



Dynamic Shared Ownership

DSO

*Busting Bureaucracy
Igniting Innovation*



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Bayer AG, IT Foundation

June 4th, 2025





Bayer's mission is our driving force

Health for All, Hunger for None



**Produce 50% More.
Restore Nature.
Scale Regenerative Ag.**

Crop Science



**Treat the Untreatable.
Cure Disease.
Offer Hope.**

Pharmaceuticals



**Help >1bn People to
Live Healthier Lives With Most
Trusted Self-Care Solutions**

Consumer Health



Bayer at a glance

Group key data

3 divisions

- // Crop Science
- // Pharmaceuticals
- // Consumer Health

Represented by
291 consolidated
companies in

**80
countries**

92.8k

employees worldwide
in 2024*

6.2 Mrd. €

investment in R&D
in 2024

46.6 Mrd. €

sales
in FY2024



Tackling two of the most
pressing challenges of our time:
health & nutrition



Diverse, international focus
with cross-border and cross-
division **people development**

*Health for all,
Hunger for none*

* As of December 31, 2024; employees in full-time equivalents



We are redesigning Bayer around our mission

Imagine a company where...



Most of **the decisions**
are made by the teams
doing the work



Innovation cycles
are as quick as
90 days



Teams are
**built around
the customer,**
not the boss



We have the
scale of a multinational and the
speed of a start-up



Managers
become **coaches**



The mission
is always at
the forefront

We're overhauling our operating model to benefit the communities and stakeholders we serve

Introducing Dynamic Shared Ownership (DSO)

What we focus on



Critical outcomes that foster our mission

How we organize & relate



Empowered teams in a network – collaboration & accountability go hand-in-hand

How we create value



Customers and products are front and center, supported by fluid flow of capabilities & resources

How we get the work done



Faster, 90-day work cycles with continuous learning & improvement

How we show up



Respect differences, embrace inclusion & show up as our best selves

Underpinned by a new approach for leadership



Focusing everything on Health for All, Hunger for None

We concentrate on what will make us the best for farmers, patients, and consumers – and abandon the rest – through mission-derived and clearly defined long-, mid- and short-term outcomes of what we aim to accomplish.

Mission Focus ✓

90-Days Cycles ✓

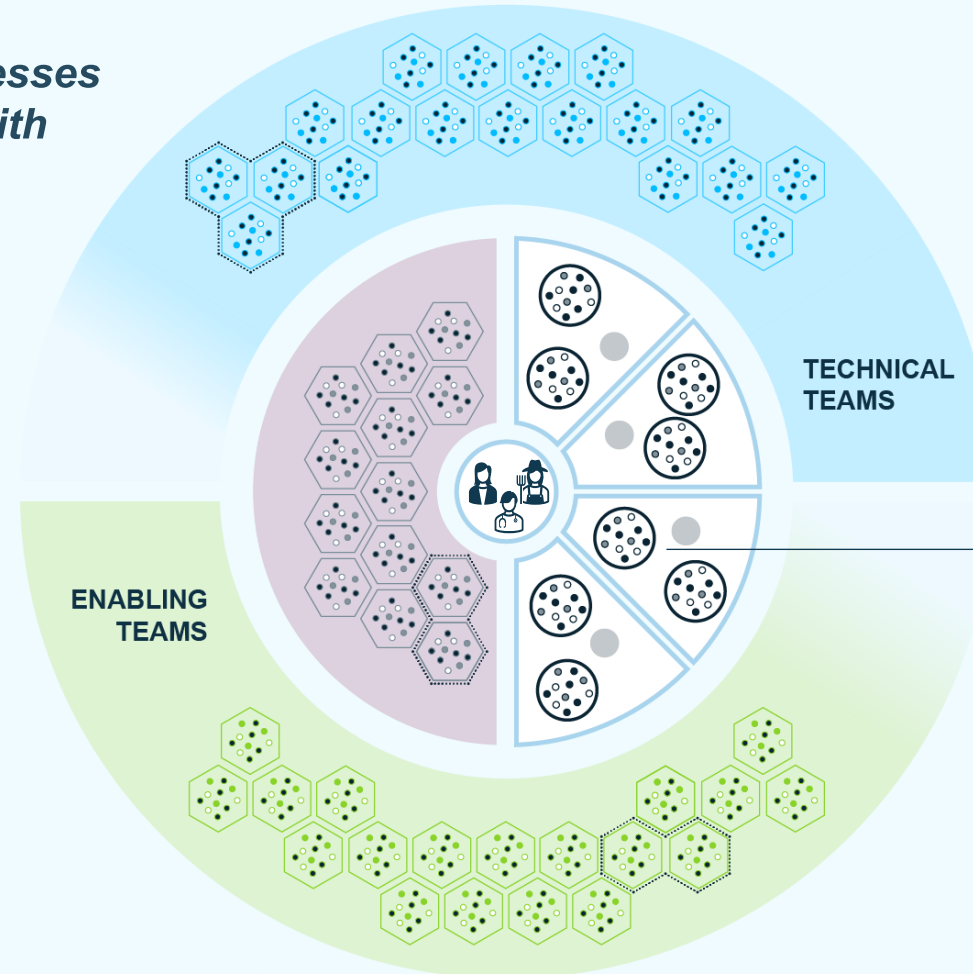
Speed ✓





Creating greater value by placing customer and product teams at the center, working directly with customers

We create Microbusinesses that work directly with customers



CUSTOMER & PRODUCT TEAMS

Teams built around Customer ✓

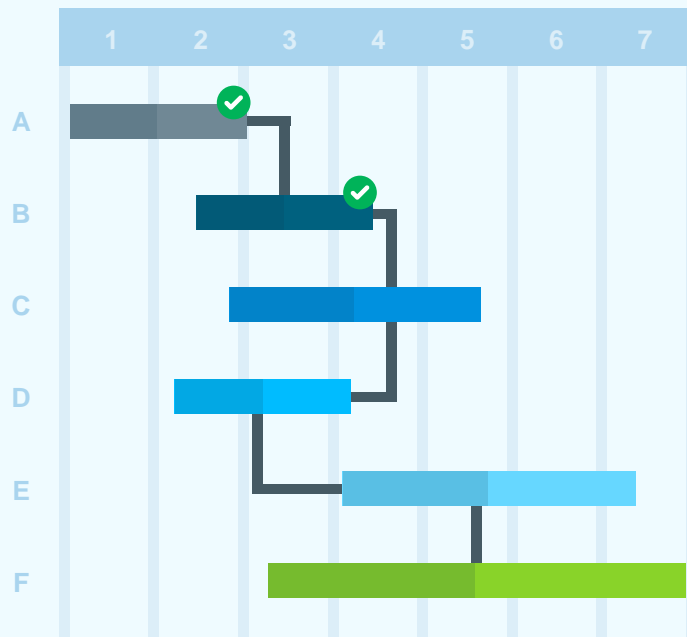
Full Stack Ownership ✓

Specialized Squads ✓



Operating in rapid 90-day cycles of decision, action and learning

From
Traditional Annual Planning Cycles



To
90-day Cycles of Action & Learning



90-Days
Cycles



Outcome-based
Planning



Specialized
Squads



- // Define and prioritize highest-impact **outcomes**
- // Identify available **capacity & skillsets**
- // Emphasize quick, efficient and continuous **decision making**
- // End each cycle and begin the next with a **retrospective**



Example DSO@IT Showcase 1: R&D Applications Suite in Bayer CropScience

Enhancing the Effectiveness of Application Operations by optimizing our IT operating model

Example: R&D Application Suite in Bayer CropScience R&D - Seeds Production

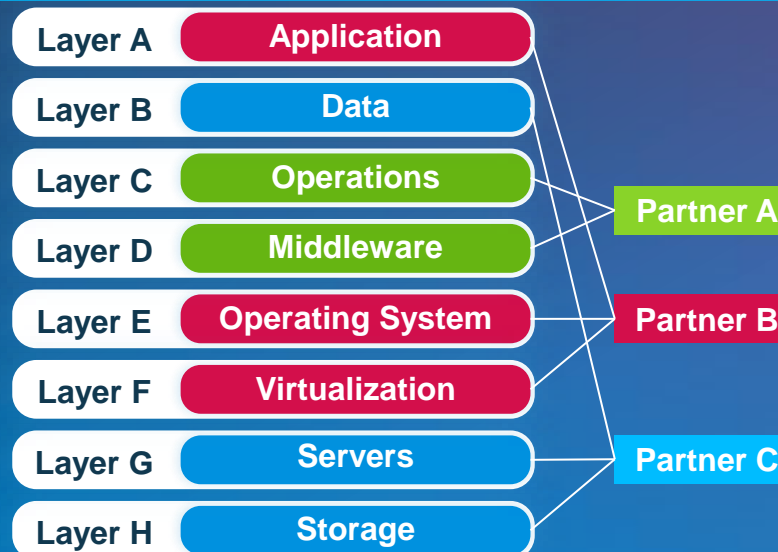
Key platform delivering foundational data to drive fundamental R&D decisions throughout our CropScience Pipeline

Supported Business Processes include:

- // Demand Forecasting
- // Trait Management
- // Yield & Harvesting Planning
- // Seeds Processing Planning

Layered Operating Model

- // Layer-based responsibility split across external Partners
- // Shared Resources like Servers, Databases etc. across Products
- // Layer-specific Roadmaps and Release Cycles



Downsides of legacy Operating Model

- // Any change on any layer requires **alignment** between adjacent layers and products, e.g. when...
 - // Adding Features
 - // Upgrades & Patches
 - // Performance Adjustments
 - // Technology Upgrades, etc.
- // Negative Effects/ Impacts include
 - // Hand-Offs, Waiting Times, and
 - // **Bureaucracy!**

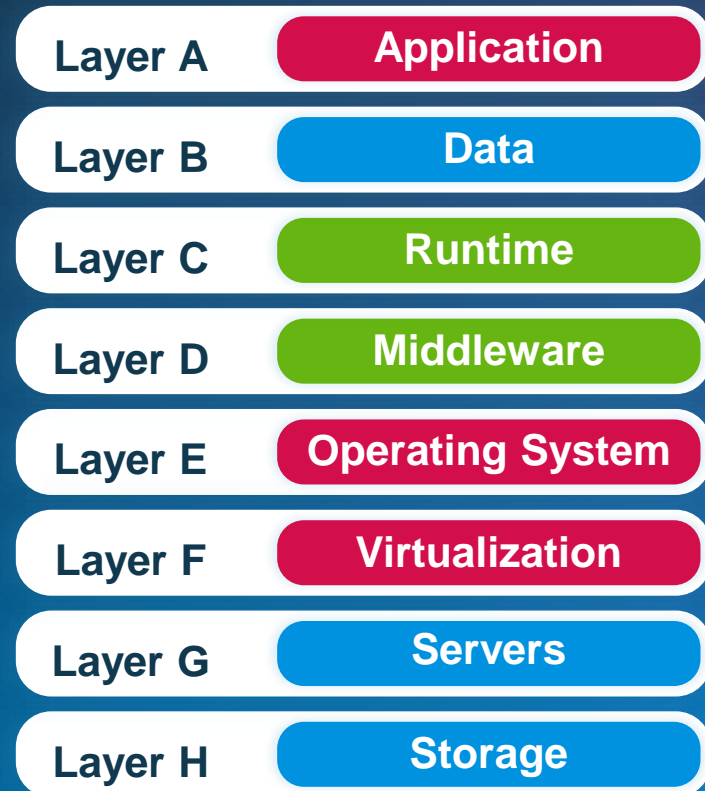


Example DSO@IT Showcase 1: R&D Application Suite in Bayer CropScience R&D

Following our DSO principles, we implement a Vertical IT Operating Model for Application Operations enabling Full Stack Ownership

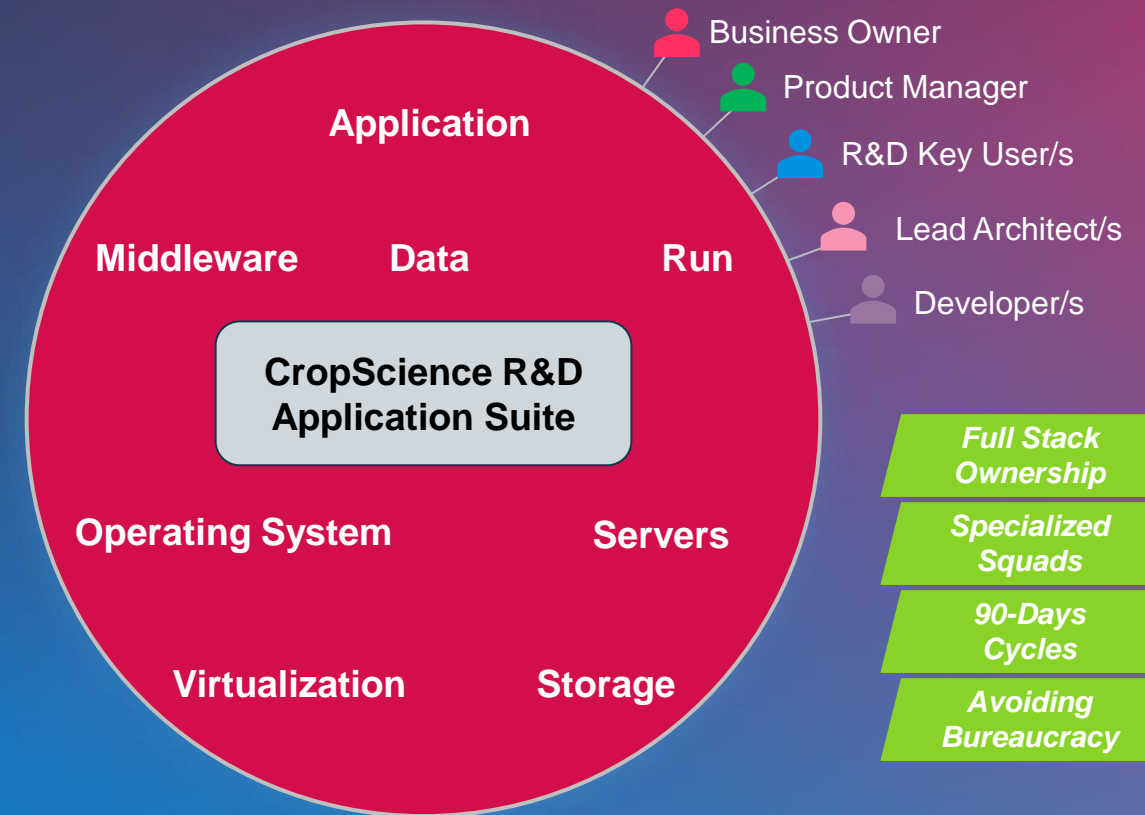
From

Traditional, shared Responsibilities



To

Full Stack Ownership



- Full Stack Ownership ✓
- Specialized Squads ✓
- 90-Days Cycles ✓
- Avoiding Bureaucracy ✓

Product Squad



Example DSO@IT Showcase 2: Bayer myOrders Portal Replacement

Cost-efficient and timely Replacement of custom-built Legacy Applications

Bayer Online Shop Portal myOrders

- // Web-based Online Portal for internal Customer Service and external Agents used for efficient order entry
- // Professional Shop interface with multi-language support that is rolled out to more than 20 Countries around the globe
- // Highly integrated, custom built solution – Integrates into Live SAP data for direct order placement etc.



Selected Guardrails for potential replacement solutions

- // Avoid costly SaaS solutions due to
 - // Limited customization options
 - // Vendor Lock-In Risks
- // Customer-focused implementation
- // Meet implementation timeline restrictions
- // State-of-the-Art technology stack
- // Comply with Bayer's Cloud First Strategy
- // Integration with Live SAP data
- // Multilanguage support

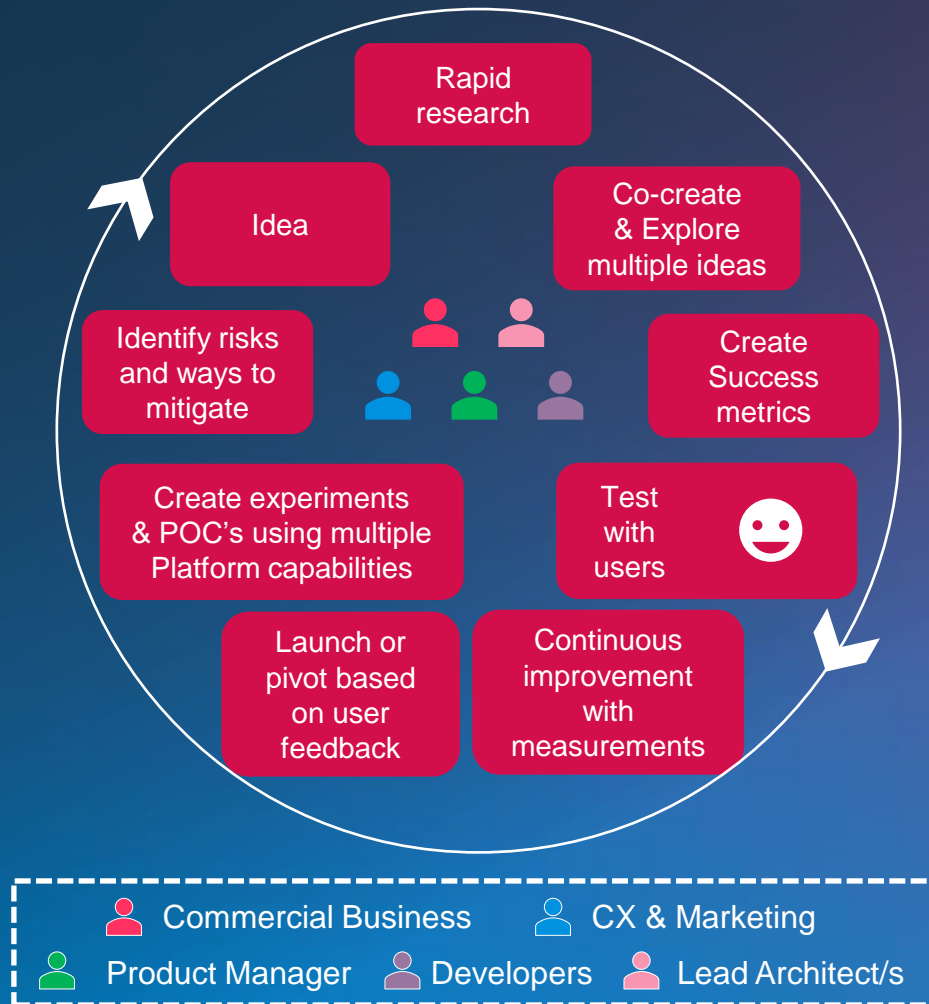
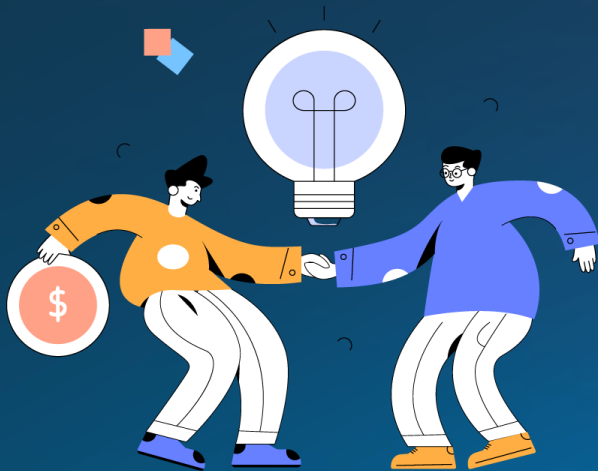


Example DSO@IT Showcase 2: Bayer myOrders Portal Replacement

Innovation Sprints with GenAI assisted Code Generation to rapidly build State-of-the-art Replacements for Legacy Products

Replacing **Bayer myOrders** Portal
with a custom-built Cloud
solution by applying

Innovation Sprints



Overall Characteristics of Innovation Sprints

- // 1 week to 90 days
- // Cross-Functional Collaboration
- // Rapid Ideation and Prototyping using Low-Code/No-Code Platforms / Citizen Developers
- // User-Centric Focus
- // Iterative Learning

Teams built around Customer ✓

Culture of Experimentation ✓

Outcome-based Planning ✓

Specialized Squad ✓



Thank
you



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