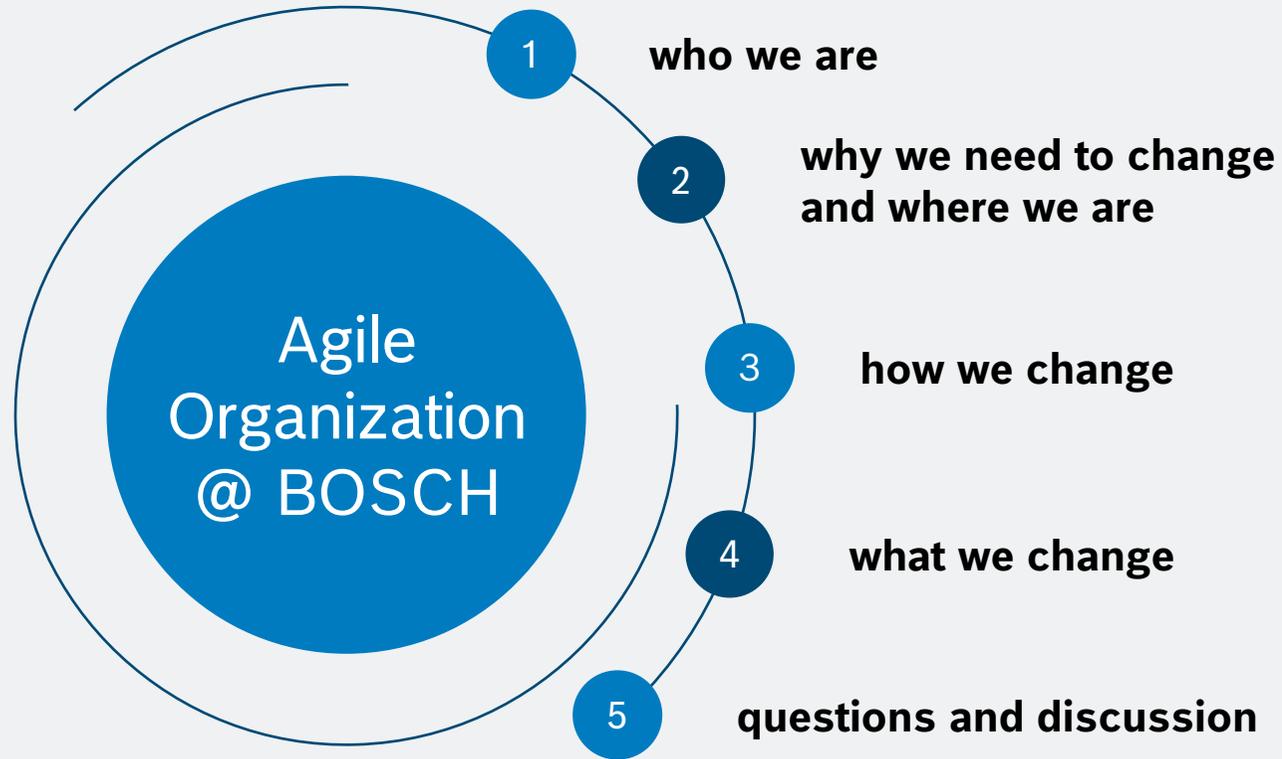Quality Management & Organizational Development

metaphorum

Certified Viable System Model Coach

Certified Viable System Model Designer

Bosch Problem Solving Coach

Six Sigma Black Belt (ASQ)

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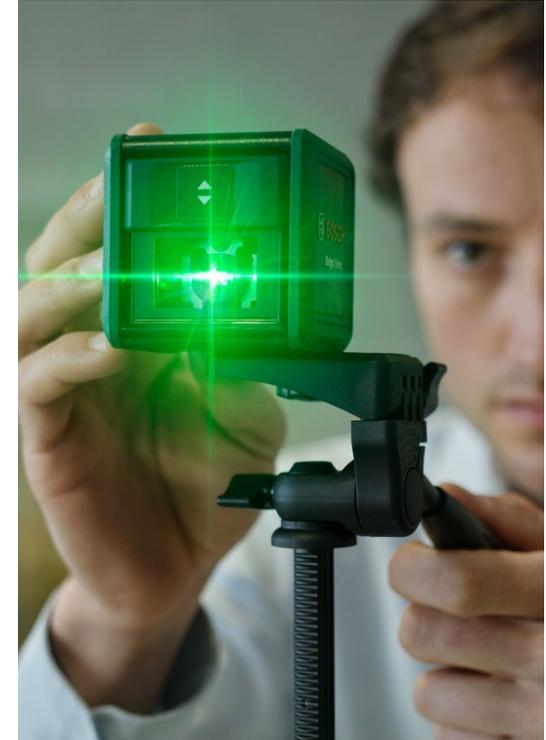
Agile Organization @ BOSCH
Agenda

1. who we are
2. why we need to change and where we are
3. how we change
4. what we change
5. questions and discussion

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Who we are
Our business sectors

Mobility Solutions

Industrial Technology

Energy and Building Technology

Consumer Goods

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Who we are
Our company in figures

In 2022

88.2	**3.8**	**421,300**	**468**
billion euros sales revenue	billion euros EBIT from operations	Bosch associates worldwide at year-end (approx.)	subsidiaries and regional companies in more than **60** countries

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Where we want to go
Our research and development

In 2022

7.2

billion euros
R&D expenditure

8.2%

R&D intensity

85,500

associates work
in R&D, including

44,000

software developers

136

R&D locations worldwide

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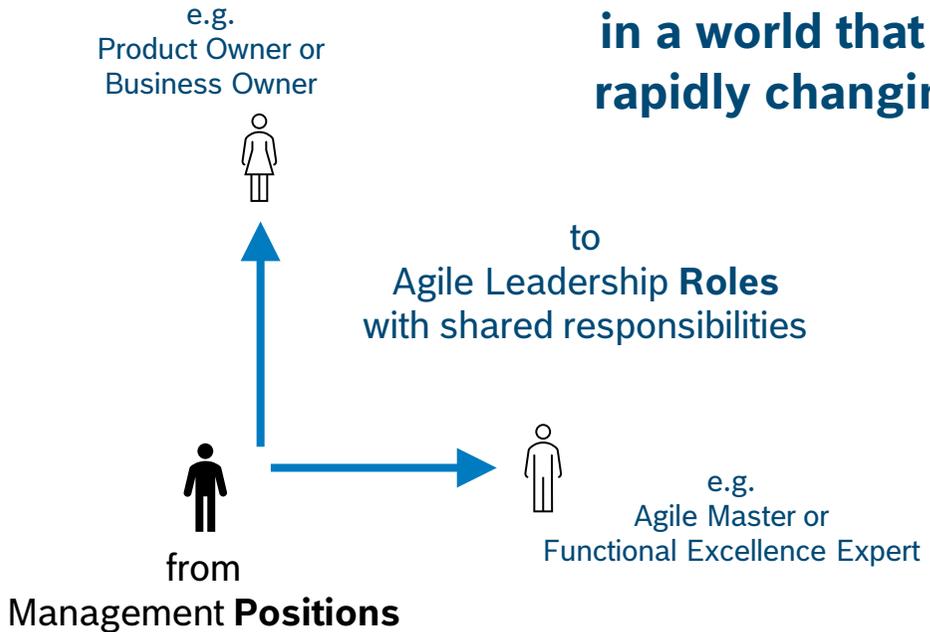# Agile Organization @ BOSCH
why we need to change

Our world is becoming more complex and transformation is accelerating

- Our markets are changing

- Our business is changing

- Our solutions are changing

complex   chaotic

unstable

NEW PRODUCTS VERY HIGH INNOVATION

Requirements

complicated

NEW FUNCTION MEDIUM INNOVATION

SERIES PRODUCTION

stable

obvious

known   **Technology / knowledge**   unknown

Agility means Adaptability and creates stability in a world that is rapidly changing

e.g.
Product Owner or
Business Owner

to
Agile Leadership **Roles**
with shared responsibilities

e.g.
Agile Master or
Functional Excellence Expert
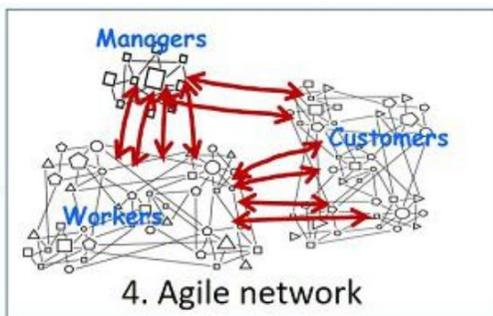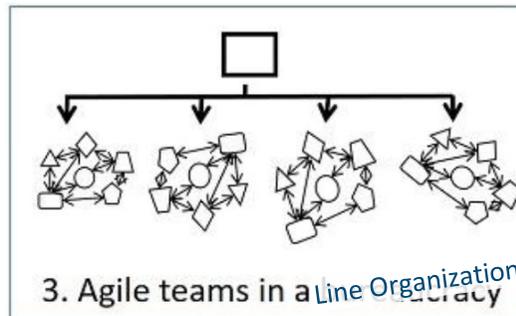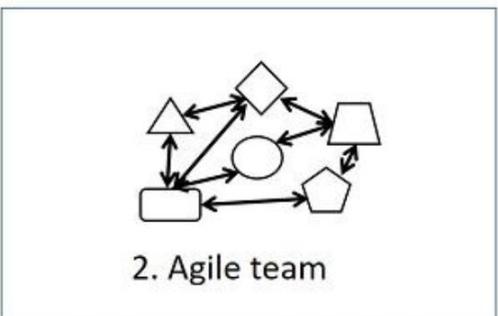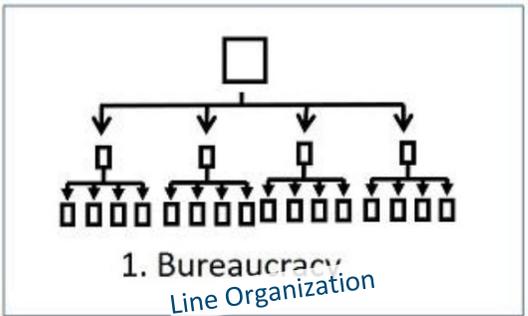
from
Management **Positions**

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where we are

> 12 years of experience with Agile
> 8 years experience with scaling Agile
> 50.000 Employees working Agile

Scaled Agility with Shared Leadership

currently

target and beyond
Business Agility

Steve Denning: Leadership Strategy – Explaining Agile, https://www.forbes.com, 2016.

1. Bureaucracy
Line Organization

2. Agile team

3. Agile teams in a *Line Organization* bureaucracy

4. Agile network
Managers — Customers — Workers

self-organized agile teams

agile teams within existing structures and regulations

agile networks
agile organizations

Doing Agile

Being Agile
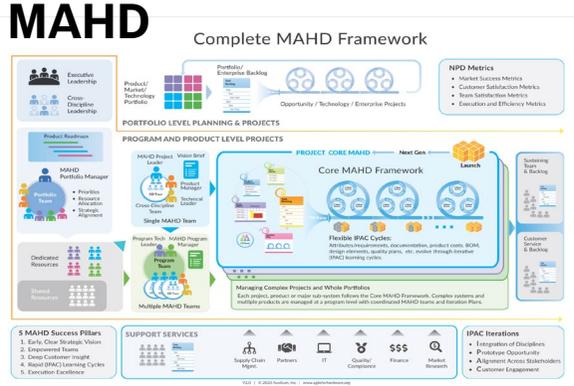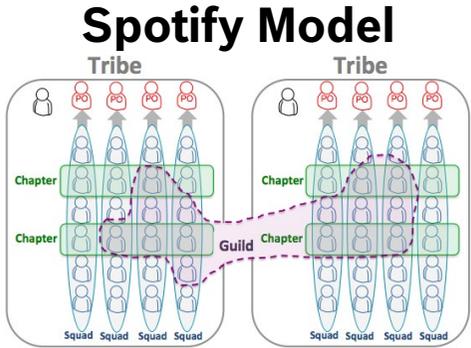
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how to scale – agile frameworks as an answer?

Spotify Model

MAHD

viable at BOSCH?

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SAFe® *

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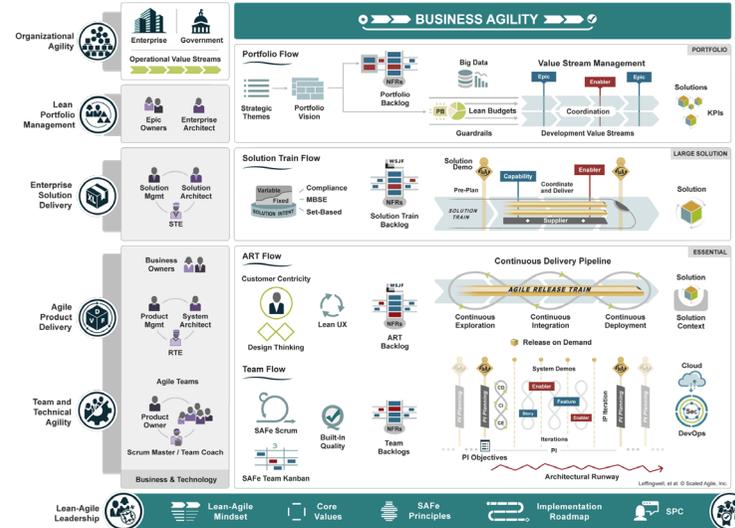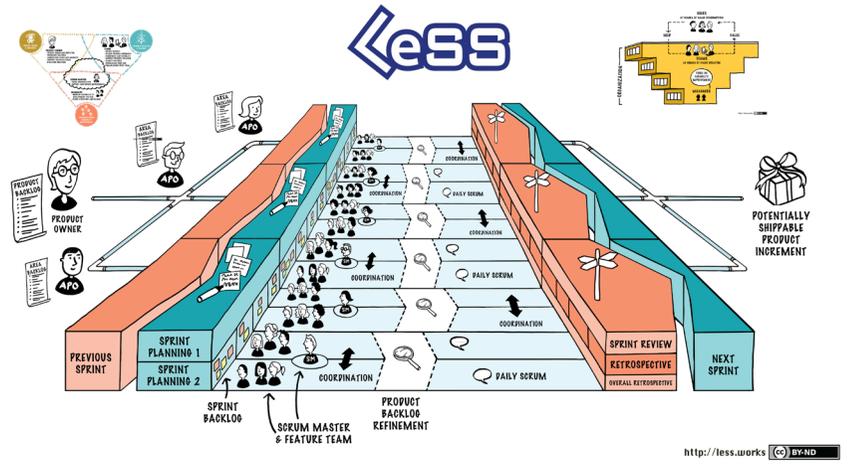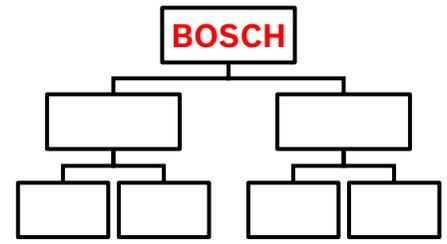
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viable at BOSCH?

Value creation like a startup
& structured like a Bosch
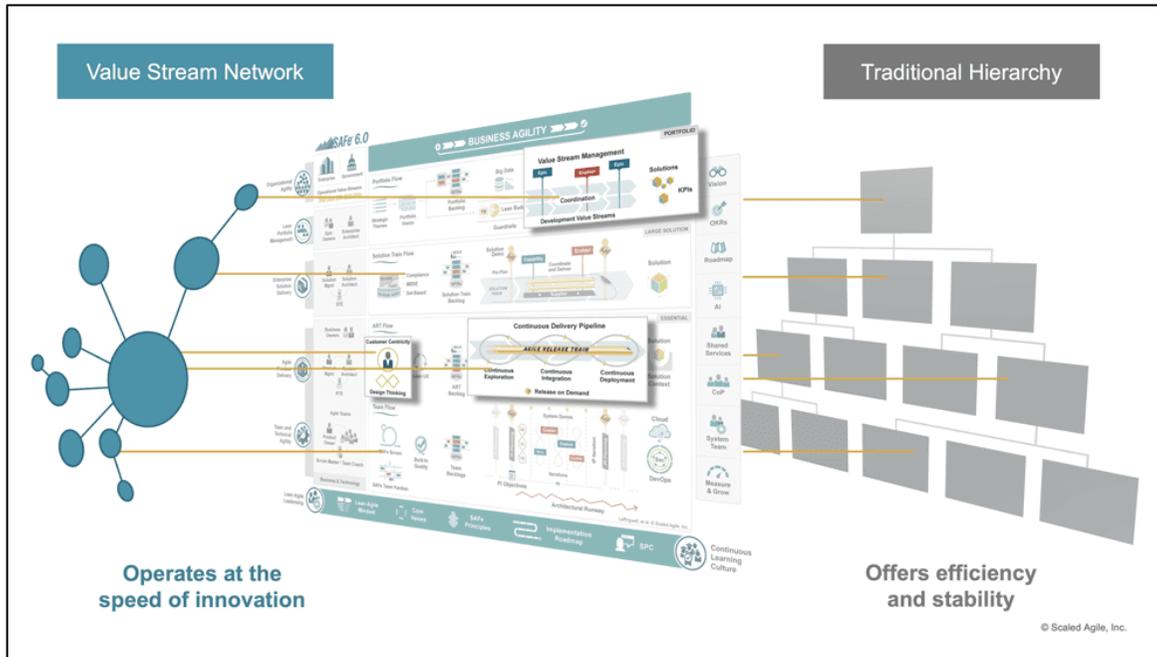

Organizational Design

Steering

Leadership

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how to scale − SAFe® as an example for agile frameworks

SAFe® as the second organizational operating system*

SAFe® Business Agility (excerpt*)

- The Hierarchy and Adaptive Network **collide**

- Kotter points out … to reintroduce a more agile, network-like structure that **operates in concert** with the hierarchy

- The existing hierarchy, people, and management still have a purpose and **largely remain in place**

- This **new virtual organization** breaks down the traditional functional silos that inhibit flow and innovation

VoC
SAFe® Summit
Prague 2023

* © Scaled Agile, Inc. (Business Agility)

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How do value stream network and hierarchy fit together? (example)

roles

"I click through everything for 300 people, but I have no idea who or what that is"

positions

Value Stream Network

product hierarchy

Traditional Hierarchy

tasks

€ responsibilities §

Operates at the speed of innovation

"I am currently hacking the organization via representative roles"

Offers efficiency and stability

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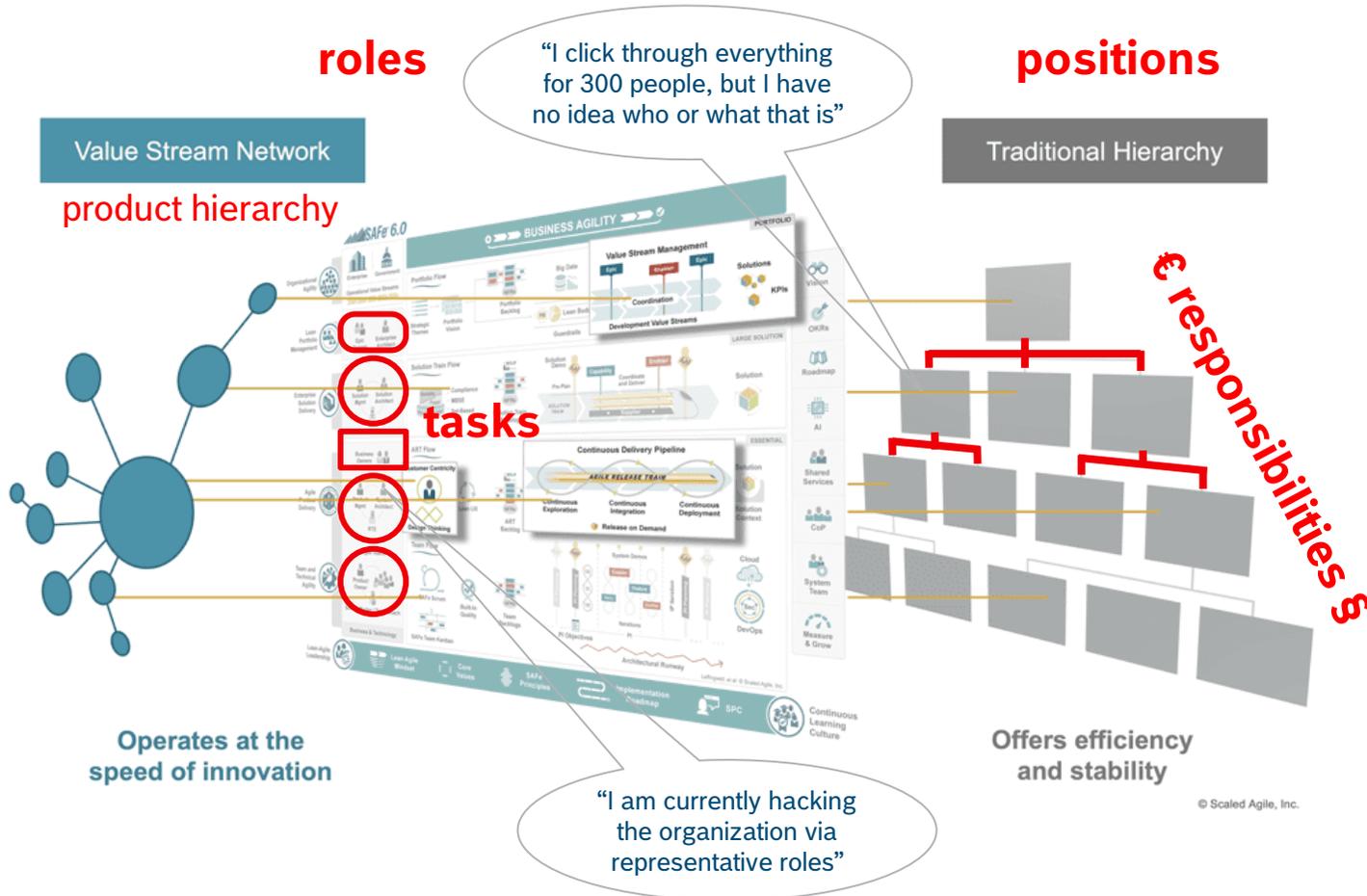
We need to create **one balanced Organization**

- **Integrated Agile Leadership Roles** in coexistence with other functions

- **Shared Leadership Responsibilities** across the entire organization

- Alignment of Agile Organization with external and internal **Regulations, Processes** and **IT-Systems**

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Agile Organization
how we change − Organizational Design / Requirements

Holistically design and operate Agile Organizations as interplay of operative and functional structures
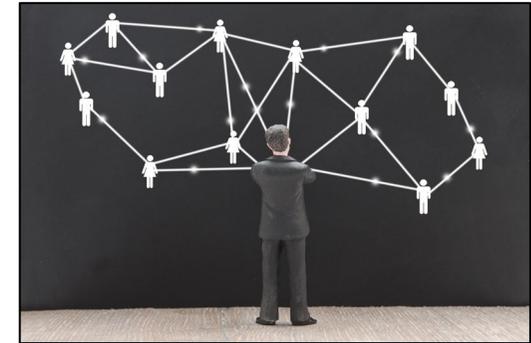
Empower Agile Leadership Roles as Positions with Leadership Responsibilities in the hierarchy

Distinguish between Target Responsibility regarding business value creation and Professional Excellence

Assign the different types of responsibilities to different roles / positions within the holistic structure

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Agile Organization @ BOSCH
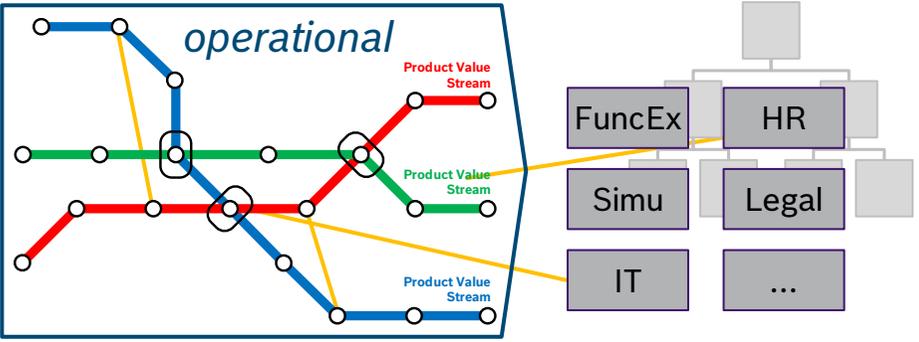## what we change − Org Design: Operational Structure & People

Product & Process

Product Architecture driven networks are key
Collaborative design of Operational Structure
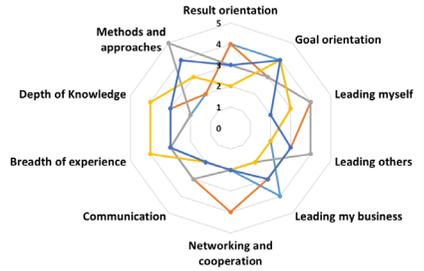
1. Define value streams and creation process
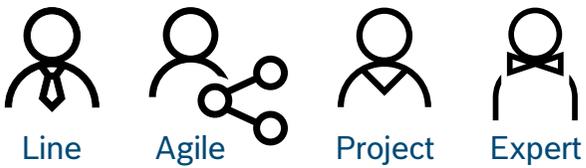
2. Define necessary support functions

operational

Product Value Stream

Product Value Stream

Product Value Stream

FuncEx · HR · Simu · Legal · IT · ...

People

GRAL − Generic Roles for Agile Leadership
Scope − Accountability − Tasks − Competences

Architecture — A B C

Business — A B C

Functional Excellence — A B C

Organizational Development — A B C

Product — A B C

Result orientation — Goal orientation — Leading myself — Leading others — Leading my business — Networking and cooperation — Communication — Breadth of experience — Depth of Knowledge — Methods and approaches

Agile Leadership Roles established 'on eye level'

Line · Agile · Project · Expert

- ✔ Accountability
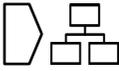- ✔ Career
- ✔ Grading

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what we change − Org Design: Organizational Structure

Mastering flexibility in compliance with existing patterns and rules

Flexible combination of responsibilities with different types of leadership roles

······ disciplinary

——— business target

——— professional excellence target

Interaction of operational and organizational structure

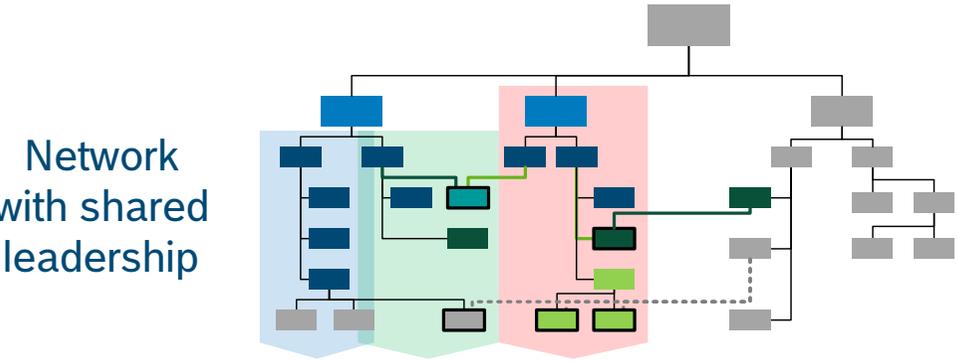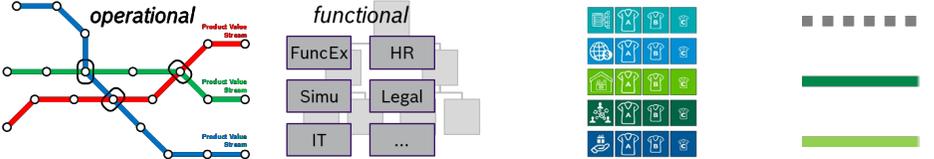More executives in operative roles

Realization of legal requirements

MECE Unambiguous described networks

Organizational Structure

Holistically designed Organizational Structure derived from operational and functional view

operational Product Value Stream

functional FuncEx | HR | Simu | Legal | IT | ...

······

———

———

Network with shared leadership

integrated operative & functional part

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MECE ... mutually exclusive and collectively exhaustive

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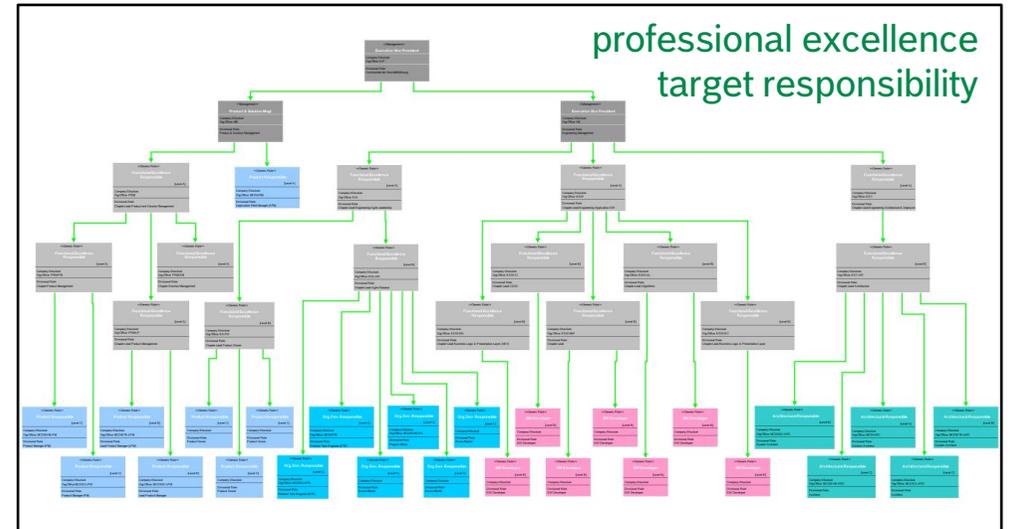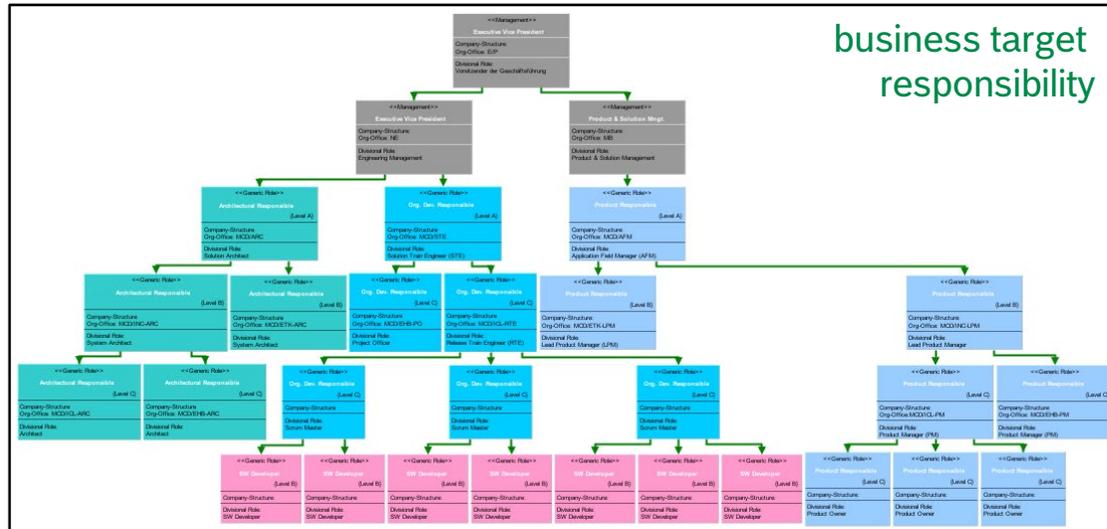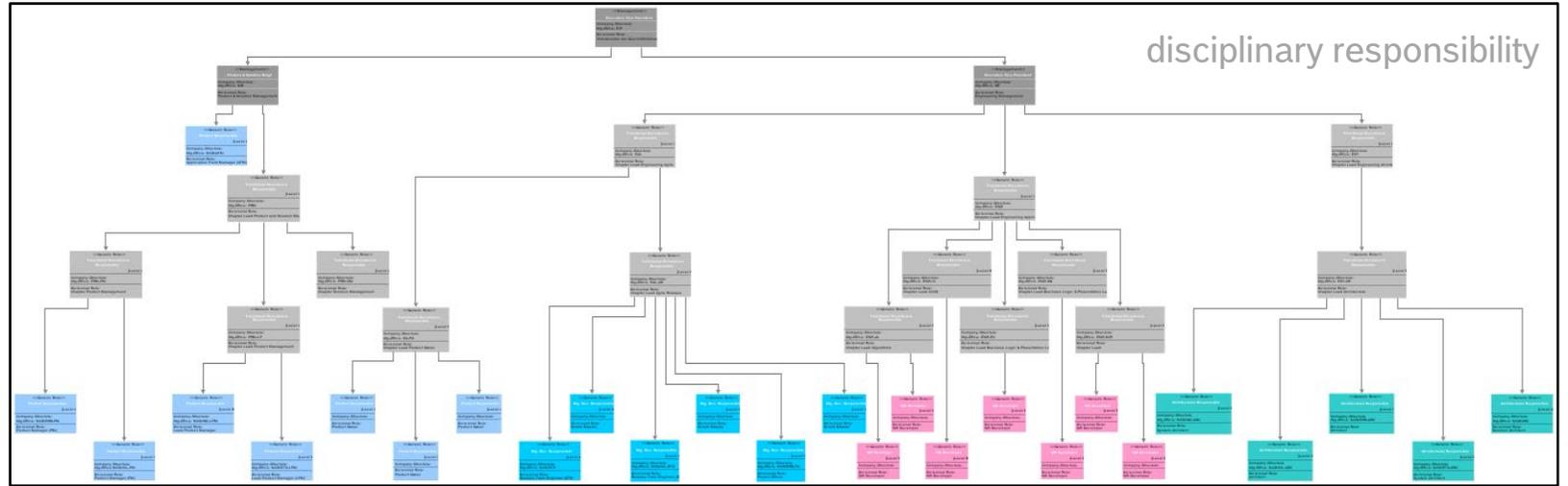## what we change − Example
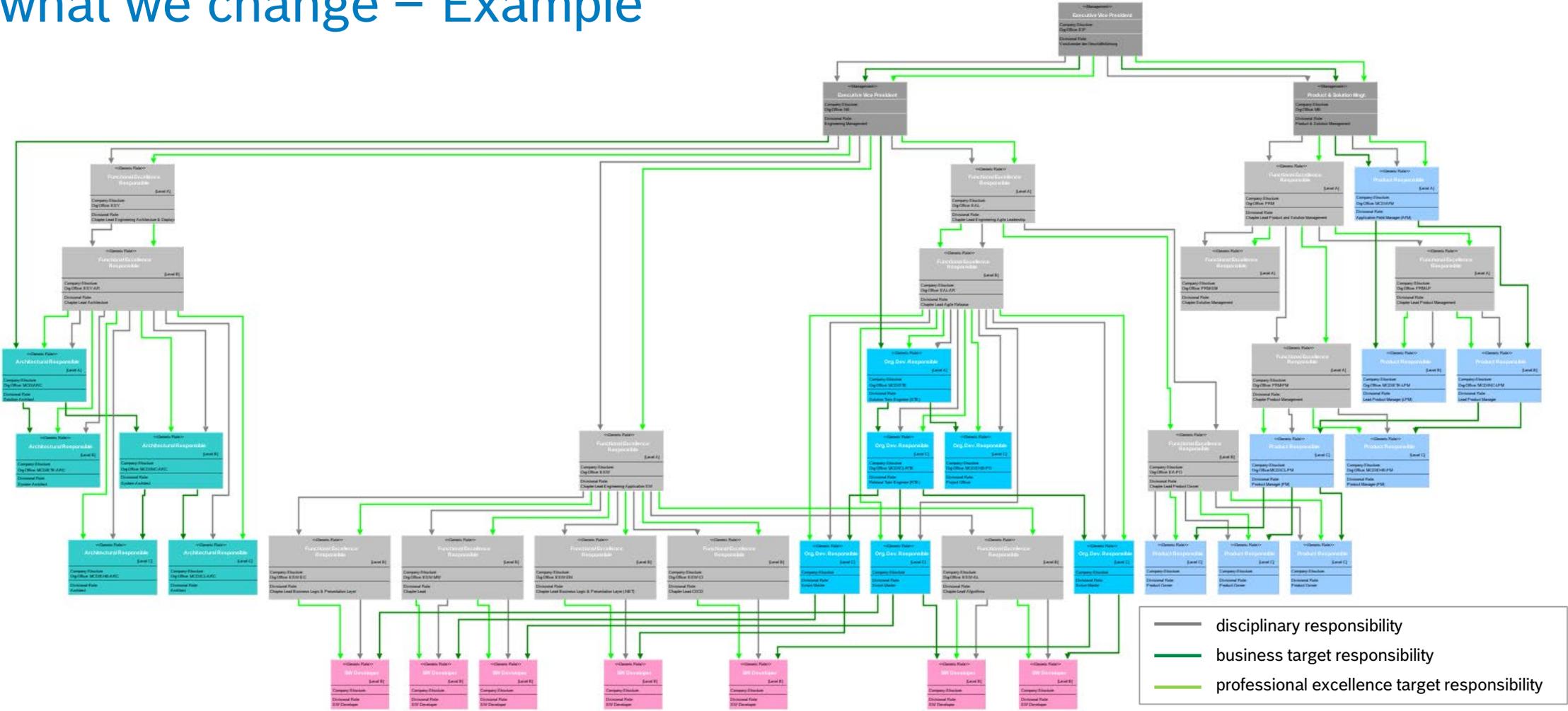
disciplinary responsibility

business target responsibility

professional excellence target responsibility

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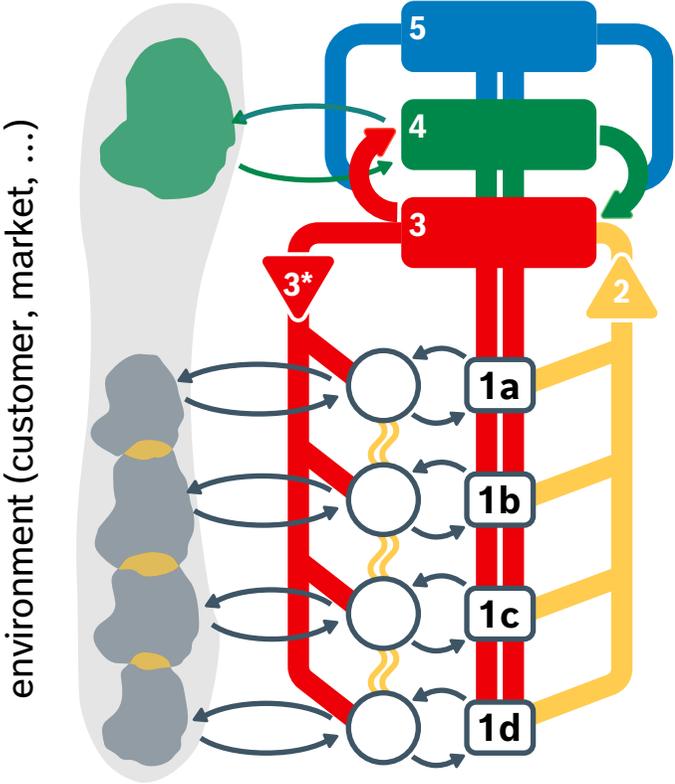# Agile Organization @ BOSCH
Example

disciplinary responsibility

business target responsibility

professional excellence target responsibility

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what we change – Steering / Viable System Model

environment (customer, market, …)

environment, operation and
management in an operating unit

5 Purpose & Normative Guidelines – Identity

4 Strategic & Innovation – Develop „Outside & Then"

3 Operative Management – Optimize „Inside & Now"
3* Go to Gemba

2 (Self) Coordination and Support of Operating Units

1 Operating Units / Value Creation

Σ = 5 Steering Systems + 2 Communication Axes + 1 Principle (Recursiveness)

Stafford Beer: 1972. Brain of the Firm,
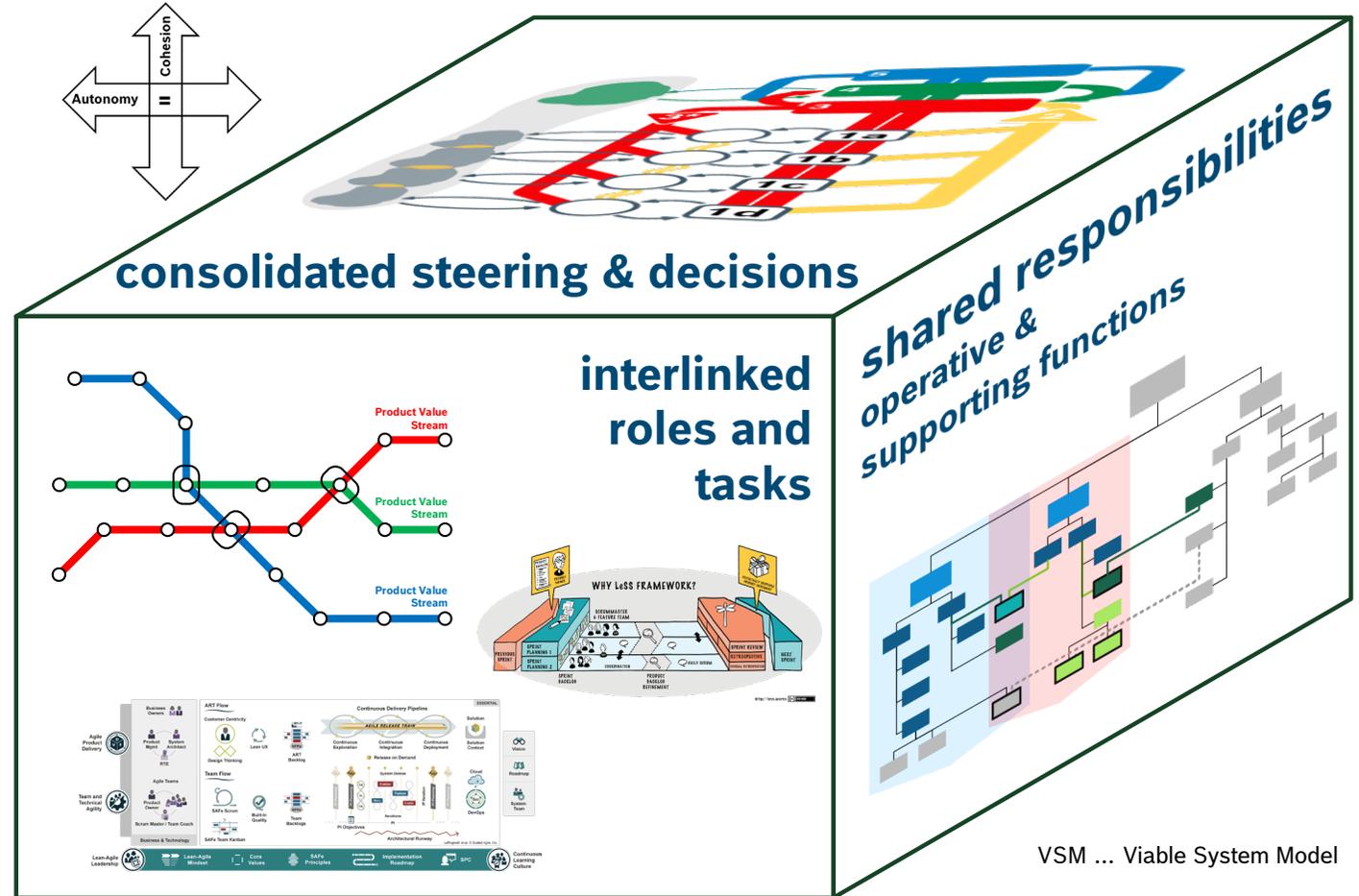Chichester/New York/Brisbane/Toronto/Singapore: Wiley.

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VSM is integrating operational and organizational perspectives

Typical VSM questions

- Possible segmentation of operating units?

- Vertical axis strong enough to cope with the horizontal variety?

- Can we increase the vertical or reduce the horizontal variety?

- Can we flatten the organization and still be manageable?

- Can we realize and afford decentralization?

- Needed steering functions and communication channels?

consolidated steering & decisions

interlinked roles and tasks

shared responsibilities operative & supporting functions

VSM ... Viable System Model

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what we change – Leadership

Agile leadership on different levels

Personal Agility	Team Agility	Scaled Agility	Business Agility
Servant, humble and self reflected leader	High performing autonomous teams delivering early customer value	Horizontal & vertical collaboration & end to end alignment for product delivery	Organizational maneuverability in dynamic markets and environment

My impact
- Trust in myself/ others – level of psychological safety
- Hyperawareness
- Servant
- Humbleness
- Self reflection
- Self organization
- Personal growth

My impact
- Continuous customer value
- Continuous relentless organizational improvement
- Fast adaption & prioritization based on learnings
- Team performance, stability & health & resilience
- Shared data and information

My impact
- Delivery of customer value
- E2E speed & quality
- Continuous Flow within value streams (avoid bottlenecks, remove barriers, reduce waiting time)
- Fast decisions
- Trustful collaboration
- Managed and aligned product portfolio with customer needs

My impact
- Market driven adaptive strategy
- Market and future oriented product portfolio
- Performing network organization together with customer, partner and supplier
- Iterative organizational adaption

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Thank You

- We need agility in the sense of business agility and a balance of effectiveness and efficiency

- Agility requires leadership on different levels but needs appropriate structures and empowerment

- Steering instruments and communication channels must and can be balanced

- Agile frameworks are a suitable starting point but need to be structurally integrated

- Network structures are possible

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