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## **Global Market and Supply Chain Challenges**

**by Stefan Hartung**  
**Robert Bosch GmbH, Stuttgart, Germany**

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### **Summary**

The Power Tool Division of the Bosch Group is the world market leader for portable electric power tools and power tool accessories. In 2009, the division's associates generated sales of 3 billion euros, 90 percent of which was generated outside of Germany. With brands such as Bosch, Skil and Dremel, the division stands for customer focus and extremely high power of innovation.

The core success factors are the power and pace of innovation: Bosch launches more than 100 new power tools onto the market every year. In 2009, 37 percent of the sales of Bosch Power Tools was achieved with products that have been on the market for less than two years. In this way, Bosch gained important market shares in a difficult economic environment in 2009.

Increasing globalization has changed the landscape of opportunities for manufacturing companies substantially. Sales shifting towards emerging markets, global opportunities of supply and manufacturing are widely used. During the past years the number of manufacturing sites of Bosch Power Tools in Asia / Pacific and Europe has increased significantly whilst operations in North America have been reduced.

Supply chain management remains a constant challenge to Bosch Power Tools. Customer markets for example require more direct delivery service and demand becomes more volatile. Shipping capacity after the crisis becomes tight again and new legal requirements create additional complexity. For Bosch Power Tools its Supply Chain Excellence (SCE) initiative drives the efforts of continuous supply chain evolution and optimization. The idea of SCE is to sustainably develop a number of interrelated disciplines such as processes, systems, staff qualification as well as to integrate closer with customers and suppliers.