

BMW GROUP TECH WORKSHOP.

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MEMBER OF THE BOARD OF MANAGEMENT OF BMW AG, FINANCE



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Rolls-Royce
Motor Cars Limited

WE ARE FIRMLY COMMITTED TO THE EUROPEAN CO₂ TARGETS.



CO₂-Compliance EU

New volume models & rollout 48V
(e.g. 1 Series, 3 Series)
CO₂-emissions 118 i: -15%

Eleven xEV models
available in EU by 12/2019
+80% xEVs in 2020

MINI ELECTRIC with
significant contribution

Our E-Model offensive



THE BENEFITS OF COOPERATIONS & PARTNERSHIPS IN STRATEGIC FUTURE PROJECTS ARE CLEAR.



**RESEARCHING
NEW TECHNOLOGIES**



**COMPETITIVE COST
STRUCTURES**



**FAST
RESPONSIVENESS**



**RAPID
SCALABILITY**

PERFORMANCE>NEXT: WE ADDRESS ALL MAJOR PROFITABILITY DRIVERS ALONG THE ENTIRE VALUE CHAIN.

06/2017

2022


























2030

PERFORMANCE  NEXT

12 bn. €



»»» New Platform Generations

	 Sales	 Material and Manufacturing Cost & Product Excellence	 Development Process and Structure & Administration	 Indirect Material Cost	 Investment	Smaller Lever 	Larger Lever
 Revenue							
 Prop. Cost							
 Fixed Cost							
 Invest							

**WE ARE REDUCING COMPLEXITY WHILE MAINTAINING
OUR FOCUS ON THE CUSTOMER.**

DATA ANALYTICS
instead of gut feeling



Consolidation of **model line-up**

Dropping **non-profitable** drivetrain variants/configurations

Full impact with new model architectures

CURRENT VEHICLE PORTFOLIO: MEASURES APPLIED WHEREVER FEASIBLE AND EFFECTIVE.



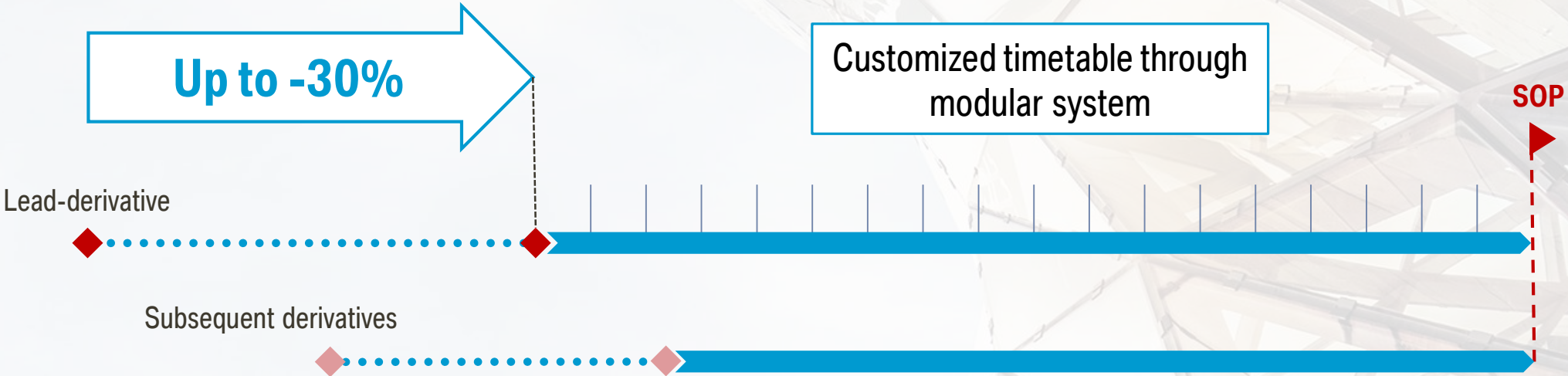
WE HAVE SHORTENED OUR DEVELOPMENT PROCESS AND MADE IT EVEN MORE FLEXIBLE – A CUSTOMIZED TIMETABLE AT THE PUSH OF A BUTTON.



Speed



Flexibility



FOCUS ON FREE CASHFLOW: WE ARE PRIORITIZING CAPITAL EXPENDITURE AND OPTIMIZING WORKING CAPITAL.

Capital Expenditure

Balance innovation and cost.

Prioritization/optimization of upcoming projects.

1/3 of savings target already accounted for.



Working Capital

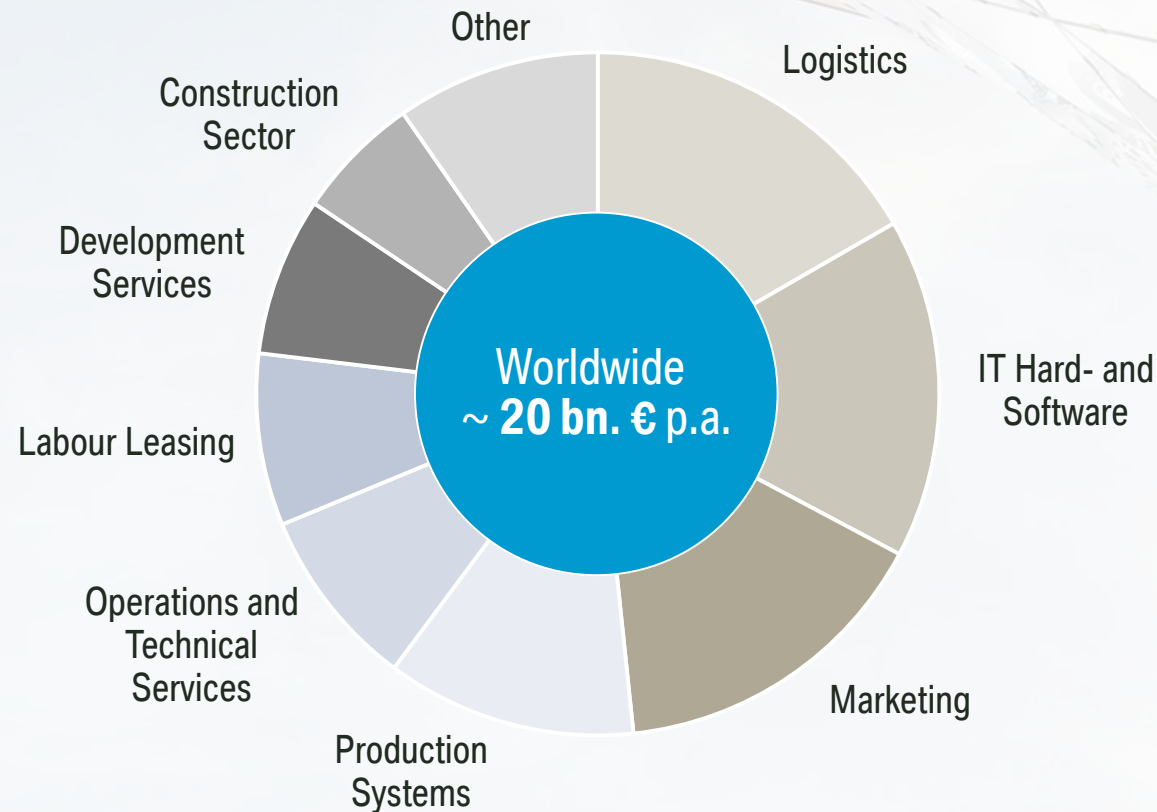
Mix effects from **high-end portfolio.**

Optimization of **inventories.**

Significant stock reduction in Q4.

SIGNIFICANT LEVERS IN INDIRECT PURCHASING: WE ARE ALREADY LOWERING COSTS BY 1 BILLION EUROS PER YEAR.

Indirect Spend – Distribution by Category



Optimization
Indirect Spend:

>1,000,000,000 €
savings per year

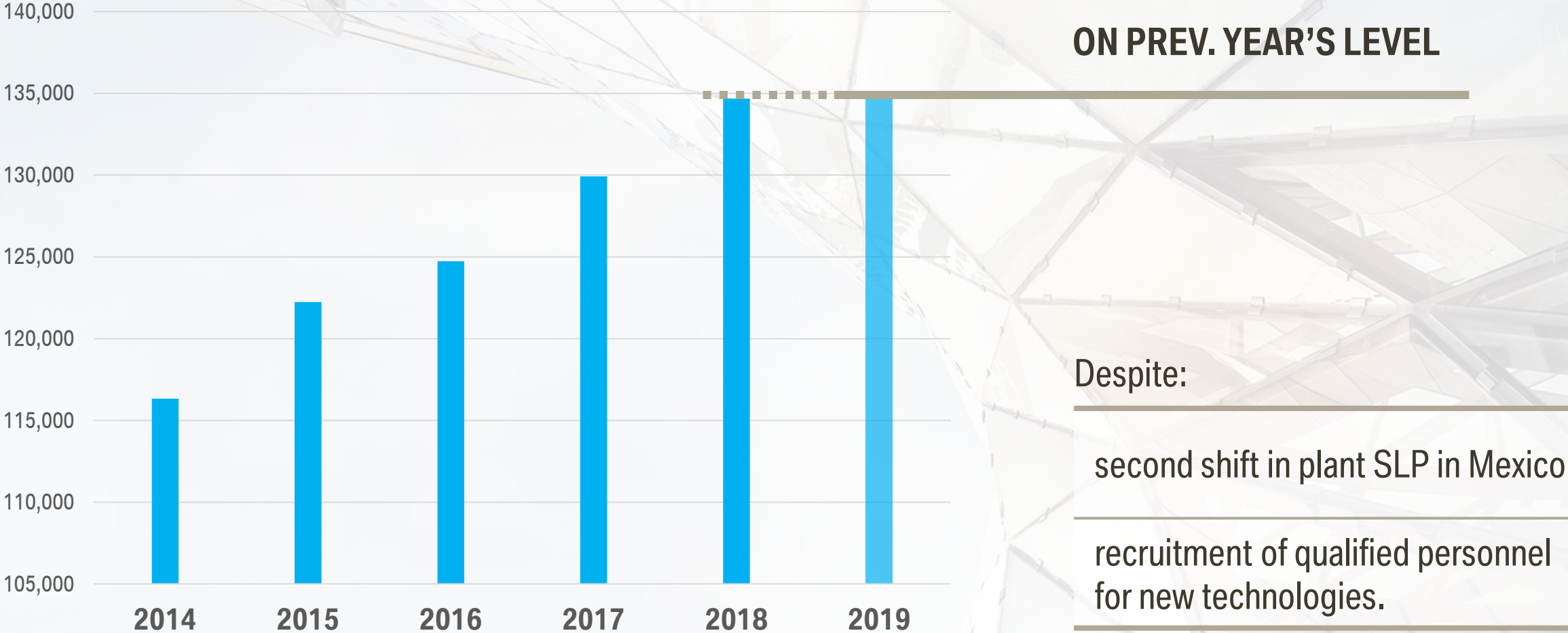
Cross-functional collaboration

Reduction of requirements

Digitalization of processes

AFTER SEVERAL YEARS OF CONTINUOUS GROWTH, WORKFORCE WILL REMAIN STABLE IN 2019.

Personnel development



SYSTEMATIC, DATA-BASED SALES MANAGEMENT ALL THE WAY DOWN TO DEALER LEVEL IS ONE OF OUR TOP PRIORITIES.



Granular Performance Management

Tool for **data drill-downs** all the way to dealer level

18 standardized KPIs implemented

First measurable **retail performance improvements**



HIGHLY EMOTIONAL PRODUCTS

RATIONAL DATA-DRIVEN DECISION PROCESS

