

Volvo Group magazine 2.2015

THE BUS BUZZ

LEADING THE WAY IN SUSTAINABLE
PUBLIC TRANSPORT SOLUTIONS

CREATING ENGAGEMENT

HIGHLY ENGAGED TEAMS
SHARE THEIR BEST TIPS

WORKING UNDER COVER

IMPROVING SERVICES THROUGH
MYSTERY CUSTOMERS

"I spend about a week
at a time out on the
road, together with my
two dogs."

Danny Locklear, a truck driver
for 14 years

Land of opportunity

In the US, the Volvo Group is successfully adapting its
products and services to better meet local customer needs

We are committed and will stick to the plan

ON APRIL 22, the AB Volvo Board of Directors appointed Martin Lundstedt new President and CEO of the Volvo Group. Martin will take office in October. Until then I have been entrusted to lead the Volvo Group, together with the entire Group Executive Team. Our top priorities for the rest of 2015 remain the same.

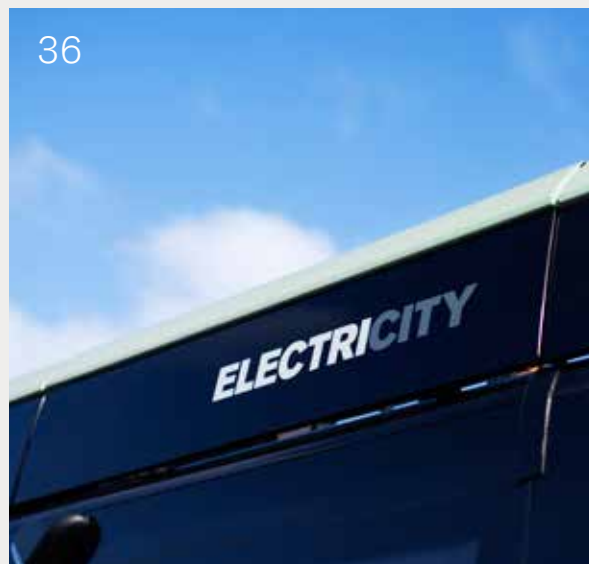
WE ARE COMMITTED to continuing the work we do every day to create value for our customers. And we are committed to delivering on our strategic efficiency programme to reduce the structural cost level in the Group.

Both are vital to our company's future success. We will always put our customers first, delivering products and services that enable them to keep the promises they have made to their customers. We need to deliver on the strategic efficiency programme and close the gap to our competitors. As we presented in our first quarter report, it is clear that we are well on our way but more remains to be done. When we succeed, it will benefit all our stakeholders; customers, employees, suppliers, shareholders and society at large.

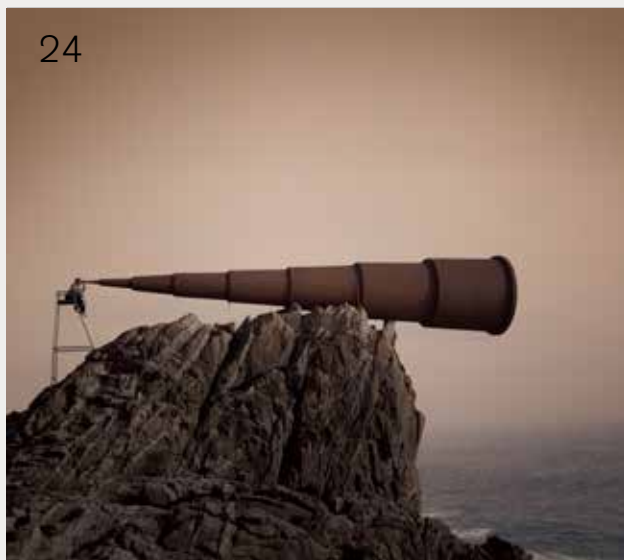
AND THAT IN TURN will generate the means needed to develop the next generation of products and services and pave the way for growing a profitable world leading supplier of sustainable transport solutions.

JAN GURANDER
ACTING 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 Båvman (Operations), Carita Vikstedt (Technology), Joanna Galczyńska (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



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By adapting to the local market, the Volvo Group has managed to turn its American truck business around.

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No business can afford to ignore its competitors and the Volvo Group is no exception. This is why Strategic Competitive Intelligence is continuously gathering vast volumes of data on the opposition.

28 Working undercover to improve customer service

Under the Mystery Customer initiative, Group Trucks Sales works in conjunction with customers to secretly evaluate dealerships and then uses the findings to further improve customer service.

32 The key to creating team engagement

Employee engagement is highly valued within the Volvo Group but building it is not straightforward. Teams from across the globe share their experiences and suggestions for creating better team engagement.

36 Leading the way in electric buses

With full-electric buses and the Volvo electric hybrid, the ElectriCity bus route is a significant step forward in the Volvo Group's electromobility programme and cements its position as an industry leader.

42 Dawn of a new era with Dongfeng

The Volvo Group's joint venture with Dongfeng Motor Group is a powerful alliance that will open up new opportunities in China - the largest truck market in the world.

LET US KNOW YOUR THOUGHTS!

The image of the trucking culture in the USA is often characterised by classic films: mostly men in large, personalised trucks with lots of chrome. But what is life on the road like in reality? How important are trucks both as a means of transport and as temporary homes? In this large USA special edition, you can read what many of our customers think about the products and services from the Volvo Group.

One product that offers a unique solution in a noisy city environment is Volvo Buses' electric hybrid. On pages 36-41, we explore our vision, technology, customers and production in the magazine's different editions. In addition, you can also read about team engagement, our competitors, the Volvo Ocean Race and much more in this second issue of *Volvo Group Magazine*.

The work process behind the production of this new magazine is starting to take shape. But we still want to know what you think about the texts, images and format. So we would like to invite interested co-workers to participate in a Reader's panel. This will involve answering some questions via mail after every issue and sometimes following up questions over Lync or telephone. You are welcome to register your interest at groupmagazine@volvo.com. Please tell us about your work assignments and how long you have been with the Volvo Group.

Pleasant reading!

ANN-MARI ROBINSON, EDITOR-IN-CHIEF



Volvo Group Magazine's editors review pages for the upcoming issue of the magazine. From left: Lotta Bävman, Carita Vikstedt and Ann-Mari Robinson. Insert: Joanna Galczyńska.

PHOTO: JONAS TOBIN



LIFE ON THE ROAD

Services are an increasingly important part of the complete business solution. They add value and enable stronger relationships with customers, which is important to secure customer satisfaction and loyalty. Services and solutions also make it possible to differentiate from

народный Vernacular LINGO
자국의白話 le jargon

Lost in translation?

Do you work extensively in a language other than your mother tongue? Has your team come up with a novel method to overcome a language barrier? Or do you have a funny story to share about information being lost in translation? If so, *Volvo Group Magazine* would be interested to hear from you, as we plan to write about the many different languages spoken within the Volvo Group. Please feel free to contact us at groupmagazine@volvo.com.

Swedish-American hip-hop and soul artist Mapei and Swedish music video director Liza Morberg have fun on set during the filming of the new TV series *Reality Road*. Want to know more? Check out youtube.com/volvotrucks.

the competition and create new revenue streams. For this reason Volvo Trucks Services is highlighted in a new extensive communication campaign with the purpose of strengthening brand image and positioning and driving sales.

By communicating the interaction

between the truck and services based on how it really works in a web-based reality TV show, the ambition is to boost awareness in a fun and interesting way. The setting is a European trip featuring a Volvo FH and an artist.

"We believe that this reality

format will create interest and entertain a wider target audience. And with an artist on tour we can create unexpected and entertaining situations that challenge the truck and our services," says Katarina Adamson, Director Strategic Communication, Group

Trucks Sales. Some examples of services featured in the web series are Volvo Action Service, Dynafleet, Connected truck and Volvo Truck Rental. In addition, there will be communication material featuring Top Ten Services, as well as sales support material.



Volvo CE is improving energy efficiency

Volvo CE's annual consumption of energy is equivalent to 250 million SEK. The company is dedicated to improving energy efficiency and securing its WWF Climate Savers commitment. The initial phase focuses on idle electricity reduction (electricity wasted during non-production hours). 20,000 kWh were saved in


2014 and the target for 2015 is to reduce by a further 20,000 kWh. The Changwon plant in South Korea achieved a near 40 per cent reduction last year.

"A great improvement," comments Johan Wollin, Director Environmental Care, Volvo CE Operations.

Experiencing UD Trucks

The UD Experience offers co-workers the chance to extend their knowledge of the UD Trucks brand and its products. Employees are given a presentation and a plant tour in Ageo, as well as the opportunity to testdrive the Condor, Quon and Quester. By the end of March, almost 2,000 employees had participated in the programme. In 2013-2014, some 3,500 customers and media representatives took part in the same event.





DEVELOPING TECHNICIANS IN DEVELOPING COUNTRIES

▷The Zambia training programme will see some 140 students trained every year. The aim is to have at least 75 per cent of students find work as engineering technicians after their studies.

▷The Volvo Group also offers apprenticeships in Morocco and Ethiopia, with the percentage of women studying consistently increasing every year. In the latest intake of apprentices in Ethiopia, 14 out of 32 students are women.

Hands-on knowledge

Training programme targets technicians in Zambia

The Volvo Group will train workshop technicians in Zambia in cooperation with the Swedish development agency SIDA and UNIDO, a UN organisation for industrial education. The aim is to increase work opportunities and improve standards in education.

"The need for practical knowledge is huge in Zambia. The training that technicians receive today is not in line with industry needs. Therefore companies are instead bringing in manpower from India and South Africa," says Julia Jonasson, who co-ordinates the Volvo Group's

professional training in developing countries.

Since the mining industry is one of the largest industries in Zambia, the training deals mainly with servicing trucks and construction equipment. The programme, which is scheduled to start in January next

year, will take place at Nortec (Northern Technical College) in the city of Ndola. Some 140 students will be trained every year and the aim is to have at least 75 per cent of them work as engineering technicians or the equivalent after their studies.



PHOTO: UNIDO

Volvo Group apprentices at the Selam Vocational College in Ethiopia.

“The need for practical knowledge is huge in Zambia”

JULIA JONASSON,
CO-ORDINATOR OF THE
VOLVO GROUP'S PROFESSIONAL
TRAINING IN DEVELOPING
COUNTRIES

Positive results for Optifuel Lab

After several months of tests, fuel consumption results for the Renault Trucks' laboratory vehicle, Optifuel Lab 2, have improved. Consumption is down 22 per cent, which means an average of 7.2 litres per 100 km are now saved. This figure corresponds to the savings obtained by using the 20 or so on-board technologies, all dedicated to reducing consumption compared with a 'standard' Renault Trucks T.

“We are of course extremely satisfied with these results. We are not surprised by them,

they confirm the already high estimates we had at the beginning of the project under actual operating conditions,” explains Claude Covo, the project manager at Group Trucks Technology.



24 hours of creativity

Nine teams, including three from the Chalmers University of Technology in Gothenburg, Sweden, recently took part in the Volvo Trucks Open Innovation Challenge – a competition designed to promote the development of intelligent solutions for the transport industry. Each team was given 24 hours to develop a creative

app that offers truck drivers a new value-added service. Three winning contributors will now get the chance to further develop their ideas into finished products. First prize went to Idevio for their proposal to increase traffic safety by providing drivers with information on the road ahead so that drivers can avoid potentially difficult situations or accidents.



Diversity creates business value

13-18 September is a week to mark on your calendars now. These are the dates for Diversity and Inclusion Week, highlighted and celebrated throughout the Volvo Group.

Initiated in 2014, this dedicated week is an opportunity to increase awareness and understanding of how diversity and inclusion add value to the business.

“Respect for our individual diversity is a fundamental part of our company's values. Last year, hundreds of events took place around the globe and it was amazing to see the interest, energy and innovation people put into this week, across units and continents. This year, we will focus on how developing diversity and inclusion adds value to our business and helps us better serve our customers,” says Eric Way, Director of Diversity and Inclusion.



Eric Way

A global dialogue

At the annual Volvo Global Dialogue in mid-April, the top management met the Global Works Council with some 50 union representatives. The Volvo Group is one of the few multinational companies conducting these dialogue forums. The purpose is to further develop the relationship between both parties.



PHOTO: CICCJ JONSON

The Powertrain Production team from Curitiba won the GTO Quality award for implementing Poka-Yoke solutions within operations. Poka-Yoke is a technique for avoiding simple human errors.

Production team from Curitiba praised for best knowledge transfer

Earlier this year, the third-ever GTO Internal Awards were presented. The purpose is to share and transfer best knowledge within the organisation, as well as recognising and acknowledging the hard work put in by employees. The awards cover the categories Safety, Delivery, Productivity, Environment, Diversity & Inclusion and Quality.

A rugged I-Shift for gruelling duty

A rugged version of the Volvo I-Shift automated manual transmission has been introduced for Volvo Trucks in North America for gruelling duty applications. It has been available since May in Volvo VHD vocational models. The I-Shift for gruelling duty is designed for on- and off-road work in construction and other applications requiring frequent shifting.

I-Shift for gruelling duty is available in Volvo VHD vocational models in North America.



2,000,000

... square metres is the size of AstaZero, the world's first full-scale test track for active automotive safety that was launched in 2014. The Volvo Group is one of AstaZero's industrial partners and the test area is located in Borås, Sweden.



Based on feedback

Around 200 fleet owners and drivers were invited by UD Trucks earlier this year to experience recent enhancements to the UD Quester, the heavy-duty truck range designed specifically for emerging markets in Asia. Based on customer feedback, the changes include easier gear-shift, adjustments to the extra engine brake at lower speeds and a new application category, Dangerous Goods. They were all demonstrated at an exclusive test-drive event at the Kaeng Krachang Circuit in Phetchaburi, Thailand.

"Our philosophy is to be responsive to customer needs and so we have gone the extra mile and made enhancements to the Quester based on feedback received," said Christophe Martin, SVP Asia Oceania Sales, GTS.



Volvo Penta's new partner

Volvo Penta has formed a new partnership with McCloskey International, the world's largest independent crushing and screening company. Under the agreement, McCloskey will install Volvo Penta D8, D11 and D13 engines in its range of mobile jaw, cone and impactor crushers, while the Volvo Penta D5 engine will be installed in mobile screeners and trommels.

PHOTO: PER LARSSON / TT



Martin Lundstedt appointed as new President and CEO

The Board of Directors of AB Volvo has appointed Martin Lundstedt as new President and CEO of the Volvo Group, succeeding Olof Persson. This was announced in conjunction with the Q1 Report.

Martin Lundstedt most recent role was as President and CEO of the Scania Group, where he has spent his career since joining in 1992.

Martin Lundstedt will assume his new position in October 2015. Until then, Jan Gurander, the Group Chief Financial Officer, will be acting President and CEO.

Improved profitability reported for the first quarter

The effects of the Volvo Group's strategic efficiency-improvement programme continue to generate results. This was evident in the Q1 report which revealed an improved first quarter for 2015 in terms of both operating margin and cash flow.

Margins have improved in several areas of the Group, despite a negative market mix with significantly lower volumes in Brazil for trucks and in China for construction equipment.

During the quarter, the Group sold a total of just over

48,000 trucks, similar to the same period in 2014.

The Volvo Group also announced the outcome of the IT operations' review. The Group will keep application development and maintenance of business critical systems and accelerate efficiency improvements in this part of the operation.

For the external business and the operation of the Group's IT infrastructure, a process to find an external partner was initiated. The assessment is that this will be more cost-effective for the Group.



Bangalore team awarded Reduced lead-time achievement recognised


This team from the finishing line at the Volvo Buses plant in Bangalore, India, has been chosen as Best OD (Operational Development) team. They set out to reduce

lead times in production by eliminating time-consuming rework. The target was a reduction of 10 hours per bus, but the actual result was an impressive 18.9 hours.

AMERICAN

road to

SUCCESS



HAGERSTOWN
RAPHINE
DUBLIN
GREENSBORO
CHARLOTTE

Welcome to the USA. By adapting to the tough market terrain here, the Volvo Group has turned its truck business around. Now record numbers of Mack and Volvo trucks are driving down local highways. We meet the people who made it happen.

TEXT
JANICE KIZZIAH

PHOTOS
NICKE JOHANSSON



DANNY LOCKLEAR HAS just finished eating breakfast at a sprawling truck stop in Raphine, Virginia, off Interstate 81. It is located about midway between Hagerstown, where Mack and Volvo engines and transmissions are built, and New River Valley, where all Volvo trucks for North America are assembled. Around 19,000 trucks pass along this section of I-81 every day. A growing number – both here and across the USA – are Mack and Volvo trucks.

In 2014, Mack and Volvo Trucks together broke the record for the number of trucks sold by the Volvo Group in the US since the recession of 2008. Volvo Trucks was just shy of its all-time record market share in the region.

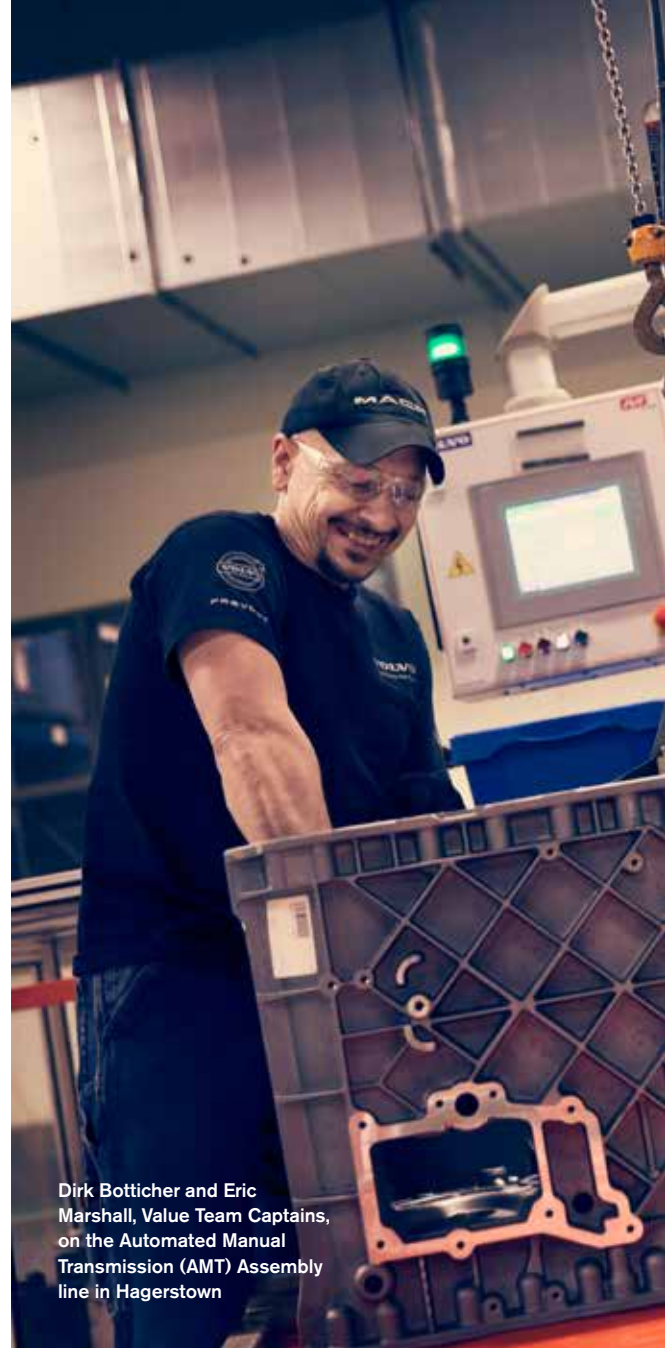
The aftermarket business had its fourth year of record profit as both brands broke sales records for their automated manual transmissions – *mDRIVE* for Mack and *I-Shift* for Volvo Trucks. Aftermarket sales have also been boosted by the fact that Volvo Trucks' customers are now choosing Volvo engines over engines made by other manufacturers. Penetration of Volvo trucks engines in North America rose from 0 per cent in 2000 to 91 per cent in 2014. (Mack trucks meanwhile have always had Mack engines.)

THE GREATER PENETRATION of the Volvo Group-made engines and automated manual transmissions, along with the strong economy, are major reasons why business is going so well for the Volvo Group in the USA.

Danny Locklear, who is in his 30s, drives a 2015 Volvo 670 with *I-Shift* for a trucking company out of Loganville, Georgia. He spends about a week at a time out on the road, accompanied by his two dogs. It is a tough job but pays well, he says.

Locklear is also one of the new US fans of the *I-Shift* – built in Hagerstown, just two hours up the road. He has been a truck driver for 14 years and likes how the *I-Shift* handles. "For me it's been awesome," he says. "It pulls good, rides good. I love it."

By adapting to the needs of US truck drivers like Locklear, who spend their days navigating the vast US



Dirk Botticher and Eric Marshall, Value Team Captains, on the Automated Manual Transmission (AMT) Assembly line in Hagerstown

highway system and delivering goods to its myriad cities, the Volvo Group has turned its truck business around in a market with tough local competition and which is only just now recovering from one of the largest economic downturns in modern history.

"Today, we're making an important contribution to the success of the Volvo Group," says Göran Nyberg, President, Volvo Trucks North America. "That's been a real motivator for our people, to know that we are recognised and needed for the Group's success."

Göran Nyberg had travelled to the US many times before moving there three years ago and he thought he understood the market. Then he began visiting customers and dealers in every region of the country. He saw the pressures they faced from their customers to deliver freight on time, every time. Because trucks run faster and further on US highways than in most



DANNY LOCKLEAR

Danny Locklear, a truck driver for 14 years, learned responsibility early when he became a father at age 16. "I had two jobs mowing lawns and building furniture back then. My dad drove a truck for 52 years and he said, as long as I had a clean commercial driver licence, I would have a secure job to feed my family."

parts of the world, they must be designed and built to withstand the extra wear and tear on components.

MACK AND VOLVO TRUCKS BOTH OFFER vehicles for these long-haul and regional-haul customers and for more specialised jobs like construction. For both brands, their automated manual transmissions have been a game-changer in terms of fuel efficiency and have allowed them to jump ahead of the competition.

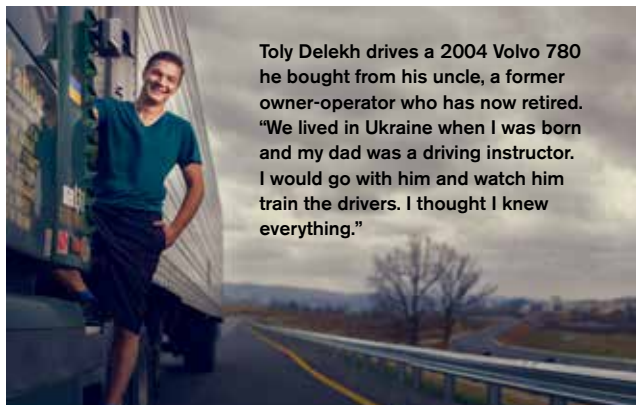
Maryland-based D.M. Bowman has a fleet of 350 trucks, all Mack and Volvo models, and has seen that drivers prefer the new transmissions, hands down. When the company first signed on to test the I-Shift on a demonstration truck in 2011, the driver they selected was against it. "People don't like change, especially when they've been driving the same >



"Today, we're making an important contribution to the success of the Volvo Group," says Göran Nyberg, President, Volvo Trucks North America.



Maryland-based company D.M. Bowman has a fleet of 350 trucks, all Mack and Volvo models. Here, Jim Ward (left), President D.M. Bowman, and Mike Boarman, D.M. Bowman's Director of Maintenance



Toly Delekh drives a 2004 Volvo 780 he bought from his uncle, a former owner-operator who has now retired. "We lived in Ukraine when I was born and my dad was a driving instructor. I would go with him and watch him train the drivers. I thought I knew everything."



James Caldwell, Engine Assembly Operator, directing one of the Automated Guided Vehicles at the end of the engine assembly line in Hagerstown

way for years," says Mike Boarman, D.M. Bowman's Director of Maintenance. "But, when it came time to return the truck to Volvo, he liked it so much we bought it."

The US trucking industry has had a driver shortage for years and Mike Boarman says having the *mDRIVE* or *I-Shift* makes it easier for him to hire new drivers – especially women and younger people.

More uptime is another top priority for today's customers and with good reason. The average cost to a customer when a truck is down is anywhere from \$800 to \$1,500 a day.

"We've transitioned into a just-in-time world," says Jim Ward, D.M. Bowman's President and CEO. "It's all about reliability and uptime, regardless of what our trucks are hauling."

With the market in mind, the Volvo Group has invested in solutions to increase uptime, including telematics systems and support teams brought together in a newly built Uptime Center. In this

123,000-square-foot facility, trained agents work directly with customers and dealers to resolve problems as quickly as possible. Today, the two brands lead the industry in uptime support with Mack's GuardDog Connect and Volvo's Remote Diagnostics onboard communications systems.

TY HUBBARD, TRAINING & Quality Manager for the call center staff, has seen a stronger sense of teamwork since moving to the Uptime Center. "When one of our agents needs help from a technical specialist, for example, it's treated as a priority, every time. We all understand what's at stake when a driver is having an issue with a truck and it feels good to know we're making a difference."



For Mack and Volvo Trucks dealers across the US, shortening the time it takes



Owner-operator Tony Martin recently took his two-year-old son Hunter along in his Mack truck to deliver a load of wild turkeys. Martin has been a truck driver for 20 years and was in a serious accident about a year ago. "I was driving a truck just like this one and it saved my life."



Jackie Pernell, a former marine and a Vietnam veteran, drives a Volvo for a company that hauls hazardous waste. He likes the truck – "It's built well, does well in the snow" – and he likes his job. "The pay is good, and I'm back home most nights. I've got it made."

to do preventive maintenance or a repair is one of their biggest challenges. Recently, Volvo's Advantage Truck Center in Charlotte, North Carolina, had 85 repair jobs on the schedule, with only 16 technicians to handle the workload. "All 85 of these customers are interested in how quickly we can get their truck out of the shop," says Randy Patton, Vice President of Fleet Operations. "They have loads they need to deliver and commitments they need to make."

While Mack and Volvo Trucks share many of the challenges that come with the US heavy-truck market, they have vastly different brand images.

Mack Trucks has a long history, dating back to 1900, and the Mack name is synonymous with durability and reliability. Mack is particularly strong today in the vocational industry, where the Granite model handles jobs like hauling concrete to a construction site. Last year, the Granite was the best-selling heavy-duty construction truck in the US.

Mack's strategy is to maintain its position with vocational customers but also grow in long haul with the Pinnacle model. "We're not looking to be all things to all people," says Stephen Roy, President, Mack Trucks North America. "We want to find our niche in long haul, with customers who value Mack attributes like reliability, durability and an unrivalled commitment to the success of their business."



Stephen Roy



Randy Patton

TODAY, VOLVO TRUCKS is a leader in long haul in the US and is known for driver efficiency and comfort, safety and fuel economy. Göran Nyberg, President, Volvo Trucks North America, says Volvo Trucks will defend its position in long haul but continue to reach out to customers with different needs, including



Melissa Moore, AMT (Automated Manual Transmission) Assembly Operator in Hagerstown

petrochemical, bulk and weight-sensitive transport. Volvo Trucks has also made strong gains in the auto hauler segment, taking a third of that business from the competition in the past year.

Both brands share a goal: record-breaking performance in 2015.

"Customers are telling us that today's Mack trucks are the best they've seen in 20 years," Stephen Roy says. "Customers we lost are coming back and potential customers who have never experienced the brand are showing interest."

On the critically important powertrain side of the Volvo Group truck business, the outlook is also optimistic. In late 2010, Wade Watson became head of manufacturing at the GTO Hagerstown plant where all engines and transmissions for trucks sold in the US, Canada and Mexico are built. The *mDRIVE* had just been introduced, but the I-Shift had been available for several years and sales were increasing. At the same time, more Volvo Trucks customers

were choosing Volvo engines over engines made by other manufacturers which meant even higher build volumes.

TO MEET THE DEMAND, the Hagerstown team transformed the plant through renovations and process improvements across the manufacturing operation. They visited other Volvo Group factories and manufacturing plants to learn everything they could about the Volvo Production System, Kaizen and similar efficiency tools. "We took the best of what we learned," Wade Watson says.

In May, Hagerstown opened its new line for final engine assembly, modelled after the GTO Powertrain plants in Lyon, France, and Skövde, Sweden. It was the culmination of four years of planning and work. The result is one of the most advanced assembly lines in the world. "We call 2015 our graduation year," Watson says, "but now we want to go for our master's level." ◎



Wade Watson, was previously the head of manufacturing at the Hagerstown plant. As from April he has a new assignment as Vice President and General Manager at the GTO Macungie Cab & Vehicle Assembly.

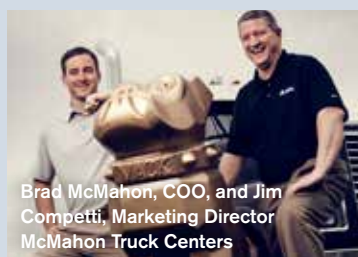


James Hatley is a technician with McMahon Truck Centers, which includes the Mack of Charlotte dealership where Hatley has worked for 50 years. "When I started here, Mack was just making the transition from gas to diesel," he says. "Trucks have changed so much since then, I wouldn't know where to start. But if I had my choice, I'd still buy a Mack truck any day over the competition."

Keeper of the brand

When Mack Trucks introduced a more modern look for its 115-year-old brand last year, including a new logo, some worried that Mack's long heritage as an iconic American truck brand would be diluted. Brad McMahon, Chief Operating Officer of McMahon Truck Centers, saw it in a different way.

"It's been fun to work with the Mack brand and be its keeper," says Brad McMahon, who has been part of the "Mack family" his whole life. His father and grandfather worked for Mack Trucks and now Brad and his brother Mike, the company's CEO, oversee eight dealer



Brad McMahon, COO, and Jim Competti, Marketing Director of McMahon Truck Centers

locations in five states. Last year, their Mack dealership in Charlotte, North Carolina, captured 44 per cent of the heavy-duty truck market for the region.

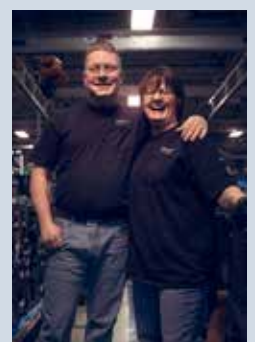
"The rebranding gives us the power of this historic brand but with a new and modern image," says Brad McMahon. "I'm excited to see us bring Mack to the next level."

All in the family

For 10 years, Dick and Laura Gordon have worked side by side building engines at the GTO plant in Hagerstown, Maryland. "It's good when you've married your best friend," says Dick Gordon. "We're together all day, every day, and we're both okay with that."

A few months ago their daughter, Kajin Bowers, also started working at the plant but on a different shift. She is on the same shift as her uncle Dave, Dick's brother, who also works on the engine assembly line.

"Now we're all making engines for big rigs," Laura Gordon says. "It doesn't get any better than that."





Tech Tool Support
Specialist, Brandy Vines.



Uptime Center employees meet in the "war room" regularly to discuss lessons learned and best practices. Left to right: Barry Morgan, Ty Hubbard, Kristin Lauricella, Tom Reichl, Charles Keathley, Debbie Smith, Derita Craig and JaRon Flythe.



Emergency Management Service Coordinators, Ben Reitzug (left) and Rick Pearce.

IT'S THE CUSTOMER'S CALL

For the first time, teams providing front-line support to Mack and Volvo Trucks' customers, dealers and drivers – from parts expeditors to reliability engineers – are sharing space in Greensboro's new Uptime Center. They have one primary goal: keep the trucks rolling.

TEXT JANICE KIZZIAH PHOTOS NICKE JOHANSSON

YOU CANNOT ALWAYS trust a GPS. A man driving a Volvo truck learned that lesson a few months back when his onboard GPS led him into the middle of a cow pasture – and with a load of pigs in his trailer. He called the Uptime Center in Greensboro for help but simply said his truck was stuck in mud and he needed help getting pulled out.

Walida Gwinn, Emergency Management Service (EMS) Coordinator, took the call. She dispatched a tow truck to bring out a heavy-duty wrecker and, an hour later, the towing company called to tell her the rest of the story. It was going to take hours to get the truck moving again. "They had to bring in more tow trucks and four-wheelers and a chain saw to cut down a tree," Gwinn says. "That's when I called the

driver's company to send another truck and rescue the pigs."

Gwinn is one of the 40 Volvo Action Service and Mack OneCall agents who take calls 24 hours a day from drivers who need help when they are on the road. These agents occupy part of the first floor of the new, 123,000-square-foot Uptime Center, which also includes parts specialists and technical experts who can troubleshoot difficult cases. This is the first time these support groups have been together under one roof.

"We wanted to give our employees an environment that makes it easy to deliver on the promise of uptime for our customers," says Mark Curri, Vice President, Aftermarket Quality & Operations for Volvo Group Trucks in North America. "We took our front-line support, which is our call centre agents, and surrounded them with all the expertise they would >

“We want them to see that, with us, they get great trucks but also the full range of uptime support that goes along with it.”

MARK CURRI, VICE PRESIDENT AFTERMARKET QUALITY & OPERATIONS,
VOLVO GROUP TRUCKS NORTH AMERICA



need to get a truck back on the road as quickly as possible. We specialise in taking care of the things that are most important to our customers: the driver, the truck and the load. Even when the load is pigs.”

The Uptime Center team is now receiving praise from customers for their ability to sidestep unplanned downtime and respond to technical problems during difficult – and sometimes even life-threatening – emergencies, such as during the wave of cold weather that affected large parts of the US during the past winter.

Peter Dentler, who has been a Mack Parts Technical Analyst for 10 years, says it is important to explore multiple options when a truck is down. He recently received a call from an owner-operator who had been in a rollover accident and the cab was demolished. Dentler worked with the Mack Trucks marketing, reliability and technical support groups to expedite the case and the driver was up and running in two weeks. With the introduction of Mack's GuardDog Connect and Volvo Trucks' Remote Diagnostics telematics systems, the brands are now taking a more proactive approach to customer

uptime. Trevor Williams, Remote Diagnostics Supervisor, co-ordinated a quick repair recently for a driver who had a time-sensitive load. Because the truck he was driving had Remote Diagnostics installed, the Uptime Center staff were alerted when the truck registered a fault code. They diagnosed the problem and confirmed that the closest dealer had the right parts in stock before the truck arrived for the repair. The truck was fixed and back on the road in less than two hours.

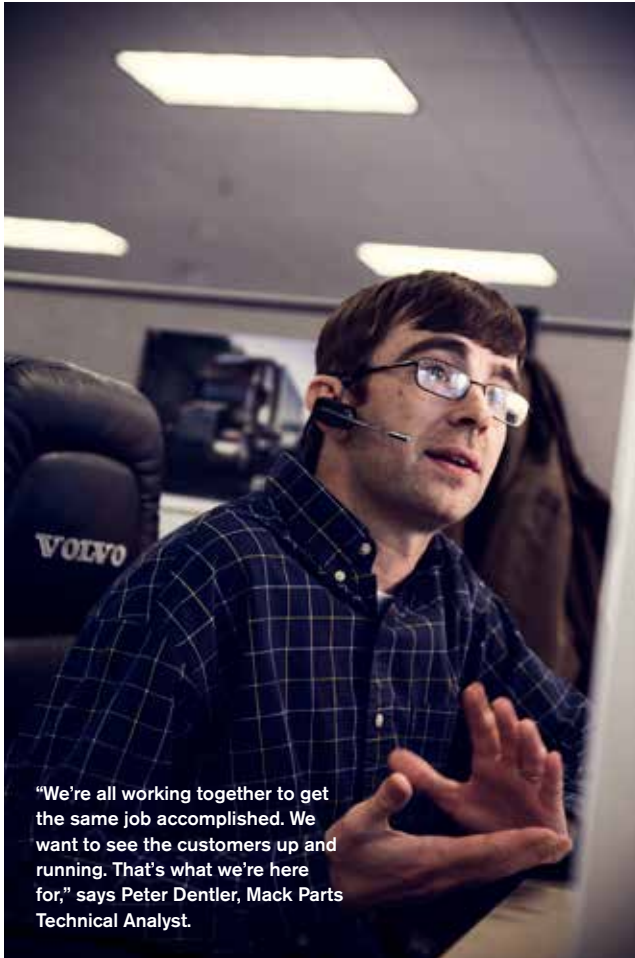
“With our telematics offerings, we're trying to give customers the best information we can for them to make decisions about their business,” Curri says.

“We don't try to make the decisions for them, but we have experts who look at the information and can see if it's really worth interrupting that driver's trip.”

Since the Uptime Center opened in late 2014, it has become a popular stop for visiting customers and potential customers, as well as dealers. The number of groups visiting the facility averages about 20 a month. “We want them to see that with us, they get great trucks but also the full range of uptime support that goes along with it,” Mark Curri says. ☺



“We take pride in our trucks. I'm a firm believer that we have the best trucks in the industry,” says Walida Gwinn, EMS Coordinator.



"We're all working together to get the same job accomplished. We want to see the customers up and running. That's what we're here for," says Peter Dentler, Mack Parts Technical Analyst.



"Our main job is to help dealers get parts for whatever they need. Trucks in the shop, tools, anything. Being able to walk down the hall and get a quick answer makes it easier for us and the dealers and customers are happy," says Emily Shetler, Parts Coordinator.



EMS Coordinators
Ben Reitzug (left) and Brent Suddreth

UPTIME CENTER NORTH AMERICA

Location: Greensboro, North Carolina

Opened: 2014

Agents: 40 Volvo Action Service and Mack OneCall agents available 24 hours a day, 7 days a week, 365 days a year

Cases: Agents handle an average of 19,000 inbound calls a month and make approximately 30,000 outbound calls. More than 9,000 of these were telematics cases or scheduled maintenance.

REMOTE DIAGNOSTICS

▷ Today it is possible to run diagnostic tests remotely on the brakes, transmission, batteries and exhaust fans. It is also possible to read the distance a truck has driven and the road surface and conditions it operates in.

▷ When a truck sends a fault code, information such as fleet name, vehicle identification number, location (latitude and longitude) and the status

(active or inactive) are all included.

▷ More than 85,000 Mack and Volvo Trucks vehicles on the road today in North America are equipped with GuardDog Connect and Remote Diagnostics. The service can cut the average diagnostic time by 70 per cent and the repair time by more than 20 per cent compared to traditional repair processes.

ACTIVITY ACROSS THE USA

The Volvo Group’s US presence stretches from southern states such as Tennessee and North Carolina to Pennsylvania and New York. Beyond trucks, this touchdown in the US presents integral business areas including finance, buses, boat and industrial engines as well as construction equipment.

TEXT LINA TÖRNQUIST



VOLVO CONSTRUCTION EQUIPMENT Paving the way to success in the US

The construction equipment market is nearing record levels for Volvo CE in North America. Backed by a strong economy, the North American market for construction machinery grew by 11 per cent in 2014, and 2015 also started strong. Volvo CE's sales are up as more roads and houses are being built, and oil and gas markets expand. In particular, the updated line of US pavers is winning praise from customers for their durability and dependability. 2014 saw the sales of Volvo CE pavers jump 69 per cent and market share grow by a hefty 4 percentage points, driven mainly by the new P7170 and P7110 models.

KEY FACTS

Number of employees in the US: approx. 1,000
Brands on the US market: Volvo, SDLG
Vehicle sales previous year: approx. 7,000
Dealers: 49 dealers with 252 locations all over North America



VOLVO FINANCIAL SERVICES Building relationships through face-to-face meetings

Volvo Financial Services (VFS) in the US works hard on building strong customer relationships with their partner dealers. One way they do so is through facility tours – the most recent of which took place in June. The tours are designed so that key financial personnel at US dealers get an insight into VFS's work and the support they offer through visits to its offices in Greensboro, North Carolina. “We shape our relationships with dealers through programmes like these which actively engage and educate our dealer finance managers,” says Stephen Yonce, Vice President of Truck Financial Services at VFS.

KEY FACTS

Number of employees in the US: approx. 200 VFS employees covering the US market
Key services: loans, leases and payment plans



VOLVO BUSES

Synergies bring business

For the past five years Nova Bus vehicles, historically manufactured in Canada, have been produced in Plattsburgh, New York. Since 2014, Prevost Commuter vehicles are also being built at the Plattsburgh plant. Manufacturing in the US has allowed the brands to gain access to the large US transit market and respond to public procurements. Working together has also created opportunities for joint proposals and strengthened customer service. In 2014, the Volvo Group won a public tender to produce 300 Prevost commuter buses and 400 Nova Bus city buses for New York City.

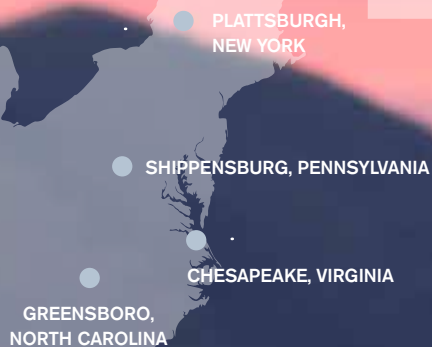
KEY FACTS

Number of employees in the US: 572

Brands in the US: Nova Bus, Prevost and Volvo

Vehicle sales last year: 537 (Nova Bus), 600 (Prevost), 67 (Volvo)

Market share: Nova Bus had a 12 per cent market share of the North American transit bus market in 2014. Prevost had a 30 per cent market share in the motor coach market and 100 per cent in the shell-for-conversion market.



VOLVO PENTA

Making waves with new products

Volvo Penta launched a range of new products at the start of 2015 in the US including the next generation of gas engines and the new Volvo Penta Forward Drive, which is a forward-facing drive system that pulls the boat through the water. The new product allows for an array of activities behind the boat, including wakesurfing and wakeboarding and opens up a whole new market for Volvo Penta. The Forward Drive won the NMMA Innovation Award at the Miami International Boat Show in February.



KEY FACTS

Number of employees in the US: 246

Number of independent US dealers: 1,496

Key products: marine and industrial engines (gas and diesel) 10-900 hp

KEEPING AN EYE ON THE COMPETITION

BUSINESS INTELLIGENCE IS an area of expertise organised under Corporate Strategy & Brand Portfolio. The purpose is to keep track of and analyse surrounding business and competitors.

Ann-Britt Sedig is a Senior Analyst working with Strategic Competitive Intelligence at the Volvo Group Headquarters in Gothenburg. She has been with the Volvo Group for 30 years.


"I have a network of colleagues within the Volvo Group and my main focus is our truck competitors.

I produce several reports and presentations, and also write about this topic in a monthly newsletter. We obtain the information from publicly available sources, in particular how the competitors present themselves in press releases and on websites. I also scan international daily media and trade press to find information. In addition we use information from research companies but conduct the analysis ourselves. To be critical of sources is naturally part of the job."



Ann-Britt Sedig

(The Truck and Transport newsletter is available on teamplace. Search for Business Intelligence on Violin.) ☉



The Volvo Group is operating in a highly competitive industry where efficiency is key. Cash flow and operating margins influence the ability to invest in future technologies and assessing what the competition is doing is vital to staying ahead.

TEXT ANN-MARI ROBINSON PHOTOS GETTY IMAGES

CONSOLIDATION TREND

Major global alliances and clusters are being formed by linkages and collaboration agreements between Asian and Western truck OEMs (Original Equipment Manufacturers). Several segments and brands are gathered under one umbrella and the different brand products are tailored to each market.

The Daimler Group, the Volvo Group and the Volkswagen Group are the three major automotive and commercial vehicles

clusters. They are all global players and technology leaders and have each teamed up with important local businesses in the marketplace to become the world's major truck producer.

A complicating factor when managing the brand portfolio, in the Volvo Group's experience, is that the partner companies have their own growth ambitions and that the jointly developed and marketed products will potentially appear in many markets.



A CLOSER LOOK

Here we take a closer look at one of the competitors, the Volkswagen Commercial Vehicle Group, as analysed by Business Intelligence.

TEXT ANN-BRITT SEDIG

THE INTEGRATION OF Scania, MAN and Volkswagen Commercial Vehicles has created a joint commercial vehicles group with a product offering covering all major segments. In 2013, Volkswagen completed a merger agreement with MAN and in 2014 it acquired full ownership control over Scania. Andreas Renschler, recently leader of Daimler's truck business, replaced Leif Östling as head of Commercial Vehicles within Volkswagen's Board of Management as of 21 February 2015. Renschler brings with him experience from Daimler's successful business model and product portfolio integration. The majority of synergy benefits are expected to

come from joint R&D, purchasing and sourcing components.

One of Volkswagen's most important ambitions within its trucks business is to implement a modular toolkit strategy for commercial vehicles with common components and systems, while maintaining distinct brand identities. The first major announcement on strategic co-operation was made in September 2014. From 2016, the gearboxes in MAN's TGS and TGX trucks will gradually begin to be supplied by Scania. Volkswagen CEO Martin Winterkorn confirmed the ambition to also develop a modular toolkit for the truck brands at Volkswagen's annual press conference. Next generation transmissions as well as engines, cabs and electronics will be jointly developed.

VOLKSWAGEN AG IS INVESTING MORE than any other company in research and development and the new Group gives MAN and Scania access to Volkswagen R&D and extensive research collaborations. Group Research with approximately 1,000 employees headquartered in Wolfsburg, Germany, is a common resource for all Group brands. Focus on recent patent filings is, according to Volkswagen, innovations in the areas of modular infotainment, driver assistance systems, alternative drive technology and intelligent lightweight construction.

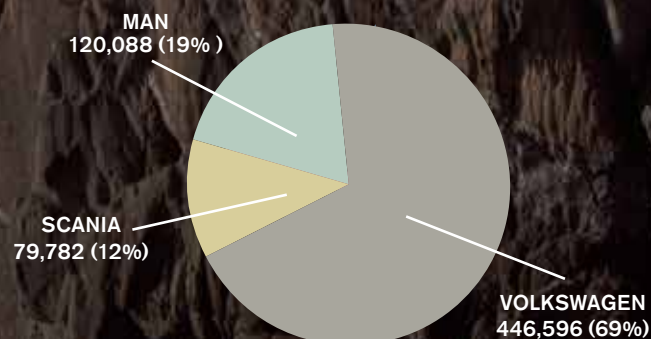


Both Scania and MAN have home markets in Europe and Brazil, but neither is present in North America. All three Volkswagen Truck Group brands are present in South America. Scania and MAN have invested heavily in Brazil and it seems they will keep their investment plan despite the fall in the market.

MAN has a significant presence in China where it owns 25 per cent of one of the major Chinese truck producers, CNHTC (Sinotruk). The SITRAK brand developed jointly by MAN and Sinotruk will also be targeting international markets. Volkswagen's excellent Chinese contacts, where VW has just extended its partnership with FAW by 25 years, will also benefit the Chinese expansion for the truck brands. Scania expects India to become one of its major markets by 2020. Scania and MAN have both set up assembly in Russia.

SCANIA'S STRATEGY IS TO TARGET strategic customers who can offer long-term partnerships and growth potential. Scania's European production system has been concentrated in Södertälje in Sweden, with Brazil as the other major hub. Scania's production system will be ramped up globally to 120,000 vehicles per year, although such demand is still not yet present. Scania's long-term goal of producing 150,000 trucks per year is still valid. MAN seems to have encountered a problem with too much capacity in its plants. ©

VOLKSWAGEN GROUP COMMERCIAL VEHICLE DELIVERIES 2014

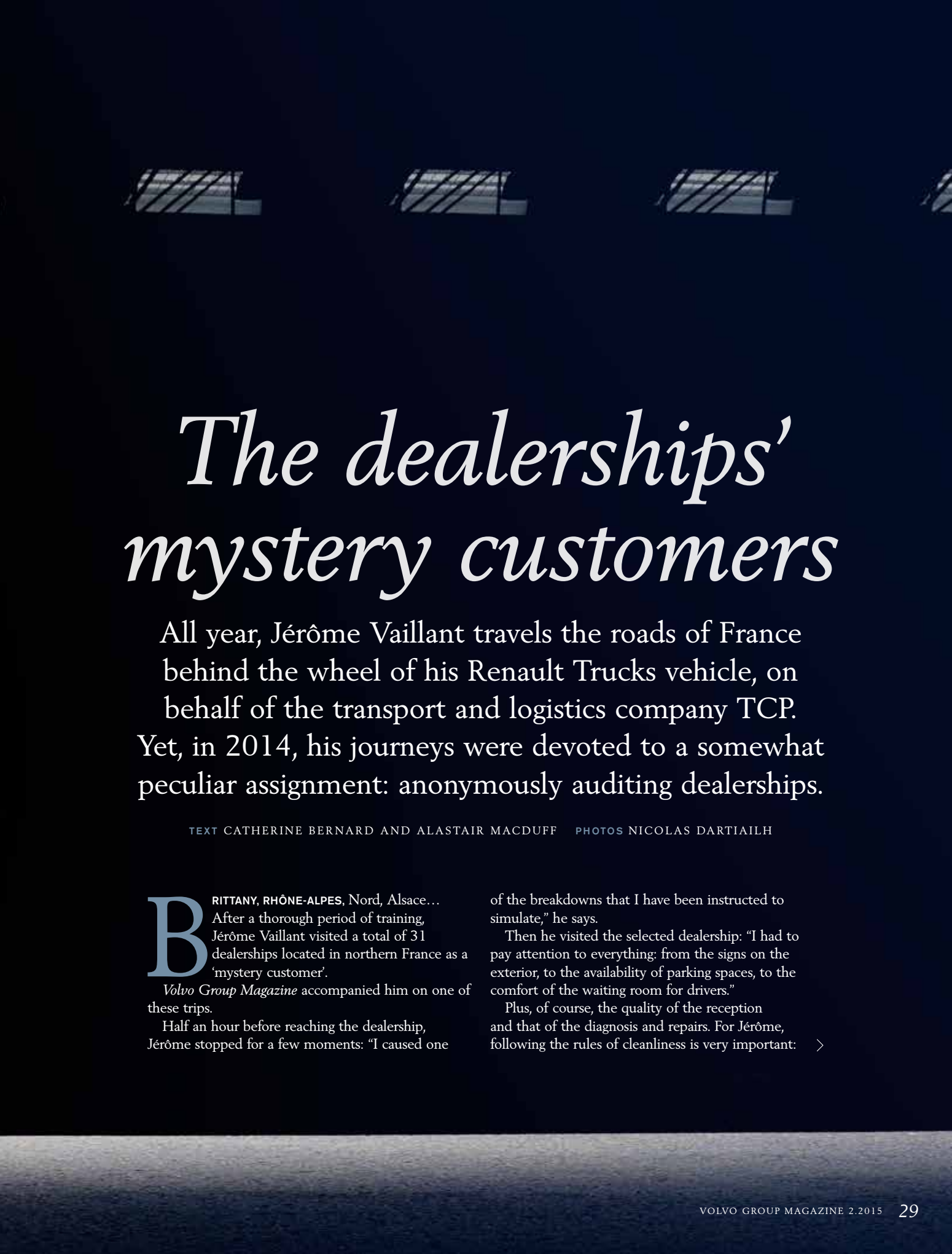


VW Commercial Vehicles produce light-duty trucks; Scania is concentrating on heavy-duty trucks, while MAN produces trucks from 7.5 tonnes and up.

OPERATING MARGIN

Operating margins are important because they measure efficiency. The higher the operating margin, the more profitable a company's core business is. The Volvo Group's financial target is to be ranked among the top two companies when benchmarked against relevant competitors. For 2014, the operating margin in percentage was: Volvo Group (Industrial Operations) 1.5%, Scania 8.4%, MAN 2.8%, VW 5.9%.





The dealerships' mystery customers

All year, Jérôme Vaillant travels the roads of France behind the wheel of his Renault Trucks vehicle, on behalf of the transport and logistics company TCP. Yet, in 2014, his journeys were devoted to a somewhat peculiar assignment: anonymously auditing dealerships.

TEXT CATHERINE BERNARD AND ALASTAIR MACDUFF PHOTOS NICOLAS DARTAILH

BRITTANY, RHÔNE-ALPES, Nord, Alsace... After a thorough period of training, Jérôme Vaillant visited a total of 31 dealerships located in northern France as a 'mystery customer'.

Volvo Group Magazine accompanied him on one of these trips.

Half an hour before reaching the dealership, Jérôme stopped for a few moments: "I caused one

of the breakdowns that I have been instructed to simulate," he says.

Then he visited the selected dealership: "I had to pay attention to everything: from the signs on the exterior, to the availability of parking spaces, to the comfort of the waiting room for drivers."

Plus, of course, the quality of the reception and that of the diagnosis and repairs. For Jérôme, following the rules of cleanliness is very important: >



JÉRÔME VAILLANT

Age: 39

Likes: mountain biking and walking

Career: has worked for the transport and logistics company

TCP for 12 years

Lives: near Troyes, central France

"My truck is my second home. Needless to say, I don't appreciate anyone going inside without protection!"

"On this occasion, I saw how precise and rigorous the dealerships' standards and procedures are," says Jérôme. "For example, the receptionist has to accompany me to the vehicle to record the breakdown."

Back in the truck, after it had been repaired, Jérôme drove some twenty kilometres, before stopping to file his report, in writing and on a voice recorder. His verdict? "The quality of the diagnosis does not depend on the size of the dealership. Even when the standard of service is generally very good, one or two minor details may still be lacking. For example, maybe they don't accompany the driver back to the truck once the repairs are done," explains Jérôme.

Patrick Ronsin, director of the Kertrucks Group in Rennes in the province of Brittany, is used to mystery

customers: "Our six Renault Trucks dealerships in Brittany have been visited every year for almost 10 years." With each visit, Kertrucks has improved the quality of reception in particular. Although Patrick Ronsin never sees himself as faultless, he applauds this initiative. "This shows the staff that all passing vehicles must be handled as if they are mystery customers. In other words, perfectly."

THE MYSTERY CUSTOMER CONCEPT was introduced in 2006, mainly in Europe and initially only for Renault Trucks dealerships. After having proved to be a success, it expanded to Volvo Trucks dealerships in France, Italy and Turkey in 2014.

Nelly Ngounou-Tankeu is Aftermarket manager at Group Trucks Sales in France and has been involved in co-ordinating the process. She says that the final steps are the most vital in terms of achieving the goal of improved performance.



“This shows the staff that all passing vehicles must be handled as if they are mystery customers. In other words, perfectly.”

PATRICK RONSIN,
DIRECTOR OF KERTRUCKS GROUP, RENNES



Patrick Ronsin

“A debriefing takes place, where staff at the workshop listen to a recording of the driver/mystery customer talking about the experience. From here, there is an open dialogue where everyone is encouraged to contribute. An action plan is drawn up and a way forward decided upon.”

ONE KEY ASPECT OF THIS ACTION PLAN is that it is created by staff at the workshops themselves, rather than being dictated by ‘head office’. This is crucial, according to Nelly Ngounou-Tankeu.

“We have found that the cause of an underperforming dealership has very often been down to a lack of communication between the receptionist and the technicians. To implement best practice and to make the customer experience the best it can possibly be, everything revolves around positive communication between everyone within the team.” ☉

“IT’S LIKE AN MRI SCAN OF OUR WORKSHOPS”

Volvo Trucks’ mystery customer concept has recently been introduced in several countries, including Turkey. It is a concept that is unique in the truck market there.

Serkan Karataban is Commercial Aftersales Director at Volvo Group Trucks Turkey and has been involved in the initiation process. “We carry out mystery shopper audits at least twice a year here. There are 21 workshops around Turkey, all of which are dual branded. Two of these are truck centers and the rest are private dealerships.”

In terms of being able to measure improvement results, workshops need to finalise the truck repair in less than 65 minutes (in line with Workshop & Parts Processes, WPP) while keeping the service quality criteria below 75 penalty points. Progress is measured by comparing scores achieved on the most recent visit with previous visits. Workshop efficiency results and the total number of customer complaints also form a basis for the final outcome.

According to Serkan, the process creates a standard for the dealerships to aspire to. “One of the most important things is that we are able to measure the total duration of the intervention and repair case by case, starting from the reception of the vehicle until the handover. The mystery customer tool itself measures the total immobilisation time and the customer satisfaction. These scores show us whether we are on the right track. It is like an MRI (Magnetic resonance imaging) scan of what we are doing in the workshops.”



Serkan Karataban

THE SECRET BEHIND THE MYSTERY CUSTOMER

- ▷ The Mystery Customer process is a powerful improvement tool for workshops.
- ▷ The most important lesson is that it is not enough to just comply with the processes, customers must always feel they receive the best possible treatment.
- ▷ The drivers employed as mystery customers take part in a training course before starting their assignment and have a manual that they must follow strictly. Different drivers are employed each year so that they are not recognised by workshop personnel.
- ▷ The mystery customer reproduces an unplanned stop at a workshop. A basic electrical breakdown on a truck is employed as a standard fault for diagnosis.
- ▷ Measured criteria at dealerships include: general appearance, reception, diagnosis of problem, handover of the vehicle, total immobilisation time and warranty.
- ▷ On average, 500 audits are carried out each year.
- ▷ The concept has contributed to reducing drivers’ downtime from around two hours to less than one hour.

Creative Engagement



Some teams just seem to have it – that extra dedication to their work. But where does it come from? We talked to some co-workers from across the globe about what creates engagement in a team.

TEXT MARIA SKÖLD & NIC TOWNSEND

PHOTOS: DANIELE MATTIOLI



“Being helpful
is key to
success.”



Ting Liu and Charles Zhai have both been involved in the Internal Trainer Program at Volvo Financial Services in Beijing, China, where employees are encouraged to share their knowledge.

“In China, one of the major challenges for companies is to recruit and retain talented people. At Volvo Financial Services China, the average age of employees is just 31. They are young, well-educated and have strong career ambitions,” says Ting Liu, Director Human Resources and Communications.

To make good use of the high level of competence among employees, while also creating a new path for professional growth, the Internal Trainer Program was initiated last year. Ten employees were nominated to offer training sessions in areas relevant to their peers. Each was then trained on how to train others and received one-on-one coaching while developing their modules.

Charles Zhai, Regional Sales Manager, organised a very successful course in Construction Equipment Business Introduction

and liked the experience. “I felt it was mutually beneficial. Not only was I able to help my colleagues know more about our businesses, but at the same time I gained new skills when it comes to cross-functional communication.”

The internal trainers were chosen both for their expertise and for their attitude. “We were looking for people with a generosity gene, who were willing to share their knowledge with others. It is important for a company to create a culture of sharing. Being helpful is key to success,” says Ting Liu.



“Often small gestures can be the biggest motivators.”

In Malaysia, Volvo Group employees now present ‘thank you’ postcards to their colleagues as a way of showing their appreciation for their efforts.

“Often simply saying ‘thank you’ can be the best recognition you can give someone,” says Carol Tong, Human Resources, Volvo Group Malaysia. “This is why we introduced the ‘thank you’ postcard recognition programme. It is a simple way to show appreciation to colleagues or to recognise each other’s help and contributions.”

The postcards are readily available to any employee and can be given to anyone else within the company. The sender simply needs to add the name of the recipient and a description of what they’ve done to warrant the postcard.

“It could be a significant contribution to the organisation, a exemplification of the Volvo Way, going the extra mile to achieve a target, or a helpful deed to assist your colleagues. The most important thing is to say ‘thank you’ from the bottom of your heart.”



“It’s all about people. They need to feel valued, feel they belong and feel they have a role.”



AZRA SELIMOVIC, DIRECTOR OF ELECTROMOBILITY SUB SYSTEMS

The Electromobility Sub-systems team is comprised of 16 people based in Gothenburg and Lyon and includes eight different nationalities. After a concerted effort to improve team engagement, they now have one of the best VGAS scores in the organisation.

“In the beginning, we had quite a poor VGAS score and I wanted to understand what the problem was,” recalls Azra Selimovic, Director of Electromobility Sub-systems. “I got some help from a corporate psychologist and began interviewing everyone in the team. We worked with a development coach to try and understand how we should work together. Who are we, what is our vision and how will we develop as a group? We then used this input to devise an action plan.”

As a result, engagement improved rapidly

and today Azra’s team has one of the highest VGAS scores at GTT. However, maintaining team engagement is a continuous process and something they follow up every year. “We have created an environment where we can speak openly,” adds Azra Selimovic. “It’s important to create an understanding of the team’s mission and each person’s role, but you also need to give people an opportunity to run their own actions as well, so that they feel empowered.”

“The key to team engagement is good communication and collaboration and being able to use each other’s strengths,” says Karin Carlsson, Senior Research Engineer. “One of the strengths of this team in particular is that we’re very flexible. We have seen a lot of changes, but we’ve always been able to adapt and we do it with a positive attitude. The first thing we ask is ‘what can we do to contribute?’”

“To feel engaged, people need to know there is value in what they do.”



Chandrika Shetty, Department Manager for IT Services in Bangalore, India, is one of over 200 Volvo Group managers to take part in a special internal training programme dedicated to employee recognition.

“Initially, I thought we were already doing enough when it comes to recognition, but the training showed us that there is a lot of value in offering informal recognition as well,” says Chandrika Shetty.

“For example, just walking around the workplace, taking an interest in what people are doing and letting them know they’re doing a good job.”

The Recognition Module originated within Process & IT during extensive internal changes to the organisation in 2013. The idea is to support

managers in maintaining employee engagement by sharing best practices and methods to ensure that employees feel recognised and valued. Since then, the module has been deployed beyond Process & IT into other business areas and many different markets. To date, over 200 managers in India, France, Poland, Belgium, the UK, China and Japan have been trained.

“The training was also a real eye-opener when it comes to the cultural differences in recognising people,” adds Chandrika Shetty. “In India, people tend to want public recognition. But in other countries, people prefer to recognise people privately. This is important to know in a global organisation like the Volvo Group.”

“But overall, we all want to be good at what we do, and feel that our contribution is valued.”

NEXT STOP:

ELECTRICITY



The opening of a new groundbreaking electrified bus route in Gothenburg will reinforce the Volvo Group as a global leader in electromobility. As cities all over the world move to electrified public transport, Volvo Buses is positioned to be a leading supplier.

TEXT MARIA SKÖLD AND NIC TOWNSEND PHOTOS ROBIN ARON OLSSON AND JONAS TOBIN



Malin Nyman, Project coordinator, oversaw testing in extreme weather conditions including in Almeria, Spain, and in Hålleröd, Sweden (pictured).



Since March, eight Volvo 7900 Electric Hybrid buses have also been operating in Stockholm, as part of the EU's ZeEUS project.

SINCE JUNE 2015, the first Volvo-branded full-electric vehicles have been operating in scheduled public transport. In all, three full-electric buses and seven Volvo electric hybrids now service the new ElectriCity bus route in the Swedish city of Gothenburg, carrying an estimated 3,000 passengers every day. The eight-kilometre bus route has two charging stations at either end, making it possible for all buses to complete the route in electric mode while emitting zero emissions.

It marks a significant milestone in the Volvo Group's electromobility programme.

"ElectriCity is a fantastic demonstration, not only of our buses but also of the charging stations and infrastructure," says Jessica Sandström, who heads Volvo Buses' City Mobility team, which has been set up to help cities adapt to hybrid and electrical transport solutions. "A successful demonstration changes everything. People can see that the technology works: it is able to carry large volumes of passengers in real traffic, it's clean, it's quiet and it's reliable."

SINCE THE LAUNCH of the Volvo 7900 Hybrid in 2009, Volvo Buses has established itself as a global

leader in the field, selling over 2,000 hybrid buses worldwide. This has now been followed by the new Volvo 7900 Electric Hybrid – a plug-in solution that can be charged directly from the electrical grid, enabling it to travel longer distances in electric mode, thus delivering improved savings in fuel and emissions.

Currently, three Volvo electric hybrids are operating in scheduled service on Innovation Route 109 in the German city of Hamburg, while eight electric hybrids are in operation in the Swedish capital, Stockholm, as part of the European Union's ZeEUS project. The ElectriCity route is the third project to utilise the electric hybrid, and the first to use full-electric buses.

MANY MORE CITIES look set to follow. Edward Jobson, Environment Director Volvo Buses, notes that this is a major global trend. "More and more cities have targets for air quality, emissions and noise and most have 2020 or 2025 as their deadline for compliance. Therefore there will be a lot happening in the next few years as cities move to sustainable transport," he says.

In many cases, he believes cities will find that electric buses provide the best solution, since electricity is more energy efficient than other



ELECTRIC BUSES

Martin Davéus, from the company Magnum, adds the finishing touches to an electric bus that will run in Gothenburg, Sweden.

70%

of people in Gothenburg say they are disturbed by the level of noise in the city, according to a recent study by the Volvo Group.

75%

The reduction in fuel consumption and carbon dioxide emissions when using an electric hybrid instead of a conventional diesel bus. This is an estimated value on a 10 km route compared to Euro 6. The reduction in CO₂ is up to 90% if bio diesel is used.

VOLVO BUSES' ELECTRIC MOBILITY PLATFORM:

► **Volvo 7900 Hybrid:** A standard hybrid that uses the electric motor for start-up and low speeds, before switching to hybrid mode. Since its launch in 2009 and up until March 2015, 2,000 Volvo 7900 Hybrids have been sold worldwide, establishing Volvo Buses as a leader in the field of electro mobility in heavy vehicles.

► **Volvo 7900 Electric Hybrid:** Based largely on the 7900 Hybrid, except that it can be charged directly from the electrical grid. As a result it can travel longer distances on electricity, further reducing fuel consumption and emissions. However it also requires additional infrastructure, namely charging stations. Was officially launched in 2014. It is currently available for order, with serial production beginning in early 2016.

► **Volvo Electric Concept Bus:** At this stage, Volvo Buses' full-electric bus is a concept vehicle for the ElectriCity project in Gothenburg. The driveline is similar to that used in the Electric Hybrid but with much greater battery capacity. It has four batteries as opposed to one.



A GLOBAL TREND

- A growing number of cities around the world are committing to ambitious climate goals. Copenhagen has vowed to be carbon neutral by 2025.
- From 2020 onwards, the city of Hamburg is aiming only to purchase emission-free buses.
- From 2014, 60 per cent of all buses in major Chinese cities must run on alternative energy sources.
- Over 160 cities worldwide have

implemented bus rapid transit (BRT) systems. Volvo Buses has been supplying BRT systems for 40 years, the first in the Brazilian city of Curitiba.

► **ZeEUS (Zero Emission Urban Bus System)** is an EU project promoting the use of full electric solutions in urban bus networks. Innovative electric bus technologies are currently being tested in a number of cities.

alternative fuels, such as biogas. For example, the same amount of gas needed to power one bus can be used to generate enough electricity to power three buses. Furthermore, electric buses offer greater flexibility at a lower cost compared with fixed rail systems such as trams. The fact that electric buses are so quiet is also becoming increasingly important to many city planners.

"It is in the interest of the entire Volvo Group to drive the development of this technology," says Hans Ristner, SVP Volvo Group Strategy. "At the same time, we must understand that there is no one solution that fits everyone. Customers in different parts of the world have very different needs, which we must meet."

FOR THIS REASON, it is important continually to develop solutions that are technically advanced but also environmentally and economically sustainable. Hans Ristner is convinced that the issue of efficient transportation in major cities will become even more acute in the next few years, as an increasing proportion of the world's population live in cities. "The Volvo Group is ready to make a difference, with solutions that impact many people's everyday lives. To be able to contribute to society in this way is actually quite amazing." ☉



HELPING CITIES

THE PROBLEM SOLVERS



Volvo Buses' City Mobility Team is supporting sales staff to work on public transport using a new approach. The Gothenburg project, ElectriCity, is an excellent illustration.

TEXT SOFIA ERIKSSON PHOTOS JONAS TOBIN

ELECTRIC BUSES



Being able to use indoor bus stops is just one of the many benefits of emission-free electric buses.

THE VOLVO OCEAN RACE reached its final destination, Gothenburg, in June. The city was filled with visitors – customers and tourists alike. This coincided with the launch of the project known as ElectriCity, in which seven electric hybrids and three full-electric buses began operating between two of the city's science parks. The project represents a sustainable solution to a traffic problem, a showcase for the whole Volvo Group and a test arena in a real-life setting.

The success of ElectriCity can be largely attributed to Volvo Buses' City Mobility Team, a central team of experts, with combined knowledge acquired from previous projects in fields including sustainable traffic solutions, energy, the environment, urban planning and technology. When cities contact Volvo Buses with questions, they usually do so by turning to their local salesperson. He or she can then contact the City Mobility Team.

"Nowadays, it isn't simply a question of buying a bus. Cities need to think in an entirely new way about infrastructure and technology. On many occasions, they may find this a daunting proposition. This is where we come into the picture, as we can help these cities with advice and input. The local sales organisation has the best knowledge of the local conditions, whereas the central experts can give the sales staff the tools and support they need," says Jessica Sandström, Senior Vice President City Mobility.

Interest in electromobility represents three

important changes for sales staff. They are now selling both products and services, their negotiating partner is no longer a single operator and there are more and more discussions about interaction, dialogue and politics.

"Talking to politicians is a new experience for many people and we find ourselves in an entirely new arena," says Jessica Sandström. "In spite of this, it's both exciting and rewarding and I can see that many people are proud of the fact that we are not simply offering 'yet another bus' but a clear-cut solution which is completely different from anything our competitors can present."

THE CITY MOBILITY Team is involved in projects with a number of cities. They can comprise everything from help formulating correct procurement documentation to rapidly introducing electric buses in scheduled transport operations, as in the case of Gothenburg. Lars-Bertil Ekman is the City of Gothenburg's leading representative in the project. He is convinced that buses and ElectriCity are the key to sustainable urban development. Gothenburg was recently appointed by the World Wildlife Fund, WWF, as the Swedish Climate city of the year 2015, and the targets set by the City are truly challenging.

"It's our mission to build more closely integrated, greener cities and manage the negative effect the entire traffic system has on our citizens' health and



Johan Larsson (top left), Lars-Bertil Ekman and Jessica Sandström have all helped to make the ElectriCity project possible.

the environment. By 2020, we have been tasked with reducing our carbon emissions by 40 per cent compared with 1990. We are also planning to create sustainable trade and industry, an attractive city in which people want to live and educate themselves, a city which is driven by development. ElectriCity will make this possible," he says.

Monthly meetings with everyone in the project group, with no thoughts of prestige, have laid the foundations for good ideas and solutions, according to him.

"We have succeeded in resolving many questions quickly and we have learned from one another. These questions have included how we can create the right conditions for the connected, well-informed traveller, our citizens' needs and requirements when it comes to accessibility, how a bus stop should be designed and built, how we can deal with the air that is discharged when a bus drives indoors and who is responsible for what. This is a future project in so many ways," explains Lars-Bertil Ekman.

Volvo Buses has also learned a great deal.

"We have learned a lot about the decision-making processes, how other parties work and what is needed to bring about change," says Volvo Buses' Johan Larsson, who is responsible for bus deliveries in the project. "There are similarities between cities and we are going to benefit from this knowledge in the future." ☉

"We have succeeded in resolving many questions quickly and we have learned from one another."

LARS BERTIL EKMAN

THIS IS ELECTRICITY

▷ ElectriCity involves seven electric hybrids and three full-electric buses. The route has modern connected bus stops, plus an indoor bus stop. The buses are charged at each terminus.

▷ Volvo Buses is co-ordinating the project and is responsible for bus deliveries, depots and service workshops.

▷ ElectriCity involves 13 different stakeholders – companies from trade and industry, real estate owners, universities and science parks, urban developers, traffic operators, traffic and energy agencies and representatives from the City of Gothenburg and the Volvo Group.

OTHER PROJECTS WITHIN THE VOLVO GROUP

The Volvo Group's extensive knowledge and technology in the field of electromobility is also leveraged by its other brands.

Nova Bus

Three Nova LFSe full electric buses and two charging stations will be supplied to the City of Montreal, Canada, as part of the city's aim to reduce greenhouse gas emissions by 30 per cent compared to 1990 levels.

Sunwin Bus

Sunwin Bus, a Volvo Group joint venture in China, is one of the world's largest manufacturers of full-electric buses, and has already sold 1,400 units in China – a key market for sustainable transport solutions.

Renault Trucks

The Renault Trucks Maxity Electric can cover 100 km a day on a full charge with a payload of 1.5 tons. It can be recharged in seven hours at a cost of around €2 per day. Since 2011, a fleet of ten Maxity Electric trucks have covered over 220,000 km in Paris for Greenway Service. Renault Trucks is also testing an experimental all-electric 16 ton vehicle.

Volvo Trucks

Since June 2014, a Volvo FE electric hybrid truck has been used in tests in central Stockholm as part of the Off Peak project, which aims to find solutions for night deliveries with reduced noise and emissions.



DAWN OF A NEW ERA IN CHINA

The trend among major automotive and commercial vehicle manufacturers is to create global alliances where product, brand and pricing strategies are tailored to each market. The joint venture between the Volvo Group and Dongfeng is a milestone, as it is opening doors for both companies.

TEXT ANN-MARI ROBINSON

IMAGINE A FOOTBALL pitch where almost half belongs to one single team. This team has five players dominating 80 per cent of the game. What is more, you have just teamed up with the top player. Now replace the words pitch, team and top player with world, China and Dongfeng. Add the global strength and technical expertise of the Volvo Group and the potential is both evident and huge.

The Chinese joint venture supports the strategic objective for the Volvo Group's truck business to capture profitable growth in Asia Pacific. With Dongfeng Commercial Vehicles (DFCV), the Volvo Group is achieving a major foothold in the world's largest truck market and will benefit from co-operation in various areas such as transmissions

and engines. DFCV reported a pro-forma operating income of approximately SEK 1 billion in 2013 and it goes without saying that positive operating results from DFCV will benefit the Volvo Group.

DFCV will gain access to selected Volvo Group technology and aftermarket expertise and will benefit from the Group's experience in exporting to markets around the globe. So far, work on manufacturing the heavy-duty synchronised manual/mechanical transmission (SMT) has commenced through a licence agreement. Another area of interest and currently under negotiation is the technology and development co-operation involving an 11-litre engine.

The intention is that both the heavy-duty transmission and the future 11-litre engine will be



available for use in Volvo Group vehicles and for Dongfeng-branded trucks manufactured by DFCV.

"This market is huge, very competitive but steady. And we need to be here to be truly global. DFCV has a fairly small aftermarket and export business, these are areas where we can bring in our key competence to support. We are looking at seven feasibility projects, transmission and engine are two of them," says Claes Svedberg, Senior Vice President, China JV.

HE IS HEADING the China JV office in Beijing which is responsible for all contacts between the Volvo Group and Dongfeng. This includes preparing DFCV board meetings, handling negotiations and commercial issues, sourcing the right competences for agreed line functions and synergy projects and acting as the

interface between the two companies, securing that decisions are anchored at both ends.

"Dongfeng Commercial Vehicles was created early in 2013 by our partner Dongfeng (DFG) as a new Chinese company. Then all Dongfeng commercial vehicle assets were carved out from DFG's Nissan joint venture and transferred to the new company during the second half of 2013. Just imagine the complexity of separating factories, land, a head office and 28,000 employees from one joint venture and transferring all the people and assets to a new company. It is 45 per cent of this new company, DFCV, which the Volvo Group acquired in January 2015," says Claes Svedberg.

China is the world's largest truck market. Three of the five main players on the Chinese truck market





Claes Svedberg

Claes Svedberg has worked for the Volvo Group since the early 1980s with several positions in Asia, Australia and Europe adding to his corporate resumé. He has been involved with the Chinese joint venture since the start of discussions in 2006 and has been heading the work once the master agreement between the two companies was announced in January 2013. He describes the process as complex but with good progress and collaboration between the two parties.

are partly owned by Daimler, the Volvo Group and Volkswagen through various joint-venture structures. The consolidation in the Chinese automotive industry is likely to continue, according to research by Business Intelligence. In addition, Chinese manufacturers are moving towards more advanced trucks and more attention to services.

“Traditionally, the main purchase criterion has been the price. However, we can see growing demand in China to provide quality products and sophisticated services in order to ensure uptime and reliability. The pressure of efficiency and the reduction of logistics costs are increasing as China transforms from a low-

cost production centre of the world to provide higher quality products and services,” says Gary Huang, President Dongfeng Commercial Vehicles.

What are the main priorities for DFCV in 2015?

“The number-one priority is to strengthen and consolidate our position as a leading truck manufacturer in the Chinese market. We need to secure the competitiveness of our products, we want to further develop our dealer network to improve service to customers and grow our aftermarket business.”

Several manufacturers continue expanding outside China with CKD (Complete Knocked Down)

TIME LINE

26 January 2013: The Volvo Group and the Chinese vehicle manufacturer, Dongfeng Motor Group Company Limited (DFG), signed a partnership agreement in which the Volvo Group would acquire 45 per cent of a new subsidiary known as Dongfeng Commercial Vehicles Co. Ltd.

6 January 2014: Approval from the National Development and Reform Commission, NDRC, an important step towards the completion of the transaction.

November 2014: Final approvals from the Ministry of Industrial and Information Technology, MIIT, and Ministry of Commerce, MOFCOM.



Christina Hallin

Christina Hallin is responsible for six subsidiaries, some fully owned by DFCV and some with a second owner. The companies develop, produce and sell trucks, superstructures and buses.

What are the main differences working at DFCV?

"Not being able to talk easily to people around me and not knowing practices and routines are the main differences. Personally, it is very rewarding in terms of trying to find ways all the time, no matter if it's a question of the quality on our products or understanding how to find a movie at the cinema with English subtitles. We are outside our comfort zone most of the time, which of course is both fantastic but also tiring."



Rajesh Mittal

As Head of Manufacturing and Quality at DFCV, Rajesh Mittal is building on his experience from the joint venture with Eicher in India. He is responsible for 13 plants and has identified

areas in which the Volvo Group's experience can contribute to a better result.

"The plants are modern, but there is room for improvement when it comes to production processes and quality at critical stations. We also need to work with the cost efficiency in low production months."

What is most important when working in a JV?

"My experience is to appreciate the differences and to be open to the other party's point of view."

DFCV MANAGEMENT

Four Volvo Group members make up half the DFCV management team; Bo Gustavsson (CFO), Jean-Noël Thénault (Export), Rajesh Mittal (Manufacturing) and Christina Hallin (Subsidiaries).



"The number-one priority is to strengthen and consolidate our position as a leading truck manufacturer in the Chinese market."

GARY HUANG, PRESIDENT DONGFENG COMMERCIAL VEHICLES

assembly in Africa, Latin America, Asia and Russia. Expanding the business in selected export markets and starting to build a global brand is also part of the ambition for Dongfeng Trucks.

"We believe the Volvo Group can be a great support in many of these areas when we go forward," says Gary Huang.

LAST YEAR, THE brand made its first ever appearance at the IAA Exhibition in Hanover and as the only Chinese entry in the Volvo Ocean Race 2014-15. This is part of the global marketing and brand strategy.

What potential do you see for Dongfeng Trucks?

"I believe over time we have a good chance to build a globally recognised brand if we follow our strategy and expand our business overseas step by step ensuring we can supply suitable products with good quality and that we have the capability to support our customers with sufficient service in accordance with customer expectations. Looking at the positive response we have received to our successful entry in the Volvo Ocean Race, I think this proves that, if we do things right, we will succeed over time to establish Dongfeng Trucks as a globally recognised brand," says Gary Huang. ☉

5 January 2015: Payment of acquisition price, approximately SEK 5.6 billion. The deal was closed.

26 January 2015: First DFCV board meeting, followed by an inauguration ceremony and press conference in the city of Shiyan, Hubei Province.

IN FIGURES

China's truck market

1

China is the world's largest truck market, representing about 45 per cent of the world market.

5

Five OEMs (Original Equipment Manufacturer) hold 80 per cent of the heavy-duty truck market in China. Three of these are part-owned by western companies.

The combined heavy- and medium-duty market share figures for China in 2014:

15%

DFCV
(Volvo Group owns 45%)

12%

Baic Foton
(Daimler owns 50%)

17%

FAW

16%

CNHTC (Sinotruk)
(Volkswagen/MAN owns 25%)

11%

Shaanxi

CHINA INDUSTRY

According to market research company Frost & Sullivan, China's logistics industry is to become the world's largest in 2016 with an increased need for transportation as a consequence. The expansion in highways is expected to go from 2.3 million kilometres in 2010 to 3.0 in 2020.

TRUCKS

987,000

The total volume of truck sales in China in 2014 reached 744,000 vehicles in the heavy-duty segment and 243,000 in the medium-duty segment – all together a total of 987,000 units.



INTRODUCING TEREX TRUCKS

Terex Trucks is a recent addition to the Volvo Group family of brands and was formally acquired by Volvo CE from the Terex Corporation in June 2014. Terex Trucks made its first international appearance at the construction equipment exhibition Intermat 2015 in Paris. The Terex brand has a solid reputation for producing robust and reliable haulers, going back as far as the 1930s.

Currently its product range includes five models of rigid haulers and three models of articulated haulers, all of which are manufactured at Terex's production facilities in Motherwell, Scotland, which was first established in 1950.

"In addition to organic growth, there has also been an opportunity for Volvo CE to fill product gaps via acquisition," says Martin

Weissburg, President Volvo CE. "Volvo CE's existing portfolio is suited to the quarrying and light mining segment – but it has long been clear that there was a rigid hauler gap in the product line-up."

The inclusion of Terex Trucks and its products closes this gap and greatly strengthens Volvo CE's position in the earthmoving and light mining segments.



The Terex Trucks product range currently includes five models of rigid haulers and three models of articulated haulers.

5

QUESTIONS TO STEPHEN STROUD AND ANNE LYSE RUIS BELLES, VOLVO GROUP HEALTH & SAFETY DIRECTORS

Providing a safe and healthy work environment is essential to business success. This is stated in the updated Health and Safety Policy.

1. What is the significance of the policy?

Stephen Stroud: "It's a big step for our work. We can say that this is not only a priority, health and safety is now actually part of the Group's core values. It really is a foundation for a global Group which is long overdue. And it might come as a surprise to many who thought we already had this in place".

Anne Lyse Ruis Belles: "We need to demonstrate that health and safety is on top of the agenda, to have the culture that we all care for each other at work. We believe all accidents are preventable".

2. How are we performing as a Group?

Stephen Stroud: "Compared with the industry benchmark, we are not the best and we are not the worst. One of our challenges is Sweden where the perception is that we are performing better than we actually are. The KPI we are measuring is zero lost time accident rate. We have managed to cover 86 per cent of the Volvo Group, so we now have the right conception going forward. In 2014, we had more than 1,000 people staying at home for one day after a work-related accident. We must work in a direction that this is never ever acceptable".

3. What areas are most critical?

Anne Lyse Ruis Belles: "Our plants and truck centers, where we have a lot of equipment and traffic. We can now offer Group guidelines and expertise as support, which is a great improvement. But we are also looking into psycho-social aspects of work, including stress".

4. What is prioritised in 2015?

Anne Lyse Ruis Belles: "We will link all people together who are working with health and safety, some 300-400 in total. We will set the right organisation with roles and responsibilities, build global guidelines, implement the minimum basic everywhere and train managers. We will communicate our policy in 20 languages, together with several other activities".

5. What is your message to co-workers?

Stephen Stroud: "We need to change the culture of acceptance. We aim for zero defects in the quality of our products – the same zero mind-set should apply to health and safety".

Anne Lyse Ruis Belles: "I want to raise the awareness that we are all responsible for our own health & safety. If you see anything that is wrong with your colleagues, first discuss with them and then raise the issue with managers".

ANN-MARI ROBINSON

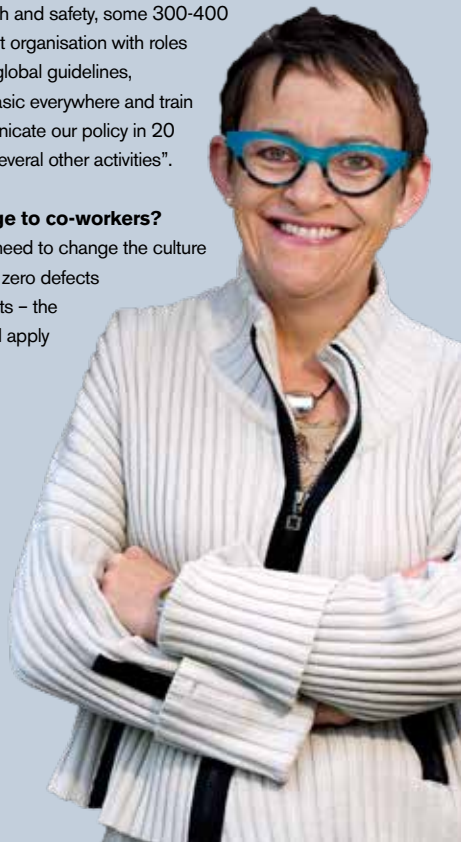


PHOTO: CICI JONSON



SAILS NETWORK



Millions of people worldwide have been exposed to the Volvo brand through the spectacular Volvo Ocean Race, which recently concluded in Gothenburg, Sweden. In addition, thousands of customers enjoyed product tests, seminars and events at each of the eleven ports along the way. We talked to some of these guests about their experiences.



"Everyone can enjoy Volvo Ocean Race"

"The Volvo Ocean Race is a very good platform for customer events. It's not only very visual and pleasant, I also like the fact that everyone can enjoy it, it doesn't require any previous knowledge. We always try to organise a host of interesting activities in association with the start of the race in Alicante. The theme varies from year to year, this time we focused on quality, uptime and future technology. Previously we have organised seminars related to environmental care and different product launches".

PATRICIA GARCÍA DE OTEYZA
MARKET COMMUNICATION DIRECTOR
VOLVO TRUCKS SPAIN



Jinseol Kim
CEO Jaail
Logistics, Korea
"Coming from Korea where sailing is not so popular,

this is a unique and exciting event to visit. The seminars on safety and uptime were very valuable and Volvo Group's focus on safety became very clear to me. I will be even more proud of my Volvo trucks now, after this event."



Mike Fritz
Divisional Manager
Truck & Bus, Al-Futtaim
Auto & Machinery Co.
LLC (FAMCO), UAE

"The Volvo Ocean Race is much more than just a boat race; it's a test of man's resilience, adaptability, sense of adventure and cutting edge technology tested to the extreme. This embodies the spirit and philosophy behind each and every Volvo and has made Volvo class leading in every segment it competes in."



Peng Yunxiang
Chairman of
Tongbao Group,
China

"I am inspired by the spirit with which the teams face challenges and difficulties on the ocean. The Volvo brand is very valuable to me as a business owner - it's recognised as a high-technology provider and the company as caring for the environment."



Rein Aav and Silja Aav
Herentes AS, Estonia
"Coming with Volvo Trucks to the Volvo Ocean Race is a great opportunity. We appreciate meeting others in the business, networking and really experiencing the Volvo brand."

The world's toughest sailing challenge

- ▷ The Volvo Ocean Race is the world's most prestigious offshore sailing race.
- ▷ The 2014-15 Volvo Ocean Race was 39,895 nautical miles long and lasted for nine months, from October to June.
- ▷ The race started in Alicante, Spain, and ended in Gothenburg, Sweden. In between, the teams visited South Africa, Asia, New Zealand, South America, North America and Europe.
- ▷ The race has been fully owned by Volvo since 1997.
- ▷ There is no monetary reward for winning the race. The sheer achievement and the Volvo Ocean Race trophy is reward enough for the winning team.

PHOTOS: GAVIN BLUE AND VOLVO GROUP



Natanphong Ratanasuwarthawee
MD SC Carrier, Thailand

"Taking part in the race event is very impressive. In Thailand we often compare the European truck brands and after this visit I think Volvo is in a totally different league."

LARS-ERIK FORSBERGH

What does sailing have to do with trucks?

WELL, FAR MORE than you might think, in fact. Customers who are invited to the Volvo Ocean Race are naturally initially delighted to be included in something this exciting. It is, after all, the most challenging round-the-world race in existence. When they look back, however, visitors experience so much more. They recall a perfect event, where everything was organised in the right way at exactly the right time. A competition in which nothing was left to chance and where quality and safety were always the focal points.

They remember an event that is quite simply characterised by the Volvo spirit. The Volvo Ocean Race is premium, just like our brand.

We are able to organise a competition of this calibre because we have a top-class organisation made up of loyal, skilled, target-oriented individuals. This creates confidence. We are able to show that we have not only the best products in the market but also the skills and expertise to organise our business and our service in the same professional manner. This message is passed on first and foremost by the enormous media interest in the Volvo Ocean Race.

THE VOLVO OCEAN RACE IS A fantastic opportunity and it is naturally important that we make full use of its potential. I am delighted that one of the stopovers in the Volvo Ocean Race was Abu Dhabi, as it enabled customers from the whole of the Middle East to participate in the race and all the activities linked to the Volvo Pavilion.

We also took the opportunity to hold our annual meeting with the region's importers in Abu Dhabi during the stopover. This was the perfect opportunity to plan activities for 2015, while absorbing the special atmosphere the Volvo Ocean Race created.

What is more, it felt particularly important that the employees also had the chance to experience the Volvo Ocean Race. For this reason, we transported all the co-workers at the office in Dubai to Abu Dhabi by bus, something that was really appreciated. The events associated with the Volvo Ocean Race were incredibly well organised and this is one reason for all the Volvo Group's employees to feel tremendous pride.

Lars-Erik Forsbergh
Managing Director
Group Trucks Sales Middle East



WWF co-operation cuts carbon emissions

Carbon dioxide emissions from the Volvo Group's products and manufacturing decreased by 40 million tonnes during the period 2009-2013. This is the result of the Group's involvement in the World Wildlife Fund's, (WWF) Climate Savers programme.

The bar has now been raised and co-operation with the WWF renewed. In addition to reducing emissions from products and manufacturing, the Volvo Group will pioneer the development of reduced carbon emissions across the whole transport sector.

The agreement is unique in the automotive sector and the Volvo Group is the world's only automotive manufacturer who is a member of Climate Savers.

Carbon reduction is a priority area in long-term sustainability efforts. Improved road safety, fewer accidents and focus on training for workshop technicians in areas such as Africa are other important issues that will be addressed.

Learn more about the Volvo Group's long-term sustainable development efforts in the 2014 Sustainability report at www.volvogroup.com



40 M tons
less CO₂



VOLVO