Volvo Group magazine 3.20

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RELIABLE PARTABLES

WHY SERVICES ARE SO IMPORTANT FOR THE VOLVO GROUP

The next deal begins with good service here and now

USTRALIA IS A country of huge distances, a challenging climate and a logistics system based on truck transport. This is an environment that really illustrates the importance of excellent product quality, planned maintenance and swift support in the event of something going wrong against all the odds. In this issue, you can read more about the family company, SRH Milk Haulage, which transports milk along the Australian coasts, 24 hours a day, 365 days a year. Our organisation in Australia is focusing its efforts on helping this company and others to succeed in their business operations.

Good service at the workshop, parts and services of different types, such as financing and driver and operator training, are decisive for our customers and also represent an important part of our business. We are operating in a cyclical industry, but, while the demand for new products fluctuates sharply to keep pace with the general economic situation, the need for maintenance and parts is more stable and is linked to the existing population of vehicles and machines. A powerful service business will make our dealers more resilient to temporary upswings and downturns in the economy.

It is our objective to increase the sales of services, as we know this leads to more satisfied customers. This has traditionally involved things such as the right number of service points, good parts availability and attractive service agreements. The increase in digitalisation and connected vehicles and machines is offering us new opportunities to create value for our customers and, in this context, developments are moving ahead swiftly. We are continuing our journey towards becoming a supplier of total solutions.

THE INFRASTRUCTURE IS important, but good service also includes how we interact with our customers when they turn to us for assistance. The first response has to be: "Yes, we'll fix it!". Good service generates loyalty. The first step in the sale of the next truck, machine or engine is to provide first-class support for the solutions we have already delivered. We have to keep our promises so that our customers are able to run their businesses without disruptions or unplanned stoppages. We must also be transparent and inform our customers immediately if we are unable to deliver what we have agreed. Honesty creates confidence and confidence is the cornerstone in our relationship with our customers.

MARTIN LUNDSTEDT PRESIDENT AND CEO, VOLVO GROUP

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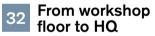
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⁸ Volvo Group – at your service

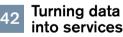
SPECIAL The Volvo Group is increasing its focus on services. In Australia this approach has boosted the three truck brands' market share, despite tough competition.

A better way of working

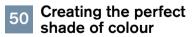
Close collaboration and open communication. Meet "Sweden's best Commercial Crew".



Having started his career as a technician, Martin Merrick is now in charge of retail development for Volvo Trucks globally.



Anna Westerberg, SVP of the newly established Connected Solutions, shares her vision for the Volvo Group.



At the Volvo Trucks' paint lab in Umeå, Sweden, advanced technology and strict quality control ensure unblemished cabs.

ALWAYS INSIDE4 START62 INSIGHTS68 QUIZ



UD Trucks' new flagship

UD TRUCKS LAUNCHES the all-new Quon truck, representing a full model change for UD Trucks' heavy-duty flagship.

Quon meets the needs of transport solutions in the modern age by "putting people first" in every detail. The fuel-efficient, powerful and clean 11-liter GH11 engine complies with Japanese 2016 exhaust gas regulations and all models achieve +5% over the 2015 fuel economy standards for heavy vehicles in Japan.

"Equipped with the ESCOT-VI, the electronically controlled automatic transmission, our heavy-duty flagship truly feels like a passenger car to drive. Simply put, Quon now better than ever embodies UD Trucks' promise of Going the Extra Mile for our customers," said Yoshihiro Murakami, President of UD Trucks.

Platooning test on American roads

VOLVO TRUCKS AND Partners for Advanced Transportation Technology (PATH) at the University of California, Berkeley, completed a successful demonstration of partially automated truck platooning earlier this year, made possible by Cooperative Adaptive Cruise Control (CACC) technology.

Three Volvo VNL 670 model tractors travelled at speeds of 55 miles an hour while staying 50 feet apart. The demo highlighted the technology's potential for improving highway safety, reducing greenhouse gas emissions and increasing the capacity of transportation systems.



In the demo, three Volvo VNL 670 tractors hauled cargo containers at the Los Angeles Port complex and along Interstate 110.

500 engineers needed in Sweden

IN 2017, the Volvo Group in Sweden needs to recruit 500 engineers, primarily in the fields of electronics and software development. In addition, system and test engineers are needed.

"The need for recruitment is substantial. A wide range of engineers is needed both by Group Trucks Technology and by our various business areas," says Kristian Andersson, Director Talent & Leadership, HR Centre of Expertise Sweden.

In addition to this, purchasers and service technicians are also required. Over the next three to five years, some 200 technicians will be needed to service vehicles for Volvo Trucks.

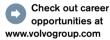
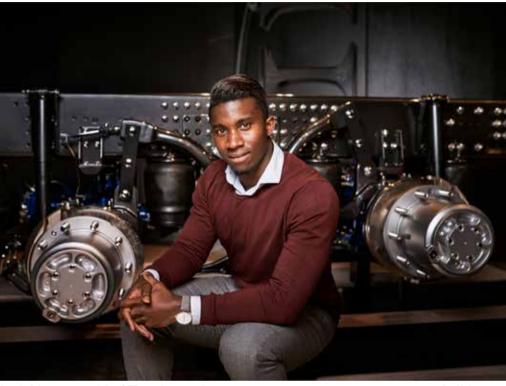


PHOTO: VOLVO TRUCKS



Jacob Aduama, one of the GTT employees taking part in a campaign to recruit more engineers to the Volvo Group.

INSPIRED BY VOLVO OCEAN RACE

THE VOLVO FH and Volvo FH16 are available in an exclusive new version inspired by the Volvo Ocean Race, which gets under way in October. The truck design language is based on the Volvo Ocean Race route, expressed through

maritime maps and patterns. The start and finish ports - Alicante and The Hague - have provided the inspiration for the colour schemes both inside and out.

Test your knowledge of the Volvo Ocean Race in the quiz on page 68!





2,500 drivers in competition

OPTIFUEL CHALLENGE, the eco-driving competition run by Renault Trucks, is involving more than 2,500 drivers worldwide. The best driver from each country, consuming the least fuel without sacrificing commercial speed in a 13-litre Renault Trucks T Optifuel, will compete in the grand finale in the autumn of 2017.



New system for easier navigation

AN ENHANCED AND safer driver experience, easier navigation and more efficient fleet management. These are the main benefits of Volvo Trucks' new system for services and infotainment. The system was launched earlier this year and is available when ordering a new Volvo FH, Volvo FM and Volvo FMX.

Focus on sustainability and on creating value

THE 2016 ANNUAL and Sustainability Report focuses on how the Volvo Group is contributing to prosperity and how we create value for our customers and shareholders, as well as society at large.

The Group's new mission, vision and aspirations are presented and the new strategy with a strong customer focus is outlined. Progress in health and safety is highlighted and further transparency of environmental data is presented.





800,000

trucks produced were largely celebrated by the employees at the GTO Bourg plant in France. The 800,000th vehicle is a Renault Trucks C430 8x4, produced for customer Groupe Pigeon, who received the keys on 6 April.



Nathalie Fontaine managed to get a selfie with former President Hollande.

HELLO ...

... Nathalie Fontaine, Director Competence Development, Volvo Group Trucks France

You have attended roundtable discussions at the Palais de l'Elysée in Paris, hosted by President François Hollande. What was the occasion?

"It was recognising companies and associations for their commitment to LGBT* equality and rights. The Volvo Group signed a charter of engagement proposed by the association 'Autre Cercle' in 2013 as one of few industrial companies. We are still the only automotive company in France which has signed this charter. Around 30 companies were invited to the ceremony."

Why is this important for the Volvo Group?

"It is very much aligned with our diversity and inclusion values. We respect individuals and we have the maturity as a company to talk about every person's right to be lesbian, gay, bisexual and transgender. It's very important that each and every one feels just as comfortable to talk about his/her private life like anybody else. There is still a lot of debate in society and sometimes companies have to be courageous and challenge society."

What's your own personal reflection?

"President Hollande stayed for the whole ceremony and gave a passionate speech thanking everyone. I am proud to represent a company that is so engaged in people's equal rights."

TEXT ANN-MARI ROBINSON

*LGBT is short for Lesbian, Gay, Bisexual and Transgender.

Collaboration to develop virtual factory

THE GTO CAB PLANT in Umeå, simulation company Algoryx, components company Schneider Electric and Chalmers University of Technology are collaborating in a three-year EU project to explore how to create a virtual twin factory. The project aims to develop new engineering tools for the virtual preparation and operation of digital factories, which will significantly shorten lead times to market.

Earlier this year, President and CEO Martin Lundstedt visited India's Prime Minister, Narendra Modi.

Volvo Group driving prosperity in India

PRESIDENT AND CEO Martin Lundstedt shared the Volvo Group's continued commitment to India with Prime Minister Narendra Modi on a visit in March. During the India visit, Martin Lundstedt also handed over the keys to the first of 100 newly ordered Volvo 8400 buses to Bengaluru Metropolitan Transport Corporation in Bangalore. Some 6,000 Volvo buses are currently operating in India.

What's your favourite topic?

We are now half way through 2017 and have published three *Volvo Group Magazines*, covering topics such as Understanding our customers' business, Continuous improvement and Retail and Services. The remaining two issues are planned and will among other things highlight Technology and Innovations. What would you like to read more about? Let us know by sending an email to groupmagazine@volvo.com.



ANN-MARI ROBINSON, EDITOR-IN-CHIEF

Australia's SRH Milk Haulage and their Volvo Group dealer, VCV Newcastle, is a case for how strong customer service brings advantage both for the dealer and the customer. Read more on pages 10-16.

Statement of the

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THE POWER OF



Customer loyalty starts at the dealership. The Volvo Group's global retail network, and its dedicated staff, is key to customer satisfaction. *Volvo Group Magazine* has met the people who work in the service frontline. The first stop is Australia.

"The service I get from the dealer is the decisive factor in any purchase. Any truck will do the job we do, but it's the support that counts."

SCOTT HARVEY, MANAGING DIRECTOR, SRH MILK HAULAGE

TEXT WILL BELFORD PHOTOS GAVIN BLUE

WO HOURS NORTH of Sydney, you find the rolling hills and dales of the Hunter Valley. Unlike most of this bone-dry continent, the Hunter receives enough rain to support a thriving dairy industry. Nestled amidst the valley's green fields is the town of Rutherford, the home of SRH Milk Haulage, a family business that's grown into one



Scott Harvey and his wife Regina started SRH Milk Haulage 20 years ago with just one truck, now they have more than 50 tankers.

of Australia's largest and most successful milk transport companies.

"When my wife Regina and I started the company twenty years ago, we had one truck and someone else's trailer," says Managing Director Scott Harvey.

NOW THE COMPANY has a fleet of 36 tankers servicing Australia's east coast, from Victoria to Queensland, and another 15 on the far side of the country in Western Australia. All but two of their trucks are Volvos or Macks.

"We've used Volvos for years, so when the Macks started coming out with similar Volvo Group technology, we thought we'd give them a go. Some of my drivers like having a bonnet in front of them and the Mack Super-Liner is ideal for hauling road trains around Western Australia. We've got three Macks and more on the way."

For Scott Harvey, the key factor in this decision was that the Macks and Volvos are built and serviced by Volvo Group Australia.

"For me, the service I get from the dealer is the decisive factor in any purchase. Any truck will do the job we do, but it's the support that counts. When things start to get complicated, you appreciate genuine customer service and VCV Newcastle does a brilliant job," he says.

COWS NEVER STOP producing milk, so SRH works 24/7, 365 days a year and they can't afford to miss a single delivery.

"There's no fail option in this business, uptime is everything," says Scott Harvey. "If there's a flood or something out of our control, that's one thing, but we're responsible for everything that's

Blair Harvey (left) has been working in the family business for eight years and plans to take it over one day. She always has a lot to discuss with her father Scott (right).

Australia's huge distances mean that both trucks and services are really put to the test. in our control. It's our job to make sure we always deliver."

As evidence of how seriously he takes this, Scott Harvey keeps a spare prime mover sitting idle in the yard. If there is a breakdown, that truck goes to take over.

"We send that truck whether or not we think we'll get the breakdown fixed before it arrives. It's not worth the risk of leaving 20,000 litres of milk on the side of the road," he says.

This zero-tolerance approach led to SRH putting their entire fleet on service agreements. Under these, all 73 staff at Volvo Commercial Vehicles (VCV) in nearby Newcastle take responsibility for the predictive maintenance and scheduled servicing that keeps the SRH fleet on the road. **OUTSIDE THE DEALERSHIP**, a gleaming Mack Super-Liner leaves you in no doubt what they sell here. Inside, Brand Manager Scott Hughes explains that understanding his customers' business intimately and providing the best possible level of customer service is critical.

"We've spent the last few years really getting to know Scott Harvey's business and adapting the way we work to suit them, not the other way around. Scott knows that any of his people can call us and we'll solve their problem, whatever it is. For me, providing excellent customer service comes down to this: Never Say No – Adapt and Overcome," says Scott Hughes.

Jamie Maher, the SRH Fleet Manager, puts this to the test every day. "The VCV dealership crew understands that our business is pretty



mini-laboratory at the rear of the tanker, taking samples and monitoring temperature of the milk.



Cows never stop producing milk, so SRH Milk Haulage operates 24/7, 365 days a year.



VOICES FROM SRH MILK HAULAGE

Donna Mead

COMPLIANCE MANAGER Donna Mead and her team manage all the service contracts and handle the regulatory side of the business for aspects such as mass management. This means keeping the paperwork correct and all permits up to date so the trucks can operate legally in multiple states.



"We track all the truck servicing and keep accurate records so that when we get audited we can say with absolute certainty that we've met every requirement," says Donna Mead, pointing at a shelf full of binders. "VCV Newcastle are really helpful. I can call them or send an email and everyone there knows who I am and drops whatever they're doing to help me."

Having a predictable service schedule makes it a lot easier for Donna Mead to demonstrate that SRH meets the criteria for accreditation in the New South Wales Heavy Vehicle scheme.

"We'll have the auditor in and out in a couple of hours, he doesn't even need to look at the trucks. VCV Newcastle's level of service is an important factor in us being able to sail through this process."



have to re-arrange things all the time."

"VCV Newcastle have got very good at adapting to us and making sure we get what we need when we need it. When a service is due, they email me a week in advance and we try to make it work. They're good people to deal with, they genuinely understand the urgency of a milk tanker that's sitting on the side of the road."

Jamie Maher has noticed a continuous improvement in VCV Newcastle's level of service over the years.

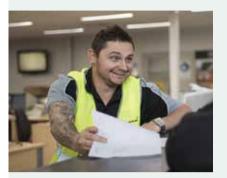
"They've really gone out of their way for us many times, I can't ask them for much more than that. Certainly when compared with some other manufacturers, they're right on top of the game."

Jamie Maher

WORKSHOP MANAGER Jamie Maher handles all aspects of the daily servicing that keeps the SRH fleet on the road.

"Things can change at any time in this industry, we might have a truck scheduled in for service that we suddenly need somewhere else, so we

VOICES FROM VCV NEWCASTLE



Rhys Sargeant

Rhys Sargeant, who has been with VCV Newcastle for two years, runs the schedule for the workshop and spends most of his time talking to customers.

"We're an extension of the SRH team really, they're a VIP customer and we work hand in hand

with them every day. SRH have already had six trucks through here today alone, some planned, some unplanned."

Rhys Sargeant makes sure the parts for every service are available, getting them couriered up from Sydney if necessary. "We always have the parts we need here before the truck rolls through the doors. I absolutely hate calling customers and saying their truck will be late because we're waiting on parts. It's not good enough."

Rhys Sargeant embodies the VCV Newcastle mantra of 'Service, Service, Service', sometimes having to manage extreme workloads.

"We had 75 trucks through here in one day not long ago – 40 mechanics and apprentices working 24/7 in 15 service bays. That takes some organising, but we got them all out the door on time."

Dianne Maricic SALES COORDINATOR

Dianne Maricic has been at VCV Newcastle for eleven years and is responsible for getting new trucks ready once they arrive from the factory in Queensland.

"SRH turn their trucks over after three years, so they buy 15 to 18 trucks from us every year. When

they get here, they're just a cab and chassis, so we have a lot of fit-out work to do."

She coordinates dozens of local suppliers who provide everything that goes onto the truck.

"You've got the painting and signwriting, fitting external components such as bullbars and turntables and internal things like microwaves and TVs, whatever the customer asks for, I make sure they get it."

Dianne Maricic's work is all strictly coordinated to tight timeframes and she updates SRH on progress constantly.

"My approach to it is that, whenever I'm talking to a customer, I make them my absolute number one priority. I aim to make them feel safe, comfortable and looked after. It seems to work."

"We do everything we can to maximise our customers' uptime."

SCOTT HUGHES, GENERAL MANAGER, VCV NEWCASTLE

random, they know what to expect. This morning I was on the phone to Rhys at VCV five times before 7.30am. We had four trucks in there and I dropped a fifth one off at 10am and told him I needed it by 3. They had it ready for me at 2.30. Managing this many moving parts is all about communication and they do that very well."

In recent years Scott and Regina Harvey have been working on a succession plan for the business. Their daughter Blair has worked at SRH since she left school eight years ago and is planning on taking over the business when her parents retire.

"I started out doing the compliance work, mass management and registration and so on and I've recently been getting into the logistics side of things," says Blair Harvey. "Dad's been explaining what's involved in buying a truck – the when, why and how of it and what he needs from them – and the service side is a big part of it."

Blair Harvey has worked closely with VCV Newcastle on managing the service agreements, and has found them highly professional.

"VCV have been great to deal with. They always have the paperwork right and I know I can call anyone there and they'll take care of us. When I eventually do take over I'll certainly be continuing with them, they know our business back to front."

SCOTT HUGHES AT VCV Newcastle, is convinced of planned preventive maintenance, and the better his team knows the customer's business, the more it enables his crew to plan their schedule. Despite that, emergencies can always arise.

"Our customers know that if one of their trucks is off the road, we won't stop until it's up and running. We do everything we can to maximise our customers' uptime and that's why





Scott Hughes and his colleagues at VCV Newcastle have spent the last few years getting to know SRH Milk Haulage's business and adapting the work to suit them.



Workshop Manager, Sam Pull, is often the interface between customers and the technicians at VCV Newcastle. Here he is talking to his colleague Hayden Warner.



VCV Newcastle service Volvo Trucks, UD Trucks, Mack Trucks and Volvo Buses. Preventative maintenance is a large part of the dealership strategy.

Australia depends on trucks

AUSTRALIA IS MASSIVE - 7.7 million square km. The 25 million inhabitants are mainly spread around the coasts and there is very little rail transport.

Goods are mainly transported by trucks, which cover gigantic distances. Huge "road trains" with trucks are common here. Australian trucks pull a lot – sometimes up to 200 tonnes – that is 3-4 times of what they pull in Europe. They drive at 100 km in an ambient temperature of up to 50 degrees Celsius and cover up to 500,000 km a year!

they keep coming back. More than half our sales are repeat business, and it's really starting to show in our market value," he says.

VCV NEWCASTLE'S SUCCESS can be seen in the level of activity in the workshop. A few years ago, they were achieving 2,500 sold hours per month, now it's 5,000, largely due to repeat sales and service agreements. "When a customer buys a service agreement, what they're really buying is uptime. My entire team takes pride in keeping our customers' trucks on the road. With optimised service plans we know exactly what parts we need and when, so our customers can avoid unnecessary trips to the workshop," says Scott Hughes.

For Scott Harvey, keeping his trucks on the

road 24/7 is an obsession and, when things go wrong, the stress levels can get extreme.

CEEDG

"Juggling trucks all over the country to make sure you don't miss a deadline gets complicated, and VCV Newcastle take a lot of the stress out of it," says Scott Harvey. "Through our service agreements we can plan everything upfront, but what matters to me is that they'll do whatever it takes, whenever necessary, to keep my trucks on the road. They understand what matters to us, they're practical and flexible, and they get it right first time. They've got the best product, best service and best parts package, but most importantly they've got the right attitude. That's what makes great customer service and it makes it easy for me to decide where to buy my next truck."



The Mack Trucks brand is synonymous with toughness and prides itself on application excellence. In Australia you will find different models than in the USA, as they are designed and built in Australia for the hard local conditions.

Wide coverage for parts

Few places are as truck dependent as the vast and sparsely populated Australia. To ensure maximum uptime, the market has created one of the world's most efficient systems for distributing spare parts.

TEXT MARIA SKÖLD

HO WILL PICK UP the bill for 200,000 Aussie dollars worth of lettuce if it goes bad after the truck breaks down in the countryside? Issues like this are a constant worry for transporters in Australia, where the closest urban area may be hundreds if not thousands of kilometres away.

"Our customers work very hard to run their businesses and it's our job to support them the best we can," says Scott Turner, Director for Distribution Centres for South East and Oceania.

His area of responsibility, parts, is of key importance here. The Volvo Group's Logistic Services and the Australian market company have established an infrastructure that ensures that the dealerships generally have the right spare parts in stock. But there is also a support system for situations when a crucial component or part is missing.

MOST DEALERSHIPS IN Australia have signed Logistics Partner Agreements and share their transactional data with Logistic Services, which effectively manages their inventory for them. From past transactions, it is relatively easy to predict future needs and, should the distribution centre send them something that actually does not sell over time, the dealers simply return it, under special conditions.

"This is very popular with dealers, since it frees up time for them to focus on other value-adding activities," says Scott Turner. Still, every once in a while, a dealership



will need something that it does not have on its shelves. Here, dealers have a choice of different levels of service. For extreme emergencies, with a truck stranded along a road out in the wilderness, there is

Scott Turner

the Vehicle Off-road Service. The part is then shipped immediately from the central warehouse in Sydney, which services all of Australia. Another method for rapid service is the daily delivery, when the missing part is sent over night, by road or air, to arrive interstate next day.

ON TOP OF that, the dealerships naturally also receive routine replenishments of stock, based on information supplied under the Logistics Partner Agreements programme.

The system has been developed on the basis of input from dealerships and gets good reviews in Logistic Services' annual dealership survey.

"This feedback is very important to us. One of the successes in Australia has been the very close collaboration between Logistic Services, the Market Company and the dealerships," says Scott Turner. ()

Footnote: Read more about the new GTO organisation Service Market Logistics on page 23.

LOGISTICS SERVICES IN AUSTRALIA

- Parts are shipped from a central warehouse in Sydney. It services all of Australia, New Zealand and other markets in Oceania.
- Stocks are based on previous transactions, which is quite easy for high-volume parts with a demonstrated history.
- For newer items, Logistic Services, the Market Company and the dealerships collaborate to create stocking lists.

AUSTRALIA

Driving growth through services

When Peter Voorhoeve took over as Managing Director in Australia in 2014, market growth had stalled after years of strong sales. He rerouted strategy to focus on service and this new direction has resulted in a five per cent growth in market share.

TEXT LINA TÖRNQUIST PHOTOS GAVIN BLUE

You've termed your strategy over the past years as "Service, Service, Service". What do you mean?

'There's an old catchphrase in business: 'Sell. Sell.' And of course, sales are crucial in every commercial organisation. But the question is how do you do that? When I took over as Managing Director of Australia in 2014, economic growth was slumping: infrastructure projects were down, mining was down, and customers were buying fewer trucks. In a declining market, you can't just focus on sales. So in 2014, when I was presenting to the dealer group, I summerised by saying 'let's focus on customer satisfaction'. To do that - 'It's about service, it's about service and it's about service'. It was a spontaneous thing but it stuck."

Does a service-first strategy work as well when the economy is on the upswing?

"Yes and no. Good service always sells, but in a growing market there are factors such as production capacity and supply chain efficiency that influence sales. In a market where things are not going so well and where customers are taking more time to make decisions, service is a greater differentiator. We've built a solutionsfocused culture in Australia today. Generally, when customers call us, we first say – 'Yes!' Then we work out the details."

How do you define good service?

"It's about being empathetic and asking what does the customer expect from me and how can I deliver it? It's about meeting or exceeding expectations and finding solutions. If a customer comes to us with a problem – we solve it. But that doesn't mean doing a repair and handing the customer a massive bill. Instead, we always ensure an open dialogue. By keeping the customer informed, we can avoid unpleasant surprises."

Tell it like it is then?

"I started as manager for Volvo Action Service, which deals with approximately 80,000 breakdowns per year across Europe. So I've dealt with a lot of customers. Customers are interested in correct and reliable information that they can count on and act on."

How does it work to be in charge of three different brands in one market?

"It works, because each brand has a different segment and a different message. Volvo Trucks is the premium European and innovative brand. Mack is a

truck brands compete in the Australian market, including Mack Trucks, UD Trucks and Volvo Trucks.

27.5%

was the combined market share in Australia for the Volvo Group's truck brands in 2016. This is up from 22.5% three years earlier.

Volvo Trucks' market share in 2016 (12% in 2013)

9.4% Mack Trucks'

market share in 2016 (7.9% in 2013)

2% UD Trucks' market share in 2016 (1.5% in 2013)



premium American brand, that stands for reliability and durability. It's used widely in construction and long-haul runs, such as carting livestock which is often on dirt roads. UD Trucks is focued on the lighter end of the heavy-duty segment, as well as a few models in the medium-duty segment. The new global organisation has made working with the brands easier because we get more support now. The best outcome is achieved when the brands keep in close contact with us and rely on the Volvo Group organisation in Australia."

How have you changed your organisation to better serve customers?

"We are building the organisation to empower our staff and simplify things for our customers. A good example is the introduction of the aftermarket account manager. This person is the one point of contact for larger customers, for everything from warranty issues, to service schedules to parts pricing. So instead of saying - 'call this person for warranty issues and this person for contracts', we have one point of contact and the customer appreciates that. By increasing employee empowerment, we allow the people close to operations to make the right decision. But if you do make the wrong decision, we discuss it and you learn from it and won't make it again." .

Peter Voorhoeve MANAGING DIRECTOR AUSTRALIA

"We had a customer who was getting serviced with a nonauthorised dealer. As a result, when he was out on the road in the western desert his I-Shift blew up. Despite that, we flew an I-Shift out there. That truck was on the road in 48 hours. In the middle of the Simpson desert, that's pretty fast. He was extremely happy to pay the bill. He said – 'yes, I know I didn't go to the right repair shop but I will never do it again!"

The business case for services

The services business represents an important part of the Volvo Group's total business and the potential for further growth is substantial. In addition, there are opportunities to increase customer loyalty throughout the entire life cycle of vehicles.

TEXT ANN-MARI ROBINSON PHOTOS ROBIN ARON OLSSON

The services business has always been important to the Volvo Group, but the focus has now been stepped up, according to Fredrik Almhöjd and Mikael Hedar, who are both Directors Volvo Group Strategy.

> EHICLE SALES ARE influenced by the macro-economic situation, whereas services, in the form of parts, workshop hours and services of various kinds, is more stable and less sensitive to financial

fluctuations. In 2016, services accounted for 22 per cent of the Volvo Group's net turnover, one percentage point more than in 2015.

"The services business has always been an important area for the Group, but the focus has now been stepped up still further in the new business model for trucks in Europe. This means, among other things, that importers and dealers have even more commercial responsibility in relation to the customer and the sale of services will have an increasingly important impact on the profitability of the market," explains Mikael Hedar, Director Volvo Group Strategy.

THE BUSINESS IMPACT of services could grow still further, for instance if more first-hand owners sign service agreements for their trucks. At the same time, second and third owners are also interesting from a business perspective, even if they are less willing to sign traditional service agreements, including the associated genuine parts for their older vehicles. Nor can it be taken for granted that these customers will choose workshop service and parts from the Volvo Group.

One solution could be to offer the owners of older vehicles remanufactured and used parts. Remanufactured parts have been an important part of the Volvo Group's product offer for many years. Used parts, which are obtained when vehicles are dismantled, are usually a local business arrangement.

"We see good results at, for example, the Volvo Trucks Center in Rollsbo, Gothenburg, as well as in the USA, where recycled and remanufactured

STRATEGY

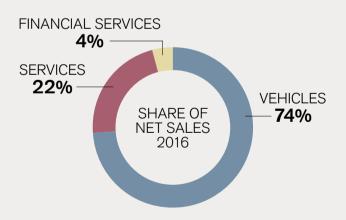
"It isn't a question of one size fits all. Customers have different requirements."

MIKAEL HEDAR, DIRECTOR VOLVO GROUP STRATEGY



parts are sold under the Dex Heavy Duty Parts brand name. But the volume is relatively small, so there are good opportunities to expand the business," says Fredrik Almhöjd, Director Volvo Group Strategy.

Various services that are designed to take



A prioritised area

In addition to vehicles and machines, the Volvo Group's offering includes various types of services such as financing, rental services, spare parts, preventive maintenance, fleet management services, service agreements, assistance services and IT services.

The service business is a priority area. It helps to balance the fluctuations in the sales of new products.

Sales of services accounted for 22 per cent of Group net sales in 2016.

care of a customer's vehicle fleet in a more overarching manner are another area with development potential.

Fredrik Almhöjd and Mikael Hedar have analysed a number of industrial segments with concrete examples of customers from Volvo Trucks and Volvo Construction Equipment. Among other things, new business models have been tested. One example is pay-by-the-hour solutions – in other words, the customer leases vehicles and only pays for the time they are in use. Other analyses focus on fleet management solutions, which could mean that the vehicle fleet is serviced, updated and managed by the Volvo Group as a total supplier according to an agreed programme. This results in problem-free ownership for the customer and a long-term service undertaking for the Volvo Group.

TELEMATICS AND CONNECTED vehicles offer further opportunities for customer adapted service solutions. (Read more about Connected Solutions on pages 42-45.)

"Total solutions with the associated services are based on customer needs, segments and unique businesses. This is, for example, clear in industries such as construction, mining and waste management, where all the players impose rigorous demands in relation to uptime and reliability," says Fredrik Almhöjd.

"It isn't a question of one size fits all. Customers have different requirements and segments and markets vary in terms of maturity," stresses Mikael Hedar.

The different services can be described as a staircase, on which every step is open to

competition. The first step involves supplying repair maintenance and parts to get a vehicle that has broken down back on the road. The second is about optimising vehicle uptime and decreasing the customer's operating costs. The top step on the staircase often represents a partnership designed to optimise ways of ensuring that the whole of the customer's fleet is operational. Data linked to the efficiency of the vehicle fleet and the customer's profitability is analysed.

"It is going to become increasingly important to have offers that focus on individual niches. A customer can, for example, have different truck brands, construction equipment and industrial products with Volvo Penta engines that operate in an open-cast or underground mine. Within certain segments, customers need for instance on-the-spot service. Thus we may need to have the appropriate standardised solutions, adapted to match the customer's needs and segment rather than based on our "product catalogue". Customers want us to take responsibility for a total solution that addresses their specific problems and needs," explains Mikael Hedar.

How can the Volvo Group differentiate itself from its competitors?

"We are a global player with a wide product and services offer. It spans the whole of the commercial vehicle range," says Mikael Hedar. •

85,000 ... order lines handled by the Volvo Group each day. That is more than 32 million requests a year!

600,000 ... parts are ready to be delivered all over the globe.

15,000 ... delivery points and 41 Distribution Centers are serviced by the Volvo Group.

Taking services to the next level

The service market is essential for the Volvo Group. Group Trucks Operations is now launching a fully focused Service Market Logistics organisation.

THE LOGISTICS OPERATIONS are a key element to support service market growth, delivering parts on time to customers wherever they are in the world. With this new set-up, the main aspirations are to increase services, strengthen the focus on local brand empowerment and leverage innovations.

"This will take services to the next level of performance by having the opportunity to increase focus and spend more time with dealers and customers, thereby targeting customer success," says Jan Ohlsson, Executive Vice President GTO. Over the past years, service market logistics operations have been part of the Logistics Services organisation, also covering Production Logistics, which will now also be a separate function.

"Logistics Services has been very successful and we have changed the way of working for all Business Areas in the Group. However, today's structure needs to be adapted to the Volvo Group's business model with greater brand focus," says Jan Ohlsson.

The support to the brand organisations is targeting specific needs. It is important to understand and contribute to the brand



Jan Ohlsson

requirements and values; locally, regionally and globally. One example is the Uptime Parts programme, developed in close collaboration with UD Trucks. The programme resulted

in improved parts availability, as well as increase in parts sales, through the correct segmentation of strategic and critical parts in the Gunma Distribution Center, Japan.

"The new organisation will be able to further improve the strong link to the brands and support service market requirements," says Jan Ohlsson.

LOTTA BÄVMAN

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W CELLVIE

Jimmy Karlsson, Service Technician and Johan Fredén, Key Technician, work closely with the other departments at Tage Rejmes in Örebro, a Volvo Trucks dealership.

24

A CREW WITH A CLEAR GOAL

At the Tage Rejmes Volvo Trucks dealership in Örebro, Sweden, all the departments keep in tight dialogue and collaborate closely. It is a way of working that improves both customer loyalty and service.

> TEXT LINDA SWANBERG

<mark>photos</mark> Rickard kihlström

COMMERCIAL CREW

Peter Nylund, Services Salesman at Tage Rejmes in Örebro, and Isak Kungsberger, Driver and Vehicle Manager at the Nya Åkeriet haulage company, have a quick meeting about Dynafleet in the Örebro marina.

> **SAK KUNGSBERGER, A** driver and vehicle manager at the Nya Åkeriet haulage company, has just filled his truck with landfill from the construction of a new pier in Örebro, Sweden.

Wya Akeriet

ISAX 070-682 114

While waiting to leave with his load, he takes a breakfast break and is joined by Peter Nylund, a services salesman at the Tage Rejmes Volvo Trucks dealership. Nya Åkeriet has the Dynafleet fleet management system in five of its 12 trucks and Isak Kungsberger has regular meetings with Peter Nylund to discuss how it is working out.

"Dynafleet gives us good follow-up on fuel consumption and driving styles and we get goldstar support from Peter. He knows the ins and outs of how the system works and listens to what we need. We've had the chance to test different solutions to arrive at the best one for us," explains Isak Kungsberger.

In his role as a services salesman, Peter Nylund tries to visit customers at least a few times a week.



Johan Fredén, Fredric Lund, Anders Troedsson, Peter Nylund, Helena Kihlberg and Kjell Ohlsson discuss future deliveries at the weekly "pulse meeting". Most of them are members of the Commercial Crew team.

"Meeting customers is really empowering. It helps us, the dealers, to identify needs and offer different services. It also means that we can act quickly so that problems don't end in a bottleneck," he says.

Peter Nylund is one of seven people in the team at Tage Rejmes in Örebro which, for the past two years, has won the title of "Sweden's best Commercial Crew".

Commercial Crew is the name of a way of working developed by Volvo Trucks. It

is designed to help dealers strengthen their customer relations and create new business opportunities. Working cross-functionally also improves internal communication.

Anders Troedsson, Service Market Manager, is leading the work on Commercial Crew at Tage Rejmes in Örebro. "There can be a large distance between the sales department, the workshop and the parts department at many dealerships. That isn't the case here. We work as one unit and everyone is very down to earth. By sharing knowledge and information, everyone gets the same picture of the customer," he explains.

In addition to Anders Troedsson and Peter Nylund, the team includes Kjell Ohlsson, Sales Manager; Fredric Lund, New Vehicle Salesman; Kenny Engström, Customer Receptionist; Henrik Svedberg, Rentals, Delivery, YKB (Special Skills Certificate); and Johan Fredén, Key Technician.

Tage Rejmes in Örebro is the first dealership

Commercial Crew

A way of working designed to improve internal communication at dealerships, first and foremost by increasing collaboration between the departments. The goals are to strengthen customer relations and increase business opportunities.

Commercial Crew began in a more organised form in 2012, following the launch of the Volvo FH.

Every year since 2014, Volvo Trucks has selected "Sweden's best Commercial Crew". This competition is based on different tasks during the year and the results, knowledge and activities are then assessed.

Today, there are 62 registered Commercial Crews with 350 employees at Sweden's 95 authorised workshops. In 2017, all the dealers are also going to include service technicians in their teams. In 2018, the target is that all 1,800 employees will be involved in Commercial Crew.



COMMERCIAL CREW



In his role as a key technician, Johan Fredén is the first to receive training on new products. He then passes on his knowledge to his colleagues. For the past two years, Johan Fredén has been a member of the Commercial Crew team.

to include a service technician in its Commercial Crew and this is one of the reasons it has become so successful. Johan Fredén has an in-depth knowledge of the products and he is an important link between the workshop and the office.

"We communicate well and collaborate closely. Everyone gives it their best effort and keeps each other updated. Our customers seem to notice the difference. They sound very pleased when I speak to them," says Johan Fredén.

THE COMMERCIAL CREW team meet about once a month, but they maintain a close dialogue with one another and with their other colleagues. In addition to the daily morning meetings, a so-called "pulse meeting" is held every Friday, at which future deliveries are examined and planned.

"Deliveries are extremely important and we are always looking to show ourselves at our best. After all, customers have invested a lot of money, so we've had to make sure that we live up to their expectations," says Anders Troedsson.

Once a month, Tage Rejmes in Örebro also has collaboration meetings to touch base with its largest customers. The agenda at these meetings is usually open.

"Meetings and talking about our challenges increases our understanding of the daily operations of our respective businesses. This makes it both easier and quicker to find solutions if problems or hitches occur," explains Anders Troedsson.

As far as customers are concerned, Commercial

Per-Erik Andersson is one of 22 service technicians working at Tage Rejmes in Örebro. He's been working as a technician for 26 years and really likes his job. "It's very varied and I have nice colleagues," he says.



The Bengts Åkeri haulage company is Tage Rejmes in Örebro's largest customer and it purchases many new trucks a year. During the delivery of this Volvo FH 4x2, Anders Troedsson, Kjell Ohlsson and Fredric Lund made sure that the customer was welcomed on the red carpet.

To succeed, it's vital that everyone here feels involved and that we all pull in the same direction."

ANDERS TROEDSSON, SERVICE MARKET MANAGER, TAGE REJMES IN ÖREBRO

Crew means that everyone they meet at the dealership is updated about their needs. Customers also have several points of contact, which creates loyalty and trust.

"As trucks become increasingly similar, we have to make sure that we offer something extra. We aren't simply selling a truck, we are selling a concept. To succeed, it's vital that everyone here feels involved and that we all pull in the same direction," says Anders Troedsson. \odot

Read more on Violin how the concept has been a key to success for Tage Rejmes: https:/fromgreattogreatness.com/2017/01/30/ commercial-crew-a-key-to-success/



Kjell Ohlsson, Sales Manager, is a member of the Commercial Crew team. "When I started here in 2002, sales were more of a one-man show and the sales staff were responsible for almost all the contact with customers. Things are totally different now."

TAGE REJMES IN ÖREBRO

 Authorised Volvo Trucks and Volvo Buses dealership
The company also has branches in Lindesberg, Askersund, Nyköping and Katrineholm.
Some 45 people work at the dealership in Örebro.
In May, Tage Rejmes

in Örebro moved to new and larger premises.



Tage Rejmes in Örebro has "Sweden's best Commercial Crew". Volvo Trucks Sweden is now encouraing more dealers to work in the same way.

Going for worldclass service

Volvo Trucks Sweden wants to offer the best service in the world. Commercial Crew is an important tool for realising this target.

SWEDEN HAS VOLVO Trucks' densest service network, with a total of 95 authorised dealers. Service and parts account for a large percentage of income and a lot of effort is focused on creating good customer relations. The "One Volvo – One Network" strategy is based on making all the company's customers feel at home and giving them a friendly reception, regardless of the dealer they visit.

"The large network is one of our best competitive advantages. To secure market share, we need to work in a goal-oriented way and make sure our dealers have plenty of work. We can do this by being an even better partner to our customers," says Niclas Johnson, Service Market Manager at Volvo Trucks Sweden.

Commercial Crew is an important tool in this work. By encouraging more dealers to work together in a structured way with open communication between the different departments, the number of satisfied customers will also grow.

The targets are ambitious. In addition to offering customers "world-class service", the aim is to make Volvo Trucks recognised for its service outside the bus and truck segments.

"If people want good service, we are going to make them aware that we are the people to contact. Volvo Trucks will be number one in the world," says Niclas Johnson.

KEY TECHNICIAN

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Biodieselbuss

Bus key technicians In Europe, there were 514 bus key technicians (BKT) in 2016. The plan is to train 80 new ones in 2017. For Swedish and Norwegian BKTs, the programme currently comprises 14 courses, but the content is constantly being updated.

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"It's fun being part of a network"

It is now almost three years since Christian Wallquist became a bus key technician and he has never regretted it. His job constantly involves further training, a new network and a real sense of responsibility towards his customers.

TEXT MARIA SKÖLD PHOTO CHRISTER EHRLING

CHRISTIAN WALLQUIST

Works as: a key technician for buses at the Bröderna Brandt Lastvagnar truck dealership in Säffle (but he sometimes also services trucks)

Lives in: Karlstad Leisure interests: takes part in motocross and likes working on engines

T is a fairly quiet morning at the Bröderna Brandt Lastvagnar truck dealership in Säffle, Sweden and service technician Christian Wallquist is focusing all his attention on a systematic troubleshooting exercise on a problem bus. After a short time, his face lights up.

"I've found what's wrong!"

As far as Christian Wallquist is concerned, this is one of the best things about his job – being confronted by a really complicated problem (in this case, a bus that refused to go faster than 20 kilometres an hour) and working his way step-by-step to a solution. In actual fact, it is one of the most enjoyable things he knows.

"Buses are one of my main interests. It probably sounds a bit weird, but I actually love my job," he says.

So he was delighted almost three years ago, when his employer asked him if he would like to do some further training and become a key technician. This is a special role within the Volvo Group for both buses and trucks. People who agree to become key technicians undertake to complete a certain number of training courses during the first year and then take a test. The ones that pass become certified key technicians and are then called at regular intervals to take part in new courses when important new products and features are introduced.

On the Swedish market, the training is held at the Volvo Buses Competence Centre in Säffle, so Christian Wallquist does not need to travel very far to take part in the courses. The other participants, on the other hand, come from all over Sweden and Norway. They all hold the title of bus key technician (BKT), which means that they have cutting-edge skills and know-how when it comes to buses. Once a year, they all meet for a joint gettogether.

"It's fun being part of a network like this and getting to know so many people. We're constantly learning so many new things that it never gets boring," says Christian Wallquist.

His most recent course focused on troubleshooting strategies for Euro 6 engines and he thinks it has been extremely useful. According to him, however, the very best course he attended dealt with hybrids and it was packed with practical sessions.

Once qualified, a key technician is expected to act as a resource for their colleagues at the workshop. In addition, key technicians are frequently sent on assignments to customers and, in Christian Wallquist's case, this usually happens a couple of times a week.

"It's great fun, you feel that you are really useful, because getting the bus back on the road is extremely urgent. At the same time, it can also be difficult. There is no one else to ask when you are at a customer, so you need to know what you are doing. That's why it's so good to have such in-depth training," says Christian Wallquist. 0

RETAIL DEVELOPMENT

THE DEALER VIEW

Retail development is a priority area for the Volvo Group. To succeed, it is important to take a frontline perspective. Volvo Trucks has brought in Martin Merrick, who has spent his career working at dealerships, to head up Retail Development.

TEXT LINA TÖRNQUIST PHOTOS SÖREN HÅKANLIND



t is Friday afternoon at the Bäckebol Volvo Truck Center in Gothenburg. This is familiar territory for Martin Merrick, Volvo Trucks Senior Vice President for Retail Development. He has worked in and around workshops practically his whole career, starting out as a technician and working his way up to become manager for Scotland and northern England, before making the switch to headquarters last year. So, what made him say 'yes' to the move?

"I think we're on a journey to truly become a customer company. That's something that really inspires and motivates me, because that's how we live in retail. The feedback I get now is: 'Keep the retail mindset – don't lose that perspective.' For me, coming from retail to headquarters, I feel like I've got an awful lot to learn, but I've also got a lot to bring. Together I think we can do some good stuff!"

Since the Volvo Group's reorganisation in 2016, do you feel that retail development is higher on the agenda?

"Definitely. The first slide during Martin Lundstedt's presentation at the Group Leadership Summit last year was a technician in a workshop – I think that says a lot. It's recognition that it's the parts people, sales people and technicians at the dealerships that are creating the wealth in the organisation. It's our job to give them the right training, tools and processes that make life easier for them to serve their customers."

What are some key insights that Volvo Group employees should know about retail?

"Firstly, one size doesn't fit all. Even in the same country, the size and the local business environment of each dealership are different. And it's the local environment and the people that drive performance and customer success.



If you are not directly serving customers, you need to make sure that you are adding value for those who do. We need to ask the question, why have initiatives failed before? Some really good ideas and well-intentioned initiatives haven't worked because they've taken time from dealer staff away from customers. So, our approach must be demand driven and focus on allowing dealers to better serve customers."

Name an initiative that has worked well at the dealer level.

"One good example is the Volvo Production

MARTIN MERRICK, SVP RETAIL DEVELOPMENT, VOLVO TRUCKS

Career: Started out as a technician 36 years ago. Joined Volvo Trucks as a Customer Service Representative in 1988 and went on to become Regional Managing Director for Truck Centre North & Scotland. He has held his current role since 2016. **Education:** holds a Masters of Business Administration (M.B.A) **On life in Sweden:** "This is my first time working outside of Glasgow, but both me and my wife felt right at home. We're used to rainy weather (laughs) so that's not a problem and there is a lot of cultural similarity between Scotland and Sweden."



System at dealerships. VPS sets a direction but it doesn't dictate the 'how'. Technicians, parts people, sales people know their job better than anyone else: so, it's important to get their views on how to improve customer uptime and quality of service and customer turn-around time. Then they will be committed to making those ideas into reality and drive continuous improvement."

What do you think is needed to create highperforming dealers?

"When I look at Volvo Group philosophy now, it's less focused on process and top-down leadership – I think that's good! It's more about empowering local leaders to serve their customers and develop their business.

"There has been a shift from taking control and creating followers to giving control and creating leaders locally. Whatever we say and do should be aligned to this. That's because it's the local environment that drives engagement and customer satisfaction.

"A strong dealer strategy is never going to be copy and paste. We want our local leaders to be strategic and understand the big picture. They need to know the customer base, the truck population and the potential, so that they and their team deliver on that. The top should set the direction and expectations and then give ownership and accountability, which is to say responsibility for both profit and loss, and for operations. In my view, that is how we will produce better results."

What can headquarters learn from the retail side of the business?

"One is building a culture of feedback, a good retail organisation actively solicits information and then acts on the information it gets from customers. We go back to the customer and say 'you said, we did.'

"Volvo Trucks did an internal capabilities study of how to drive customer success. We've asked sales areas 'are we a customer company?' More than half don't consider us to be a true customer company. That's the result now and we need to deal with it. Whatever we do must support and address that goal."

How can employees address this goal if they don't work with retail directly?

"If you're not directly serving the customer, you need to make sure that you are adding value for those who do. Whether it's process and solutions, training, or business control. The key is to provide demand-driven support to markets and to ask, 'What do the markets need from me?'"

You've worked for a long time in retail: how have customers' expectations changed?

"In Scotland, Volvo Trucks is a premium brand. So, customer expectations have always been high. But I think the recession of 2008-2009 resulted in an even smarter set of customers in terms of buying expertise and business models. They are also more cost conscious. From our end, there has been a shift to insight-driven sales. We had one customer, for example, with a fleet which was dominated by trucks from one of our competitors. They had some issues with the admin of parts and service. That's where we started discussions - we didn't even discuss trucks at that point. We spent time with them and listened to their problems. From that, we could build a compelling proposition which included service. This customer is 100 per cent Volvo now."



Key areas 2017

Competence development

"We know that commercial competence development will be critical for success. It's important that business acumen is understood at local level. Now we are driving large-scale commercial competence development including service parts and sales."

Fixing the basics

"We are asking ourselves what we need to do to improve efficiency in our tools and systems. In some cases, systems need to be updated. We are also making sure that everyone is trained on the tools. We've had examples where we've had 60 change requests for the Global Dealer System, but after training they were reduced to five."

Customer relationship management & operational excellence

"In terms of operational excellence we are focused on VPS for retail and supporting local management to give them the tools and help them implement. In terms of Customer Relationship Management – key initiatives are under way. We have an initiative in the UK and Ireland to build customer knowledge and tools that enable local commercial crews to make the right decisions."

Process and solutions

"Our ambition is to package the retail solutions – to make better use of what the organisation already has. This is to make better use of technologies such as connectivity. Our aim is that, when we deliver something, it is delivered as a complete package, which includes developing staff."

MEET TEAM BOVID

ALEXANDER SERGEYEV Technical Specialist (Electric Diagnostics). Has been working for the company since 2007.

"My team means a lot to me. I've been with Renault Trucks for over ten years now, so diagnostic and electric tasks are easy for me to solve. I want to see Lyon."

pstonmuti

"RTEC is an invaluable experience"

Panasonic

PARTICIPATING IN RTEC is increasingly popular. This year, 1,421 teams from 49 countries entered Renault Trucks' competition for technical staff from workshops and dealerships.

One of the teams came from Bovid Truck in Chelyabinsk, Russia, and participated for the first time. "RTEC is an invaluable experience, now we have decided to take part every year," says team captain Timur Konchenkov.

He and his colleagues have taken the competition very seriously and spent a lot of time studying for both the two theoretical rounds and for the practical tests. The team describes the competition as a real challenge, not least because it covered the new Renault Trucks range and because they have never been in this type of competition before. But it was also a great opportunity to acquire experience and knowledge, which is very much in line with Bovid Trucks' policy of encouraging continuous professional improvement.

"Participating in an international competition like this is a great responsibility but also a real honour." ■ TEXT VLADISLAVA POGADAEVA PHOTO ALEKSANDRA MAKAROVA

RTEC

About: RTEC (Road to Excellence Championship) is Renault Trucks' competition for workshop and dealership staff.

Founded: 2015

The 2017 competition: Has involved 5,285 participants from 49 countries. The finals were held in Lyon, France, in May.

Read more: rtec2017.com, www.facebook.com/RenaultTrucksRTEC/

PAVEL RYUMIN

Technical Specialist (Engine Mechanic). Has been working for the company since 2012.

"Each team does everything not only to win but also to improve its theoretical knowledge. Practice comes hand in hand with theory. Yet I would like more questions related to technical issues."

BOVID TRUCK

Location: Chelyabinsk, Russia Founded: 2006

Geography of clients: Ural Region, Khanty-Mansiysk Autonomous Okrug, Yamalo-Nenets Autonomous District, Tyumen Region, Perm Region, Kazakhstan

TIMUR KONCHENKOV Team captain, Warranty

Engineer. Has been working for the company since 2012.

"Participating in RTEC is an invaluable experience. We are determined to take part in it every year. There are a lot of unconventional questions in the competition and, whenever I have a spare minute, I spend it on solving RTEC tasks."

RUS

ALEXEY MIRONOV

Spare Parts Sales Manager. Has been working for the company since 2006.

"RTEC is a competition for professionals and an occasion to shake yourself from routine work, share your experience with your colleagues and, of course, maybe see France. I've never been there, and the company is giving me a real chance."

THE TASK FORCE

- SUPPORTING CUSTOMERS IN A NEW WAY

A team from Lyon, France, has developed a new way to provide service. To support the food distributor, STEF, they set up a special task force to meet the customer's needs in both the long and short term.

TEXT MARIA SKÖLD Photos Nicolas Dartiailh

HE FOOD INDUSTRY is a challenging sector and so nothing can go wrong. Few companies are more aware of this than the French distributor, STEF, which specialises in deliveries of catering and refrigerated goods. Its vehicles operate on a three-shift rota, 24 hours a day, 365 days a year. Deliveries must always arrive in time; otherwise, STEF has to bear the cost.

More than half STEF's fleet of 1,900 trucks is made up of vehicles from Renault Trucks and, over the years, STEF has developed a confidencefilled relationship with the Volvo Group. So, last year, when STEF experienced quality problems in a number of its vehicles, it immediately contacted Renault Trucks to discuss the problem.

"We know how decisive uptime is for our customers, not least for STEF, so we were naturally eager to find solutions," says Laurent Javey, Aftersales and Customer Support director for Volvo Group Trucks France.

In order to see quick results, the two companies set up a joint working party. The aim was to identify quality problems and find the root cause but also to establish what kind of support STEF requires in the longer term.

Together, they found a solution which enabled them swiftly to bring in and deal with the vehicles with problems. The work took a month around November-December 2016. Sébastien Dortignac, STEF's Vehicle Technical Director, is pleased with the result. "The technical collaboration makes it possible to find an adapted and effective response to our concerns," he says.

Michaël Cornillon, project manager within GTT, and Laurent Javey can also see many benefits when it comes to collaborating in this way. Needless to say, by far the most important is that it has strengthened the relationship





Michaël Cornillon, Project Manager GTT, Lyon



Laurent Javey, Director Aftersales and Customer Support



The core of the task force was made up of seven people, left to right: Michaël Cornillon, Laurent Javey, David Bissuel, Richard Valayer and Olivier Ansart. Not in the photo: Jean-Yves Drouhuin and Jean-Pascal Robert.

between Renault Trucks and STEF, which will incidentally soon be celebrating its 100th anniversary. STEF has been using trucks from Renault Trucks since 1920, when the company was originally set up. Renault Trucks has recently received new orders from STEF.

"It has been very exciting to lead the working group and to have direct contact with the end customer. I am also delighted that our work has had a positive impact on customer satisfaction and that STEF has shown its confidence in us," says Michaël Cornillon.

He emphasises the importance of forming a truly cross-functional team. The Volvo Group's representatives came from Renault Trucks' sales and technical support teams, the GTT Truck Product Project Office team, the Quality & Customer Satisfaction teams and Powertrain Engineering. They also received support from other functions. "This was a prerequisite for success. We needed to include both Renault Trucks' knowledge of the customer and GTT's project management expertise and technical know-how," Michaël Cornillon explains.

ONE ADDITIONAL POSITIVE side-effect is the learning curve this collaboration has meant for the Volvo Group.

"What the task force brought into our organisation was mainly speed of execution and containment actions adapted to our customer's needs," says Laurent Javey.

Since December 2016, the task force has transformed into a regular review process with monthly meetings in which the two parties define proactive actions. From the Volvo Group, both GTT and Renault Trucks technical and support teams are involved, to ensure continued collaboration and effective action.

STEF

Founded: 1920, Renault Trucks has been part of its fleet from the beginning.

Business: cold logistics (-25°C to +18°C). Operates in seven European countries.

Headquarters: Paris, France

Fleet: more than 1,900 vehicles, of which over 60% are from Renault Trucks



APPS FOR BETTER SERVICE

Technical features are opening opportunities for new levels of customer service. Mobile apps are helping customers keep track of repair jobs, for example, or get live updates on their fleet on the go. Here are three recently launched apps for different business areas within the Group.

TEXT KARIM AL AMIN

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1. Volvo CE Refurbishment App

Launch date: December 2016

Functions: The VCE Refurbishment App was created to help dealers estimate the cost and timeframe for refurbishing machines. It gives dealership staff the tools needed to conduct and record inspections of the machine. Based on the information collected, dealer staff can present a repair plan and an exact estimate for parts and labour costs. Through the app, the quote progress can be followed from beginning to end. How does it improve customer service? The app dramatically cuts the time needed to prepare a customer quote for a major repair. What could take up to a week now takes only a few hours and can be presented to the customer while on site. It displays how much money can be saved through a customised 'rebuild cost analysis' and aims to increase sales. It highlights the flexibility that Volvo CE can offer customers whether their aim is to have their machine refurbished or buy a new one.

*Footnote: This app was delivered by the Mobility team in Group IT, which has more than 120 apps in its portfolio. For more info, contact mobility@volvo.com.

2. Renault Trucks Optifleet App

Estimated launch date: mid-2017 Functions: The Renault Trucks Optifleet App is designed for fleet owners and enables them to track vehicles in their fleet in real time. Through the app, users can give new assignments to drivers and check the status of ongoing assignments. The app helps users contact drivers quickly by linking the drivers' emails and phone numbers, keeping them one click away. It allows users to keep a detailed assessment of drivers' speed and fuel-

efficiency through an Ecoscore rating. How does it improve customer service?

Saves time by locating and aiding the choice of drivers for assignments. It connects owners to their fleet and allows them to get updates from their vehicles. By allowing fleet owners to quickly reach drivers on the road, it also improves communication. It gives users peace of mind by allowing them to choose the best-suited driver for the job.





3. Volvo Trucks Mobile Dealer Service App

Launch date: November 2016

Functions: Volvo Trucks Mobile Dealer Service App was developed for the mining segment in India. It allows users to process parts orders, check vehicles repair history and create invoices. The app connects users to the Volvo Trucks order system both online and offline. When offline, the job can be saved and it will later synchronise when an internet connection is established.

How does it improve customer service?

It saves time for parts delivery. Earlier, when the customer needed parts, the orders were filled out on paper which could prolong the process. It also gives customers a 99 per cent accurate delivery time for ordered parts. The app helps to better communicate with the customers about the status of truck repairs. It allows the users to stay connected and access information without needing computers, which are not always accessible in remote locations. The app is designed to meet the demand for a mobile solution in the Indian mining segment. But it will also be launched in other markets and pilots are currently being run in Japan and Peru.

INTERVIEW

FINDING ARENAS FOR INNOVATION

Connected Solutions is the newly established unit that will lead the development of the Volvo Group's connected services and solutions. New ways of working will unleash innovation power and shorten time to market.

TEXT ANN-MARI ROBINSON PHOTOS PONTUS JOHANSSON

HE VOLVO GROUP currently has a valuable asset in some 600,000 connected trucks, buses and construction machines. The number is increasing every day and is expected to reach over 1 million by 2020.

"To stay competitive, we need to make the best use of, and continue to develop, our own capabilities as well as make effective use of partners," says Anna Westerberg, Senior Vice President Connected Solutions.

"The data generated by the connectivity of our vehicles and machines provide valuable insights how our products are being used. We are already using this data for uptime-related services and fleet management solutions for our customers. However, there is so much more we can do by applying analytics and become a more data driven company."

What more can we develop and offer?

"Key areas for our customers are – and will continue to be – productivity, uptime, fuel efficiency and safety. Through software-based services and solutions, we can deliver these values in new ways, more adapted to customers' business needs in different segments and markets. Helping our customers to optimise their productivity and efficiency will become even more important in the future, as the truck or machine is one part in a much bigger logistics system."

What is the ambition?

"Leveraging the data and combining it with other external data sources is a powerful way for us to take service innovation and development to the next level. The ambition is to position the Volvo Group as the leader in connected solutions for our targeted segments within commercial vehicles."

What trends are evident?

"Software technology is very much driving the transformation of our industry. As a result, new business models emerge. Also our customers' digital maturity and expectations are evolving. In some segments customers want to buy productivity services rather than physical assets to perform the job."

ANNA WESTERBERG

Education: MSc in Industrial Engineering and Management, Chalmers University of Technology. Career: Management consultant based in USA, Managing Director for

Career: Management consultant based in USA, Managing Director for software start-up in Europe. Joined Volvo Penta in 2009 as Vice President Product Management Industrial engines, followed by the position as President Volvo Group Venture Capital in 2014.

Passion: "It is truly rewarding to improve our customers' performance and create new business opportunities for the Volvo Group by working in teams with customers, colleagues and partners. I very much believe that we are stronger together and have more fun as well."

"Successful service innovation and development has to happen in close collaboration with our customers."

ANNA WESTERBERG, SVP CONNECTED SOLUTIONS

What about competition?

"New players are entering the value chain. Tech start-up companies and tech giants like Google and Amazon are also playing a role in the transformation of our industry. It's very unlikely that these companies will compete with our core products, but they will compete for the customer interface and total spend of our customers."

What are the challenges?

"The new entrants come with a 'software first perspective', characterised by being fast and creative, applying rapid prototyping and testing and innovating new business models in collaboration with users. To successfully partner with these companies we also need to work in a different way. Connected Solutions will offer an arena for these collaborations where resources from relevant Volvo Group functions, customers and partners can form teams and work with a lean start-up approach."

What changes do you foresee?

"I have met many customers and worked in close collaboration with our engineering and commercial teams to create new business. I have experienced our strengths and challenges when it comes to developing new services and solutions that extend the value to our customers, beyond our vehicles and machines. Today it takes too long time for our service innovations to become commercialised. Our current service development process is complex with too many layers between software developers and customers. We need to find a clear and effective way of working that will secure launch of competitive offerings to our customers and shorten time to market."

How will the Volvo Group work with suppliers and partners?

"New technology is developing at a high pace. We will not be able to do everything ourselves, so forming partnerships is a strategic choice. We can already see that it gives us a very powerful capability to bring new innovative solutions to our customers, increase our own knowledge and enable more efficient use of our resources."

Is new competence needed to succeed?

"Software competence is not only relevant for our development teams, we also need to add experience in creating new business based on software technology so that we take advantage of the new opportunities that comes with digitalisation and working close with our customers. The positioning of the Volvo Group as an innovative company, the tasks and the way of working are all very important areas to attract top talents for software development."

How will you collaborate internally?

"Successful service innovation and development has to happen in close collaboration with our customers. Therefore a lot of the development will happen out in the markets. We will work in close collaboration with the business areas, truck divisions, Group IT and other functions. It will be a truly cross-functional way of working."

CONNECTED SOLUTIONS

New unit since April 2017, reporting to Deputy CEO and CFO Jan Gurander.

Built upon existing Volvo Group Venture Capital and Volvo Group Telematics, currently some 700 employees and consultants.

Focus on service innovation, development, delivery and operation to better support customers.

- Will strengthen competitive position for the Volvo Group.
- Governed by internal board consisting of key stakeholders in the Executive Board and Group IT.

"Deciding priorities from a business and technology perspective, and securing capabilities to generate world-class digital platforms, features, products and services will mean that new models for partnerships will be needed. The formation of Connected Solutions will support in taking the connected eco-system of partners to the next level," says Anna Westerberg.

Keeping IT issues at a minimum

For Tokita Masatoshi, Line Manager, Volvo Group IT, ensuring an efficient IT system does not mean sitting behind a computer all day. In fact, most of his time is spent on the factory floor talking to people and getting ideas for improvements.

TEXT NIC TOWNSEND PHOTOS JUN TAKAGI

N HIS ROLE with IOS (Infrastructure and Onsite Services) Japan, Tokita Masatoshi and his team are responsible for ensuring IT issues have minimal disruption to production at all UD Trucks sites in Japan. "We need to secure full IT availability, otherwise the production line will be stopped, which will mean many losses and waste."

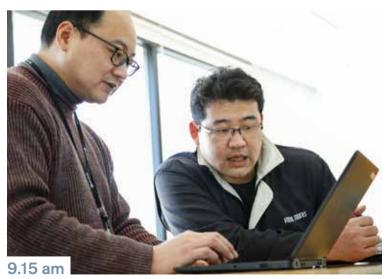
Onsite Japan provides three levels of support. Firstly, reactive support, which includes end-toend support for any IT incident that might arise. Secondly, preventive support, whereby the Onsite team attempts to identify and fix potential incidents before they occur. And, finally, proactive support, where Onsite uses Volvo Production System, VPS, to look for ways of improving processes and methods to improve overall efficiency and provide added value.

One of Tokita Masatoshi's biggest challenges is meeting Volvo Group IT's ambitious target of zero downtime due to IT issues. However by working with VPS, such as QRIT (Quick Response IT), he is confident that the target can be achieved.

"We need to improve our preventive and proactive actions, and I'm spending a lot of my time driving the Kaizen activities," he says. "Day by day, we are also moving closer to our realisation of zero downtime." (•)



"Every morning, before production can start, we need to do a pre-check of system availability. If we find a potential risk of an incident, we can fix it before it happens."



"When incidents are resolved, we have to go through problem solving to investigate the cause of the incident. We then need to implement a permanent solution so that the same incident does not happen again."





10.38 am

"Every day, I do a Gemba walk and go out into the plant. This is a good opportunity to talk to people, find out new incidents and topics for our Kaizen meetings, or listen to any other concerns users might have. Gemba is one of the most rewarding parts of my job. I think everybody has great ideas but they can remain buried if no one asks."

12.15 pm

"Lunch time. This is actually a good chance to find out about possible improvement topics, especially from key users. So, when I see them in the canteen, I sit down and try to find out about any new opportunities for future Kaizen projects."



"When an incident happens, I need to take care of it and fix it as quickly as possible. In the meantime, we are supporting our UD Trucks colleagues to find a workaround so that we avoid any impact on production. We will chase the incident until it has been solved and confirmed by the user."



"Continuing my Gemba walk through the UD Trucks head office. Through Gemba, you talk to people, listen to their ideas and then you get to see those ideas grow and add value to the business."



"Skype meeting. I have very good relationships with people from all over the world within the Volvo Group and I feel I can do everything as long as I have this great network. I'm very proud of this network and it is a key success factor for me."



3.10 pm

"ORIT (Quick Response IT) is a cross-functional meeting with representatives from the plant, IOS and our main partners, where we discuss our performance from the day before and discuss ways of improving."



"After our QRIT meeting, I also join the QRQC (Quick Response Quality Control) meeting as a representative of the IT department. It is the same concept but with more focus on improving overall production. It's good to share information and enables us to run some joint projects together."

What is **QRIT**?

QUICK RESPONSE IT (QRIT) is a way of applying VPS to IT operations at site level. The concept consists of daily crossfunctional meetings with the focus on working together to solve coming problems and find root causes. In just two years, QRIT has spread from two sites (Curitiba and Umeå) to 20 sites today (including one Volvo CE site in Changwon, Korea). In that time, the minutes lost due to IT issues have been reduced by 62 per cent, while monthly stability (no IT-related interruptions) has increased from 10 per cent to 74 per cent.

PAINTING IN PROGRESS

Smurr Blue, Jurassic Ember, Neon Jungle, Pink Panther and Erica Violet - these are some of the names of the 800 active colours that Volvo Trucks offers its customers. Erica Violet was inspired by the name of one haulage company owner's wife.

TRUCKS IN COLOURS

Volvo Trucks' customers have a choice of 800 colours for their truck cabs. If their favourite colour is missing, the paint lab in Umeå can usually find a solution.

> **text** Linda swanberg

PHOTOS ROBIN ARON OLSSON range, white, yellow, green, white, white, white, black, yellow, blue... In less than 20 minutes, ten newly painted truck cabs of different colours pass the inspection station

at GTO Cab plant in Umeå, Sweden. Yvonne Määttä, Quality Control Operator, runs an experienced hand over the shiny surface to make sure there is no unevenness or dust on the cab. The colour is also inspected at the same station.

"Many colours are very similar and sometimes only small nuances differentiate between them. To make sure the cab is the right colour, we have reference panels to compare with," explains Yvonne Määttä.

Winter White is still one of the most popular

colours for Volvo trucks, but an increasing number of the 300 or so trucks that leave the plant in Umeå every day are painted in different colours.

"There have recently been a large number of different colours and we are seeing more and more metallic and clear varnish. Metallic is my personal favourite. There's a blue variant which is extremely attractive," says Yvonne Määttä.

Before the cab is checked at the inspection station, it has to pass through a wide range of stages. After being dipped in the corrosionprotection paint, primer is applied to the cab before the time comes for the robots to spray on the topcoat. The paint is then left to harden for 45 minutes in a large oven.

Even if the actual painting process is fully

64,000

The number of cabs painted in Umeå in 2016.



kilograms The weight of the paint on the cabs painted in Umeå.

1103

The colour code for the most popular colour by far – Winter White. Some 40 per cent of all the cabs that are painted in Umeå are this colour.

After the cabs have been painted they pass the inspection station. Under powerful fluorescent lighting, the surface and colour are checked by Yvonne Määttä and her colleagues.



Eva Vännman works as a laboratory technician at the paint lab. This is where new colours are developed, tested and checked. "I have been working for the Volvo Group since 1985, most of the time with paint in different ways. Having a good understanding is an essential tool in the work we do," she says.

Volvo Cab Competence Center

THE VOLVO CAB Competence Center is located at the plant in Umeå. This means that the plant provides support for the development of new product concepts for cabs, as well as innovative and profitable production technologies within stamping, assembly and surface treatment. Umeå is also the introductory plant for new technologies and materials. It supports other plants in the Volvo Group with know-how and technical support when it comes to matters related to processes and product issues related to manufacturing.



automated, many different people and functions are involved in working on colours. Some of them work at the paint lab, one floor up at the plant. Among other things, new colours are developed at the lab and this is where customer requests also end up. Because, even though Volvo Trucks offers its customers no fewer than 800 different variants, new requests and wishes are received every week.

"We have, for example, received samples on a piece of fabric, mobile phone shell or nail polish. In most cases, we are able to offer customers colours that are very close to the ones they want or else we can develop a totally new colour. Only



Andreas Bask

in very rare cases are we forced to say no. That's when the colour doesn't have the necessary properties," explains Andreas Bask, Paint Lab Manager.

Before a new colour is introduced into production, it is subjected to rigorous tests and checks.

Eva Vännman works as a laboratory technician and she spends a great deal of time in the painting chamber at the paint lab. This is where the process in the paintshop is simulated with the



Mats Degerfalk, site manager at axalta, which supplies paint to the plant in umeå

"We mix around 4,000 litres of paint a week and we both mix the paint and fill the paint robots. When I started here 12 years ago, 70 per cent of all the paint was Winter White, whereas this figure has now fallen to 40 per cent. Right now, we can see that the really clean white is popular, but brilliant white and black have also increased in popularity. The different red and blue colours are also popular, whereas unusual colours like pink and lilac are only rarely specified."

assistance of a lab robot and the paint is tested on small panels.

"This is a way for us to make sure the colour is right. After all, it's important that it's correct when it is applied to a cab. Metallic, for example, is more difficult, as the nuances of the colour change depending on the angle and light," she explains.

The right colour is not enough for the end result to be acceptable, however. The structure and application also play a decisive part in the surface finish. Ola Ågerlind works as a paint robot optimiser and, using a 3D program, he makes sure the paint robots spray the correct flow and that the paint is applied in the right place.

"It's my job to optimise the process and make sure that the best possible coat of paint is applied to every part of the cab. So many things need to match. Different colours have different properties and there is also a difference if the paint is applied horizontally or vertically," he says.

Volvo Trucks' customers set rigorous requirements for their trucks and every step in the painting process is important in order to ensure quality and make sure that the customer is given the precise colour he or she has specified.

"We conduct a close dialogue with all the functions that are involved in the process. Even if we all have different focal points, everyone is aiming for the same thing – to ensure that the end result is as good as it can possibly be. Volvo Trucks is a premium brand and customers expect the paint to last for a very long time," says Andreas Bask. ●



Ola Ågerlind works as a paint robot optimiser. He makes sure that the robots spray a correct flow on every part of the cab.

A CLEAN PAINTSHOP

THE GTO CAB plant in Umeå has invested heavily in improving both the internal and external environment. With advanced cleaning technology for air, new solvent-free materials and modern painting equipment, the plant is currently one of the world's cleanest paintshop within the automotive industry.

The new facilities for pre-treatment and the electrocoat process, which are under construction, will also result in a number of environmental improvements. For instance, the process will be carbon dioxide neutral and process water flows will be recycled through a closed loop. The new building will be heated entirely by heat recovered from production, which will minimise energy consumption and the environmental impact.

Colours that give character



While many competitors are quite conservative when it comes to exterior colours, Volvo Trucks has never hesitated to be expressive and distinctive. New exterior colours are used to highlight

launches of trucks models and special editions, as well as promote new features and updates.

"Exterior paint colours are an important part of enhancing the premium character and quality of our trucks. We put a lot of effort into finding the nuances that suits both Volvo Trucks' identity and the different models. We also work with different types of paint technique to define the character of the surface," says Linnéa Nilsson, Designer Colour, Materials and Finish at Product Design, GTT.

LINNÉA NILSSON EXPLAINS HOW PRODUCT DESIGN USES COLOURS TO EMPHASISE THE CHARACTERISTICS OF DIFFERENT VOLVO TRUCKS MODELS:

VOLVO FMX

"We want the colour to highlight the sturdy character of these trucks. As you often find them in a demanding and dirty environment, we also want to use nuances that stand out. For the recent launch we therefore used Winter Orchid, a light and fresh colour with high visibility."





VOLVO FH16

"For this model, we work with dark colours and bold effects to contrast the signature silver grill and to highlight the boldness and the power of the truck. Mystic Fjord, which is the most recent launch colour for the Volvo FH16, is an example of this. It has a dark grey base with multi-coloured pearl effects."



VOLVO FE, FL, VM

"These trucks are often used in busy urban environments and to draw attention to the trucks we use playful colours with a lot of character. For the latest launch, we therefore used the bright blue Morpho Code on the Volvo FE, and the dynamic copper tone Midas Touch on the Volvo FL."

VOLVO FM

"These trucks have a multi-functional quality and we want the exterior colours to express this. For the latest Volvo FM launch, we used the metallic colour Golden Fleece, as this colour makes the trucks stand out, while at the same time conveying a sense of quality."





VOLVO FH

"For the Volvo FH, we work with classic yet modern colours with sophisticated effects to highlight the premium character of the truck model and connect to Volvo's Scandinavian heritage. To launch the Volvo FH in 2012 we created Wild Jade – a pearl colour that, depending on the viewing angle, flips between green, blue and gold tones."

· MFrance:

EG O40 ZX

Lémi

Transports.

Huguette Durand had given up driving for a while but could not resist getting behind the wheel of her birthday truck.

Passion for the industry

Together with her husband, Huguette Durand has built a distrubtion company on a passion for vehicles and driving. One hundred per cent of the fleet is made up of Renault Trucks.

H UGUETTE DURAND CAUGHT the trucking bug when she started driving trucks as a 22-year-old. "A chance internship pushed me into the world of trucks," she says. "And then, I never left."

She started a transport company together with her sister, which some years later merged with her husband's. Today the company, Transports Durand-Lemi, has 14 drivers, including the owners' eldest daughter. They primarily carry non-hazardous chemicals.

"At Durand-Lemi, we are truck drivers first and foremost. When we buy a truck, we buy for comfort and safety and the prestige to make our customers proud. The purchase is also a question of environmental performance," says Huguette Durand.

For her, this translates into buying only from Renault Trucks. "My husband, Christian, is a big fan of the brand," says Huguette Durand, who actually first started driving Mercedes but converted after trying a Renault Magnum. "With their elevated cabins, they were tricky to manoeuvre, but they were also so much more spacious and comfortable for the driver."

Today, Transports Durand-Lemi owns 15 vehicles, the last of which is a deep-black T Range enhanced with a vermillion red trim. The truck was a birthday surprise from her husband, Christian, which was unveiled at the inauguration of the Renault Trucks workshop in Saint-Egrève last November.

Celebrating birthdays together is a clear sign of a special relationship and Huguette Durand describes the dealership as a "very trusted partner". But she has also been happily surprised by Renault Trucks' service network on occasions when trucks break down far from home. Service has always been provided in a very responsive and personalised manner.

Knowing this makes it easy to relax and enjoy the driving, which Huguette Durand has now resumed in her new truck. "It is such a pleasure to be behind the wheel again, so now I drive between Lyon and Hanover every week – it's a real joy." \odot

TEXT SOPHIE POISARD-STORZ PHOTO DENIS CHAUSSENDE

TRANSPORTS DURAND-LEMI

- Founded: In 1994 after a merger of Transports Lemi (founded in 1984) and Transports Durand (founded in 1991).
- Staff: 16 employees, including 14 drivers.
- Fleet: 15 vehicles from Renault Trucks, six Premiums, six Magnums and three T Range trucks.
- Transport: National and international transport of nonhazardous chemicals in tanks.

Hugette Durand's truck priorities

Comfort and safety
Design and prestige
A good service network
Road performance

RIGHTON THE BUILDON

For Uptime Coordinators at the Volvo Action Service (VAS) Uptime Centre, telematics and connectivity are changing the way they work. In one recent case, they were even able to rescue a driver in an accident.

TEXT NIC TOWNSEND PHOTOS JUSTIN JIN

N HIS TEN years working as an Uptime Coordinator at the VAS Uptime Centre in Ghent, Jean-Pierre Fabris has never had an experience like the one he had last November. "I received a call from a driver in Italy, who said he'd just been in an accident and was stuck in his seat. He couldn't find his phone so he had pressed the VAS On Call button instead.

"I tried to calm him down and told him an ambulance was on its way. Because of the VAS button, I already had his registration number Jean-Pierre Fabris (right) and Annelies Van Hoecke discuss a case at the VAS Uptime Centre in Ghent. Like all VAS Uptime Coordinators, Jean-Pierre Fabris is multilingual and speaks French, English, Italian and Dutch.

and GPS coordinates, so, as I was talking to him, I was also contacting the police. Less than 15 minutes later, the police, fire department and an ambulance were on the scene."

The case is far from usual, but it does illustrate the broader benefits of the VAS On Call button, which was first introduced with the new Volvo FH in 2012. By simply pressing the button, drivers are automatically connected to a VAS Uptime Coordinator who speaks their language, while also communicating GPS coordinates and diagnostic fault codes. "Often drivers cannot explain where they are," says Jean-Pierre Fabris. "I remember one of the first calls I ever took. All the driver could tell me was that he was 'next to the water'. I eventually worked out that he meant Lake Garda in Italy, but it made me realise that drivers do not always know where they are. The VAS button has made it very easy for us. While we chat, we can multitask and start locating them."

PAUL MARTIN, UPTIME Solutions Director, believes that VAS On Call has helped both coordinators and technicians save time and improved the overall communication with customers.

"It gives customers peace of mind," he explains. "When they've broken down, it's reassuring for them to hear a coordinator, speaking in their language, who knows who they are, where they are and can help."

Now the VAS Uptime Centre is looking at other ways communication can be improved with connected services. "We have a fantastic team of highly motivated coordinators and a strong network of dedicated technicians, but what could be improved is the communication between the two and with the customer," explains Paul Martin. "As with the VAS button, we're looking to reduce the need for phone calls. We want to develop smart tools, such as apps, where coordinators and technicians can update cases directly. Customers could then track their cases in real time, or even receive updates and notifications."

For uptime coordinators like Jean-Pierre Fabris, any time that can be saved means they can spend more time receiving calls and providing an even higher level of service. "In this job, responding quickly can make the difference between life and death," says Jean-Pierre Fabris. "If this accident in Italy had taken place somewhere isolated and the driver didn't have a VAS button, who knows how long he could have been waiting or what would have happened?" •

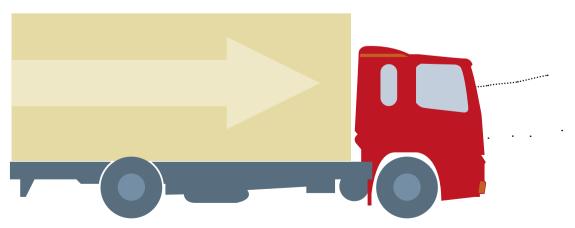
HERE FOR YOU

When a customer's truck breaks down, there is a whole global network operating behind the scenes to help get them back on the road. Meet the layers of support behind the dealerships and the coordinators at the Uptime Centres.

TEXT MARIA SKÖLD Illustration Petter lönegård



of the calls to the European VAS Uptime Centre come from telephones and 10% from the VAS button.



DRIVER IN NEED

When a truck breaks down or has an accident, the first line of support is either the truck's home workshop or one of the Volvo Group's Uptime Centres. Some Volvo trucks are fitted with a VAS On Call button, which can connect them directly to a VAS Uptime Centre.

MORE SUPPORT

Every once in a while, even Technical and Connected Services Support needs someone to turn to for advice. They can then contact specialists at GTT. Parts Support, which belongs to GTO and is also part of Uptime Centre, can assist on parts related issues.

TECHNICAL AND CONNECTED SERVICES SUPPORT

When dealerships need help, for example if they get stuck in their efforts to install something or cannot locate a missing part, they can call Technical and Connected Services Support (previously Technical Dealer Support). This is a global helpline which is located at the Uptime Centre in Ghent, Belgium. They serve all brands and work 24/7.



Technical Dealer Support has serviced customers for 20 years. It recently changed its name to Technical and Connected Services Support. In the US, Technical Service Support and Parts Specifications in Greensboro assist employees in the call centre.



WORKSHOP

When close to home, the driver will often call the customer's own workshop to get help. Workshops can answer all sorts of questions and handle repairs.

UPTIME SOLUTIONS

If something happens to a truck on a long journey or outside office hours, the coordinators at Uptime Solutions are available 24/7 and provide assistance in the driver's own language. Here they handle all roadside assistance requests, as well as translations, driver repatriations, vehicle rentals, legal assistance, towing and organisation of payments.

... Roadside Assistance and telematics cases were handled in 2016 by the Uptime Center in Greensboro, USA. Uptime Solutions dealt with another 220,000 cases on behalf of the Volvo Truck European and international regions.

ROADSIDE ASSISTANCE

The Volvo Group offers Roadside Assistance Services throught its Uptime Centres in the USA, Japan, Latin America, Australia, Europe and South Africa. Uptime Solutions is located in Ghent (Belgium), Rugby (UK) and Johannesburg (South Africa). They service Volvo Trucks, Renault Trucks, UD Trucks, Mack Trucks, Volvo Bus and Volvo Penta. The Uptime Center in Greensboro (USA) supports Volvo Trucks, Mack Trucks, Volvo Penta and Prevost.

understanding the world around us



QUESTIONS TO **HUANG ZHENG**

VICE PRESIDENT, PUBLIC AFFAIRS, CORPORATE SOCIAL RESPONSIBILITY & COMMUNICATION

A new set of digital players are disrupting business models in China and changing the way people communicate. Today, you can order and pay for almost anything in a major Chinese city using only a mobile app.

What are some of the major changes in the digital space in China?

"Ten years ago, paying for things online in China was like eating fresh crab. You had to be a little bit careful. Today, Chinese consumers generally trust online payment. As a result, e-commerce is huge, not only for online shopping but also for B2B businesses. Online sales are growing at a rate of 23 per cent and this is rapidly changing the whole basis of China's economy.

We've also seen the emergence of socalled 'super apps'. These allow you to do a lot from within the app, from posting social media updates, to ordering a manicure to making payments. Increased digitalisation also means there is a growing diversification of media channels, so we need to be active in many channels."

One such "super app" is WeChat (Weixin). How has WeChat changed life in China?

"It's really changed daily life. If you are visiting Beijing these days, all you need is your phone connected to a Chinese bank account and the WeChat app. You can get in touch with almost anyone, order just about anything and pay for it, all within the app."

Why should a company like the Volvo Group keep updated about the digitalisation trends in China and how they are changing the business environment?

"To deliver online goods on time, fleet

owners are prioritising performance and uptime. That makes them choose highperforming vehicles such as Volvo Trucks. But new digital business models are changing the whole transportation space. So, it's important for us to stay informed, in order to stay ahead!"

How is it changing the way companies communicate?

"Companies are now using social media to communicate and that is changing the way they communicate. Language and content need to be crisp and compelling. On WeChat alone, there are ten million official public accounts that publish seven million articles a day - so you have to stand out to be heard."

What are three major digital trends to keep an eye on in China?

"Intelligent automation is a key focus area for the Chinese government and is directly linked to our supply chain. Our customers are already building very sophisticated warehouse management systems, for example. So, it's important to integrate our own transport to that.

Another trend is the growth of new disruptive business models. Disruptive innovations are emerging in all sectors. Third is the platform economy, a few big platforms are dominating the online influence in China. We should seek to work with them as an institutional partner." 💿

LINA TÖRNQUIST



HOT CHINESE APPS

WECHAT (WEIXIN) A so-called "super app". It offers a range of services from instant messaging, making payments and ordering food. The app has more than 700 million active users.



E-commerce giant Alibaba's e-commerce platform is similar to E-Bay but is much bigger.



MOBIKE This is a bike-sharing

network where users grab a ride through an app.

"New digital business models are changing the transportation space in China. So, it's important to stay informed, in order to stay ahead!" says Huang Zheng, Vice President, Public Affairs, Corporate Social **Responsibility and Communication** at Volvo Group.

understanding the world around us



Robert Wester presented his project on costefficient manufacturing technologies.

Showing off new tech

THE MANUFACTURING SHOW is an event aimed at presenting ongoing technology developments in the manufacturing process. The organiser, Quality & Engineering, GTO, is hoping that it will become a platform generating interest in research and development initiatives within the Volvo Group.

The first show, held in Gothenburg, Sweden, in February, focused on activities within six strategic development areas of the manufacturing process - from additive manufacturing to virtual manufacturing and weight and material reduction.

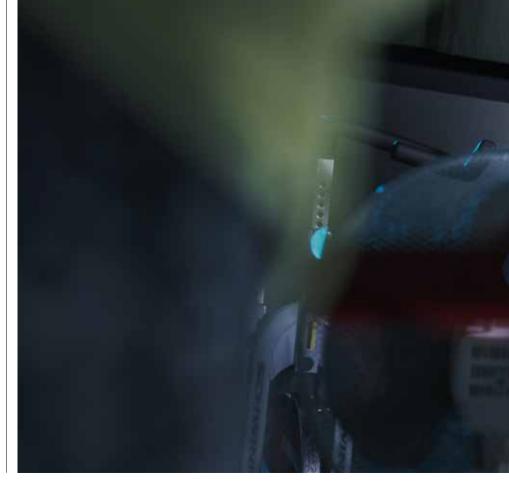
Among the presenters, Robert Wester, Manufacturing Technology Manager in Skövde, Sweden, showcased his project on cost-efficient manufacturing technologies, for which electrical machines and battery modules are crucial components. "We know that we will move over to electromobility - it's just a matter of time. We need to prepare for this new technology so that we can have a smooth and efficient transition. The Manufacturing Show is a great opportunity to share information and get valuable input," says Robert Wester.

The team behind the show now plans to make the it annual and open it up to a broader group of employees.

11.07 am AT GTO TUVE PLANT. **GOTHENBURG, SWEDEN**

"I'M THE COORDINATOR of a team of seven health coaches at the Tuve Plant. We encourage our colleagues to think about health and take part in activities, from indoor cycling, floorball, yoga and beach-volleyball tournaments, to lectures about sleeping and food."

Maria Blom, Executive Assistant, has worked at the Tuve Plant since 1994 and started the team of health coaches about seven years ago. The team works to encourage a healthy lifestyle in areas stretching from physical activity, food, movement, mind-set, sleep and happiness. The team plans activities year-round and has a meeting every other week. .



Maria Blom works as an executive assistant and health coach at the Tuve Plant in Gothenburg. Here she is attending a class of indoor cycling, one of many activities arranged by the team of health coaches.

understanding the world around us

Tips for effective meetings

IT IS ESTIMATED that office workers spend around a third of their time at work in meetings. So, it is crucial to make sure these meetings are run effectively. Keeping meetings efficient will not only save time and cut costs but also improve outcomes. From planning to follow-up, there are several steps you can take to make sure meetings become more productive. Here are a few tips:

Start and finish on time

When hosting a video conference or Skype meeting, avoid technical delays by logging in beforehand to solve any technical issues. Effective meetings tend to end a little earlier. Leave time for questions and brief plans for follow-up. Keeping meetings short and to the point allows the team to stay focused and get more work done.

> Set an agenda and be clear about the meeting's purpose Agendas keep meetings organised and are a good basis for realising the goals of the meeting and asking effective questions.

Follow up both during the meeting and after At the end of each discussion topic, agree on the next steps and set commitments and deadlines for each action. After the meeting, make sure you send an email or a Teamplace link to the minutes. As an attendee, use the minutes to determine whether you have any questions and keep track of follow-up actions.

Stay on task

Allocate estimated times and specific people for each point on the agenda. Participation is crucial for a successful meeting, but avoid talking for too long and having side conversations.

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MANY MEETINGS EVERY DAY

- On a typical business day, 10,396 Skype for Business conferences take place within the Volvo Group.
- Conference attendance averages four persons and lasts for 48 minutes.
- Skype conferences include attendees from 58+ countries and 739+ cites.
- Volvo Group University is planning a 2.5-hour virtual training in Engaging and Effective Global Virtual Meetings. Check for news in the Volvo Group University Community on Violin.

CUSTOMER VOICE: QIU LIXIN

A trusted partner takes you all the way

UR COMPANY RUNS a facility at the Tianjin Port in north-eastern China, where we load and unload coal and iron ore. We have around 330 employees and our main business involves the importation of raw materials from Australia and Brazil and distribution to neighbouring cities.

The 300,000-tonne-capacity dock where our operations are based runs 24 hours a day, seven days a week. We use dozens of wheel loaders and our expectations are high. In peak periods, some machines are required to work up to 24 hours – and, in such a harsh operating environment, we can experience frequent breakdowns. This forced us to rethink the makeup of our fleet. We made our first purchase from Volvo CE in 2002 and since then have grown our fleet to the 44 wheel loaders we own today. All of them were purchased through Beijng Harmony Resources Mechanical Equipment Co., our local Volvo dealer and service provider.

I recall when one of our wheel loaders experienced a mechanical failure while working inside a ship at 3am. As we were unable to resolve the issue and knew that the mechanical downtime was having an immediate impact on productivity, we put in a call to Beijng Harmony Resources. Not only did they get guys onto our site within 30 minutes, they were also able to resolve the issue almost immediately.

This is a strong reminder that they treat our business as their own.

AS WE LOOK to the future, it is really pleasing to see the significant progress Volvo CE is making in terms of technology and especially the way it impacts operational management. We are particularly impressed by the CareTrack telematics system



which has made monitoring our 44 wheel loaders so efficient. A reliable machine will always get you off to a good start, but having a trusted partner like Volvo CE will take you all the way.

QIU LIXIN, TECHNOLOGY MANAGER TIANJIN PORT YUANHANG INTERNATIONAL ORE TERMINAL CO., LTD

What do you know about the Volvo Ocean Race?

October 2017 marks the start of the world's toughest sailing race. Over nine months, the teams' identical boats will cover 45,000 nautical miles with stops in twelve cities. For the Volvo Group, the race is a way to strengthen the brand and meet customers and dealers in a unique environment.



Win a Volvo Ocean Race fast dry cap!

Email your answers to **groupmagazine@volvo.com** no later than 15 August 2017. Ten lucky winners will receive a unisex Volvo Ocean Race fast dry cap, ideal for periods of exertion, as well as protecting you from rain and spray. Write "Quiz" in the subject line. Remember to include your name, address and the colour (black, blue or red) you would like if you win.

The winners of the quiz in *Volvo Group Magazine* #1 2017 were Mina Son, South Korea, Mateusz Kozak, Poland, and Florence Bernoud, France. The right answers in #1 were: 1C, 2B, 3B, 4B, 5C, 6A.

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