

||||||| Health for all, Hunger for none



Dynamic Shared Ownership

DSO

*Busting Bureaucracy
Igniting Innovation*





Bayer's mission is our driving force

Health for All, Hunger for None



Crop Science

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



Pharmaceuticals

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



Consumer Health

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



Delivering on our mission requires that *we lean into our strengths and address our challenges head-on*



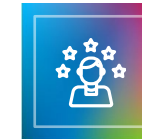
Our unique strengths



160+ year history
in health care and agriculture



Clear and impactful mission



Skilled and passionate workforce



Leading innovation pipeline



Trusted brand



We redesigned Bayer around our mission

Imagine a company where...



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



Teams are built around
the customer,
and not the boss



Managers
becomes **coaches**



Innovation cycles
are as quick as 90 days



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



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



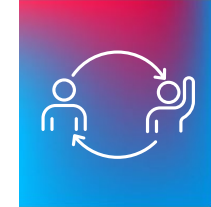
Customers and products are front and center, supported by fluid flow of capabilities & resources

How we get the work done



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

How we show up

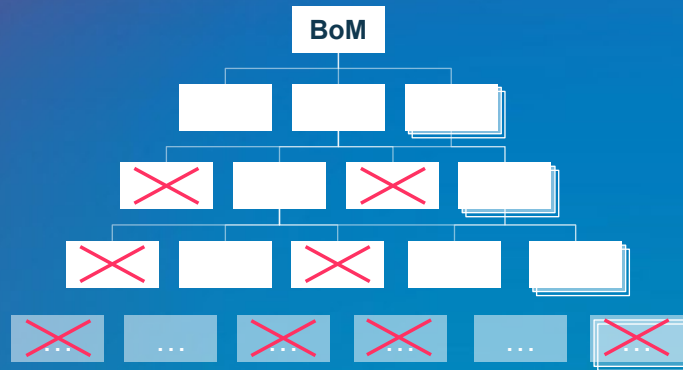


Respect differences, embrace inclusion & show up as our best selves

Underpinned by a new approach for leadership



Fundamental system change versus traditional restructuring

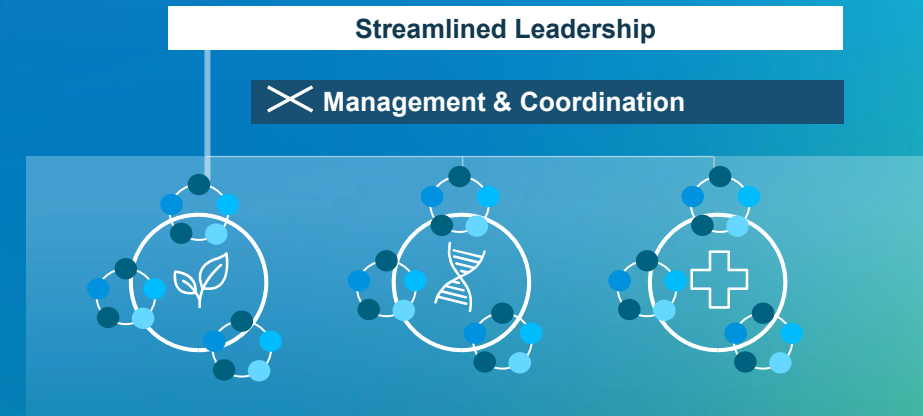


Traditional Restructuring

Preserves & reshuffles hierarchical bureaucracy

Eliminates jobs, not work, often at operational level

Delivers temporary savings, not truly performance-focused



Fundamental System Change

Focused on sustained improvement in performance & delivering more value to customers, colleagues, investors & all other stakeholders

Comprises fundamental reimagining of business & operating model, including structure, processes & economics

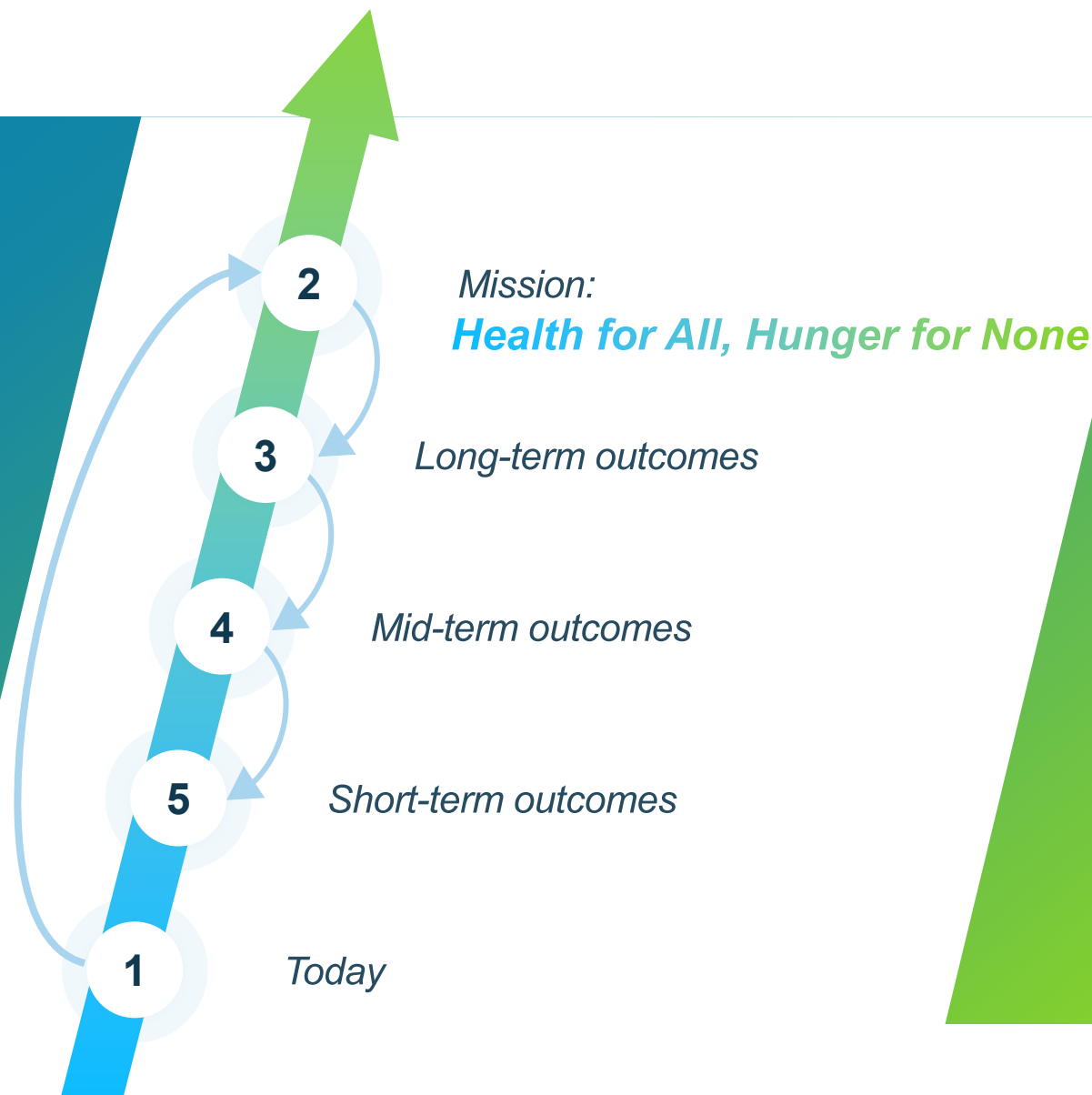
Anchored in fundamental shifts in mindsets & ways of working at a team level



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.





Organizing ourselves as a collaborative network of teams with decision-making authority

From Traditional hierarchy
of individuals



Reducing layers
from 12-13 to 5-6

Shifting from span
of control of 3-5 to
span of coaching
of 15-30+

Establishing peer
accountability and
transparency
between teams

- // Working in siloes
- // Slow, less-efficient
- // Top-down management

To Thriving network of teams
with customers at the center



- // **Small businesses & functional units** with decision-making power focused on customer value
- // **Empowered cross-functional teams** supply expertise and support flowing to where they can add most value
- // **Leadership teams** support in setting vision, empowering and coaching teams, and enabling resource flow

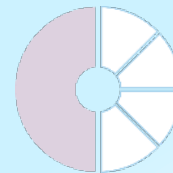
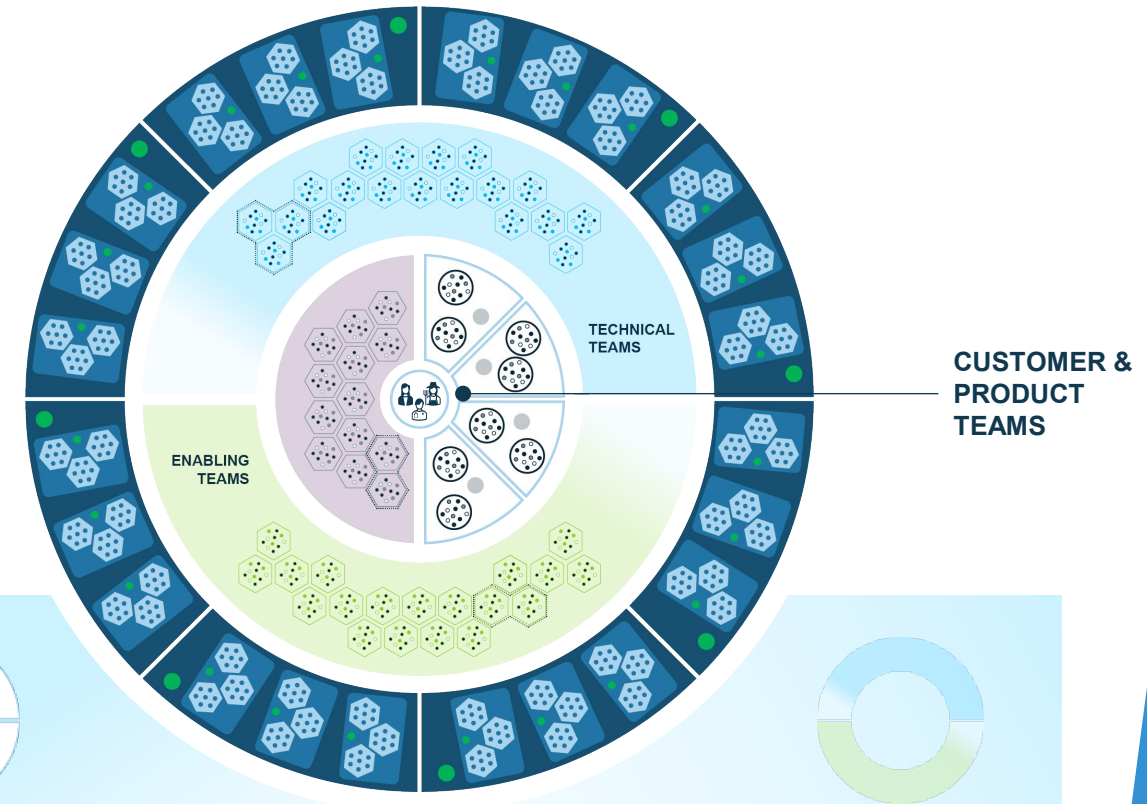


Creating greater value by placing customer and product teams at the center, working directly with customers

▶▶▶ **Amplifying value for all stakeholders** by reimagining the end-to-end value creation system and eliminating all non-value-creating work

▶▶▶ **Technical and enabling teams** secure, enrich and flow resources and expertise to product and customer teams

▶▶▶ **The driving force** comes from micro businesses who are working directly with customers



Customer and product teams of ~6-10 people **provide an evolving portfolio of solutions** to an **evolving array of markets**
Delivering: Speed, Innovation and Profit



Technical and enabling teams of ~6-10 people **secure, enrich and flow resources and expertise** to product and customer teams
Delivering: Expertise, Capability and Capacity



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

▶▶▶ 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**





Focusing everything on Health for All, Hunger for None

From Traditional reactive mindsets

What we
focus on

Preservation

"We have an **established way of doing things...**"

How we
organize

Authority

"People need to be **directed and managed...**"

How we
create value

Scarcity

"We succeed by **capturing value from competitors...**"

How we
get work
done

Certainty

"To deliver the right outcome, **senior individuals must define where we're going**, the detailed plans to get there, and how to minimize risk"

How we
show up

Conformity

"My manager, co-workers and other stakeholders **determine what I do...**"

To DSO creative mindsets



Possibility

"We are blessed to live in the best time in history, full of **exciting possibilities**; while we must also attend to the disruption this causes, we must focus on creating more value for all our stakeholders"



Partnership

"When treated like responsible adults, people will be highly engaged, figure out **ingenious solutions**, and deliver exceptional results"



Abundance

"Recognizing the **abundance of resources and opportunities available to us**, we succeed by inventing new business models to attract what we need and co-create new levels of value"



Discovery

"As we cannot know what the future holds, the best way to succeed is for each of us to be the quickest and most **productive in trying new things**"



Self-authorship

"I will be of greatest service to all my colleagues and stakeholders by **showing up as my best, authentic self**, bringing all my passion, experience and expertise to bear, with energy and courage; as such, my earnings and career is wholly within my hands"



Extending traditional management *into thriving leadership*

Leaders act as...

VISIONARIES

who engage with their teams to shape their missions

ARCHITECTS

who help teams reimagine how we create value

CATALYSTS

who foster empowerment and teamwork across the network

COACHES

who help teams work in rapid cycles



FOCUS ON
OUTCOMES



CO-CREATE FOR
CUSTOMERS



COLLABORATE WITH
ACCOUNTABILITY



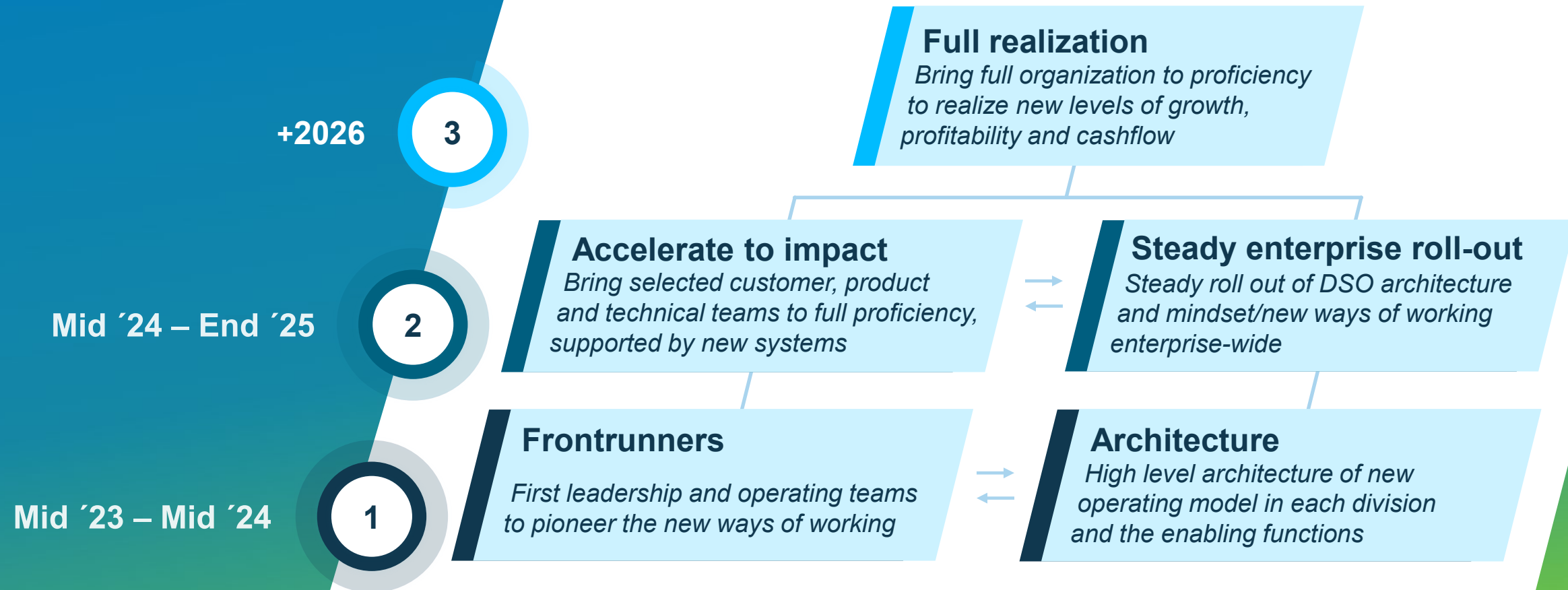
ACT, LEARN
FAST & EVOLVE

*...enabled by **creative mindset***



Our journey to DSO

Phases of our journey towards DSO





Our new operating model yields *several advantages for our stakeholders*

For Customers



World-Leading Innovation

- // **Stronger focus on customer needs** with autonomous, dedicated product and customer teams
- // Increased speed to market with **faster innovation cycles**

For Investors



Superior Financial Performance

- // Cost efficiencies with the elimination of roles, processes and activities **not focused on our mission**
- // **€ 2 bn** in sustainable organizational savings by end of 2026

For Employees



Productive, Fulfilled People

- // Removal of bureaucratic, time-consuming tasks **that don't add value**
- // More dynamic resource flow to **highest-impact priorities**
- // A **more fulfilling** and **inclusive** place to work



Unlocking our full potential – *where we see ourselves by 2026*



Crop Science

Outgrow market in core business

Improve profitability

Extend innovation leadership
with annual portfolio refresh
and advancement of blockbuster
technologies



Pharmaceuticals

Support topline resilience during
LoEs* of major products

Drive productivity gains
to support margins

Advance early assets to re-create
promising mid-/late pipeline



Consumer Health

Grow above market

Deliver profitability at industry
competitive margin level

Further build our iconic brands
through innovation
and commercial excellence

*Loss of Exclusivity



Externals have turned to Bayer *for Inspiration*

Media

Bayer CEO: 'Every large company has an organization problem'



Fortune

Bayer CEO: Corporate bureaucracy belongs in the 19th century. Here's how we're fighting it



Fortune

Er zersägt die Karriereleiter



Die Zeit



Young Economist



Leadership Next / Fortune



Handelsblatt



The Wall Street Journal



Fortune

Academia

Case Directory ▼ Yale CASE STUDIES

Yale SCHOOL OF MANAGEMENT

Raw Corporate Documents Interactive Charts Videos

Bayer

Institutionalizing Dynamic Shared Ownership

Bayer AG is a German multinational pharmaceutical and life sciences company founded in 1863. It operates globally in over 90 countries with approximately 100,000 employees as of 2024. Bayer is structured into three main business segments: Pharmaceuticals, Consumer Health, and Crop Science, with significant global operations and an extensive patent portfolio. The company is a leader in agricultural products, prescription medicines, and over-the-counter health products. It also focuses on innovative solutions for healthcare and agricultural challenges.

Yale Case Studies

Harvard Business School

FACULTY & RESEARCH

FACULTY RESEARCH FEATURED TOPICS

Harvard Business School → Faculty & Research

Publications

APRIL 2025 (REVISED AUGUST 2025) CASE HBS CASE COLLECTION

Radical Transformation at Bayer: Dynamic Shared Ownership

By: Boris Groysberg and Gamze Yucaoglu

Harvard Business School

Leaders at All Levels MIT SMR

Fewer Layers, Faster Decisions

Leaders at All Levels: How Bayer Simplified to Unleash Innovation

MIT Sloan Management Review • August 26, 2025

RUNTIME 0:23:00

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*Creating the best
version of Bayer,
together.*

