

Volvo Group magazine 1.2015

BRAZILIAN INSPIRATION

CUSTOMERS AT THE CORE
IN THE NEW ORGANISATION

MORE TO LEARN

OPERATIONS ACADEMY STARTS UP
AT VOLVO GROUP UNIVERSITY

A SELLING STRATEGY

MEET THE NEW HEAD OF
VEHICLE SALES AT GTS

“I have learned
so much in just a
short time.”

Michaela Blomgren,
participating in the Volvo Step
at Volvo Penta in Gothenburg

New in the industry

The Volvo Step programme gives young people the opportunity
to experience what it is like working in a Volvo Group plant

Our target is in sight

I BELIEVE THAT PEOPLE who can see their jobs as part of a greater whole, who understand their role in a larger process, will work in a smarter, more efficient way. This is one of our reasons for launching Volvo Group Magazine, a publication for all the co-workers who work together within the Volvo Group. I hope that this magazine will contribute to a strong and cohesive global corporate culture and increase everyone's understanding of the strategic choices the Volvo Group makes. At the same time, it is an excellent way of saving money.

Merging several different publications to create one magazine represents a considerable saving. Through this and thousands of similar measures, we have started to reduce the Group's costs. Our report for the final quarter of 2014 demonstrated that we have made progress: we have reduced our costs for sales, research & development and administration, while our truck operations have improved their profitability, despite lower sales. This is something of which we can be proud.

We are now on the final stretch of our strategic period 2013-2015 and we must now focus all our efforts on implementing the measures we have begun. We still have a great deal left to complete and we still need to reduce our structural costs even further if we are to be as profitable as our competitors. Once we succeed in doing this, we will have achieved something decisive. We will have increased our potential to achieve the things we believe in, in the form of the products and services that are the Volvo Group's future. Our target is in sight and I am convinced that we have what it takes to realise it.



OLOF PERSSON

PRESIDENT AND CEO, VOLVO GROUP

VOLVO GROUP MAGAZINE is aimed at all the co-workers within the Volvo Group. It is published six times a year in Swedish, English, German, French, Portuguese for Brazil, Polish, Russian, Japanese, Dutch, Korean, Thai, Chinese and Spanish. There are three editions of the magazine: Operations, Technology and Sales. **PRINT RUN** Approx. 80,000 copies **ADDRESS** Volvo Group Magazine, Volvo Group Headquarters, Dept AA13400, VHK3, SE-405 08, Göteborg, Sweden **PHONE** +46 (0)31 66 00 00 **E-MAIL** groupmagazine@volvo.com **EDITOR RESPONSIBLE** UNDER SWEDISH PRESS LAW Markus Lindberg **EDITOR-IN-CHIEF** Ann-Mari Robinson **EDITORS** Lotta Bävman (Operations), Carita Vikstedt (Technology), Joanna Gałczyńska (Business Areas). A Group-wide Editorial Network is also content contributors. **MARKET LANGUAGE REVIEW** Ann-Mari Robinson **EDITORIAL PRODUCTION** Spoon (project team: Maria Sköld, Nic Townsend, Lina Törnquist, Hanna Zakai, Janne Saaristo, Charlotte Sundberg). **PRINTED BY** RR Donnelley **CHANGE OF ADDRESS** Contact your local HR **TRANSLATED BY** Jeanette Kliger

10

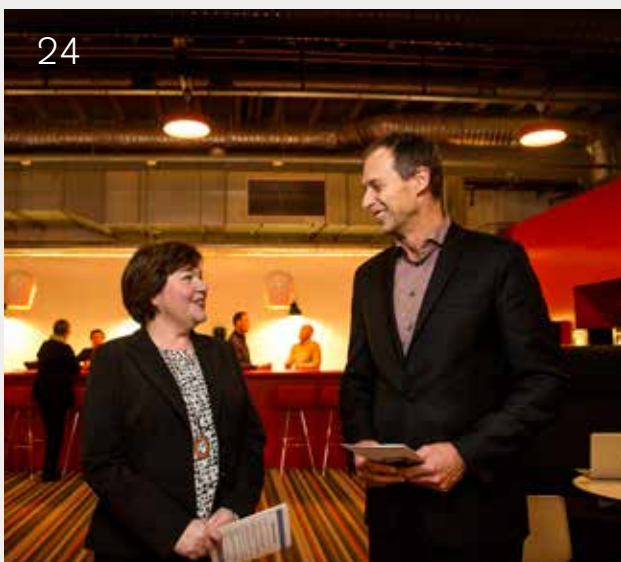


29



36





Volvo Group magazine 1.2015

10 Closer to customers

A new, even more customer-oriented Volvo Group is taking shape. In Brazil this is already an established way of working.

24 A centre of excellence and expertise

In less than a year, the new Volvo Group University has already educated more than 6,200 Volvo Group employees globally. 2015 is set to be an expansive year with a further 160 courses being made available.

29 Competence development through healthy competition

VISTA has proven the value of a global competition for encouraging competence development and team building, which is why similar competitions have now been established for the Volvo Group's other truck brands.

32 The vital first steps

The Volvo Step programme offers young people the opportunity to experience what it is like to work in a Volvo Group plant. Five participants in Sweden tell about how the programme has impacted them.

36 Returning home to a new organisation

After seven years in Asia, Elisabeth Larsson returns to Sweden as the new head of Vehicles Sales at Volvo Group Trucks Sales, ready to share her knowledge and experience from working with several brands.

44 Working together, working smarter

By working cross-functionally and collaborating in the project's earlier phases, the Volvo Construction Equipment plant in Konz was able to make big efficiency gains and deliver four months earlier than expected.

Welcome to your new magazine!

The new *Volvo Group Magazine* you are holding in your hand is a joint magazine for all the co-workers in the Volvo Group. Its aim is to spotlight where the Group is heading and our progress as we move towards our target. The magazine will also provide background information when it comes to large-scale changes and important events.

The Volvo Group is a large, global organisation which values diversity. We are planning to demonstrate this in our new magazine. We are also planning to describe some of the many things that are done every day with the help of committed co-workers – successful partnerships and projects, fantastic products and exciting innovations. We want to describe the work that is done on the markets in the meetings between dealers and customers. In other words, this magazine is going to support and promote the corporate culture we all share and create together.

The decision to start a new Group magazine – and thereby wind up a number of existing newsletters and publications – was made by the Group's executive management team in the summer of 2014. As we are currently working increasingly as one company, it was only natural to focus on one magazine. A review also revealed that the resources that had so far been



PHOTO: LARS ARDARVE

What would you like to see in the new magazine?



ADRIANO MERIGLI
Commercial Director, Volvo
Financial Services, Brazil

"I believe that sharing experiences is important so that we can have an understanding of best practices in different markets. This is a way to keep up to date and implement ways of working that have proved successful."



SHAZARINA ZAINAL
Executive Assistant, Asia
Oceania Sales, Singapore

"One of my favourite features in Global Magazine is global culture – it is interesting to read about the unique mix of cultures in the Volvo Group. The new magazine could have a more personal touch with a section where employees can contribute."



OLIVIER GARCIA
IT Services, Corporate Process
& IT, France

"I would like to find articles on R&D as well as technical features on the trucks and other Volvo Group products. Also, I'd like to see historical facts and stories – key events from the past that we are proud of and helped shape our company."



PETTERI VUORI
Industry Development &
Operations, Volvo Buses, India

"I would look for business updates from other business areas, technology developments and articles that focus on people and customers. I believe that together we become very powerful."

invested in written, printed communication had been unevenly distributed throughout the organisation. In some cases, this meant that co-workers were receiving as many as two or three magazines as sources of information.

So the assignment during the autumn was to formulate a new concept that could provide a more cohesive picture of the Group, as well as offering reading adapted to different target groups, using fewer resources and at a lower cost. The solution was a magazine, where each issue will be published in three different editions (variants).

Just like *Global Magazine*, this new magazine will be published six times a year. Volvo will continue to be the main channel for internal news, while the task of this magazine will be to explain the relationships and analyse things in more detail.

All of us working on this new magazine would really like to hear what you think. At the bottom of this page, you can read what eight colleagues in different parts of the world are expecting of the new magazine. So let us know what you think, too! Please feel free to contact groupmagazine@volvo.com

I really hope you enjoy reading the magazine!

ANN-MARI ROBINSON, EDITOR-IN-CHIEF



How the magazine works

Volvo Group Magazine will be published in 13 languages and three different editions. These editions are being produced to give readers a more in-depth understanding of Sales, Operations and Technology. Some 75 per cent of the contents will be the same for everyone, while 25 per cent will be designed for the target group of the individual editions: those of you involved in production & logistics, technology or marketing and sales. The first page also differs, as the cover photo will be specially adapted and the edition will be specified at the top of the page. Sales will also be the edition that is sent to Group co-workers who are not involved in either Operations or Technology. All three editions are available online. The editorial team is made up of Ann-Mari Robinson, editor-in-chief, Lotta Båvman, editor for Operations, Carita Vikstedt, editor for Technology, Joanna Galczyńska, editor for Business Areas, and an editor for Sales who will shortly be appointed.



RICARDO NANAMI
HR Center of Expertise,
Corporate HR, Brazil

"I would like to see a summary of the Volvo Group's financial results, as well as learning more about what the competition is doing. In addition, I'd like to read about best practices and success cases that focus on customer satisfaction."



CHRIS FRENCH
Retail Credit, Volvo Financial
Services, USA

"I look forward to reading about new business processes and strategy updates from a global perspective. I am also interested in reading articles that highlight innovative uses of IT, which result in cost savings and efficiency gains."



RYO ARAKI
GTO Logistics Services, DC
Gunma Distribution Center, Japan

"I have worked for the Volvo Group for two years and I would like to learn about different training programmes available within the Group, especially related to logistics. I'm also interested in working conditions in other countries."



CORA VINAGRE SENDINO
Competitive Intelligence,
Volvo CE, Belgium

"I would like to find stories about our colleagues around the world, from workshop floors and offices. Stories of the people who – with their work and energy – make the Volvo Group what it is today. People are the soul of the company."

Twin plants

The goal is a 90 per cent commonality in production at GTO's plants in Ghent and Tuve. Both plants produce Volvo Trucks' heavy model programme and now the first identical assembly lines are in place.

Since the beginning of the year people are met by the same engine and axle lines, whether they are visiting GTO's plant in Ghent or Tuve. Even the arrangements for logistic flow set up, cab trim production, final assembly, preassemblies and part packaging, should be shared by the end of 2015.

"In the long-term we are creating efficiency of scale and a concept that can be

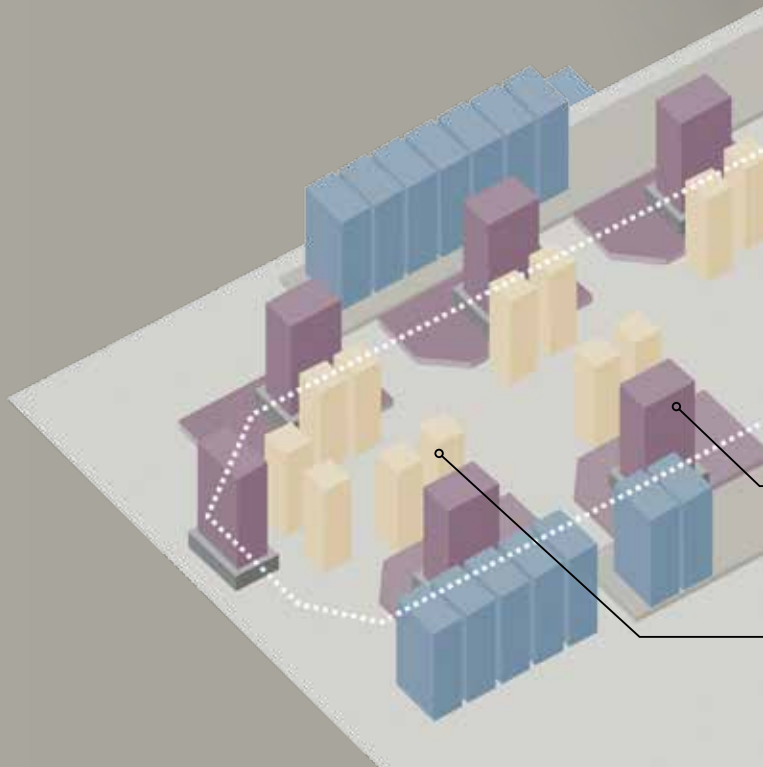
rolled out at other plants of the same size," says Fredrik Agelén, Program manager for GTO's European Optimization Programme (EOP).

The concept of twin plants has great potential to improve efficiency in GTO's cab and truck production facilities in Europe.

"We have for the first time utilised the benefit of our shared knowledge," says Nico Anthuenis, project leader in Ghent.

"And we have benefited greatly when it comes to installations, by avoiding the same mistakes," adds Johan Söderhäll, Tuve project leader.

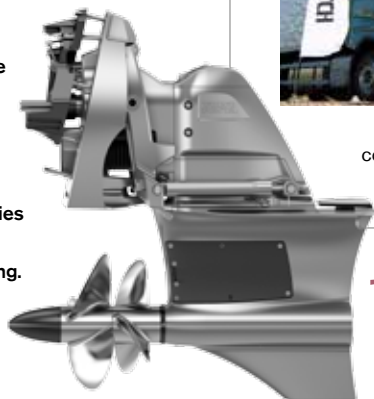
LOTTA BÄVMAN



Volvo Penta unveils FWD

The first Volvo Penta Forward Drive (FWD), a revolutionary new concept in marine propulsion, was unveiled at the Miami International Boat Show. This patented innovative design pulls the boat through the water rather than pushing, with an undisturbed water flow to the propellers.

The clean and efficient propulsion system delivers superior responsiveness, allowing for an array of activities behind the boat, including wakesurfing and wakeboarding. New boat models featuring FWD will be available starting in mid-2015.



Drivers vie for fuel efficiency award



The 2015 Volvo Trucks Fuelwatch Challenge was launched in Sanya, China, in conjunction with the Volvo Ocean Race stopover in February.

The driver competition has grown considerably since its start in South Korea in 2007. Setting the standard for fuel efficiency and competent driving, the challenge has attracted more than 13,000 participants across the Asia Pacific region.

The 2015 edition will see participants from 13 countries. National competitions will select local winners who will then take part in the grand final in Thailand in September.

10 years ago Volvo Penta launched the revolutionary Inboard Performance System, IPS. With IPS propulsion, boats are cleaner, more responsive and more versatile, while also providing better fuel economy.



Important landmark for UD Trucks

UD Trucks will be celebrating its 80 year anniversary in 2015. To celebrate historic milestones, a 50 year-old 6TW truck and the new Quon drove across Japan, retracing founder Kenzo Adachi's legendary journey. It took the two drivers Shigeo Takayama and Koji Yamamoto 13 days to complete the trip, which ended in Ageo in late 2014. Some 700 customers participated in four regional events which were held along the way.

"I was so proud to see kids stare at the new Quon, and I enjoyed seeing old people stop to watch the 6TW drive by. That moment,



I realised that we were doing something that captured people's hearts - this is what we wanted to create with this event," said Misa Watanabe, UD Trucks Brand Implementation.

Strong showing

Intermat, a large construction equipment exhibition held in Paris in April, was chosen for the unveiling of several new offers from Volvo CE, reinforcing its continued commitment to international road construction, building and utilities, quarry and aggregates. Volvo Penta, Volvo Trucks and Renault Trucks also took part in the show, emphasising the size, strength and breadth of the Volvo Group.





Visiting the warehouse at Arendal, Gothenburg.

TRAINEES TEAM UP

Successful meeting at Logistics Services

Nine former and current trainees from Logistics Services (LS) got together earlier this year in Gothenburg, Sweden, for three days of sharing experiences through workshops, study visits and dialogue. Some had completed their trainee year, while others were in the middle. The Volvo Group trainee programme is aimed at recent

graduates who are permanently employed at the Volvo Group.

"It's important to be able to employ young, talented personnel but also to demonstrate the opportunities available so that they want to stay and develop further with us," said Christer Svärd, SVP LS, who took part and spent time with the trainees. The participants spoke about



Over three days, the trainees shared experiences.

their experiences from different businesses globally and about their future plans. Jun Du, originally from China, has already had three different jobs since the trainee programme in 2011 and wants to continue developing at the Volvo Group. "For the future I see no limitations, in terms of either assignment or geography," she said.



PHOTO: CHRISTER EHRLING

“For the future, I see no limitations in terms of either assignment or geography.”

JUN DU,
TRAINEE PROGRAMME 2011



Zhu Fushou, President
Dongfeng Motor Group, and
Jan Gurander, CFO Volvo Group

Historic handshake

An historical inauguration ceremony was held at Dongfeng Commercial Vehicles in Shiyan, China, at the end of January.

This marked the conclusion of the transaction and the start of the new alliance between the Volvo Group and Dongfeng Commercial Vehicles, DFCV.

“This strategic alliance is a real

milestone and entails a fundamental change in the Volvo Group’s opportunities in the Chinese truck market, which is the largest in the world,” says President and CEO Olof Persson.

The aim is to turn DFCV into an even stronger domestic player but also to help develop the company’s business outside China.

New heavy-duty version of the mDRIVE HD for Mack Granite

A heavy-duty version of the automated manual transmission, mDRIVE HD, is available as standard equipment in the Mack Granite model as of March.

The 12-speed mDRIVE HD has an automated clutch, so no clutch pedal is required. The operation of the transmission is controlled through a dash-mounted shift pad by selecting drive, neutral or reverse.

“Our construction customers told us they wanted a heavy-duty

version of the mDRIVE designed specifically to handle rough jobs in tough conditions. We listened

to them and developed a reinforced rugged transmission that will help our customers deliver power, performance,

enhanced durability and improved driver satisfaction at a time when the industry is experiencing a driver shortage,” said Stephen Roy, head of Mack Trucks North American Sales and Marketing.



Happy IT users

According to the latest IT User Satisfaction survey, 85 per cent of Volvo Group employees are satisfied IT users. This is an all-time high since the first survey in 2008.

Satisfaction has increased significantly for several sites, especially in South Korea, Japan, India and Asia Pacific. All measured parts of the survey have improved including IT equipment and work situation, interaction with others, organising and attending virtual meetings, ordering IT and reading and sharing information.

Happy IT user
– just like most
of Volvo Group
employees



Hot hybrids

Bogotá has the world’s largest BRT (Bus Rapid Transit) system, and it is now also including Volvo hybrid buses. The Fanalca Group operates a fleet of about 3,200 Volvo buses, making them the biggest customer in Latin America.

“Transportation is a growing business. Mobility is the biggest problem facing large cities all over the world and this offers major opportunities for bus operators. When we buy a Volvo bus, we are getting much more than the vehicle itself. We are buying service, training and access to expertise. Volvo Financial Services are also important to us. We buy the whole package, which enables us to finance and maintain the buses,” says Joaquín Losada, CEO of Fanalca.

NEW ORGANISATION

CLOSER *to the* CUSTOMER





How will the new organisation bring the Volvo Group even closer to the customer?
Having already adopted similar changes much earlier, Volvo do Brasil can show us what to expect.



Rodrigo Hobi, President of the Hobi Group, and Gilberto Sohm, Commercial Manager at Nórdica, a Volvo Trucks dealership in Brazil, have benefited from a close working relationship.

Rodrigo Hobi is the fourth generation of his family to run the stone merchant and concrete producers Group Hobi and Group Kerber. He knows that transport is a vital, if not the most vital, part of his business.

TEXT ANDREW DOWNIE PHOTOS PAULO FRIDMAN

“ALL OUR MATERIAL is transported on trucks, from the sand we gather, to the concrete we deliver,” Rodrigo Hobi says. “We can’t work without trucks.”

He uses four different models, in the Volvo VM, FM, FH and FMX range, and gets them from the Nórdica dealership based in Curitiba, Brazil. Having spent millions on trucks over the years, the local Volvo Trucks’ dealers are not only business contacts – they have come to know each other well.

That close relationship is down in part to Brazil’s informal business culture, where friends are made easily and cordiality is a highly prized asset.

However, it is also due to Volvo’s culture in Brazil. As the Volvo Group looks to promote cross-functionality around the world, Brazil can be seen as a best-practice case, where secretaries, truck drivers, executives and salespeople all know each other and where the boundaries between factory, dealers and customers have long been blurred.

“When the Volvo Group thought of making changes, the model they are moving to is something that we’ve been doing here for a long time,” says

Nilton Roeder, Director Strategy and Business Development for Latin America.

In Brazil, every effort is made to ensure maximum contact between clients and manufacturers and the pivotal position is held by the sales organisation, which communicates the good and the bad from both the factory to the clients and the clients to the factory.

“IT DOESN’T MATTER if the product is great – if you’re not working together, it makes future business very difficult,” says Edvaldo Silva, one of Nórdica’s sales representatives. “We try to resolve any problem ourselves and we know what we can and can’t do.”

For Rodrigo Hobi, who has 15 plants across the southern states of Paraná and Santa Catarina, that means regular contact with the Nórdica team. Hobi says Nórdica has gone the extra mile to ensure their trucks are always roadworthy, never an easy task in Brazil, where the lack of railtrack mean most transportation takes place on roads, even though investment in new highways has long been lacking.

“At Nórdica they treat us well,” he says, as his trucks load up with mortar on a cloudy day outside Curitiba, Paraná’s state capital. “I never have trucks off the road for lack of parts. They’ve even taken an



Barbara Honório

GRUPO HOBI AND GRUPO KERBER

Founded in: 1929

Headquarters: União da Vitória, Paraná, Brazil

Business area: stone, sand, concrete, mortar and pre-cast concrete parts production



RODRIGO HOBI

Rodrigo Hobi appreciates the fact that his local Volvo Trucks dealership always goes the extra mile for him.

engine off the production line for me.”

That service relationship has helped form a deep bond of trust between

Hobi and Gilberto Sohm,

Nórdica’s commercial manager. Hobi

can go to Sohm with any issues and Sohm has no qualms about soliciting feedback from Hobi’s drivers, sometimes giving them a test run of new products.

“We trust their opinion,” says Gilberto Sohm. “If there’s something wrong, they will tell us. We know what the roads are like in Brazil and it is important that we know the truth.”

EXECUTIVES AT VOLVO do Brasil encourage such close relationships at every level and are keen to get to know staff and clients. The company often organises events to showcase new products, updated financing terms, or simply just to keep in touch.

The events, which can be typically Brazilian with music, *caipirinhas*, and photos with the president, are open to all employees and serve to unite them behind the same goal.

“I really feel like I am an integral part of the whole supply chain,” says Barbara Honorio, one of Nórdica’s credit analysts. “We support the sales people and we have an important role to play from start to finish. We are there at every stage and that’s important.”

Bernardo Fedalto, Sales & Marketing Director Trucks Brazil, says he has a close relationship with the dealers, because they sell trucks and help him understand what the drivers think of them.

“We have 12 dealers in Brazil and we have a very tight working partnership with them,” Fedalto says. “We have total access and they do, too. That confidence has been built up over 30 years.”

The confidence works both ways, assures Paulo Pizani, the Director of the Nórdica dealership: “I feel valued as a dealer. At Volvo Trucks I know the president’s door is open. I have his mobile phone number and I know he’ll either take my call or call me back. It doesn’t matter how small the problem is.”

In turn, Nórdica’s relationship with their customers is strong enough that they can communicate openly on just about anything.

“I once called Sohm and said I am testing a Mercedes and he said, OK,” Hobi recalls with a smile. “In truth, only about five per cent of our trucks aren’t Volvos but sometimes you need to try something else in order to remind yourself that what you’ve got is already the best. And that was exactly what happened. I proved to myself that Volvo Trucks were the best.”



Nilton Roeder



Paulo Pizani

A new structure for new times

The Volvo Group has had a new organisational structure since 1 January. The largest change has been the formation of Group Trucks Sales, a global sales organisation for trucks at the Volvo Group.

The new Volvo Group structure is designed to bring improved global co-ordination, and clearer roles and goals. It aims to achieve tighter customer contact and increase efficiency.

IN FIGURES

GROUP TRUCKS SALES

1

GLOBAL
TRUCK SALES
ORGANISATION

5

truck brands –
Volvo, UD,
Renault Trucks,
Mack and Eicher

3

C’s – the major areas
of benefit are outlined
as costs, colleagues
and customers

7

GROUP TRUCKS
SALES REGIONS



A bit like *Brazil*

The Volvo Group's reorganisation has brought about new ways of working. But for Volvo do Brasil, many of the changes are just an extension of how they have always done things.

TEXT LINA TÖRNQUIST PHOTOS PAULO FRIDMAN

MANY GLOBAL GOALS for the new Volvo Group organisation are already established ways of working in Brazil.

Take the fact that the Volvo Group's new structure is designed to enhance a "One Volvo Group" approach and open strategic collaborations across organisational boundaries. This is how it has worked in Brazil for 35 years.

"In Brazil, Volvo started its business as one company on one site, so it's the mindset we have had here since the start," says Bernardo Fedalto, who today works as head of trucks sales in Brazil but has previously also worked as a manager at Volvo Buses.

Managers for all Volvo Group divisions in Brazil have also always held cross-functional meetings that brought together people from all areas at the Curitiba site. In the new Volvo Group organisation, this type of regional cross-functional collaboration is being formalised globally through five regional truck teams with representatives from GTS, GTO and GTT. It is a change that Fedalto welcomes based on his own experience of working this way.

"It's human nature. If I only see my own KPIs, then I work according to them. But getting an overview of all the parts of the business, by meeting with HR, IT and Buses, for example, you get a broader view and help each other reach the same targets. That helps a great deal in creating a common way of thinking about the company and a more nuanced view of the market."



Jimmy Erick Kochinski works on a new truck at the Volvo Group plant in Curitiba.



Brazil is an important market for the Volvo Group.



Bernardo Fedalto



Grasiela Cristina Zanqueta is assembling a new truck cab for the Latin American market.

The porous organisational borders in Brazil have also opened up for strong collaboration between trucks and bus divisions within the Volvo Group business. Here, too, Brazil is a forerunner.

THE BUS AFTERMARKET services, for example, are operated by Volvo do Brasil's truck dealer network, which is privately owned – parts sales, dealership development and service are all jointly managed. The truck-bus collaboration also extends to technology development. A front-engine bus, which is unique to Latin America, was developed in Brazil simultaneously with the Volvo VM truck, another product unique to the region. Both vehicles have been developed to meet local customer needs and use many of the same technical solutions.

"We can keep costs down and provide a larger network for our customers through joint dealerships," explains Bernardo Fedalto. "The products are also similar. We use the same engine, the same gearbox and gear axles: It makes sense to work together."

The fact that the collaborative 'one Volvo Group' way of working also extends to Volvo Group dealers in Brazil is a large part of the reason why the country has produced such strong market results, believes Roger Alm, who before his move to take over sales region Europe North in January 2015, was President of Volvo Group Latin America. These results include a market share for Volvo Trucks that has almost doubled from 13 per cent to 21 per cent over the past five years.

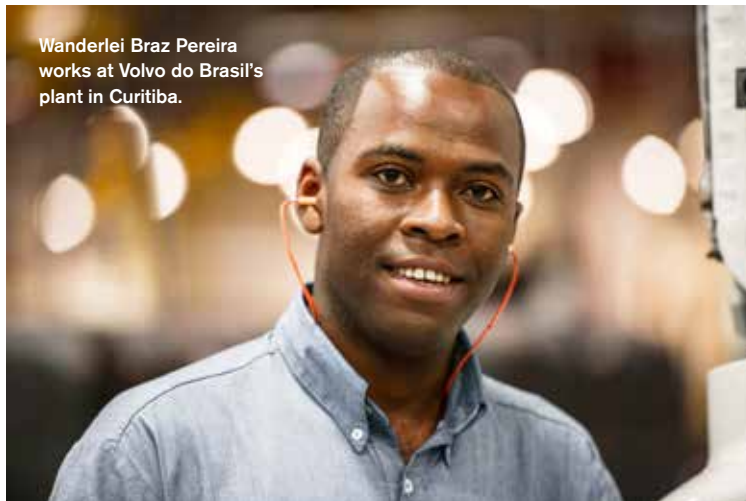
But Alm also underlines that the needs of each market are different, there is no one recipe for success.

"You can't just take Brazilian concepts and transfer them directly to Europe, for example. But you can bring forward best practice and benchmarks."





Renato Nardelli de Souza,
Paulo Henrique Agenor and
Diego Weldt Gumiel.



Wanderlei Braz Pereira
works at Volvo do Brasil's
plant in Curitiba.



Lucimari Stocco, Private Importers Director at Volvo Latin America.

The current Group Trucks Sales organisation, in place since 1 January, is designed to empower the regions so that decisions can be taken closer to customers. Dividing Group Trucks Sales regions into more homogeneous groupings (North America and Latin America, for example, will now be managed separately) is set to allow regions to respond more rapidly to local market fluctuations.

Making decisions closer to customers is especially important in an emerging market like Brazil, where there are plenty of ups and downs.

"There's always turbulence here," says Lucimari Stocco, Private Importers Director at Volvo Latin America. "Both political and economic."

"We plan a lot, but we know that we might have to change our plans at the last minute and we do that without stuttering," Fedalto adds. "This year, after the market had a slow start, I called in the heads of dealers on a Friday and we met on Monday. We had a meeting at which we clarified doubts and we established an action plan of what to do to respond."

"The market is a market, it will go up or down and that is nothing we can change. But we can react to it quickly and change our tactics to deal with the circumstances on the ground. I think the new structure will allow us to do that even better." ●



The team at Nórdica's dealership in Curitiba. In Brazil, Volvo Group dealers also adopt a "one Volvo Group" approach to working.



CHANGING PLACES

Roger Alm and Claes Nilsson have changed jobs – with one another. They are two of the regional managers who are going to ensure that the new organisation becomes a reality. *Volvo Group Magazine* met them to talk about future challenges.

TEXT MARIA SKÖLD PHOTOS CHRISTER EHRLING

IT IS CLEAR THAT BOTH Roger Alm and Claes Nilsson are impatient to get to work on all the new things that lie ahead. Roger Alm has just moved back to Sweden after five years in Brazil. He will now be leading truck sales in Northern Europe as Senior Vice President Europe North Sales.

He will be doing this from Claes Nilsson's old office at Lundby in Gothenburg, Sweden. Its previous incumbent will now instead be taking over Alm's desk in the Brazilian city of Curitiba. In the new organisation, Claes Nilsson is Senior Vice President Latin America Sales at GTS, Group Trucks Sales.

However, even if they are moving into one another's old offices, they will naturally not be inheriting exactly the same jobs. Since 1 January, they are part of the new global sales organisation, Group Trucks Sales.

What is different about working in the new organisation compared with the previous one?

Roger Alm: "There is one major difference, as we are now working for a global organisation, with a global

management team. Previously, we had three commercial organisations (Americas, APAC and EMEA), whereas now there is just one. At the same time, the regions are assuming commercial responsibility. Things will be more straightforward, more efficient and faster."

Claes Nilsson: "I can see some important benefits. In the new organisation, decision-making power and responsibility are going to be delegated as far as they can possibly be. This will create better conditions to focus really heavily on the things that are important, so that we can take the best possible care of our customers."

How will customers experience these changes?

Roger Alm: "Decisions will be moved far closer to customers. We shall be able to take faster action and find more effective, smarter solutions."

Claes Nilsson: "It will be easier to base our work on the special conditions that characterise each market."

What attracts you most when it comes to your new job?

Claes Nilsson: "Latin America! There is such a strong Volvo culture there, which is stimulating, as

>

well as extremely skilled co-workers. We have an unbelievably strong position in Latin America, a continent with enormous potential."

Roger Alm: "The new organisation feels like a new and exciting era, which will be extremely positive for the company! When we had our first meeting in Joachim Rosenberg's new executive management team, all the energy and skills in the new team could be clearly seen. Developing our offer in Europe North is also going to be exciting. I'm really looking forward to working with everyone here and creating a top-class team spirit with them."

What is the greatest difference between Europe North and Latin America?

Roger Alm: "Wow, what a question! There are both huge differences and no differences at all. It's obvious that Latin America has another culture and geography to Europe, but, at the end of the day, they are similar: we sell and buy trucks. Then again, business in Europe is perhaps more developed. People focus more heavily on the kilometre cost and the monthly costs."

Claes Nilsson: "There are more fluctuations in Latin America and at the moment the principal challenge is the economy. Many countries have

experienced fantastic trends in recent years, but things are more challenging right now. At the same time, our co-workers are used to this, so they can quickly take the necessary action. In Europe, we are used to things being more stable and this can lead to slow reactions. I believe that the new organisation will make it easier to make the right decisions."

How have you prepared for your new jobs?

Claes Nilsson: "The best way to prepare is to talk to experienced colleagues. I have been given excellent information, views and opinions by the incredibly skilled team in Latin America. Of course I've also had many discussions with Roger. We have known one another for a long time. He previously worked in Europe for many years, but a great deal has obviously happened during the five years he has been away."

Roger Alm: "Claes and I have had many conversations since this was announced. At the same time, everyone has to make his or her own decisions."

"One general piece of advice when it comes to Latin America is that it's important to get to know people quickly and business there is also largely a question of relationships. I have really appreciated the human contact and I have made a great many friends. I actually feel that I have become a little Brazilian!" ☉

Sales & Marketing

BRAND NEW MAN

The Group Trucks Sales' Brand and Product Line organisation is an entirely new entity that will help the Group meet the needs of truck customers globally. Loïc Mellinand recently arrived from Japan to Volvo Group Trucks head office to lead it. But although he has a new role, he is not new to Gothenburg. His international career at the Volvo Group has taken him around the world, from Renault Trucks in Lyon, to Mack in Hagerstown, Asia Trucks in Beijing and working with UD Trucks in Japan. He is now back in the Swedish portside city for a second stint.

Moving between places and working with different Volvo Group brands has allowed him to stay on a steep learning curve, Mellinand explains. He hopes to make good use of this global experience in heading the new organisation, which will co-

ordinate Volvo Group truck brands globally.

What he has learnt from working in so many countries is that truck customers around the world are more alike than they are different.

"Customers everywhere want to run a business and they want to work with people who will help them develop their business," he says.

But although aspirations are similar everywhere, there are big differences between what customers can afford, Mellinand explains, and that should not be overlooked, especially in developing markets.

"While customers in mature markets often take a life-cycle view of costs, many customers in emerging markets simply do not have the cash flow to do that. But their basic reasoning is the same. They think: what can I afford that is a good deal for

me? People have the same aspirations worldwide, but our products have different levels of affordability and adaptability. So, our focus will be on creating strong, clear brands, in different markets and across different price points."



Loïc Mellinand heads the new Brand and Product Line organisation at Group Trucks Sales.

CLAES NILSSON

Currently: recently appointed as SVP
Region Latin America Sales, GTS

Lives in: Curitiba, Brazil

Family: wife, two sons aged 25 and 28

Education: Business Administration

Volvo Group career: joined the then
Volvo Parts in 1982

ROGER ALM

Currently: recently appointed as SVP
Region Europe North Sales, GTS

Lives in: Gothenburg, Sweden

Family: wife, two sons aged 20 and 22

Education: engineer

Volvo Group career: started at product
development in 1989



Globally, Mellinand believes the competition is heating up in the trucks business. A changing world is creating both opportunities and new threats and it is important to stay ahead of the game both in the markets where Volvo Group is the market leader and in emerging markets.

"For the Volvo Group to be a leader globally, we need to be a leader in growth markets. We need to offer products that are attractive to customers in those markets. To do that, we need to develop products and services they can afford – while delivering a profit for the Group. It's a big challenge but it's a worthwhile one."

Having a centralised Group Trucks Sales organisation will allow the Volvo Group to take on the challenge globally, he explains.

"It will allow us to arbitrate centrally, while listening closely to the regions. Our

aim is to have a lean headquarters, where the customer's voice is listened to and a business that's local."

Thankfully, the challenges of communicating with customers through brands is not too different around the world.

An emotional connection is key. That's possible at every price point. Branding needs to be a mix between the rational and the emotional: brain and heart. That's the same everywhere and it's something to build on globally, both in our interactions with customers and within our organisation.

"Every employee working for a brand needs to feel proud of that brand – irrespective of price point. Pride and trust are at the heart of a brand and that pride shines through to the customers. It's something you feel," says Loic Mellinand.

TEXT LINA TÖRNQUIST

VOLVO

THREE SOURCES OF BRAND INSPIRATION FOR LOIC MELLINAND:



Apple is an inspiration because it has been able to combine both hardware and services – such as the iPhone and apps. This is the same challenge we have with combining hard products and soft offers. We also do both."



Another interesting player is Xiaomi, the Chinese mobile phone brand – it offers a sophisticated touchscreen phone for about half the price of Apple's iPhone. Soon it will be the most sold phone in the world."



"I am also intrigued by Japanese fashion retailer Uniqlo, which has managed to build a strong brand identity even at a low price point and has managed its global expansion well."

During Christmas 2013 Mia Sandh and her colleagues pulled together to relocate 500 co-workers who urgently needed a new workplace after a fire.

What gives you inspiration at work?

Working for the Volvo Group means being part of a diverse team of colleagues all over the world.

We asked five co-workers from Japan, Sweden, Germany, USA and France to share their personal stories on inspiration, teamwork and about really making a difference.

TEXT ALASTAIR MACDUFF & NIC TOWNSEND

“I had just started my Christmas holiday and it was my 40th birthday that day – the same morning I heard about the fire.”

MIA SANDH

Facility manager at Volvo Group Real Estate Services in Gothenburg, Sweden

“On the night of December 21st 2013, there was a large blaze at the premises of Volvo Penta, in the Lundby area of the city. The building was destroyed, though thankfully no one was injured.

“My work started immediately after the fire

had been put out. Around 500 people worked at the location, so we had a huge job on our hands. I have a good relationship with property owners in the area and luckily we were able to find a large vacant office space in Eriksberg, around ten minutes' drive from the original office.

“Everyone had a workspace – either at the new location or at the Volvo Group's



PHOTO: JONAS TOBIN

own premises nearby – when they returned to work after the short Christmas break. With help from our distributors, we were able to source office furniture and fittings at extremely short notice.

“We worked every day over the Christmas period – apart from on Christmas Eve. I didn’t mind, because it was a great feeling to be involved in such a successful operation.”



PHOTO: MIA SANDH

“There’s the whole technical side to take care of, but my favourite aspect of the job is working with people.”



PHOTO: MARCUS THOMPSON

REBECCA OVELGOENNER
Industrial Engineer at the New River Valley plant in Virginia, USA

“In my role I get to spend time on the production floor working with lots of different employees. I’m a really sociable person so this suits me just fine! I currently work with a team of seven colleagues and we have a fantastic rapport with each other.

“I started at the Volvo Group as an intern during spring 2010 and worked between 12 and 20 hours per week supporting the Engine Groom line, while I completed my degree in Industrial and Systems Engineering. Following my graduation in 2011, I went full-time and am now responsible for multiple departments. The team takes care of work-breakdown, troubleshooting, product change implementation, tooling and a whole lot else.

“During my internship, I became part of the Kaizen team at NRV. A pilot project encouraged employees to create and implement ideas in the plant ‘from the bottom up’. To assist this process, we have recognised individuals’ contributions by selecting a winning idea each month. The employee who came up with the idea presents it to plant management and receives an award. I believe this has made a positive difference to our working environment here.”



“I greatly enjoy working with people from different backgrounds.”

SHIGEYUKI SENBON
Volvo Production System coach,
currently based in Ageo, Japan

“I worked for VECV (Volvo Eicher Commercial Vehicles) in India for two years. At that time, a new department ‘PMO’ (Productive Management Office) was set up to improve productivity. I joined this group with my Japanese boss and about twenty Indian personnel.

“Currently I belong to the GTO APAC C&V VPS department. My main role is to support improvements in Wacol, Australia. Last year I was there for more than two

months in total. Around 36 different nationalities are represented there.

“I think it is very important to fit in with colleagues wherever you are. I have previously taken part in a football tournament that the company organised. It was a great experience and very helpful for making friends among my colleagues.

“I lived in Thailand for four years during my childhood. When I joined UD Trucks about ten years ago, I had a dream to stay in a foreign country again someday. So this has come true and is very special for me.”



PHOTO: VOLVO GROUP

“My biggest challenge is that I am moving abroad to a foreign country and trying to build a life there.”

KONSTANTINOS VALSAMIS
has worked with Volvo Group
Trucks for ten years, in both his
native Greece and his new home
in Germany.

“I first started working for Volvo Trucks in Greece in 2005, after I finished my studies. I started as a sales engineer and later became workshop supervisor. One of my proudest memories was reaching the VISTA semi-finals in 2011. It was a very interesting experience and taught me a lot.


“Due to the financial crisis in Greece in 2012, I decided to move to Germany. The Volvo Group helped me to settle here. They found me a place to stay, supported me financially in my first steps and also provided German language

courses. It has been difficult to move countries, especially in the beginning. My German skills were very basic and communication with other people was quite hard. However I managed to reach a decent level quite fast – at least this is what my colleagues tell me. I’m still struggling to improve my German, but my colleagues often help me.

“Today, I work mainly as a Product Quality Engineer, where my main task is to work with my colleagues to offer technical support to workshops. I’m also a Service Planning Specialist, where my main task is to support everyone in Germany who works with VOSP (Volvo Optimised Service Planning).”



PHOTO: KALLE SINGER

A full-page photograph of a man with a beard and short brown hair, smiling at the camera. He is standing in a snowy landscape with several thin, bare trees around him. He is wearing a dark navy blue suit jacket over a dark red scarf and dark trousers. The ground is covered in a layer of snow, and the trees have some snow on their branches.

WHO WOULD YOU
LIKE TO NOMINATE

as a Volvo Group Voice? Please
let us know by sending an email
to groupmagazine@volvo.com

PHOTO: JONAS TOBIN

“I love meeting people who dare to be themselves, even when it means standing out from the crowd or going against stereotypes.”

ERIC WAY

Director of Diversity and Inclusion at Volvo Group. He is based in France.

“My family moved every five years while I was growing up, but we mostly lived in the south eastern USA. By the age of five, I knew I wanted to be a mechanical engineer, then after starting French in school, I became fascinated by languages. At age 22, just after getting my engineering degree, I went

to study abroad in Lyon and continue my French. I fell in love with France, Europe and later a Frenchman. After 25 years, I still live here with my partner Laurent, who is a French preservation architect.

“My passion and values drive my work. I love meeting people who dare to be themselves, even when it means standing out from the crowd or going against stereotypes. They inspire me to fully be myself, to dare to think differently and to look

for and appreciate everyone’s uniqueness.

“In 2014 the Volvo Group celebrated our first ever Diversity and Inclusion Week. We often talk about our KPIs and future targets, but we also need to stop and celebrate the diversity we have and the progress we have made. Teams across the globe demonstrated their passion and pride at working in a diverse environment with strong connections among team members.”

Kristina Rejare
and Sven
Ljungren

EXTENDED CURRICULUM

So far, the Volvo Group University (VGU) has trained more than 6,200 employees. Two new academies have just started – and others are in the pipeline.

TEXT SOFIA ERIKSSON PHOTOS SÖREN HÅKANLIND

THE VOLVO GROUP has always invested in training for its co-workers. However, as the company has grown and new needs have emerged, the trainings have been numerous, varied and difficult to grasp.

“We have almost 550,000 days of training a year in the Volvo Group, which is a lot compared with other companies and naturally represents a substantial investment. This also includes training for our dealers. We had numerous different variants of introductions for our new employees – but we have just launched one which passes on the

same message to everyone, more effectively,” explains Kristina Rejare, SVP Volvo Group University, which, since April 2014, has been the Group’s centre of excellence for learning, with responsibility for training of all Volvo Group employees.

The previous training programme will gradually be replaced by methodically developed, quality-assured trainings with a clear-cut Volvo Group profile.

“The VGU’s trainings are very closely linked to the Group’s real-life situation and business needs. They secure both benefits and quality, as the co-workers can learn the kind of things that are relevant to both their own and the company’s development.”



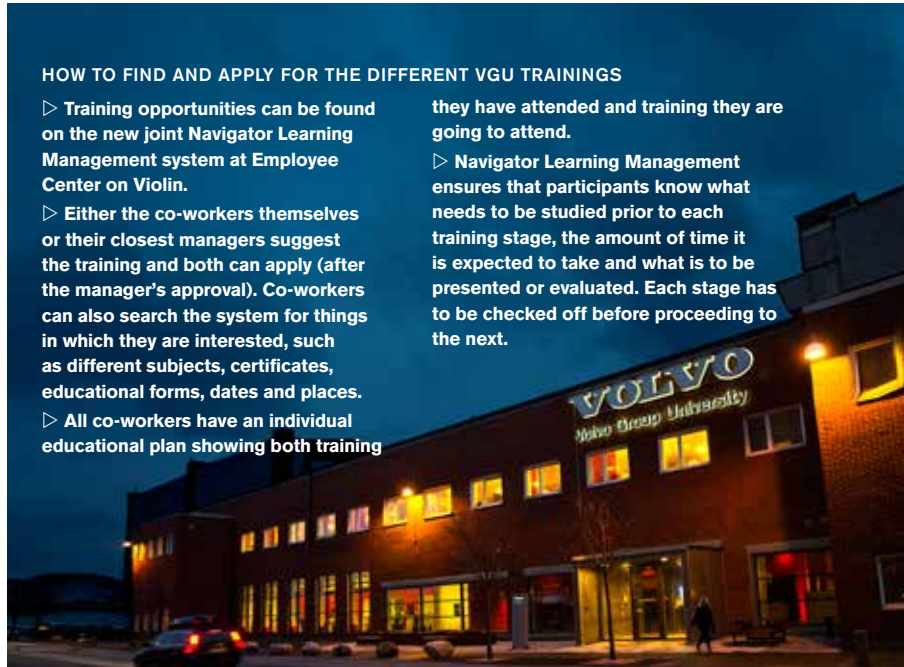
Maria Cunow, Delivery Specialist, at Volvo Group University's facilities in Gothenburg, Sweden.

HOW TO FIND AND APPLY FOR THE DIFFERENT VGU TRAININGS

- ▷ Training opportunities can be found on the new joint Navigator Learning Management system at Employee Center on Violin.
- ▷ Either the co-workers themselves or their closest managers suggest the training and both can apply (after the manager's approval). Co-workers can also search the system for things in which they are interested, such as different subjects, certificates, educational forms, dates and places.
- ▷ All co-workers have an individual educational plan showing both training

they have attended and training they are going to attend.

- ▷ Navigator Learning Management ensures that participants know what needs to be studied prior to each training stage, the amount of time it is expected to take and what is to be presented or evaluated. Each stage has to be checked off before proceeding to the next.



To date, more than 6,200 employees have been trained at the VGU, either at one of the physical educational facilities at five different places worldwide or via e-learning on their computers. Regardless of where and how people study, the training is guaranteed to be the same.

"As far as the participants are concerned, this increases their potential to move between divisions and regions, which is obviously extremely valuable," says Kristina Rejare.

ONE OF THE THREE so-called academies, knowledge areas, which have been established since the start is Project Management, which offers a total of 19 different courses – everything from half-day e-learning sessions to three-day trainings.

"Project management is a general skill, so we have participants from every area within the Volvo Group and this wide scope constitutes an excellent basis for the exchange of knowledge. When we developed the portfolio, the objective was to create the conditions for a common knowledge and understanding of project management within the Volvo Group. At the same time, we held a dialogue with all the business organisations about their individual needs over the next few years in order to create trainings that were as closely related to business as possible," says Sven Ljungren, head of the Project Management Academy.

He explains that the VGU's trainings, regardless of length and subject, are based on a number of pedagogic principles. One is 70/20/10, which means that 70 per cent of learning comes from experience and practice, 20 per cent from conversations and collaboration with colleagues and managers and 10 per cent from formal

training – in other words, the actual course.

The trainings at the VGU are based on what is known as the BDA, Before/During/After, method. This means that each participant collaborates with his or her closest manager before, during and after the training to ensure that the course plan has been followed, that the training can be conducted smoothly and that it is followed up and evaluated. The target is that the investment in knowledge development should be planned and implemented in such a way that the participant is able to apply his/her newly acquired skills and know-how at work, change behavioural patterns and achieve results.

"THIS CALLS FOR A FAIR amount of work before, during and after, but it also generates commitment and understanding that have a decisive effect when it comes to obtaining results in business operations and business benefits," explains Sven Ljungren.

In view of the prevailing economic situation, starting a new venture and attracting participants has been a challenge. However, the Volvo Group has an explicit aim to invest in the development of its co-workers. >

VOLVO GROUP UNIVERSITY

- ▷ Started in April 2014
- ▷ Currently operating in Gothenburg, Lyon, Greensboro, Ageo and Bangalore
- ▷ Currently comprises five academies: Volvo Group Fundamentals, Project Management, Leadership

& Management, Operations and Engineering & Purchasing.
▷ In 2015, three more academies will open: Process & IT, Business Administration and Sales & Marketing.

The VGU is now entering an expansive phase and will launch several new academies in 2015. The first step has included an Operations Academy, with trainings in subjects such as basic problem-solving, and an Engineering & Purchasing Academy, which will teach the FMEA (Failure Mode and Effect Analysis) method, among other things. At the end of the year, there will be a total of eight academies and 200 trainings aimed at all the co-workers and they will successively be made available everywhere.

"New target groups constitute new challenges, which will enable us to continue developing the whole time. We are now going to focus on participants who don't spend the whole day working on computers. We need to remember this when we design our training," says Kristina Rejare.

In addition, the VGU is looking at new ways to reach more people. One way is what are known as Train the Trainer courses, where the VGU trains someone who then trains a complete plant, for example. Another is Group Talks, inspired by TED Talks and developed by the Leadership and Management Academy, where a number of leaders give short talks on different subjects.

"We are also planning to be even more virtual, with more e-learning but also using different connection techniques that we are currently investigating," says Kristina Rejare. ☉

"We have trained 1,147 in the USA"

STEVE SUTTON

Delivery Manager, VGU, USA:

"In the USA, we offer the entire existing VGU curriculum which includes 22 classroom-based learning offerings and the 10 e-Learnings from the Leadership Academy, the Project Management Academy and Volvo Group Fundamentals. We also offer 12 classroom-based learning offerings local to the US market.

The basic training calendar is set in Greensboro, but all offerings are available by request for any US location. Since the kickoff in

April 2014, we have trained 1,147 participants in classroom offerings. By embracing both office worker- and industrial worker training, the VGU can serve the needs of all Volvo Group employees.

Over the next five years, we expect the number of learning offerings from the VGU to grow tremendously as we leverage training from around the world."



New academy in operation



Tony Hughes (left) and Daniel Goins during the Torque and Tightening training at the Shippensburg plant in February.

A training programme in the Shippensburg plant ushered in a new era for Volvo Group University (VGU). 'Torque and Tightening' is the very first Operations Academy training of its kind.

TEXT ALASTAIR MACDUFF PHOTOS MARTIN ADOLFSSON

DAN GOINS, TECHNICAL Quality Advisor at Group Trucks Operations' plant in New River Valley, was one of twelve participants in the first Torque and Tightening programme, which took place at Shippensburg, Pennsylvania, in February. "We conduct a 40-hour training programme in Orientation for new hires at our location and normally spend a fair bit of time on the subject of torque, in particular torque wrench tightening techniques. I really wanted to learn more in depth about tried and tested processes, as well as the do's and don'ts," he says.

Torque and Tightening is a pilot training course for testing methodology, training materials and VGU processes. Input from the participants is used in designing VGU's new Operations Academy.

"I'll take back what I've learnt to New River Valley," continues Dan Goins. "I have eight people working for me there – in fact one of them came with me to the training programme and will employ the newly acquired knowledge on the ground."

THE OPERATIONS ACADEMY has been in the planning stage for around two years and is a recent addition to Volvo Group University's development programmes. Training materials are in the process of being fine-tuned and, among other aspects, students can look forward to practical, innovative tuition from professional experts.

Luciana D'Assumpcao is Talent and Competence Manager at Group Trucks Operations (GTO) and has been at the forefront of new developments within the Operations Academy. "We started to work with the concept as part of the VGU back in 2012, incorporating all areas within our manufacturing firmament – GTO, Volvo Buses, Volvo Construction Equipment and Volvo Penta. Our goal is to ensure the same level of competence in our various locations around the world."

Luciana underlines the importance of the VGU programmes for industrial workers at Volvo Group. "Training is absolutely vital as we need to secure safety, quality and delivery. Industrial workers are also key as part of the continuous improvement journey. We need to provide our personnel with the right knowledge about methods and tools they can use to identify losses in manufacturing environments, thereby helping to eliminate them."



Luciana D'Assumpcao is Talent and Competence Manager at GTO.



"We normally spend a fair bit of time on the subject of torque, in particular torque wrench tightening techniques."

DAN GOINS, TECHNICAL QUALITY ADVISOR

The wheels were set in motion when teams were created, with the task of collecting existing training materials. A stakeholder list was drawn up and the material shared. Feedback was then given to establish consensus on the best way to ensure the best training standards and employee development.

"TODAY, IN MOST CASES, plants are developing their own training material," continues Luciana D'Assumpcao. "The challenge we have is to make the training material the same standard. In addition to harmonising the training, we also want to train the teachers from the business so that they are certified."

To reach the desired level of competence, Operations Academy training will be directly connected to various aspects of the organisation such as OD/VPS, manufacturing engineering, supply chain and others.

Talking once again to Dan after the second day's activities at Shippensburg, it is clear that he has enjoyed the experience and recognises the value in the hands-on nature of the training course. "Within the class, we all agreed on the importance of adapting the material to fit our procedures and shop tools. There were 12 people on the course, from different facilities within the Volvo Group, but it was amazing to compare the common practice that we already use. With Volvo Group quality standards, it's very important to understand the quality, safety and proper procedures to deliver a top-notch product to customers." ●



Lewis Thomas, Volvo CE, Jose Rocha, master trainer, and Tony Hughes, Volvo CE, during the Torque and Tightening training at Shippensburg.

Training is crucial

The positive results of Operations Academy activities are set to benefit both Group Trucks Operations (GTO) and the Volvo Group as a whole in the coming years.

Mikael Bratt, Executive Vice President, GTO, is sure that the drive towards coordinated training will bear fruit at many levels. "It is a very important step we are taking with VGU in making sure we are prioritising high quality training. This is particularly positive for us in Operations. We have a broad scope here, from manufacturing to logistics, so the training standardisation process should assist us greatly."

Mikael believes that the process of combining shared knowledge is crucial in terms of utilising the future potential of employees and resources.



"There are many positives and it is a great opportunity to support the Group's needs as a whole. For ourselves within Operations it can be a vital tool in terms of being able to further develop and keep ensuring that we have the right competence to succeed in the marketplace."



EVERYONE IS A WINNER

Following on from the phenomenal success of VISTA, the Volvo Group has introduced three new international competitions for aftermarket personnel: RTEC (Renault Trucks), the UD Gemba Challenge (UD Trucks) and Mack Masters (Mack Trucks).

TEXT NIC TOWNSEND PHOTOS ALEX&MARTIN

EACH COMPETITION OFFERS aftermarket personnel the opportunity to test their skills and knowledge against colleagues from around the world, as well as earn well-deserved recognition for their work. However, each is also more than a competition – they are first and foremost training events, designed to push participants out of their comfort zones and acquire new skills and knowledge together as teams.

“Compared with traditional classrooms and training programmes, competitions are a very effective way of motivating people to go that extra mile,” says Jessica Lindholm, project manager of VISTA and RTEC and co-ordinator for all four competitions. “Everyone likes to win, so, if we’re competing it’s in our nature to try that little bit harder and try to find the right answer.”

OF THE FOUR COMPETITIONS, VISTA (Volvo International Service Training Award) stands out as the oldest and most successful of the aftermarket competitions and serves as a template for the other three. Founded in 1957, VISTA has grown to become the biggest competition of its kind in the world. The

last instalment, VISTA 2012-2013, was the biggest yet, attracting over 17,000 participants from 93 countries. What originally started out as an event exclusively for Volvo’s Swedish employees is since 1977 an international event open to all employees in Volvo Trucks’ and Volvo Buses’ global service network.

THE KEY TO VISTA’S success is that all participants, regardless of experience or expertise, benefit from taking part, whether it is new knowledge or simply getting to know their team mates better. It is estimated that VISTA 2012-2013 resulted in over 500,000 hours of additional training.*

VISTA has also proven to be an effective tool for identifying competence gaps and areas for improvement. After every VISTA, Volvo Trucks’ and Volvo Buses’ competence development teams analyse results from each round and adapt local training programmes accordingly.

It is because of this success that VISTA has been adopted as best practice and as a template for the other competitions. While it is still too early to measure the full impact of the new competitions, the outcomes from VISTA do suggest some clear benefits that can be expected.

Gemba Challenge

JUNE 2014 – NOVEMBER 2014
UD Trucks’ Gemba Challenge started in June 2014, attracting 750 participants forming 186 teams, from Indonesia, Malaysia, South Africa, Pakistan and Japan. After two theoretical rounds, nine teams qualified for the final, which was held in Japan on November 18th 2014. South African team BB Truck & Tractor Polokwane won the world championship.

TEAM PROFILE

MEMBERS: Muhammad Imran Nazir, service and team leader – Sajid Qamar, service – Muhammad Irfan, service – Muhammad Farhan Irfan, aftermarket (parts)

“Our team name is ‘VPL Tigers’, because tigers are focused, smart and feared in the jungle. We aspire to be the best at what we do and we believe tigers are the best at what they do. We learned about our strengths and weaknesses, grew as a team and learned about the fundamentals of management and objective orientation. Now we have a vision of continuous improvement, are more positive and will pass on this learning to other teams and newly inducted members. Also, our attachment to the UD brand has vastly increased.”

MUHAMMAD IMRAN NAZIR, TEAM LEADER



VPL Tigers,
Lahore, Pakistan

VISTA World Championship

JULY 2015 – JUNE 2016
Registrations will open in June, with the first of three theoretical rounds starting the following September. Regional semi finals will be held in April 2016, with 32 teams qualifying for the world final, which will be held in Gothenburg in June 2016. VISTA 2012-2013 attracted over 17,000 participants from 93 countries.

TEAM PROFILE

MEMBERS: Moises Hernández Barrera, technician – Israel Osorio Tapia, technician – Guadalupe García Aranzolo, team leader

“There’s no better way to exchange knowledge than to participate in an international competition. In order to succeed in VISTA I think dedication and communication are key.”

ISRAEL OSORIO TAPIA, TECHNICIAN

“This team has a very solid foundation, so I thought it would be interesting to compete alongside them. The most important thing really is the team work, everyone is very dedicated and knows a lot about his or her area of responsibility.”

GUADALUPE GARCÍA ARANZOLO, TEAM LEADER



Texcoco New Generation,
Texcoco, Mexico

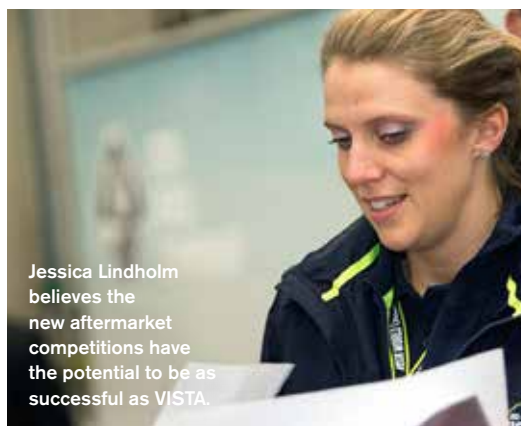
“Compared with traditional classrooms and training programmes, competitions are a very effective way of motivating people to go that extra mile.”

JESSICA LINDHOLM, PROJECT MANAGER AND CO-ORDINATOR FOR ALL FOUR COMPETITIONS

Until recently, VISTA was a biennial event, but the next competition was pushed back to 2015-2016 in order to accommodate RTEC, the UD Gemba Challenge and Mack Masters. The schedule has been designed to minimise overlaps between each and, while the first instalments of the new competitions are relatively small compared with VISTA, the hope is to grow them in the coming years.

“Each is a pilot project for now, but we have high ambitions and would certainly like to replicate some of the success we have seen with VISTA,” adds Jessica Lindholm. ☉

*Estimation based on the assumption that each participant spends an average of 20 minutes on each question, with 30 questions in each round.



Jessica Lindholm believes the new aftermarket competitions have the potential to be as successful as VISTA.

Mack Masters

NOVEMBER 2014 – JUNE 2015

The first ever Mack Masters started in November 2014, attracting 263 teams from 171 locations across the USA and Canada. Participants will complete three theoretical rounds, with five teams qualifying for the final, which will be held at the Mack Customer Care Center in Pennsylvania on June 16th 2015.



Mack's Power, Memphis, Tennessee, USA

TEAM PROFILE

MEMBERS: Patrick Tarpley, service and team leader – Ben Crafton, service – Steve Graves, warranty – Tina Rollins, parts

“We have found that the additional education was a huge benefit but working as a team was a close second. The competition proves that teamwork pays off. The more minds you can apply to a problem, the faster and more accurately the problem can be solved. You must have people that can work together and for each other. Once the group has this understanding and acknowledges it either in this competition or a real world scenario, their job becomes much easier to perform.”

PATRICK TARPLEY, TEAM LEADER

RTEC

JUNE 2014 – APRIL 2015

The Road to Excellence Championship (RTEC) was initiated in June 2014 and had attracted over 2,000 participants by the closing of Round One last September. The competition was open to employees in France, Belgium, Luxembourg, Spain, Portugal, Italy, the UK, Ireland, Malta and Cyprus. The final will be held in Lyon in April 2015.




Ducos, Campagne d'Armagnac, France

TEAM PROFILE

MEMBERS: Yvette Calvo, shop manager and team leader – Frédéric Gunle, foreman – Yannick Cazac, vehicle body builder – Mohammed Bouij, specialist diagnostic reparation (SDR)

“Why miss this opportunity to participate in a new adventure that allows us to move forward? It is also a break from the ordinary; it is a motivating project that strengthens the bonds between the team members. It's a great way to learn and to simplify things and it adds to our confidence. RTEC is also a nice way to connect at a national level. We are keeping an eye on the results of the Monpeysson garage, the other Renault Trucks dealership in this county – we are really caught up in the game.”

YVETTE CALVO, TEAM LEADER



▷ Elin Lundin is one of many young people who have been given the opportunity to join the Volvo Step – a programme that intersperses theoretical education with practical work. The practical work takes place at one of the Volvo Group's 13 plants and facilities in different parts of Sweden: Arvika, Borås, Braås, Eskilstuna, Flen, Gothenburg, Hallsberg, Köping, Skövde, Umeå and Vara.

▷ The Volvo Step began in Sweden in 2012 and is a three-year programme that is going to give a total of 1,200 young people the opportunity for one year of paid education.

▷ Taken as a whole, this is an SEK 450 million project for the Volvo Group, a long-term investment which aims, among other things, to secure access to skills and competence and arouse young people's interest in working in industry.

▷ Read more at: www.volvosteget.se. The Volvo Step can also be found on Facebook, Instagram and Twitter.

Step by step

– *out into the workforce*

What is it like working at a Volvo Group plant for the first time? In the Swedish Volvo Step programme, young people are given the chance to get both work experience and learn about the vehicle industry. We asked five participants taking part in the third round of the Volvo Step to talk about their experiences.

TEXT LOTTA BÄVMAN PHOTOS JONAS TOBIN

Elin Lundin

Umeå Plant, GTO

1 Have you changed your opinion of the industry since you joined the Volvo Step?

"I didn't really have a picture of the way an industry functioned or looked. I thought there would be large, heavy machines that pressed parts throughout the plant, lots of men and that it would be pretty dirty. It isn't anything like that and there are more women here than I expected. It's also very well organised."

2 What is the best thing about working at the plant?

"So far, the best thing, as far as I'm concerned, is that I really enjoy what I'm doing. During my work day, we replace the previous shift and continue to pack the sheet-metal part they were working on. The main job on press line 2 is to pack sheet-metal parts that have been pressed by tools. We pack these parts on racks or pallets. When a new part like a floor member is going to be pressed, the tool in all the presses has to be replaced and we do that using an overhead crane."

3 What has the Volvo Step meant to you?

"The Volvo Step means a lot to me. I have got to know so many lovely people. Right now, my future plans are still undecided. But it's my dream to travel, so I'm going to do that. Then I will have to hope for the best when I apply for a job with the Volvo Group."

Michaela Blomgren

Volvo Penta Gothenburg

1 Have you changed your opinion of the industry since you joined the Volvo Step?

"Yes, to begin with, I thought it was going to be pretty boring and that I wouldn't understand very much, but it's been easier than I expected and it's really fun! I have learned so much in just a short time."

2 What is the best thing about working at the plant?

"The best thing is probably that we have so much fun together. There aren't that many of us working 'on the shop floor' and so we are like a small family. A normal working day for me starts at 6.38 am, when I clock in. I am in the 'light pack' which we named 'happy pack'. The reason

is that one of the trainees thought our station was called 'happy pack', because we always have fun and laugh so much. The 'light/happy pack' deals with kits, LPP (Loose Part Picking) and customer orders."

3 What has the Volvo Step meant to you?

A great deal. But, I haven't been involved in this training for that long and I still have some way to go. I hope I will be given a job when the training ends until the plant moves to Vara. After that, I will have to see what happens. If I am not given the chance to continue, I still know that I have received excellent training and that I have more experience to take with me to my next job."



Johan Bengtsson

Volvo Buses Borås

1 Have you changed your opinion of the industry since you joined the Volvo Step?

"My opinion of the industry has changed in a positive way since I started working here. I have always pictured industrial work as places with loud noise levels, where it's disorganised and there is often a great deal of stress. That changed the moment I came here. It was quiet and well organised, and that really changed my view of the industry in a positive way."


2 What is the best thing about working at the plant?

"The best thing about the Borås Plant is all my great workmates and the pleasant employees. Your day is much easier and more enjoyable if you have

fun and I really have that here. The work day at my current station (final assembly) starts at 6.54 am and I work there on my two processes for almost the whole day. You don't think so much about the time during the day, as everything flows so smoothly. My work day ends at 4 pm and I can go home feeling satisfied."

3 What has the Volvo Step meant to you?

"So far, the Volvo Step has meant quite a lot to me since I am being given both practical and theoretical training. I now have another picture of the industry and I've become far more interested in technology than I was before. I would definitely consider working in industry in the future."

A woman with long dark hair, wearing a dark grey Volvo work jacket and pants, stands in a factory setting. In the background, there are industrial machines, including a robotic arm, and a yellow safety railing. The lighting is industrial, with some blue and white tones.

Märta Karén

Skövde Plant, GTO

1 Have you changed your opinion of the industry since you joined the Volvo Step?

"Before I joined the Volvo Step, I had no idea what it was going to be like, but I now think that working in industry is both interesting and rewarding. I have also been impressed by the level of safety at the plant, for example."


2 What is the best thing about working at the plant?

"My colleagues. They have been extremely helpful and kind. I also like the fact that no two days are the same, as the work is really varied. My team follows a schedule and we

change work areas every day. On one day, we might fill up with material and carry out control measurements, while we can package things and drive fork-lift trucks on the next."

3 What has the Volvo Step meant to you?

"Well, the Volvo Step has obviously meant a great deal. It feels really good to get an education for a whole year. I enjoy challenges and the industry was completely new to me, so it was really enjoyable to join the Volvo Step. I realise now that it's easy to advance in the Volvo Group once you join it. So I have no set plans. I plan to keep working and see where it leads."

A man with short dark hair, wearing a dark blue Volvo polo shirt, stands in a factory setting. He is leaning on a metal structure. In the background, there are industrial machines and a yellow safety railing. The lighting is industrial, with some blue and white tones.

Emre Yenioglu

Volvo CE Eskilstuna

1 Have you changed your opinion of the industry since you joined the Volvo Step?

"My opinion has not changed since I have worked in industry before. But what I've understood, is that there can be major differences between different industrial companies, when it comes to things like organisation, size and working methods."

2 What is the best thing about working at the plant?

"The best thing about Volvo CE Eskilstuna is the feeling of being part of a team. We usually have a lot of fun while we are working and I think that's important at a workplace. My work day begins at 6.54 am with a morning meeting.

We then go to our work station, which is assembly for me right now. We have different stations and work according to what is known as 'takt time', a term used in lean production, which means that we have a specific time in which to complete the work at each work station. My work day ends at 3.48 pm."

3 What has the Volvo Step meant to you?

"It means a great deal to me, as it will open new doors for the future. Since we have the chance to work at different departments, I can broaden my know-how. We have theory every three weeks and this also helps to deepen my understanding."

“I believe in focusing on what customers want”

After seven years in Asia, **Elisabeth Larsson** knows almost everything there is to know about working with several brands in a dynamic market. As the new head of Vehicle Sales at Volvo Group Trucks Sales, she is going to lead strategic sales support and make sure everyone works together to implement a joint agenda.

TEXT OLIVIA KRANTZ PHOTOS JONAS TOBIN

You are back in Sweden, after a number of years working as Vice President Vehicle Sales and Marketing, Volvo Group Trucks Asia Oceania Sales. How does it feel?

“It’s both exciting and a little overwhelming. First and foremost, the difference in climate is enormous. I had to scrape my car windows this morning for the first time in seven years – that was an experience, I can tell you! For some reason, it’s always easier to move away than it is to return home. However, it feels good emotionally. I have learned an incredible amount during my time abroad, but it feels totally right to come home and put what I have learned into action.”

From working regionally, you are now moving to a more strategic role where you will be responsible for supporting truck sales within the Volvo Group. How do you see your new role?

“My role will involve supporting the markets and building an organisation based on the support the markets need to meet their customers’





Elisabeth Larsson began her new job as SVP Vehicle Sales Volvo Group Trucks Sales on January 1st 2015. Her work includes supporting the markets and leading strategic sales support at global level.

“I envisage fantastic opportunities now that we have a joint agenda, rather than three different ones.”

requirements – without focusing too much on the way things used to be done. We have a back-office function which rests on a number of ‘legs’ – everything from price, support and packaging to sales systems and planning demand. It’s important that we strike a good balance and find the right level in production. Our target here is to create a global process based on confidence. In some parts of the world, confidence has declined and we want to rectify that. We are talking about situations that change rapidly, in Asia and South America, for example. We need to be an organisation that is able to handle the fluctuations quickly. My first priority is to build a strong team and make sure that people with the right drive and customer focus are put in the right positions.”

Which challenges and opportunities do you envisage?

“There’s a real difference in the level of maturity in the different regions. We need to adapt the support to match the individual regions. Process and IT solutions are one such challenge. We want as many people as possible to use our sales systems, but we aren’t going to force the same solution on everyone if it doesn’t work. We also need to improve the way we use our global networks in order to pass on best-practice cases. We’re very good at coming up with new ideas, but we mustn’t be afraid to ‘steal’ ideas from other markets. I also envisage fantastic opportunities now that we have a joint agenda rather than three different ones.”

During your time in Asia, you have worked with most of the Volvo Group’s brands. How will you benefit from this?

“When I started working in Asia in 2008, it was the first region comprising a number of countries that worked actively with several brands. I was involved



from the start and I learned a great deal, first and foremost to think about the business benefits before thinking about the brand. Working with several brands is less complicated in Asia than it is in Europe, for example. In Asia, UD Trucks and Volvo Trucks are the two main brands and there is no risk that they will overlap in the way Renault Trucks and Volvo Trucks can in Europe. In Europe, a great deal of work focuses on differentiating between brands that are closely linked. It’s important to apply an holistic approach and not regard our ‘brothers’ as our principal competitors. If we are going to capture market share, we are going to do so from our external competitors.”



ELISABETH LARSSON

Age: 44

Family: married, three sons

Background: she began working at Order and Delivery at Volvo Trucks in 1996. She spent two years working as a market contact for France and Belgium and one year at the Europe section, followed by two years at the market company in Paris, working on sales systems and volume planning. After several years as Logistics Manager at the International Division at head office, she moved to China in 2008. She spent seven years at Volvo Group Trucks Asia Oceania Sales as Director Vehicle Sales and Vice President Vehicle Sales and Marketing.

Leisure interests: "I spend a lot of time with my family building LEGO when I'm not at work. Otherwise, I enjoy running several times a week and singing. I love listening to music. It's a form of relaxation for me."

In Singapore, you were a member of a team of people with more than 20 nationalities. How has this affected you?

"It gives you different perspectives – simply the fact that people come in and say 'Good morning' in 20 different ways is a fantastic asset. In an environment like this, you have to communicate a great deal. You can't expect information to reach other people through the normal everyday buzz. This makes clarity even more vital and it's especially important that everyone receives the same information. It's also a question of creating confidence. The advantages are that I now find it fairly easy to deal with people with different backgrounds and I'm not afraid to give both positive and negative feedback. I always try to make sure that my message really reaches its target."

Asia is a dynamic, rapidly expanding region. What insights will you be bringing to Sweden from the time you spent there?

"Our customers in Asia are incredibly demanding. The market there can be split into three segments: European premium brands, Japanese and Korean manufacturers and Chinese and Indian brands. Japanese brands that offer high levels of both quality and efficiency and, at the same time, have lower prices are the best-selling trucks in South-East Asia. In the past, the segments were separated – a customer who purchased a truck from Hino or UD would not purchase a Volvo truck. These demarcations are being increasingly erased and, as a result, the premium brands also need to stay on their toes and focus on both customers and costs. The ability to keep things simple is another important factor in Asia. We are extremely creative in this company and we are also good at finding new solutions. I don't believe in complicating things. I believe first and foremost in focusing on the things that need doing and the things customers want." ☺

ELISABETH LARSSON ON ...

...THE WAY HER FAMILY INFLUENCED HER CHOICE OF CAREER

"My father worked for Volvo and my brother still works at GTT, but I didn't make a conscious choice to apply for a job here. My father actually thought that I ought to look for a job somewhere else. It was a coincidence that I ended up at the Volvo Group when I got my first job, but it was definitely not a coincidence that I felt as much at home as I did or that I stayed on!"

...VOLVO GROUP CULTURE

"It isn't something you simply talk about, it actually exists everywhere, globally. I think people in Sweden are somewhat spoilt and take The Volvo Way for granted. In Asia, it's something pretty unique and it's also a factor that makes many people stay at the company. The Volvo Way is very largely a question of respect and information, it isn't so hierarchical. It's an unusual way to run a company. In Sweden, it's part of our heritage, but I think that we sometimes take our basic values and our way of working on recruitment and feedback a bit too much for granted. The Volvo Way is an incredibly powerful tool and we should be really proud about being able to work with it."

GEARING UP

A change in organisation, greater efficiency and customer focus. These are some of the central aspects of the changes the Volvo Group is currently undergoing. The target is to increase profitability and close the gap on the competition, thereby strengthening the Group for the future.

TEXT ANN-MARI ROBINSON

To understand the challenges both now and in the future, it might be a good idea to begin by looking backwards.

In 2001-2011, the Volvo Group expanded through acquisitions (purchasing companies) and operations were equipped for capacity levels that were never fully utilised and do not match the current situation. Moreover, the cost of product development doubled during the same period, while sales only increased by 63 per cent.

Over-investment in capacity, research and development has created an imbalance in costs and income. "When these decisions were made, everyone believed in continued powerful growth. Since that growth has not taken place, it has been necessary to adjust to match our current sales. The lack of balance between our costs and income becomes very clear if we examine 2011, which, in many ways, was a record year for the Volvo Group, even if our profitability was the second lowest in the industry," explains the Group's CEO, Olof Persson.

THERE IS A GAP between the Volvo Group and the competition. Together with the heads of the truck divisions (GTS, GTT and GTO), Joachim Rosenberg, Torbjörn Holmström and Mikael Bratt, Olof Persson met some 3,000 managers (plus an additional couple of thousand via Lync) on 17 occasions in Gothenburg, Greensboro, Lyon and Ageo, at the end of last year to describe the situation. The theme was Closing the gap. This remains an important theme for 2015 and was underlined at the Group Management Conference (GMC) in January, a conference for the Group's 160 top executives.

"We need to increase our co-workers' understanding of why change is and has been necessary," says Olof Persson.

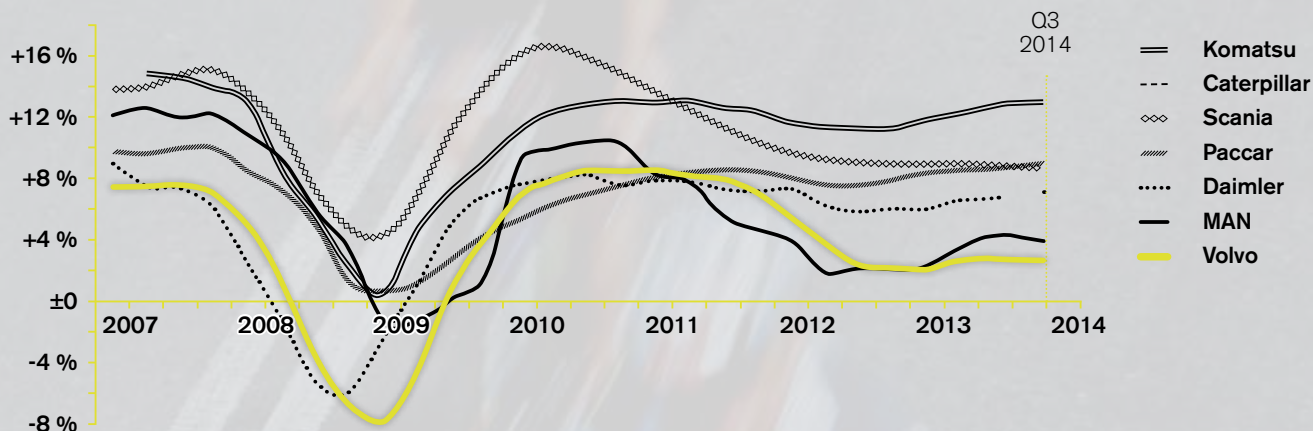
In 2012, the most comprehensive reorganisation in the Group's history was implemented. The target was, and still is, to be *one* company that is better equipped to take advantage of all its brands, products and the geographical coverage the Group has obtained as a result of the many acquisitions.

"What's more, we realised that it was necessary to reverse the trend and calibrate operations to match the changing volumes

19

Number of countries where the Volvo Group has production facilities

OPERATING MARGIN VS PEERS



we were beginning to see in the market.

"We need to be an organisation that works more efficiently, globally, in a co-ordinated manner, with the emphasis on processes. We are still on a journey of change and I'm really proud of everything we have achieved, even if we still have some way to go," says Olof Persson.

Many activities have been run by the Volvo Group's co-workers in the space of just a few years. They relate to large, revolutionary changes such as optimising the industrial systems in the USA, Japan and Europe; improving efficiency and thereby reducing the cost of product development; optimising sales distribution in Europe; and reducing the number of employees in staff units and support functions. The vision and objectives have been clearly defined and a Group-wide positioning strategy has been put in place for the brands.

The past few years can be summarised as follows:

▷ In 2012, a reorganisation took place and new Strategic Objectives for Group Trucks and the Business Areas were formulated for the period 2013-2015.

▷ In 2013, large-scale product launches took place. They have involved a great deal of hard work and substantial costs, but as a result the Group is better equipped than ever before.

▷ In 2014, large-scale efficiency programmes and cost reductions were implemented.

▷ In 2015, this work will continue and a totally new and global sales organisation within the truck organisation will lead to greater efficiency and increased customer focus. At the same time, local influence over decision-making will be strengthened through the introduction of regional teams. There will be a combination of global strength and local speed. Opportunities for a powerful growth in truck operations in China will also be made possible by the establishment of the joint venture Dongfeng Commercial Vehicles (DFCV).

190

Number of markets where the Volvo Group has sales

The changes have impacted people in different ways, depending on where in the organisation they work. In the 2014 VGAS results, it was clear that the engagement of the employees had fallen, something Olof Persson and his

colleagues in the Group's executive management team take very seriously.

"When changes are made, it's especially important to understand our starting point, where we are heading and what we are hoping to achieve. We have a unique position, unique brands and fantastic strength in our skilled co-workers. That's why I'm totally convinced that we are going to succeed in becoming a leader in our industry, also in terms of profitability. And profitability is important since it allows us to control our own destiny," says Olof Persson.

After a period characterised primarily by structural change, long-term work has begun in 2015, including revitalising the Group's culture and leadership – areas that will be given a prominent place in the future. During the first half of the year, workshops with managers have been run, together with a large number of interviews with employees and other important stakeholders to obtain an even clearer understanding of the expectations they have when it comes to the company's culture. The next step will be to create a broad-based dialogue throughout the company relating to the values and what they mean in people's everyday work. ☺

THE TERMS EXPLAINED

OPERATING MARGIN gives analysts an idea of how much a company makes (before interest and taxes) on each dollar of sales. When looking at operating margin to determine the quality of a company, it is best to look at the change in operating margin over time and to compare the company's yearly or quarterly figures to those of its competitors. If the operating margin is increasing, a company is earning more per dollar of sales.

MARKET SHARE is calculated by dividing a company's sales by total sales of the industry over the same period. This metric is used to give a general idea of the size of a company in relation to its market and its competitors.

ORDER INTAKE shows how much interest there is among customers for a company's products and services.

TRUCK DELIVERIES are reported every month, and compared with the previous year.

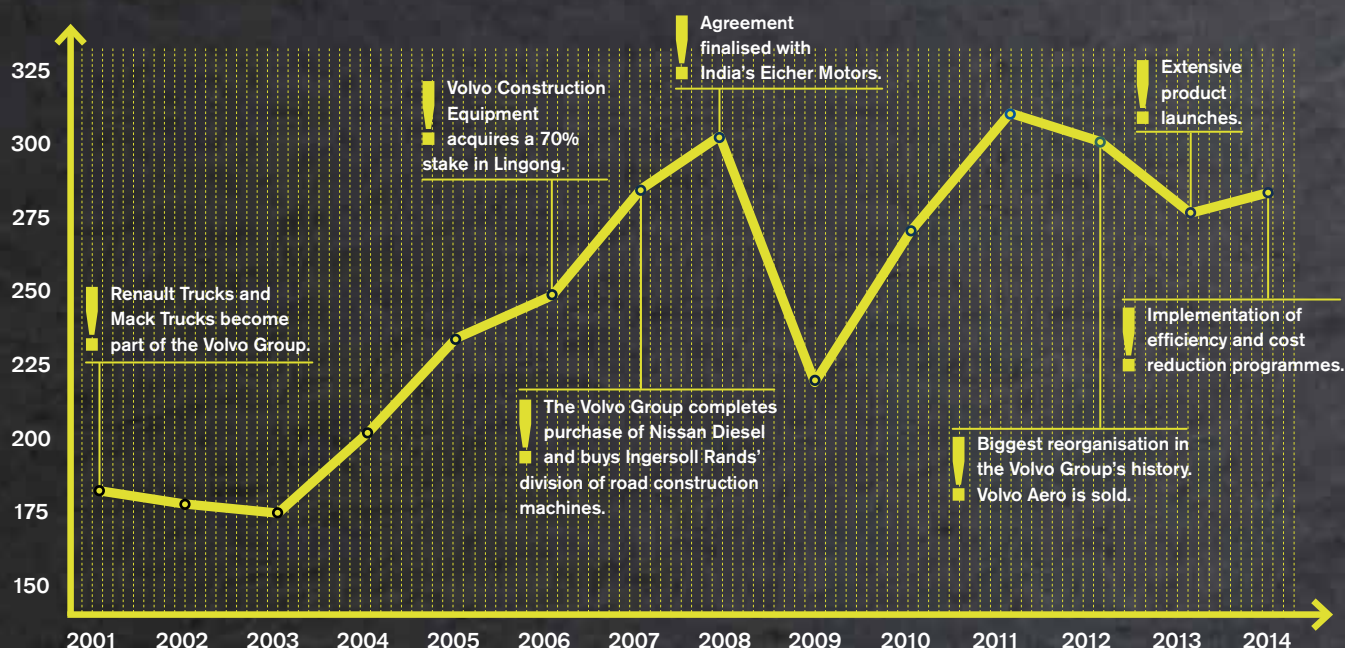
NET SALES is the amount of sales generated by a company after deducting returns, allowances for damaged or missing goods as well as any discounts.

OPERATING INCOME shows earnings before interest and tax. It is reported quarterly.

CASH FLOW indicates the difference between in-coming and out-going payments from operating activities.

NET SALES 2001–2014

BILLION (SEK)



VOLVO GROUP DELIVERIES

DELIVERIES EUROPE

	2014	2013	CHANGE
Trucks	72,458	82,088	-12 %
Buses	2,221	2,146	+3 %
Construction equipment	14,174	13,522	+5 %

DELIVERIES SOUTH AMERICA

	2014	2013	CHANGE
Trucks	23,741	29,137	-19 %
Buses	2,985	2,434	+23 %
Construction equipment	3,669	3,568	+3 %

DELIVERIES NORTH AMERICA

	2014	2013	CHANGE
Trucks	57,714	44,755	+29 %
Buses	1,590	1,752	-9 %
Construction equipment	7,127	5,240	+36 %

DELIVERIES ASIA

	2014	2013	CHANGE
Trucks	32,399	28,692	+13 %
Buses	1,242	1,822	-32 %
Construction equipment	33,648	44,892	-25 %

DELIVERIES OTHER MARKETS

	2014	2013	CHANGE
Trucks	16,812	15,602	+8 %
Buses	721	756	-5 %
Construction equipment	2,699	3,564	-24 %

Source: Volvo Group Q4 2014 Report

100,000

Approximate number of people employed by the Volvo Group

KEY PRIORITIES 2015

- ▷ STRUCTURAL COST REDUCTION
- ▷ BRAND, MARKET AND PRODUCT PROFITABILITY
- ▷ DELIVER STRATEGIC OBJECTIVES
- ▷ IMPLEMENT NEW WAY OF OPERATING
- ▷ REVITALISE CULTURE AND LEADERSHIP

NEW WAY OF WORKING

Thanks to greater cross-functional input in the prototype phase, Volvo CE's facility in the German town of Konz is set to deliver its new wheeled excavator EWR150E a whole four months earlier than planned.

TEXT MARIA SKÖLD

PHOTOS KARSTEN THORMAEHLEN

GOOD NEWS TRAVELS fast. The success of a new way of developing products at Volvo Construction Equipments' Konz facility has spread through Volvo CE, with many plants already learning from the improved way of working.

Traditionally, when manufacturing a new product you develop prototypes that are used to refine the design until the specifications are largely fixed. Only then would the product enter the next phase – industrialisation – where the required tooling is established and the new machine is made to the required standards. After this linear (and lengthy) process, mass production follows.



Stefan Wagner assembles the drive unit of the lower frame at the Konz plant.

But in Konz they've started doing things differently. "We changed the project development process of the EWR150E because we wanted to build prototypes that were based as much as possible on the same processes that are used in mass production," explains Sonja Doneck, chief project manager for wheeled excavators at the Konz plant. "This time we involved more people earlier in the design stage of the project, which helped us to identify issues faster – resulting in fewer late changes and the additional verification and validation tests that go along with them."

Three prototypes for the EWR150E project were built in the prototyping workshop using the same people, assembly sequences and working instructions that would be used if the machines were actually in production.



“This way of working allowed employees with different types of knowledge to give their input from the beginning,” says Frederic Lastré, director project office, central Europe. “Previously, people working in the Technology function would develop the machines and once their work was finished, employees in Operations would provide feedback with their thoughts and ideas. This resulted in a lot of design changes and additional costs. With colleagues from Operations, Technology and Sales & Marketing working together in cross-functional teams from the beginning, the process has become much more efficient.”

Although recognised as a success now, at the start not everyone was convinced there would be benefits to this new way of working. “When we began, there was a concern that the project would be too

From now on, all new machine development projects in Konz will adopt this new process. Similar changes are also implemented or under way at other Volvo CE plants, including Shippensburg in the USA and Belley in France.



Sonja Doneck



Members of the successful cross-functional team (Logistic, Mechanical Engineering, Production, Technology, Quality).



Frederic Lastré

THE NEW PROTOTYPE PROCESS

The new prototype build process in Konz was first introduced in 2013. It has been used for the development of the EW160E, the EW180E and the EWR150E. The idea emanates from the White Book of lessons learned during previous projects at the Konz plant. Inspiration was also drawn from the Cut Lead time in Projects (CLIP) programme.

complicated with so many people involved from the outset," says Sonja Doneck. Sure enough, compared to the old way of working, more time and money was spent during the initial phase of development. But it soon paid off, as very few changes had to be made later on. In hindsight, Frederic Lastré notes that they managed to make large savings by increasing efficiency: "Almost without exception it is cheaper to make design changes earlier in the project than later."

BUT THAT'S NOT THE ONLY GAIN from the new process. Employee satisfaction also increased, as more people felt their views were taken into consideration and that they had a stake in the project. Tobias Reinhardt, Industrial Mechanic, was pleasantly surprised to be asked to contribute his expertise to the development of the EWR150E. "Participating in this project was a great experience," he says. "My contributions helped drive the project forward in a more efficient way. I feel more motivated than ever to work together with my colleagues to deliver high quality machines to our customers faster." Sonja Doneck is convinced that this way of running new product development projects is here to stay. "It's great to see how proud people are of this way of working, everyone feels more involved and that's very important," she says. ☉



TOBIAS REINHARDT
Industrial Mechanic

"Working on this project has increased my understanding of the machine and its components. This knowledge has helped me to learn other assembly processes quicker.

Involving production workers earlier in the project meant that we were able to detect and correct things that could have caused problems during the assembly process. Utilising the experience of production workers – who are all experts in their particular areas – has led to a reduction in issues on the assembly line and an increase in production speed.

It was great to work on this project and I got to know more of my colleagues."



The team behind the I-Shift Dual Clutch and winners of the Volvo Technology Award (from left to right): Lennart Brusved, Klas Bergström, Anders Hedman, Lars Simonsson and Lars-Erik Theodorsson.

PHOTO: SÖREN HÅKANLIND

A winning combination

I-Shift Dual Clutch team wins Volvo Technology Award

IT TOOK A COUPLE OF DECADES, but last year a big dream became reality. That was when Volvo Trucks introduced the world's first dual-clutch gearbox for heavy-duty vehicles. Now the team behind the I-Shift Dual Clutch is being honoured with the Volvo Technology Award.

The award was presented at a ceremony in conjunction with the Volvo Group's Annual General Meeting on April 1st.

"It's fun to get this type of recognition – we naturally feel very proud," says Lennart Brusved, who was project manager for the hardware development of the I-Shift Dual Clutch.

He received the award, along with Klas Bergström, Anders Hedman, Lars Simonsson and Lars-Erik Theodorsson. They have all been

involved in the project to develop the dual-clutch gearbox since the work to produce it began in earnest in 2008.

But the plans to develop a dual-clutch transmission for trucks are older than that. Back in 1990, Volvo Trucks' transmission department presented its first sketch of the technology.

ANDERS HEDMAN WAS HIRED in the mid-1990s, when the work to produce a dual-clutch transmission entered a new phase. He could hardly imagine that it would take another 20 years before the plans to launch the technology became reality. The big breakthrough came when the I-Shift transmission was launched in 2002.

"That we managed to get it all the way to

large-scale production is down to the fact that the I-Shift Dual Clutch is based on the regular I-Shift. This led to advantages in development, production and in the vehicle," says Anders Hedman.

THE I-SHIFT DUAL CLUTCH means major improvements in the daily life of drivers. Not least, the new gearbox has become popular among those who drive heavy loads, such as timber, on narrow and icy forest roads.

"We have tested the gearbox in the field and drivers have been so pleased with it that they didn't want to give the truck back afterwards. It feels great to have developed something that is truly useful," says Lars Simonsson.



A smart future in focus

Could a pair of spectacles make a significant contribution to the truck assembly process? Two co-workers from GTT and IT recently developed an augmented reality application that can assist production workers with tasks through images and information from smart glasses.

A TRANSFORMATION IS happening within manufacturing as a digital era of new opportunities beckons. Trends such as Augmented Reality are at the forefront of a technological evolution and a prototype pair of glasses is a first step into realising this future potential for the Volvo Group. The idea to develop eyewear for specific use in manufacturing and related industrial work, originated from Volvo IT's Innovation Jam 2013. "With this particular prototype, we decided to take a look at how we can support the plant operators in getting

better, more visual instructions when assembling trucks. That's how we finally ended up with the concept of visualising the actual assembly steps on smart glasses. The benefits are multiple and go from improving quality, to higher employee engagement both in training and on the job," says Guillaume Favreau, Business Innovation Manager, Corporate Process & IT.

The augmented reality technology is based on tracking and positioning and reacts to what is being viewed by the

user. The information is visible with the help of a small camera attached to the glasses. Animated 3D models and text instructions help the production workers to see before them exactly where various parts of the truck should be fitted or where screws should be inserted.

"We feel that the technology has major business value. The prototype was built in May 2014 and four operators at the GTO Tuve Pilot Plant here in Gothenburg started testing the glasses in September. The next step for the project would naturally



PHOTO: SÖREN HÅKANLIND

Guillaume Favreau (left) and Christer Lundevall are the brains behind the smart spectacles.

be to get business people involved and a budget behind us," says Christer Lundevall, HMI Simulation Specialist at Advanced Technology & Research, GTT.

Guillaume and Christer had previously been working with augmented reality for the aftermarket and end-user, but the wearable technology dimension was a new perspective that provided the greatest practical benefits on the assembly line.

Both the creators feel that the technology can have a bright future in the manufacturing industry. "We are perhaps

two or three years away from it being widely used in a working environment. The feedback we have had from operators has been extremely positive. Operators currently receive installation instructions on paper, sometimes on separate screens. Having both hands free to work, while at the same time directly receiving accurate assembly information on the product is good for both safety and for the quality of the end product," says Guillaume Favreau.

ALASTAIR MACDUFF



The viewer receives images and information superimposed onto what he/she is looking at.

THIS IS HOW IT WORKS

▷ Augmented Reality (AR) is technology that superimposes a computer-generated image on a user's view of the real world, thus providing a composite view.

▷ It uses positional data (for example GPS) or tracks an image or marker. This marker must be in the user's field of view at all times.

▷ Augmented (or supplemented) elements are computer-generated sensory input, such as sound, video, graphics or GPS data.

▷ AR is related to Mediated Reality, which enhances the perception of reality through computer modification. In contrast, Virtual Reality replaces the real world with a simulated one.

▷ Augmented reality technology is used in many walks of life, including industry, architecture, medicine and the military, as well as in commerce and entertainment.

▷ Google Glass, the most high profile form of smart eyewear, was discontinued in January 2015. However, optical head-mounted display (OHMD) technology continues to develop in various forms for the global marketplace.

5

QUESTIONS TO MALIN RIPA

Responsible for corporate
social responsibility (CSR)
at the Volvo Group

IN 2015, the Volvo Group will launch a new society engagement programme called "Moving Society Forward". The aim is to enhance the societal engagement and maximise the mutual value created for society and for the Volvo Group business.

1. What is the current trend in CSR?

"The trends for corporations have been moving towards the creating shared value philosophy. Companies are leaving the traditional donation and charity actions and moving on to a proactive role in societal engagement. In this way, they can utilise their core competencies and assets to commit to long-term sustainable solutions. This also provides companies with the opportunity to create business benefits simultaneously."

2. What recent activities are you most proud of?

"We have a lot of good and inspiring initiatives and I am specifically very proud of our commitment in the vocational training programme in Africa, in partnership with the Swedish International Development Cooperation Agency (Sida) and the US Agency for International Development (US Aid). It aims to give technical and mechanical education to unemployed youth in order to provide skills and occupations. The traffic safety programme in Brazil and the Volvo Step in Sweden are other great examples."



3. What is planned for 2015?

"Moving Society Forward will be running for the first time this year, it is something that has been requested for a long time by our colleagues. The focus is to learn from and leverage our best practices within traffic and worksite safety, environmental sustainability and skills development. We will then expand the initiatives into other countries where we want to increase our societal commitments. Some of the current initiatives will continue to run, some may transform into other initiatives aligned with our focus areas."

4. How about the interest in CSR internally?

"I see a huge interest in CSR. Our employees are highly motivated and engaged and they expect the Volvo Group to act proactively. They see the benefits, both for society and for our business."

5. How can employees contribute?

"For many years, our employees have been part of CSR initiatives in their home countries. Now, within the 'Moving Society Forward' programme, the employee volunteering opportunities will be further expanded with a global pilot, to be run in 2015 within GTO."

ANN-MARI ROBINSON

JOHAN JINHAGE:

Seeing both sides of the coin

AN INTERESTING DEVELOPMENT has begun. I have recently left operational responsibility at the GTO Tuve Plant to assume global responsibility in our technology organisation, with links to all the final assembly plants worldwide.

It will be my task to take responsibility for new product introductions and the development of our production process linked to 13 final assembly plants that serve all the different truck brands in the Group. The target is to ensure that new product modifications are implemented without disrupting the work at these plants. Every modification will make us more efficient, while improving ergonomics at the same time. Design solutions must also comply with both the need for easy assembly and the approved strategies.

Guidelines and strategies for future production processes need to be formulated in collaboration with these plants. We need to identify the best known solutions and package them to create optimal targets. This is very largely a question of collaboration – with regions, plants, our product-project organisation and, not least, the corresponding functions at GTT (Group Trucks Technology). My area of responsibility is a GTO function, but my most important task is to ensure that we work together in the process.

The past few months have involved reflection and an insight into just how much is done within our global functions, in the form of clearly defined requirements for the design of screw joints and machines we want to see in production, together with an important master process which describes the final assembly process of the future. I was not particularly familiar with this in my capacity as plant manager. So, to summarise, both these operations (global function and local plant) are important if we are to achieve world class and create a global working approach, a common platform and high-performance, cross-functional teams.

The journey I am making – moving from an operational local function to a global one – is to be strongly recommended. It is really rewarding to "see both sides of the coin". Together, we can develop our common process so that it becomes world class.

Johan Jinhage

Vice President Chassis & Final Assembly,
Group Trucks Operations (GTO)



Four oceans, five continents

The worldwide offshore sailing competition, Volvo Ocean Race 2014-15, has now passed the halfway point. Millions of fans and thousands of corporate guests are following the race and have in one way or another been in contact with the Volvo brand. A central point in each of the eleven ports is the Volvo pavilion, which is full of exhibits and stories from the Volvo Group's operations and what the Volvo brand stands for. The boats are expected to cross the finishing line in Gothenburg, Sweden – Volvo's home town – around June 21st. Follow the race at www.volvooceanrace.com and the Volvo Group's reporting at vor.volvogroup.com.

PHOTO: AINHOA SANCHEZ/VOLVO OCEAN RACE

