



CASE STUDY: TIPS FROM BOSCH

HOW TO BUILD A RESILIENT SUPPLY CHAIN



Turbulent times create uncertainty

We are living in a time of geopolitical conflicts, natural disasters, and pandemics. The consequences include financial shocks, a crisis in shipping combined with a shortage of containers, and scarcity of resources and materials such as gas and semiconductors.

In this environment, it is the role of supply chain management to enhance the delivery processes to strengthen business resilience within the company.

How Data Can Make Supply Chains More Resilient

It's impossible to predict conflicts and potential scenarios with certainty. However, having the right data and information helps businesses understand and strengthen their supply chains better. This enhances their ability to take proactive, data-driven measures to better manage future crises and shocks.

Case Study: Building Efficiency in Bosch's Supply Chain Management

Bosch is a highly diversified company operating in the fields of mobility, industrial technology, energy & building technology, and consumer goods. As a result, the supply chains are also highly diverse. Bosch maintains relationships with over 24,000 suppliers in 50 countries around the world.

Furthermore, the regulatory landscape is evolving rapidly, which means higher complexity and increased effort in managing suppliers and understanding the risk each vendor poses.



Learn directly from our customer Bosch what you need to consider when building a resilient supply chain.

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EMBEDDING SUSTAINABILITY IN COMPANY CULTURE

Bosch recognises its responsibility towards climate change. Sustainability, especially in the supply chain, is an essential part of the company culture. Bosch closely monitors all emissions and actively seeks to work with businesses that contribute to sustainability and has a number of programs to support suppliers in validating their environmental credentials.

External factors, such as the Ukraine war, are compelling Bosch to continuously optimize and increase the resiliency of its supply chain. If gas or semiconductor deliveries are delayed, it becomes challenging to meet customer demand.



Improved transparency in the supply chain, real-time data, and alternative sources of supply are key factors.

Dr. Thomas Schulte,
Senior VP, Head of Governance, Supply Chain Management and Purchasing
at BOSCH



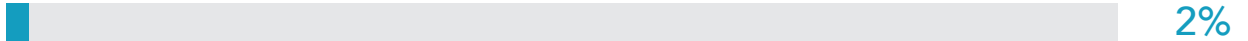
SURVEY:

How do you think the effort involved in supplier management has changed in the past ten years?

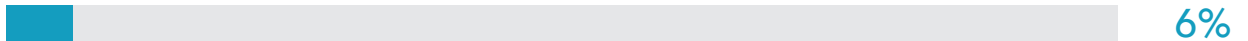
Less effort now



No change



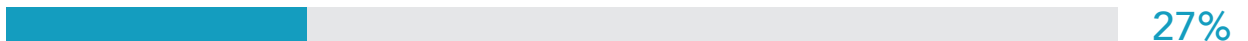
Effort increased by 5%



Effort increased by 20%



Effort increased by 50%



The image above shows the result of a survey conducted in a webinar with Bosch and Dun & Bradstreet. Most of the audience agree that the level of effort required to manage suppliers has increased in the last 10 years, with 92% stating it has increased by at least 20%. Companies need to gather and verify more information about their suppliers due to changing regulations, to prevent

reputational damage, or to simply mitigate risk. Additionally, companies must truly understand the business requirements adopt new processes, optimise their organisational efficiency, train their workforce according to new regulation , and identify the changes the supplier base must undergo to meet future demands.





Managing the Growing Complexity of Supplier Portfolios

Many companies are still managing the consequence of the turbulence in recent years. One strategy often employed is the localization of the supply chain, also known as near shoring. However, Bosch has taken it a step further by embracing smarter ways to navigate the complex environment. "New methods and approaches are needed; simply looking at operating costs is no longer enough," says Schulte.

The focus is on strengthening business resilience and selecting the right tools to understand and

strengthen the entire supply chain. Resilience ambitions are comparable to a hike in the mountains. If your customers accept partial delays and interruptions, it's like climbing in the summer with light preparation and equipment.

If you need to avoid customer impact at all costs, you need to prepare for the "winter-scenario" as: lots of equipment, resources, training and flexibility on the route you choose. At the same time, you need to ensure that you always keep your goal, reaching the mountain peak, in sight.

Supplier Portfolio Management

One key aspect in strengthening resilience is managing supply chain relationships. For Bosch this means:



Reducing the number of suppliers, consolidating relationships where possible



Consider moving away from suppliers that are not willing to provide necessary data



Motivate and train suppliers to consider sustainability in their operations



Understand the deep supply chain ('Tier-N' transparency)

Building data strength

Without reliable master data and high-quality external risk information, managing the supplier portfolio is almost impossible. Data integration enables process automation and improves the quality of decision-making. Here are Schulte's top tips to keep in mind.

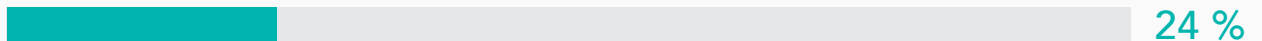
- Seamless integration of data
- Aggregate supplier data
- Data crawling, AI, bots
- Supplier self-service - suppliers providing information
- It's time for companies to invest in their suppliers for maximum business resilience.



SURVEY:

Do you use external data sources to understand supply chain risks and comply with regulations?

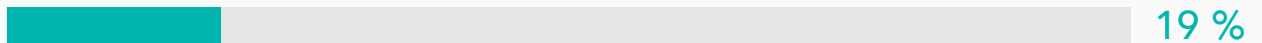
Yes, we are very reliant



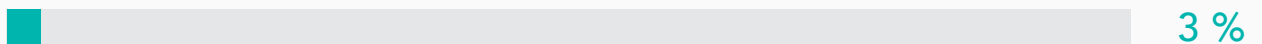
Yes, to some extent



No, but we plan to soon



No, and no plan to utilize data





Criteria for a Sustainable Supply Chain at Bosch

Bosch makes sustainability a top priority when selecting suppliers. To achieve this, the company has enabled its organizations to make the right decisions that align with sustainability goals.

The sustainability teams are examining whether emissions occur upstream or downstream in the lifecycle of a product. Do they occur during manufacturing or during product use? If it's the latter, investing in more sustainable materials is pointless.

However, if emissions occur during manufacturing or are related to sourced components, measures related to production and procurement are crucial.

Selecting suppliers based on their location is crucial as well. Ideally, they should be operating in countries that rely on green energy over traditional sources.

Supply Chain Management: Tips from Bosch

The **regulatory landscape** is developing quickly, leading to increased complexity and effort. Ensure you stay flexible and up-to-date.

Sustainability is important. Consider ESG as well as cost, quality and resilience in parallel.

There are **boundaries with respect** to data availability. Pragmatic, risk-based and maturity related approaches need to be applied. Accepted standards and reliability are key!

“Early birds” profit, by spotting trends early and ensuring they are integrated into operations as quickly as possible. “Fast followers” will meet higher burdens to meet SBTi targets. Be innovative and get ahead of your competition.

Invest in data, digital and automation solutions to overcome current and future challenges.



Make your Supply Chain Resilient with Data and Technology

1

Master your foundational supplier data using a unique identifier. Clean data helps to understand risks and make better strategic decisions, through deeper knowledge of corporate relationships and linkages. Remember, good data leads to valuable insights.

2

Adopt a risk-based approach to classifying your portfolio – whether it's a traffic light system, or another classification, creating policies around how to manage high vs low risk suppliers can be supported by data. These will define the steps you next take with that supplier, for example enhanced due diligence, and allow for more efficient onboarding of low-risk suppliers.

3

Gain transparency with financial and compliance screening and monitoring. Consider what you want to know vs what you need to know and focus what is most important for your business and targets.

4

Secure greater sustainability in your supply chain with ESG data. Use broad data on the ESG performance of suppliers across your portfolio, to benchmark and assess which may need additional assessments or training.

5

Identify alternative suppliers. Ensure you have a view of which suppliers could be your 'plan B' should a crisis occur. Data can be used to find look-a-likes based on firmographics and other information.



LIKE MORE INFORMATION ON THIS TOPIC?

We recommend our webinar.
In it, you will learn directly from our customer
Bosch what you need to consider when
building a resilient supply chain.

[→ Watch webinar](#)



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