

## LEADING ASIA | THOMAS JAKOB

Regional President Asia Pacific at Bosch Software Innovations



**T**homas Jakob is Regional President Asia Pacific at Bosch Software Innovations, the software division of the Bosch Group. He has been leading the company's regional team since 2012 delivering Internet-of-Things (IoT) solutions to various sectors including home and building, smart cities, manufacturing, transportation, agriculture and others. Prior to joining Bosch, he ran a consulting firm providing strategy advice to high-tech companies, served as regional CEO of T-Systems, worked for Deutsche Telekom in Asia Pacific as well as for Hewlett Packard and Nortel in Europe.

It is no secret that established businesses around the world are striving to emulate the speed and dynamism of digital disruption. In this interview with Leadership Advisory Inc, Thomas talks about Bosch Group's IoT solutions division and its leading role in the company's digital transformation. In the context of how large companies can survive in the Digital Age, he also discusses the new culture, leadership and collaboration models. An edited transcript of the interview follows.

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**Leadership Advisory Inc:** Bosch is well known for household appliances, industry power tools, automotive components and even large security and CCTV installations at Singapore Changi Airport, Changi Prison and the upcoming Thomson-East Coast MRT line. Tell us more about Bosch Software Innovations?

**Thomas Jakob:** Bosch Software Innovations is the Bosch Group's IoT solutions division and its spearhead for digital transformation. More than 10 years ago, we started developing the skills, capabilities, technologies, and processes necessary to succeed in an increasingly connected world characterized by innovation, speed, agility, and completely new business models.

As part of this, we have been further ramping up our efforts in the Asia Pacific region around our development centre in Singapore. Moreover, last year we established a new DevOps centre to implement and operate our IoT solutions and the Bosch IoT Suite cloud services in Nanjing, China.

Out of Singapore, we are also driving open source software development for the IoT through our active contributions to the Eclipse Foundation, a platform that promotes open source for greater adoption and interoperability. In total, we now have a workforce of a few hundred associates around the region across our various divisions, focusing on products and solutions for a digital economy.

**Leadership Advisory Inc:** The Asia-Pacific region is a “hugely important” region for Bosch. In fact, the IoT market in the industrial sector in the region is set to increase fivefold by 2020 compared to 2015. Is there enough political stability in Asia to assure continued investment and growth?

**Thomas Jakob:** Obviously, political stability is important to foster further economic development not only locally but especially when cooperating across the region.

In the context of new digital markets, the free flow of data across borders is especially important. A McKinsey study points out that data flows do not only affect new digital services, but more than 75% of the benefits accrue to traditional industries.

Cloud based services are potentially a major benefit especially also for SME's, as such services allow them to leverage economies of scale and scope they could never achieve on their own. This requires free access to these services from wherever they are originating in the region or the world.



Obviously, data privacy rules are required to protect the individual, and governments across the region have improved their data privacy laws in the last few years, which is commendable.

However, data residency requirements do set up hurdles, which need to be kept to a minimum. Data must be allowed to flow freely across borders for the digital economy to thrive. We should insist on data protection without data protectionism!

**Leadership Advisory Inc:** In a presentation that you did in October 2018 - "How big companies can survive in the Digital Age", you talked about new models for culture, leadership and collaboration. To what extent has the pace and breadth of change shaped your view of leadership?

**Thomas Jakob:** Bosch is in the midst of its most fundamental transformation process ever. In order to develop new digital offerings for our customers, we need people that combine the breadth of business understanding with the depth of technical expertise. These dual requirements suggest a need for "t-shaped" talents who have both.

Unfortunately, those are a rare breed. Software developers and business development specialists are not that hard to identify, but people who combine these capabilities and can lead teams, while at the same time connecting the dots across the organization, are not easy to find.

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Also, in a rapidly changing VUCA world characterized by Volatility, Uncertainty, Complexity and Ambiguity, leaders need to be comfortable to experiment. You can't simply read a book and then have all the answers. You have to find your own way by driving and adapting transformation ideas to your organization.

As a result, we need to continuously change our perspective (and resulting decisions), take in new information, balance long-term and short-term thinking while considering trade-offs, and quickly make decisions based on incomplete information. Digital leaders thus need to be able to live in grey zones and even be motivated by it, as organizations manage the transition from the traditional way of doing business to new digital initiatives.

**Leadership Advisory Inc:** And how does the leadership style you described translate into your day-to-day work?

**Thomas Jakob:** *Firstly*, the key is to create a strong purpose. It provides the necessary guidance in an uncertain environment and it really motivates people to work on solutions that have a concrete, positive impact on the society.

*Secondly*, we are striving to always put things into context while we are continuously adapting our strategies to a rapidly changing environment. We are also making every effort to remove barriers for our teams struggling with the complexity of a large and, in parts, still traditional organization surrounding us.

*Thirdly*, we are increasingly creating cross-functional teams, giving them the leeway they need by reducing control and letting them collaborate based on their own expertise. Design thinking teaches us that diverse teams generate the best and most appropriate solutions.

**Leadership Advisory Inc:** What about your leadership team? How do they stay in touch with the rest of the organization?

**Thomas Jakob:** As boundaries are being dismantled, the key part is overarching collaboration across hierarchical and divisional lines. We therefore need to cultivate cross-functional and cross-level connections inside and outside of the organization.



In order to achieve that, we all thus need to change the way we communicate – from cascading selected information to creating a fast and authentic flow of comprehensive information to everybody. Open communication is a big motivator, and it allows associates to contribute better in their respective work context.

For this, we use a variety of channels and tools. As a

developer of new digital offerings and as a business incubator and a change agent for Bosch, we try to keep our organization as agile and non-hierarchical as possible, allowing for direct communication across functions and levels. In addition, we extensively use online collaboration spaces (so called “Wikis”), internal and external social media platforms as well as regular communication sessions with all of our associates in a wide range of forms.

**Leadership Advisory Inc:** What is next for Bosch Software Innovations? How do you see 2019 panning out?

**Thomas Jakob:** We see that the IoT and related solutions are now ready for prime time, and as a result, adoption is spreading rapidly and widely. Hence, we are further ramping up solutions and services development also in the Asia Pacific region in 2019. This includes making our IoT services offerings broadly available across diverse cloud platforms while creating new digital solutions for connected buildings (e.g. elevator monitoring), agriculture, retail and other sectors.

Digital solutions for the automotive, transportation and manufacturing sectors are another huge opportunity that is being pursued by Bosch Group's dedicated business units since the beginning of 2018, after these solutions have been incubated within Bosch Software Innovations.

Another major focus is artificial intelligence (AI). As it was recently announced, Bosch will invest EUR 300m in our own center for artificial intelligence over the next five years.

*This interview was conducted by Daniel Soh, a Managing Partner in Leadership Advisory Inc's Singapore office.*

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