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Bosch India: Value For Money Innovation In Common Rail Diesel Systems

"In the overall innovation set up of Bosch, diesel plays a very special role. And our Technical Centre in India is focused on diesel fuel injection systems for the Indian market. It therefore plays a small but extremely significant role in the Bosch world when it comes to innovation."

- Dr. Steffen Berns, President and Country Head, Bosch Group India

A tall, lean man, a laptop case slung over his shoulder, stepped off the aircraft and walked towards the bus that would take him to the terminal at the Bangalore airport. As he boarded, he took in the model of the bus. It was a well-known Indian make. Almost without thinking, the engine model schematic and the fuel injection system inside flashed before his eyes. His mind was on something else as the bus headed towards the terminal, but his brain kept registering the make and model and the innards of every vehicle that passed by. As he strolled through the terminal building and walked out of the airport, he looked around for the driver of the car that would pick him up from the airport. He soon spotted the placard, saying, 'R Baskaran, Vice President, R&D, Diesel Systems, Bosch Limited'.

As they neared the car, inevitably, Rakkiappan Baskaran's mind registered the schematics and characteristics of the diesel engine that would power him to the beginning of a new workday in his office in Bangalore city. He knew the fuel injection system carried inside the engine particularly well, down to the minutest detail. That was part of his job, and over the years he had become a leading expert on the subject at Bosch, a company that was at the forefront of this technology. As the car turned on to the highway, his brow remained

This case was written by Prof. Indranil Bose, Ashish Jha and Saikat Lahiri at the Indian Institute of Management Calcutta, Ravi Santhanam of MetaDrsti Advisory and Prof. Haritha Saranga at the Indian Institute of Management Bangalore. The case was prepared solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

furrowed. Baskaran's mind was on an article in the paper¹ that he had read on the flight that morning. The headline had said "New fuel-efficiency norms to be delayed". It was not that he was not expecting this, but to read it in a national newspaper was sobering.

Baskaran knew that Bosch had planned on Bharat Stage IV (BS IV) emission norms coming into force all across India by 2015 with Bharat Stage V (BS V) to be launched shortly thereafter and be fully implemented at least in the urban centers by 2017. **Appendix A** provides a brief note on auto emissions standards in India]. His team had developed and tested diesel fuel injection systems for different types of vehicles that would meet these norms. If the government decided to postpone the roll out of the regulation, then Bosch may have a product on its hands that had no takers in the market. This could negatively affect his team's morale, and also have a financial impact on the company in terms of wasted investments.

The car stopped at a traffic signal, and a tiny car, easily the smallest passenger car on the road, pulled up next to it. For the first time in hours, the hint of a smile touched Baskaran's lips as his mind suddenly flashed back to 2007. At that time, too, they had been faced with a similar challenge, when the goalposts had suddenly been moved. But he and his team, with the innovative mindset that Bosch had inculcated over the years, had turned that challenge into an opportunity. By the time his car pulled into the premises of the Bosch research and development center in Bangalore, he was certain they could do it again.

¹ Baggonkar, S. (January 2014). New fuel efficiency norms to be delayed, Business Standard., http://www.business-standard.com/article/companies/new-fuel-efficiency-norms-to-be-delayed-114010900934 1.html, accessed March 27, 2015.