

PRESS RELEASE

ROI Study: Milestones for the R&D Footprint

A new study from ROI Management Consulting AG reveals trends in the global management of research and development.

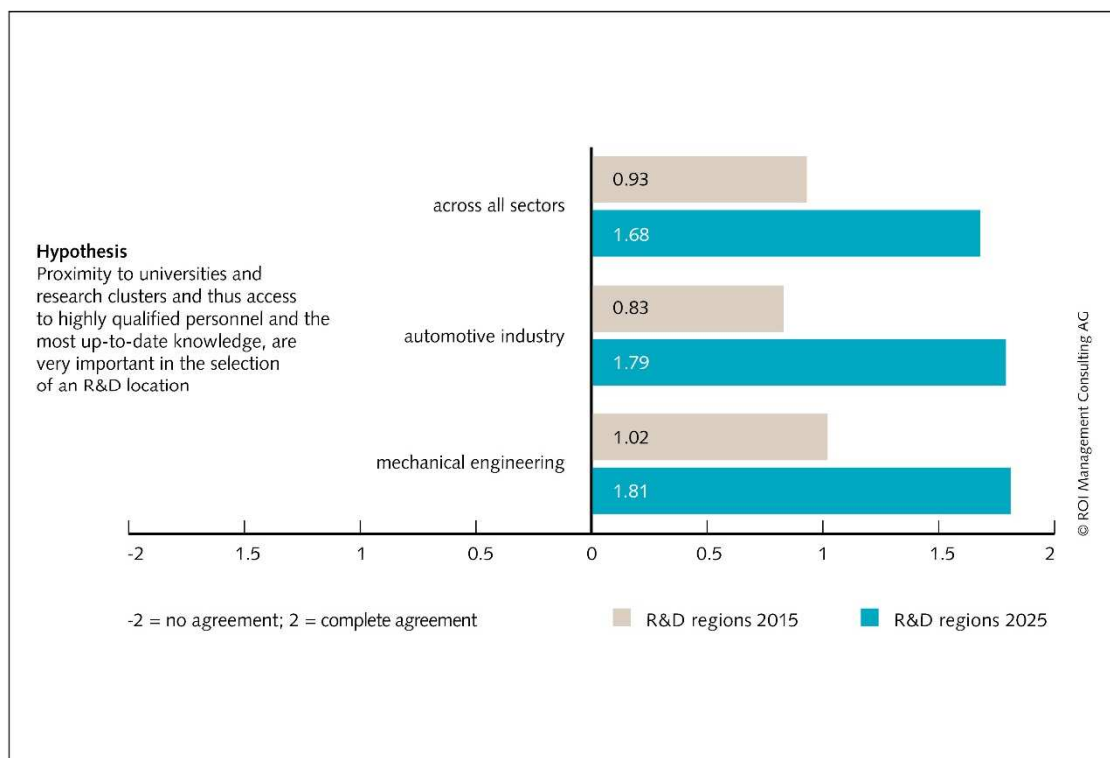
Munich, July 2nd, 2015 – Corporate research and development (R&D) departments are undergoing radical change. More and more companies are discovering that the technological competence of their think tanks alone is no longer enough to ensure long-term success. This is also confirmed by the findings of the latest trend study entitled "R&D Landscape 2025" from ROI Management Consulting AG. According to the study, the global management of R&D in the next ten years will be a critical factor for economic survival – but this is exactly what many German companies are very much neglecting, as comments by some 60 decision-makers in R&D, production and purchasing departments in both large corporations and SMEs indicate.

Just one look at the current starting conditions for global interconnectivity reveals glaring weaknesses in many places. Irrespective of the industry concerned, many of the companies surveyed are currently not in a position to manage their R&D activities with the help of key performance indicators. This indicates the lack of a central prerequisite for assessing locations and continuously improving a company's global R&D footprint. "For decades, German R&D departments have been concentrating almost exclusively on the question of what should be developed – without thinking of the needs of the market, of economic feasibility and the criteria of efficiency," says Hans-Georg Scheibe, Member of the Management Board at ROI Management Consulting AG. "This, however, will not enable any company operating on a global scale to withstand increasing competitive pressure. What is now needed is for companies to grapple with the organization and management of R&D." The ROI study not only provides concrete starting points for the findings of the survey, it also gives trend assessments from experts on the subject. The global R&D map that results illustrates important aspects relating to the choice of location and supplies ideas about how R&D can lead to increased corporate flexibility when changes are made in the future.

Choice of R&D Location – Access to expertise is the key

The automotive and mechanical engineering sectors in particular are under pressure to act when it comes to achieving flexibility through R&D. "These industries have always been

regarded in Central Europe as trend setters for technological innovation and the flexible development of R&D expertise," Hans-Georg Scheibe comments. "Nevertheless, they risk losing this standing unless they start thinking and acting increasingly globally in the future." However, which potential R&D regions will gain greater significance by 2025? According to the ROI study, Western Europe, North America and China will maintain their top positions, but so far countries who have been paid less attention will become more attractive in the future, as well.



Furthermore, proximity to centers of science such as universities and research clusters will play a more central role in the choice of an R&D location than in the past. According to the managers surveyed, the most important topics in this process include access to knowledge and highly qualified staff, the development of an effective balance between central and local structures and the improvement of processes with regard to efficiency and the reduction of complexity.

R&D Processes – Efficient Global control and measurement necessary

Moreover, the study also illustrates how global companies are facing new developments via R&D activities – for example to what degree they are currently placing their trust in the concept of 'open innovation' and how likely they are to do so by 2025. This clearly shows that many

companies have not taken the different structures of R&D processes, which vary depending on region or country, sufficiently into account. Accordingly, globally distributed R&D processes in which the different process stages are allocated to the most suitable regions are not yet standard everywhere. Not all companies measure the efficiency and effectiveness of R&D with KPIs (key performance indicators) to the same degree as in production, for example, either. If the globalization of R&D is to become a long-term success factor, there is still a clear need for action at the strategic and operational levels in many places.

The detailed study with extra information and numerous diagrams is now available from ROI. If you would like further information, please contact us at grund@roi.de

About ROI:

With over 1,000 successful projects, ROI Management Consulting AG is one of the leading business consultants in global footprint design, development and production. ROI helps industrial companies to optimize products, processes, technologies and global production networks in accordance with the principles of lean management and operational excellence and to adapt to the changing demands of markets, customers and technologies. As initiator and co-organizer of the Industry 4.0 Awards, presented for the first time in 2013, ROI actively promotes the development of technological innovation in Germany.

ROI has won several prestigious awards and prizes for its highly implementation-oriented projects. The company has around 100 employees at its locations in Munich, Beijing, Prague, Vienna and Zurich and is represented by partner offices in Italy, France, United Kingdom, Thailand, India and the USA. www.roi.de

Press contact:

Evelyn Grund
ROI Management Consulting AG
Nymphenburger Strasse 86
D-80636 Munich

Phone: +49 89 12 15 90-24
Fax: +49 89 12 15 90-10

E-mail grund@roi.de
Internet www.roi.de