Herausforderungen der Wachstumssteuerung

Ursula Urbas | Director Finance & Controlling KUKA Robotics
Megatrends
Change the World

- World CO2 emissions will increase 16%
- The average global temperature will rise 0.5-1.5°C
- Declining biodiversity and extreme weather (Roland Berger)
- The average age worldwide will rise from 27.2 years now to 37.3 years in 2050 (Mercury Institute)
- Average age in Germany will rise to 88 years for women and 82.5 years for men in 2050 (Deutsche Bank)

- The share of the world population living in urban areas will rise to 53.6% in 2030 (United Nations)
- Large-scale migration from region to region and countryside to urban areas continues in both Asia and the Middle East (Copenhagen Institute)

MOBILITY
GLOBALIZATION
GLOBAL WARMING
OVERAGEING SOCIETY
URBANIZATION
DIGITAL LIFE CONNECTIVITY
INDIVIDUALIZATION
HEALTH
New Dimension in Robotics Growth

- Growth in robotics from 2005 to 2015
- Strategy: Increased share in general industry
- Reduction of cyclical effect and sustainable increase in profitability
- Focus on 10 regions/countries
- Focus on 7 customer segments

Robot density (number of robots per 10,000 employees)

- Source: IFH World Robotics 2016

- Japan: 214
- Germany: 184
- China: 221
- India: 14

- Innovation:
  - 1st Robotic Revolution: Industrial automation
  - 2nd Robotic Revolution: Sensitive, safe robot-based automation (LBR iiwa)
  - 3rd Robotic Revolution: Mobility
  - 4th Robotic Revolution: Intelligent and perceptive robot systems

Outperformer

- Wunsch nach vollautomatisierter Fertigung
- Eliminierung des Fehlerfaktors „Mensch“
- Anpassung Design an Prod.-Prozess
- Wachstum >40%
- Treiber für automatisierte Logistik
- Vollautomatische Kommissionierung & Handling von Bestellungen

- 3C
- eCommerce
- Mensch-Roboter-kollaboration
- Montage (sensitive Robotik)
- Waren-Logistik
-Produktions-Logistik

Industry 4.0
How is KUKA Robotics doing in this environment?

**Revenue (in Mio €)**

- 2008: 474
- 2009: 331
- 2010: 436
- 2011: 616
- 2012: 743
- 2013: 754
- 2014: 835
- 2015: ~920

**EBIT (in Mio €)**

- 2008: -12
- 2009: 21
- 2010: 51
- 2011: 80
- 2012: 77
- 2013: 90
- 2014: ~101
- 2015: ~920

What are we experiencing if we grow slower than the market?

- loss of market share
- price / cost pressure
- decrease in ratings
- loss of attractiveness for investors
- high costs for financing
- loss of attractiveness for business partners
- loss of attractiveness for talents

... in contrast: a sustainable growth is a self-reinforcing process

- attractiveness for talents
- media / public interest
- cash for investments and acquisitions
- attractiveness for investors
- higher ratings
- attractiveness for business partners
- economies of scale / profitability increase
Big opportunities, hard competition, limited resources => focus?
Internal hurdles and key success factors

Organisation

Leadership

Strategy

VISION FOR 2017/2018

REAL COLLABORATIVE CULTURE

STRENGTH TODAY

ACTION
"The purpose of strategy is to implement it"

Most companies' strategies are surprisingly unclear

Of the executives surveyed...

- 83% said their strategy is not well understood across the organization.
- 74% said their strategy is not often enough translated into specific measures.
- 78% said their company does not have the capabilities required to win.

Organisational issues make the problem harder to solve

Of the executives surveyed...

- 75% said that funding gets channeled to critical initiatives in an ad hoc or informal manner.
- 26% said their organization's culture is at odds with their strategic imperatives.
- 81% said the appraisal process has no clear consequences for managers who fail to support the company's strategic objectives.

A majority of companies allocate time and resources without using a strategic perspective

Of the executives surveyed...

- 66% said that lower-priority initiatives receive more than their fair share of funding.
- 49% said their company cuts costs in reaction to external events or pressure, not because they have a culture of continuous improvement.

- 81% said management's time allocation is often driven by forces other than the company's strategic objectives.

http://www.strategyand.pwc.com/media/file/Strategyand_Infographic-FFG-IndexProfilerFindings.pdf
Take strategy from paper to pavement

CUSTOMER CLOSENNESS

APPLICATION KNOW HOW

UTILIZATION OF ROBOTS

VISION FOR 2017/2018

MAIN FOCUS AREAS

STRENGTH TODAY

ACTIONS

SPEED & EXECUTION
One KUKA: Customer in focus despite legal entities...
... and orgcharts
New leadership style & collaboration culture
R = Q x I

Result = Quality x Involvement
CFO & Controller Rolle = Business Steering & Support
gemeinsam auf die besten Geschäftsoptionen setzen

- Optionen
- Priorisierung
- Ressourcen
- Ziele

Innensicht
Kerngeschäft
Vorhandene Ressourcen
Individuelle Ziele

Außensicht
Neue Produkte, Märkte
Ressourcenaufbau
Teamziele

VISION FOR 2017/2018

MAIN FOCUS AREAS

- AKV, Organisation, conceptual framework, ...
- Processes, methods, tools, infrastructure
- Products, solutions, services

- Expertise, learning
- Communication skills
- Implementation, Empowerment

- Readiness to change
- Motivation
- The will to create, to lead

Prioritise, plan and manage projects / programs, communicate

Identify gaps and define countermeasures
...Strategie *gemeinsam* zum Tagesgeschäft machen

**Organisation**
- Steuerungsmodelle
- Planung
- Prozesse
- Systeme, Tools
- Operational excellence

**Richtlinien**
- Jahresplanung, FC
- All-in-One Systeme
- Support

**Freiräume**
- Rollerende Planung, FC
- Agil einführbare Tools
- Self service
... sich *gegenseitig* fordern & fördern

Leadership

→ Kommunikation

- Ergebnisorientierung
- Verantwortung
- Engagement
- Konfliktfähigkeit
- Vertrauen

Maßnahmen
Konsequenz
Konfliktvermeidung
Kontrolle
Perfektionismus

Ziele
Hilfsbereitschaft
Konfliktlösung
Empowerment
Fehlerakzeptanz
Die Maschinen der Zukunft laufen nicht mit Öl, sie laufen mit Daten. Es ist nicht die Technologie, die die Welt verändert, es sind Träume hinter der Technologie”

Jack Ma, Key Note CeBIT 2015
Mensch-Roboter-Kollaboration

Vernetzung durch Steuerungsplattformen

Robotermobilität in der Produktion und Logistik

"Generation R"
...communication live, facts at the finger tips...

...fast decisions, based on best available information...
Setting up the structures for global business steering & support

Customer oriented regional HUBs for support functions: reliability, efficiency, speed

Efficient & easy to use IT systems & tools based on redesigned processes

Empowerment: adjust guidelines, align global / local strategy & execution
„A dream doesn't become reality through magic; it takes sweat, determination and hard work.“ Colin Powell