

Failures Help

Text STEFFEN FRÜNDT / Photos KLAUS BECKER

Boge makes vibration control technology and lightweight components for the automotive industry. This long-standing company is benefiting from modern innovation and development processes. It is seeking to enter new markets with new products. Courage is called for, and failures are allowed.



Boge CEO Torsten Bremer (*right*) is proud of his products. But he wants to expand his company's horizons. Development engineer Fabian Herbolt (*left*) didn't manage to convince his boss this time around with his pitch for a new product idea. But failure is allowed in Boge's culture of innovation.

Fabian Herbolt takes a deep breath, and then walks into the room. He can't help but be aware of the numerous pairs of inquisitive eyes, but is not about to let himself be distracted. Completely composed, this thirty-one-year-old engineer presents his "baby"—which in this case just happens to be a high-quality, ultra-lightweight electric scooter. Herbolt has only a few minutes to pitch his product idea, but that's all he needs. He lists the company's expertise in lightweight construction, its depth of production, and megatrends in the mobility sector. He proposes an ambitious

timeline: "In just fourteen days we can build a functioning prototype. For that I'll need €10,000."

The scene is reminiscent of successful TV shows around the world in which aspiring founders present their product ideas to potential investors on camera. The German version is called *Höhle der Löwen*, or "Lions' Den." We're not at a television studio, however, but rather in a town of 17,000 people on the flatlands of northern Germany. Damme is the name of the town. In the big conference room at the Boge Rubber & Plastics company the focus is on the future, both near and far.



This automotive supplier specializes in bearings that reduce vibrations and undesirable sounds in vehicles. Or in other words, in products that most drivers are hardly aware of but make a significant difference in automotive quality.

A long-standing specialist in vibration technology and lightweight construction, Boge wants to move forward into the future: to change and enter a world of new markets with new products. "New markets have hardly been a part of our innovation efforts thus far, but we want to work on that," says CEO Bremer, a physicist by training and a former coxswain for Germany's eight at international races. Although the company posted record sales of nearly €830 million in 2017, he sees a need for action. "There's more pressure on margins in our sector," he notes. "At the same time, megatrends like autonomous driving and electromobility are offering opportunities we don't want to pass up. There may also be room for our expertise outside the automotive industry." Suddenly a lot of things are fair game.

The vibration technology company with 4,200 employees at ten locations in seven countries has therefore embarked upon a comprehensive transformation process—supported by the Porsche Consulting management consultancy. Strategy, organization, processes, and ultimately the entire corporate culture are all being directed towards innovation. The engineers, whose work has thus far consisted primarily of meeting the demands of the automotive industry in the best possible ways, are now supposed to expand their horizons, entertain new thoughts, and raise their knowledge and creativity to new levels. The focus is now not only on perfection but also on innovation.

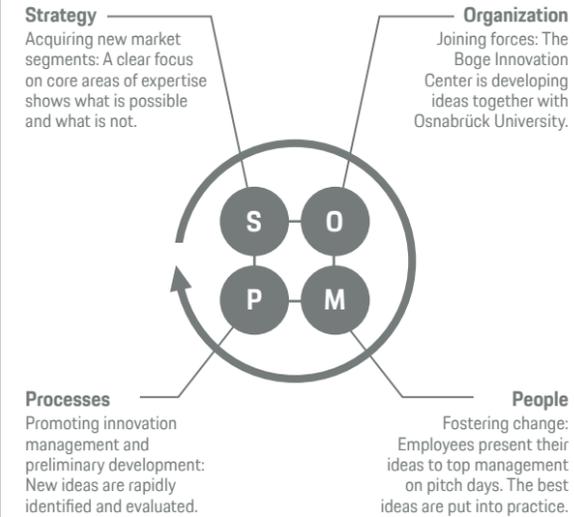
One obvious element of this innovation campaign is the "CEO pitch," which takes place every few months. Development engineers, as well as other employees like those in the marketing department, are invited to present their ideas. The composition of the "jury" alone shows how seriously the company takes these events. In addition to board members and the heads of development and preliminary development, it also includes all the product line heads. The latter are crucial targets at each pitch, because in order to put their ideas into practice, candidates need sponsors whose departments can guide and finance their projects. Unlike the TV shows, no artificial suspense is built up. "We don't want to put time and money into developments that are ultimately not promising," explains development head Stefan Loheide. Candidates are usually informed of the decision by company leaders right then and there.

Accelerator and brake pedals made of highly stable plastic (above) are core products from the Boge automotive supplier.

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TORSTEN BREMER
CEO, Boge Rubber & Plastics

THE FOUR PILLARS OF BOGE'S CULTURE OF INNOVATION



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Following the first open stage of identifying ideas, the projects then undergo subsequent stages of rigorous analysis, which in many cases lead to rejection. Like that for development engineer Herbert. He and two colleagues spent a good four weeks polishing their scooter proposal down to the last detail. "We wanted a product with as much in-house production depth as possible—and one that's on the cool side," he says. "It's great to have the freedom to approach development heads directly." Unfortunately for Herbert, he didn't manage to spark the same level of enthusiasm in his listeners today. In the eyes of the managers, there are simply too many competitors and no truly unique feature to his concept. So there will not be a Boge scooter. "It's not just a matter of our technical capacities; there also has to be a market for it," says Loheide, who seems almost more sorry about the rejection than the developer himself. "It's important for the employees to realize they've done absolutely nothing wrong even if they don't succeed with their ideas right here." On the contrary. As he puts it, "Innovation management deliberately fosters uncertainty."

This willingness to take risks, to allow for failure, and to draw inferences from what can be sketchy evidence is the opposite of what most people have associated with German engineering in the past. "You can order colorful chairs and put up marker boards, but the hardest thing is to change the culture," says Bremer. He describes how employees keep reverting to their tried and true behavior and successful patterns of the past. "The recoil forces are huge," he observes.

That is one of the reasons why the company has established a new innovation center thirty kilometers away, at the center of the campus of Osnabrück University. It will initially have fifteen creative minds working on new solutions in direct dialogue with university researchers. "We're right in the middle of all the action there. That helps us recruit talented new people," notes Bremer. The personnel will work on a rotation basis. This is critical to help us ensure that the innovation lab does not become an ivory tower of sorts, one without any connection to the company. The CEO is already excited about the creative ideas generated during the set-up period. "There's a completely new atmosphere now—ideas keep bubbling up all the time."

EXPERTS IN VIBRATION TECHNOLOGY

The Boge Rubber & Plastics automotive supplier is a leading producer of technical solutions for minimizing vehicular vibrations and noise. Recent developments include accelerator and brake pedals made of highly stable plastic. Headquartered in Damme in the state of Lower Saxony, the company has 4,200 employees at ten sites in seven countries. Formerly a subsidiary of ZF Friedrichshafen, it is now part of the world's largest rolling stock manufacturer, the Chinese state-owned CRRC Corporation Limited.



Photos: BOGE