

Global IT

Growing Together.

Transformation cannot succeed in the Comfort Zone

IT Repositioning to increase Performance and Resilience

Thomas Speck | TRUMPF SE & Co. KG



TRUMPF is...



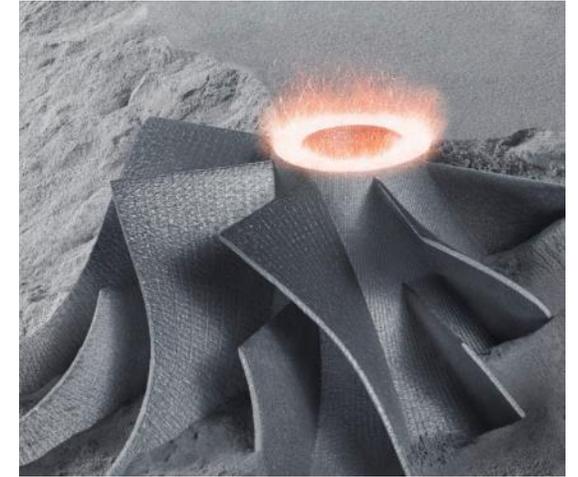
Family Business



Technology Leader



Close to the Customer



Innovation Guarantor

Our largest Fields of Activity

Sales Revenues in Fiscal Year 2021/22

Machine tools for flexible sheet metal processing



Sales revenues 2021/22

2,3 bn. €

+12.2 %

Laser technology for industrial manufacturing and science



Sales revenues 2021/22

1,6 bn. €

+21.7 %

Laser systems for semiconductor lithography



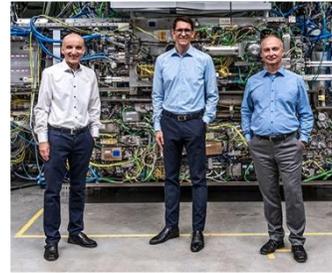
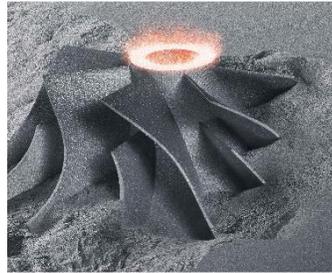
Sales revenues 2021/22

0,8 bn. €

+81.6%

Our innovative Fields of Research

Nominated with the German Future Prize – twice



2013

German Future Prize

"Producing with flashes of light – ultrashort pulse lasers for industrial mass production"



2015

Additive Manufacturing

TRUMPF presented new machines for 3D printing of metal parts



2017

Smart Factory Chicago

TRUMPF built a fully networked technology center for Industry 4.0 solutions



2020

German Future Prize

"EUV Lithography – New Light for the Digital Age"



Future

among others with:
Quantum technology, particle accelerators
as well as **reliable battery and hydrogen technology**

Overview about TRUMPF Business Information Services

Enabler of TRUMPF's Digital Transformation and Innovation Partner for the Business

380 IT EMPLOYEES
SUPPORTING

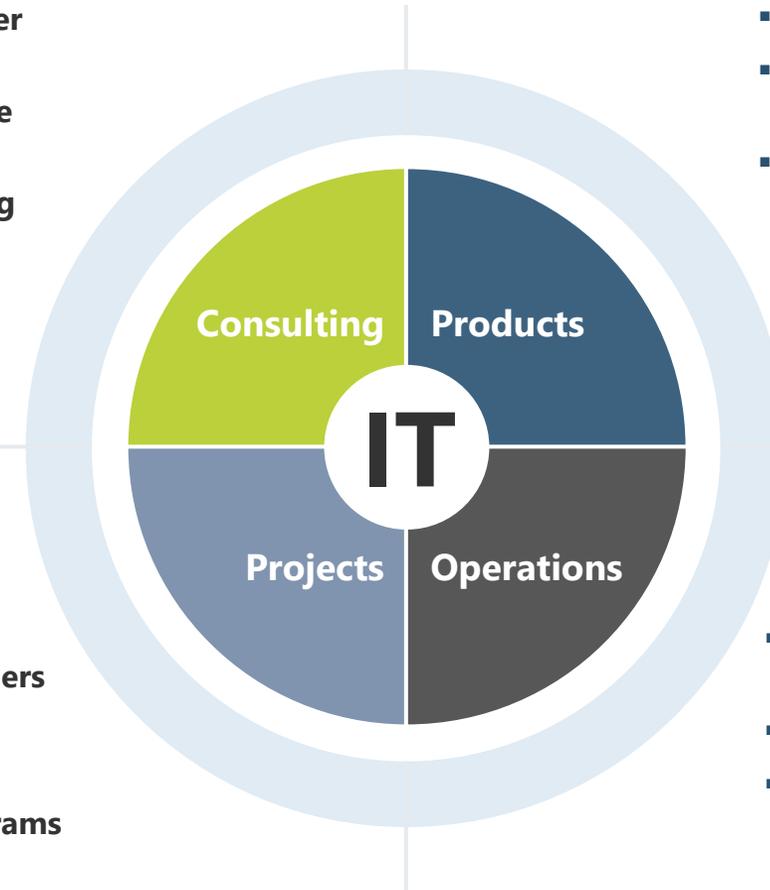
16.500
TRUMPF EMPLOYEES IN OVER

70 SUBSIDIARIES WITH

3 REGIONAL IT CENTERS

- 13+ IT business partner & account manager
- Enterprise architecture management
- Strategic road mapping & requirements engineering

- 40+ IT project managers
- 70+ running projects
- 5 major business transformation programs



- 6 strategic IT products
- Life cycle management & maturity assessment
- Implementation fast lane and DevOps

- 50+ business services with active lifecycle management
- 30.000 end user devices
- Strong managed service focus

The changing Role of IT in the Context of Global Trends

Global Mega Trends and ongoing Crises are accelerating the ever-increasing VUCA World

**GEOPOLITICAL
TENSIONS**



**CYBER SECURITY
HANDLING**



AUTOMATION & AI



**NEW
WORK**



**SUSTAINABILITY &
SOCIAL RESPONSIBILITY**



The changing Requirements from TRUMPF to the IT

Digital Transformation and continuous Business Growth are leading to increasing Project Demand

DIGITAL AMBITION



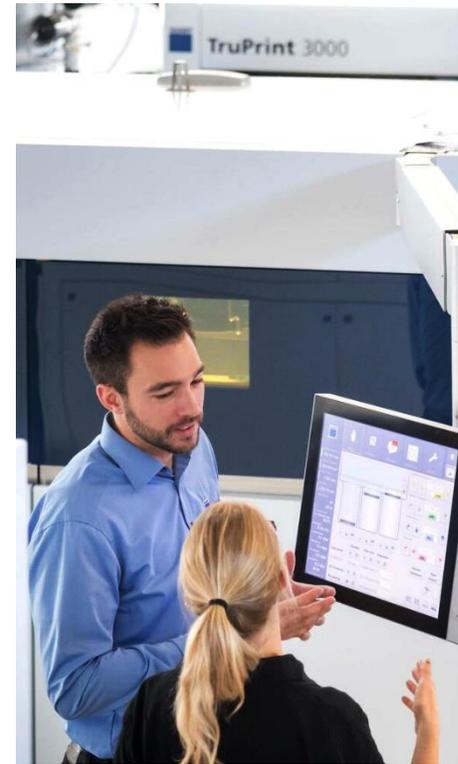
BUSINESS GROWTH



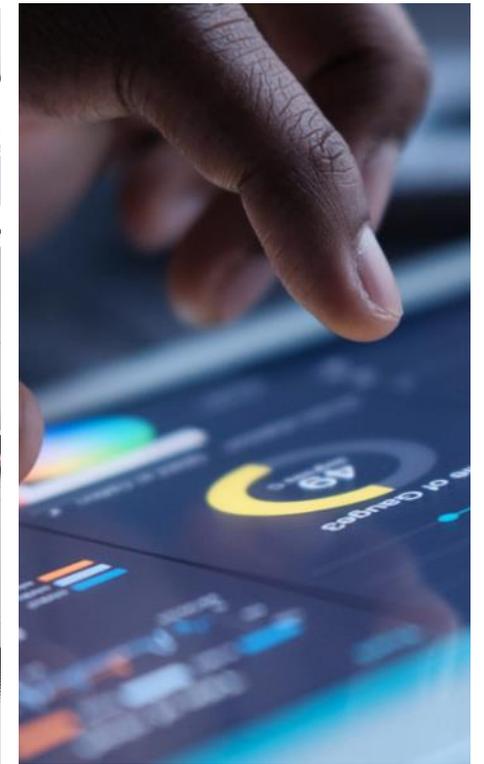
PROJECT DEMAND



SOFTWARE
FACTORY



PRODUCTIVITY
& EFFICIENCY



IT TRANSFORMATION @ TRUMPF

IT Repositioning to increase Performance and Resilience

EXTERNAL DRIVERS



PAST IT FOCUS

- ISOLATED, DECENTRAL IT UNITS
- DEMAND DRIVEN, REACTIVE IT
- SMALL PROJECTS WITH LESS STRATEGIC EFFECT
- TECHNOLOGY DRIVEN
- TECHNICAL DEBTS

NEW IT STRATEGY

PHASE 1: **ENGAGE** | PHASE 2: **EXECUTE** | PHASE 3: **EVOLVE**

2021 | TODAY | 2024 | 2025

IT STRATEGY IMPLEMENTATION AS A **3-PHASE MODEL** CONSIDERING **CONSTANTLY CHANGING CONDITIONS**

FUTURE IT FOCUS

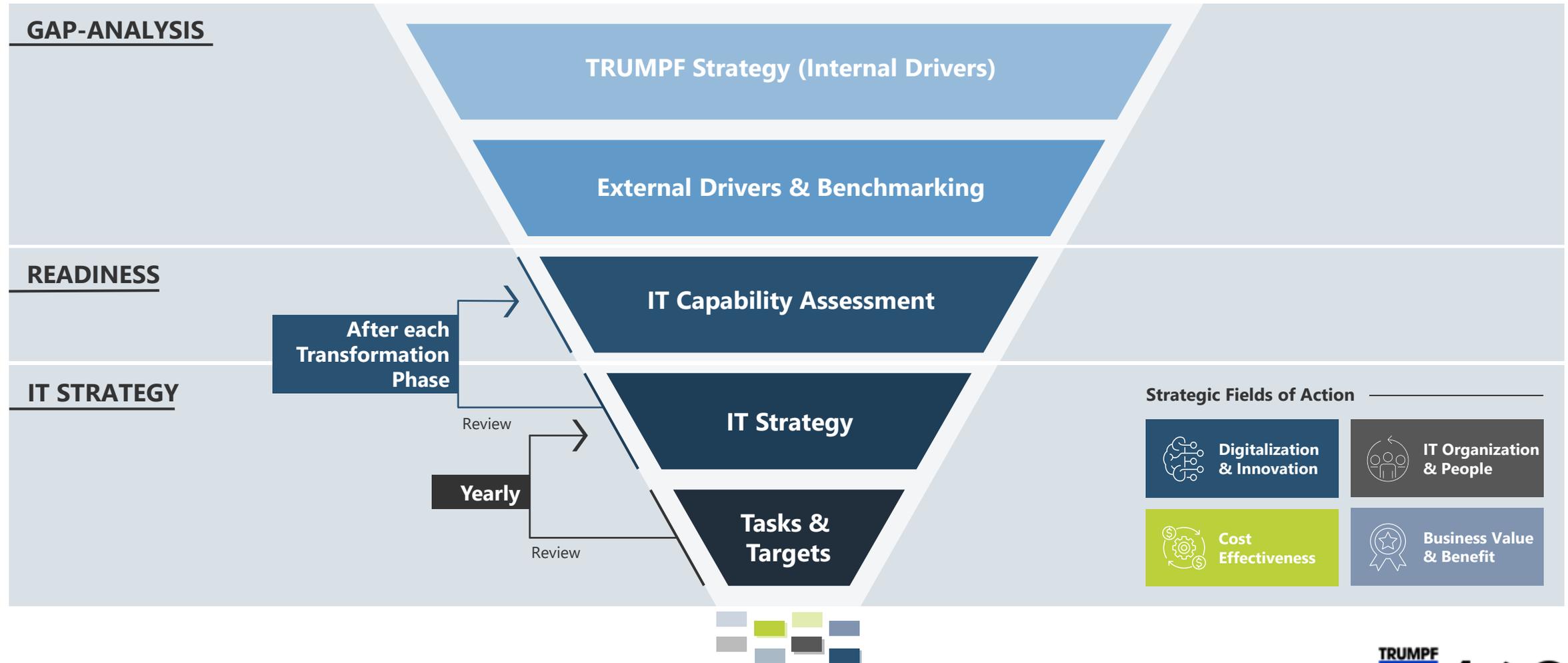
- GLOBAL IT ORGANIZATION
- STRATEGIC BUSINESS PARTNERING
- LARGE-SCALED TRANSFORMATION PROGRAMS
- DRIVEN BY BUSINESS VALUE
- IT PRODUCT DRIVEN



INTERNAL DRIVERS

TRUMPF IT Strategy Development in a Nutshell

Link overarching Strategies with concrete Tasks and measure the Progress





Retrospective of Phase 1 Milestones

Selection of Strategic Milestones in Phase 1

Extract of Highlights and Successes from the four Strategic Fields of Action

Strategic Fields of Action

Measures (Combs illustrate an Extract)



Digitalization & Innovation

Further expand digital platforms with applications and data content for business model development and product differentiation

Data Integration Platform

Cloud Move

Enterprise Architecture Mgmt.

Project Delivery

Hyper Automation

...



Cost Effectiveness

Strengths of our value-adding IT services through cost-optimized relocation of commodity applications and systems and maximize automation of IT processes

Operative Costs Mgmt.

Technical Debts

...

ITSM Push

Strategic Sourcing

...



IT Organization & People

Expansion of cross-BD cooperation in the form of scaling in projects, standardization, as well as expansion of the digital competencies of our employees

IT Governance 22+

IT Recruiting Strategy

Decoupling

Global IT

Communications Mgmt.

...



Business Value & Benefit

Generate direct customer benefits and demonstrate the benefits of IT projects and solutions

Benefit Collection

Business Partnering

Future Markets

Sustainability

Business Value of IT

...

Performance Indicators



IT Organization & People

180

Defined milestones out of more than 25 strategy goals per year.



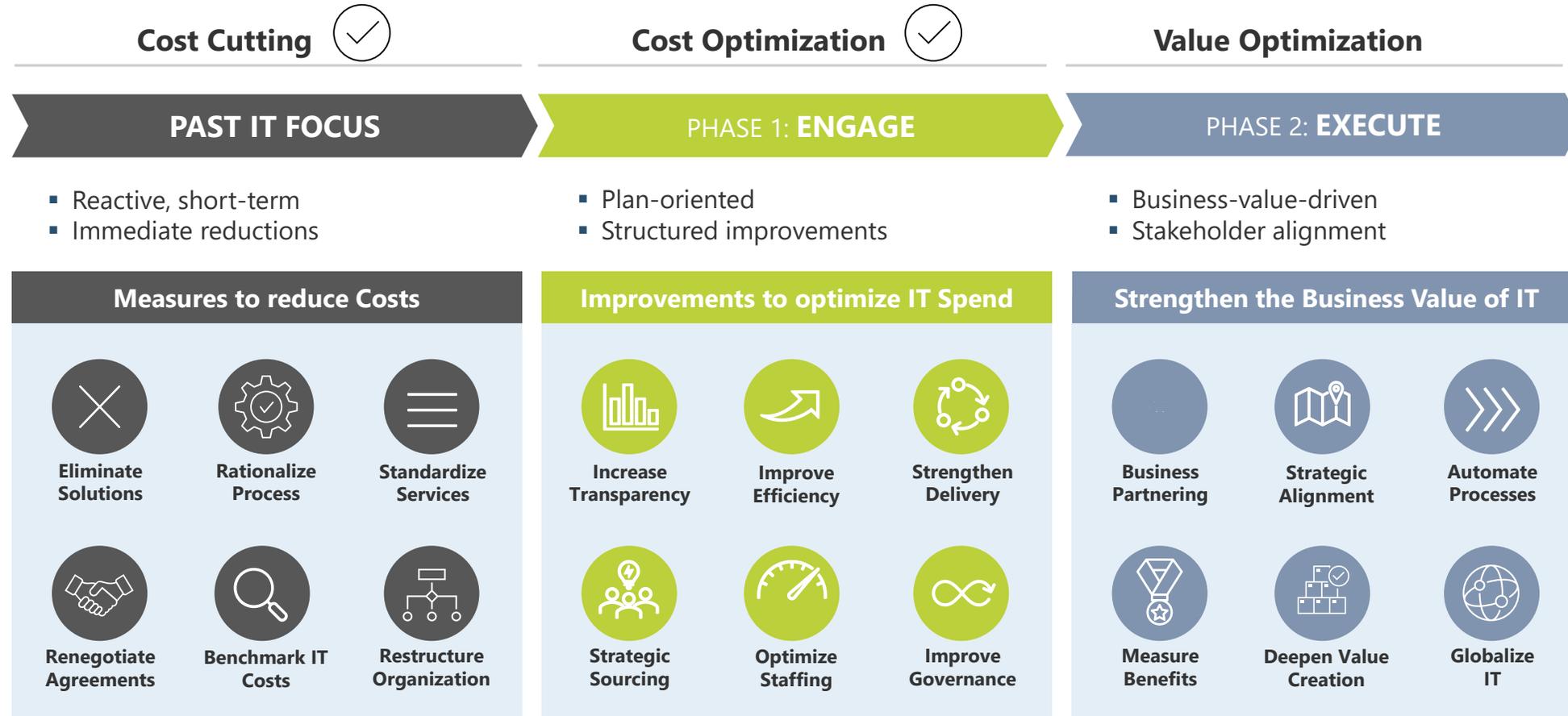
IT Organization & People

Target Process

Unified, yearly target process implemented across all IT departments.

Transforming IT from a Cost Driver to a Value Creator

Improve Transparency and Efficiency to make a real Impact with IT



Performance Indicators



Cost Effectiveness
-15 %

Of annual operating cost reduction in existing applications.

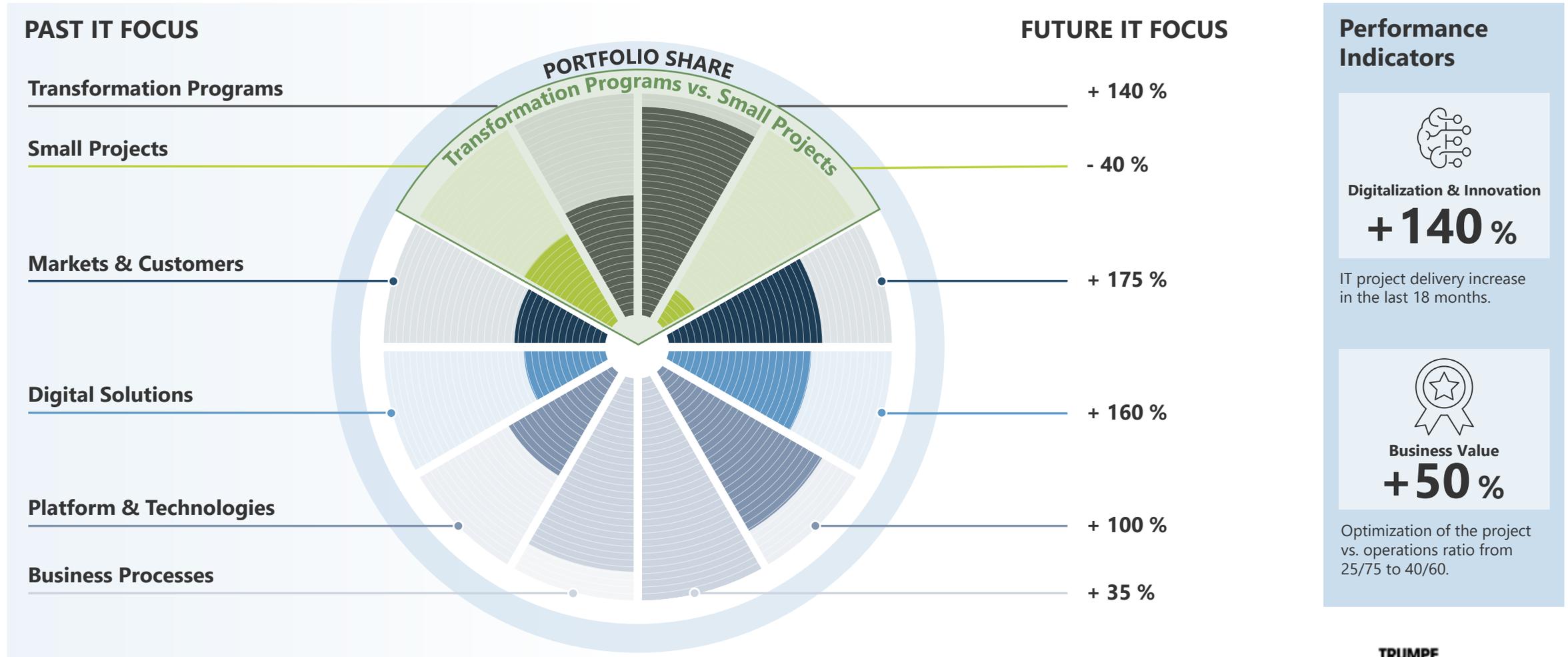


Business Value
Benefit Framework

Implementation of a benefit collection framework to make the business value of IT projects visible.

The IT Strategy meets TRUMPF's Growth Ambitions

Focus and increase Project Performance to support Business Transformation



Performance Indicators



Digitalization & Innovation

+ 140 %

IT project delivery increase in the last 18 months.



Business Value
+ 50 %

Optimization of the project vs. operations ratio from 25/75 to 40/60.

IT Governance to cope with rising Grow & Transform Demands

IT Gov 22+ Program has clearly improved the Delivery Reliability

Key Objectives

SPOC for IT Governance	>
End2End Control for Projects	>
Overarching Governance & Standards	>
Transparency & Accountability	>
Alignment Capacities & Skills	>
Strategic IT Portfolio Management	>
Global Scalability	>

Transformation Program

Vision:

- Ensure **efficient collaboration** between business & IT
- **Act as enabler** to achieve our business strategy and drive our technology roadmap
- **Align delivery resources** to the most value-adding business requirements to **maximize business return**



Performance Indicators



Cost Effectiveness

-50%

Reduction of change requests in the last 18 months.



Business Value
Quarterly

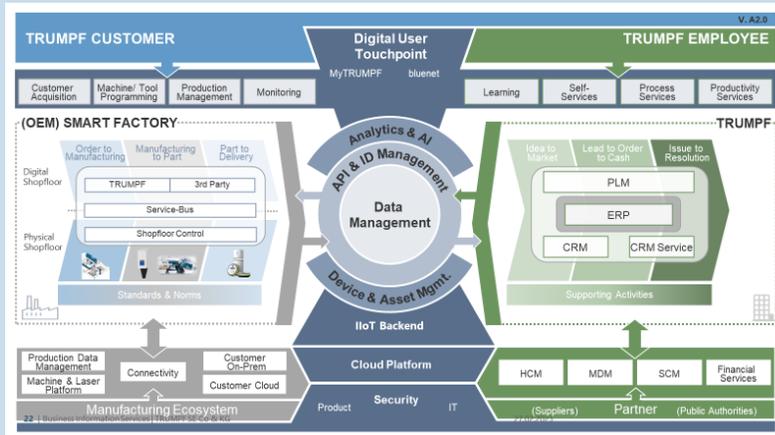
Top IT project review as preventive alerting mechanism.

Operationalize an outcome-driven global Enterprise Architecture

Sustainability of the Architecture to maximize Benefits and reduce Time-to-Market

TRUMPF Digital Reference Architecture

- **"Google Maps"** for architects
- Mandatory **entry point** for every architecture discussion
- **Architecture principles** derived from reference architecture serve as guardrails
- Dedicated ownership per **Architecture Building Block** (ABB) to manage architecture maturity and lifecycle



[Link to Whitepaper „TRUMPF Digital Reference Architecture“](#)

Enterprise Architecture Management @ TRUMPF



Enable **strategic decisions** with direct impact



Ensure **reusability** for close alignment with the strategy



Balance between **innovation and pragmatism**



Identification and leveraging of **synergies**



Collaboration and coaching to increase **adoption**

Performance Indicators



Digitalization & Innovation

100%

Of all IT projects are supported and reviewed by enterprise architecture management.



Business Value
+50%

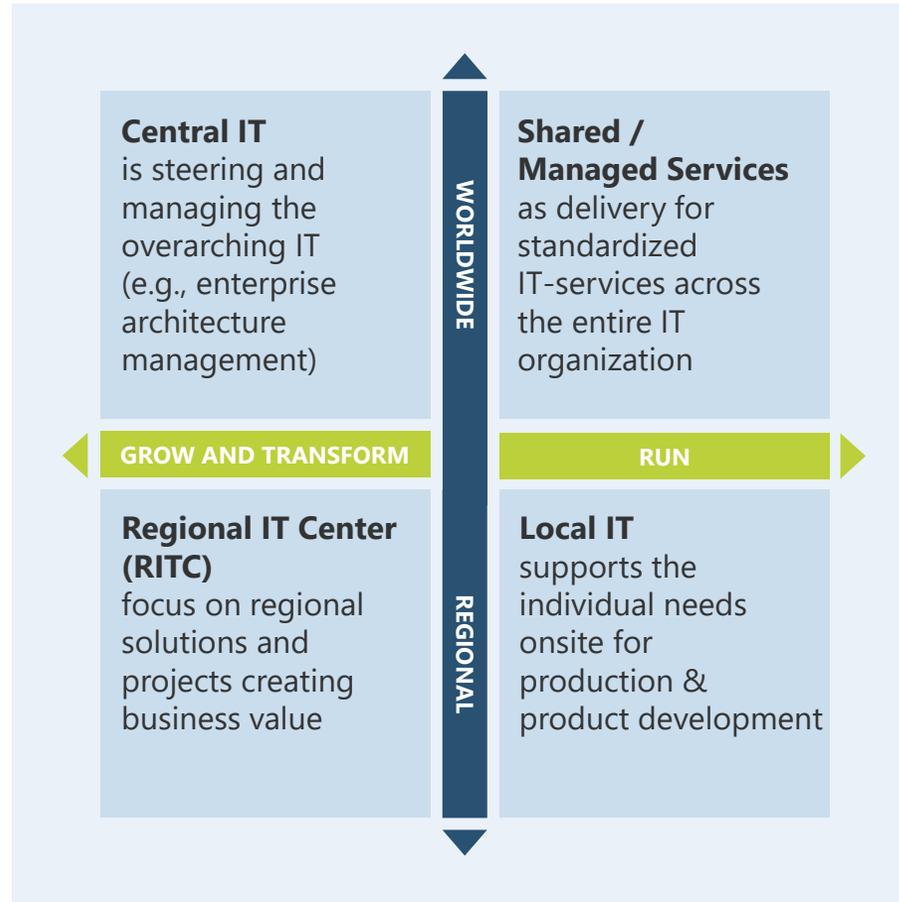
Annual growth rate in the adoption of core Architecture Building Blocks.

Globalization of IT into a worldwide networked Organization

Set-up of Regional IT Centers to support the growing and future Markets of TRUMPF

Paradigms of the Global IT Organization

Synchronized Organization Structures	>
Global IT Governance	>
Create direct Value by supporting regional Business	>
Implement Global Competence Centers	>
Deliver IT Resources across Regions	>
Reduce costs by Consolidation & Harmonization	>



Performance Indicators



IT Organization & People
3 RITCs

Established to integrate decentral IT teams and strengthen the regional impact.



Business Value
Follow the Sun

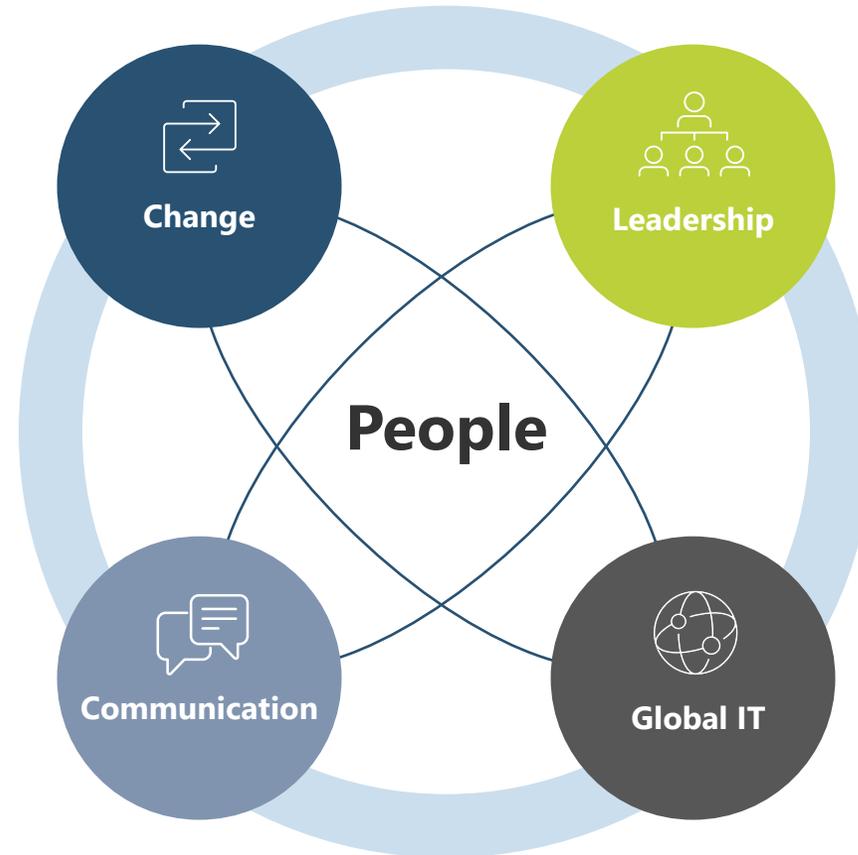
Principle for global project and operations delivery through the global provision of IT resources.

Change of IT with People in Spotlight of the Transformation

New Challenges for IT make a strategic and cultural Change of IT unavoidable

We have to activate the People to manage all the different Changes:

Improve IT project delivery to support business transformation	>
Transform IT from cost center to business value driven organization	>
Implement a strong IT Governance that sets the necessary standards for the whole organization	>
Increase delivery capability and resilience through a Global IT organization	>



Performance Indicators



IT Organization & People

+14%

Increase in employee satisfaction within the TRUMPF IT.



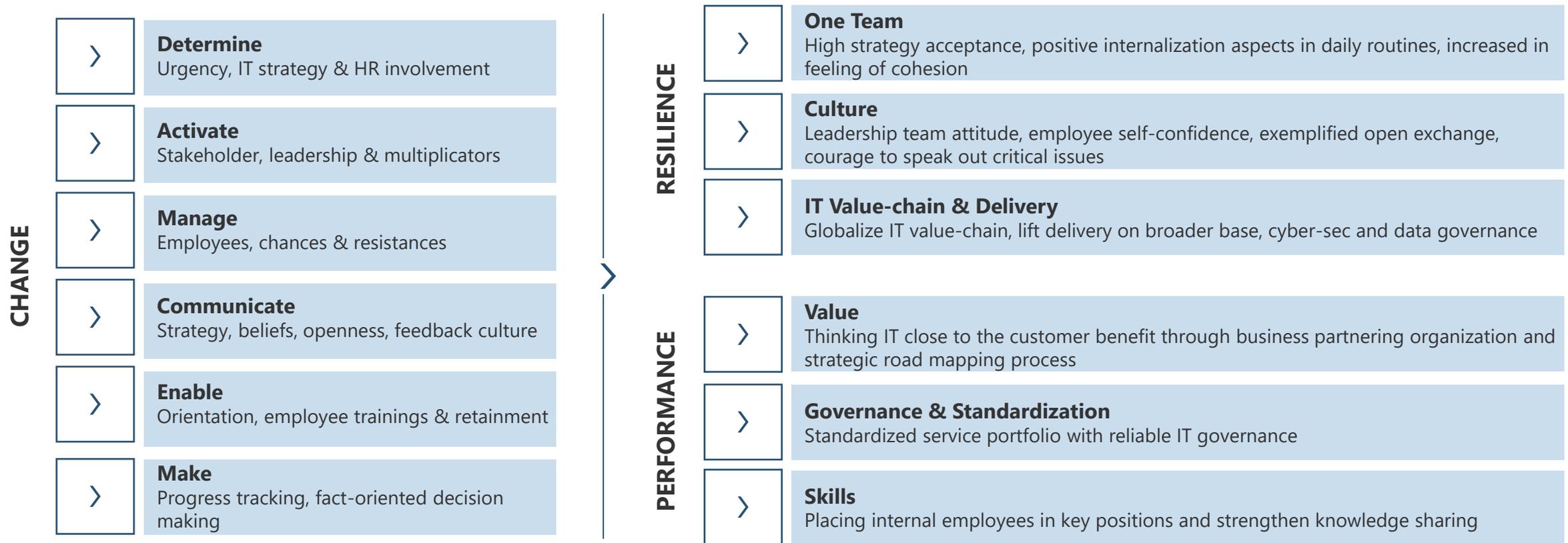
IT Organization & People

Leadership

Training for the IT management team to support the organizational transformation.

Big-Picture: Transformation cannot succeed in the Comfort Zone

IT repositioning to increase Performance and Resilience



IT Strategy



Major Lessons learned

Align Change with Corporate Culture and Needs



Gain Momentum

Drive ideas forward quickly with an inner circle that serves as a multiplier



Determine Velocity

Transformation velocity must fit the organization



Grab Opportunities

Convincing with new opportunities to inspire for change



Tailor Communication

Stakeholder-oriented communication at the right time with the right message



Understand Culture

Transformation approach must fit the holistic corporate culture

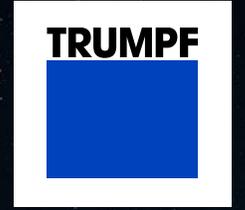


Give Recognition

Appreciate the trust, engagement and commitment of the employees and leadership team

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