

Volvo Group magazine 3.2018



TAKING ACTION

**HOW VOLVO GROUP TEAMS AND INDIVIDUALS
ARE DRIVING PERFORMANCE TOGETHER**

We have reasons to be proud

CUSTOMERS TRUSTING US is the finest form of acknowledgement. Every day, customers all over the world choose to purchase vehicles and service solutions from us to help them succeed in their business. They trust us to keep our promises and always be there for them.

This is what makes our work so difficult. We cannot afford to fail and think that "It's bound to be better next time". Adopting that kind of attitude would be disastrous for our customers. But this is what makes our work so enjoyable. We really can make a difference for our customers and consequently for their customers as well.

AT VOLVO TRUCKS, we know we can never just sit back and relax. We must always improve. One inspirational example in this context is Volvo Chile, who we meet in this issue of *Volvo Group Magazine*. In the space of just one year, they succeeded in improving customer satisfaction sharply by introducing a new way of working, with the emphasis on service and customer reception. As a result, they won the Volvo Trucks' Customer Focus Cup.

There are always a number of factors behind success stories like this. The first is prioritisation and only doing what is really important. In our case, this means the things that create value for the customer, where availability, quality and cost effectiveness are decisive.

The second is collaboration, not only within and between teams but also between different

parts of the Volvo Group. I am extremely proud of the work all of us are doing together every day, where Volvo Trucks dealers, GTO, GTT, GTP, Volvo Financial Services and many others are contributing to our customers' perception of us. The starting point is that each and every one of us attempts to solve the problems that occur and, when this is not possible, we help one another. So, just waiting passively is never an alternative.

The third factor that makes us successful is that we have fun and celebrate our successes. For the last couple of years, the Volvo Group has increased its focus on results and profitability and we have succeeded in a lot of our undertakings. We have every reason to be really proud of our achievements.



CLAES NILSSON
PRESIDENT,
VOLVO TRUCKS

On occasion, members of the Executive Board take turns writing the editorial.

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Building strong teams and effective collaboration requires more than individual skills and competences.

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PHOTO: PONTUS JOHANSSON

Mighty jobs with Volvo Penta

“**SPECTACULAR MACHINES** in dramatic working environments” is the premise for Volvo Penta’s upcoming YouTube series *Mighty Jobs*. The film series will highlight the power and precision of Volvo Penta’s industrial engines used in extreme environments and machines, and of course the skilled drivers who operate them. First out is an underground odyssey set in the Finnish mines of Tampere where Sandvik engineering group put its mining equipment to the test.



Arrow Truck Sales now in Europe

TO EXPLORE INNOVATIVE ways of growing in the used truck business, Volvo Trucks Europe is introducing Arrow Truck Sales. The non-Volvobrand trader operation is now under development in Berlin, Germany.

“This will primarily be an online business, competing on commercial terms with other traders and enabling us to learn more about customer preferences and behaviours,” says Andreas

Gustafsson, Managing Director of Arrow Truck Sales.

While Arrow Trucks Sales will be new in Europe, the brand was founded in 1950 and has grown to become the leading provider of used medium- and heavy-duty trucks in North America.

The new European operation will be based near Berlin Airport and Volvo Truck Center Wildau. Limited operations will start in the second half of 2018.



Andreas Gustafsson, Managing Director, and Mikko Nevala, Sales and Purchasing Director, are introducing Arrow Truck Sales in Europe.

PHOTO: CICCIO JONSON



The new buses are part of ElectriCity, a partnership run jointly by the research community, industry and society.

Electric articulated buses tested in Gothenburg

10%

In 2017, the Volvo Group was 10 per cent more energy efficient than in 2016. The energy efficiency index, which measures energy use per net sales, was 6.4 MWh/SEK M (7.1 MWh/SEK M in 2016). The efforts made in energy-saving activities are clearly demonstrated in the decrease in energy use despite high production volumes. In the last five years, the energy efficiency index has improved by 25 per cent.

THIS JUNE, REGULAR traffic in Gothenburg, Sweden, will expand to include two new all-electric articulated buses.

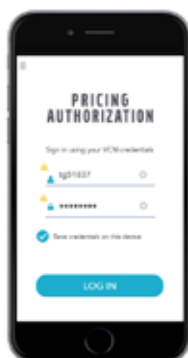
These prototypes are a part of ElectriCity, a framework of electrified buses which has been on trial since 2015.

"The new all-electric buses are far quieter than diesel buses, they emit absolutely no exhaust gases and they are designed for smooth and comfortable travel," says Lars Holmin, chairman of Västtrafik, the public transport company that operates in Gothenburg.

Innovation award for VFS

AT THIS YEAR'S IDG Enterprise Agenda18 conference in Florida, USA, Volvo Financial Services (VFS) received a Digital Edge 50 award for innovation. The company was celebrated for its work

on the newly implemented mobile platform for truck customers, and was the only captive finance company on the list of award recipients. "The apps provide various services, including quotes based on VFS interest rates, a queue manager for viewing deals which need processing and a price authorisation tool to speed up internal processes," says Meredith Zhang, VFS Business Solutions Manager.



VFS' winning mobile platform



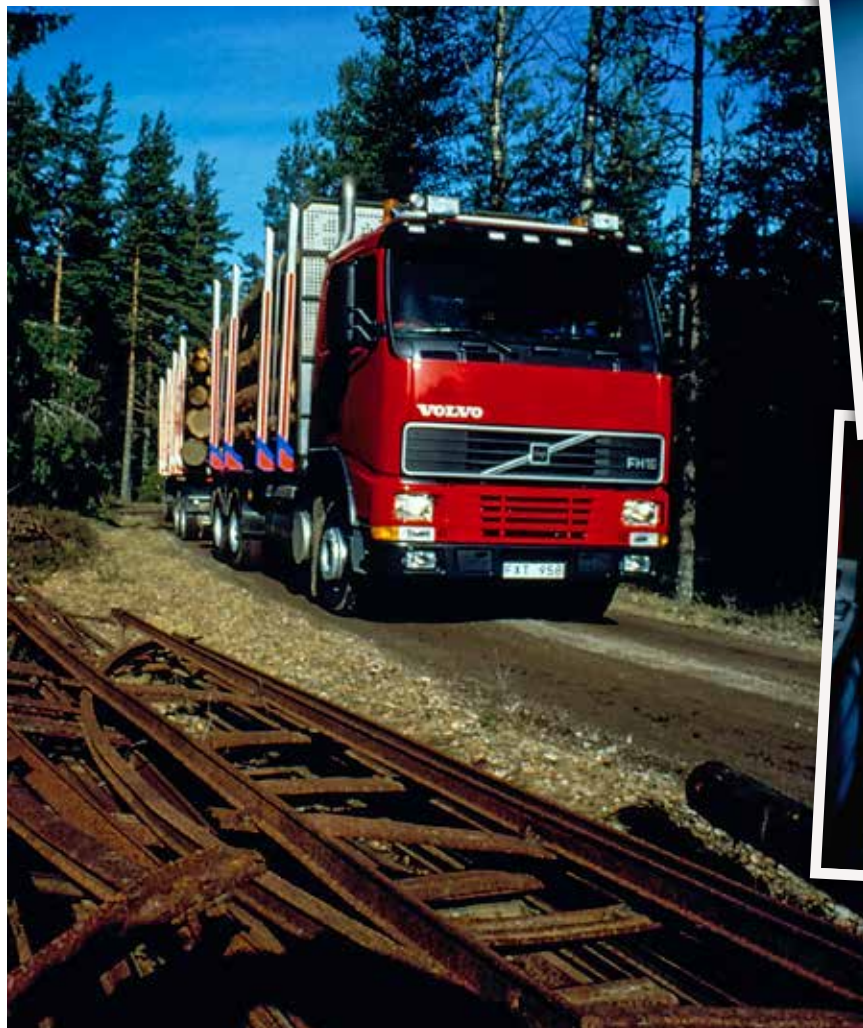
PHOTO: VOLVO CE

The teams that participated in the global finals in 2016.

World-class Volvo CE technicians stepping up

VOLVO CE MASTERS is the championship in which parts and service technicians from authorised Volvo CE dealers from all over the world compete. This year's competition has attracted 3,235 participants, and is now at the stage where the dealer teams compete for a place in the hub finals. The regional finals will take place during the second half of 2018 and the ten best-performing teams will meet up in Eskilstuna, Sweden, in March 2019.

PHOTO: VOLVO TRUCKS



When the Volvo FH was launched in 1993, it was unique in many ways. It attracted a lot of attention for both engine technology and driver ergonomics.

HELLO...

... **Willy "Mr FH" Karlsson**, who was head of product planning with responsibility for the Volvo FH when it was introduced in 1993

Why are you known as "Mr FH"?

"I was involved with the Volvo FH from 1989 until I retired in 2017, in other words, most of my 40 years at Volvo Trucks. I have always been lucky enough to work with extremely able colleagues – good teamwork has played a totally decisive role in the success we have enjoyed with the Volvo FH. I am now looking forward to helping to celebrate its 25th anniversary."

The Volvo FH was given a fantastic reception when it was launched in 1993. Were you surprised?

"We knew we had a good truck and we were all extremely proud of the work that had been done. However, we had absolutely no idea that it was going to be such a success. It quickly became really popular. We sold everything we had and captured a larger market share. When the Volvo FH was chosen as Truck of the Year in 1994, it was an acknowledgement from the entire industry."

What made it so good?

"We had a really good, structured way of working and we conducted detailed



Willy "Mr FH" Karlsson

analyses of our competitors, the market and our own weaknesses. We focused very heavily on both the driver and the owner, together with a clearly defined understanding of the requirements and

the truck we wanted to produce. As far as Volvo Trucks is concerned, it has always been important to be at the cutting edge and the Volvo FH was truly pioneering when it came to engine technology, driver ergonomics and design."

Share social media content with the Ambassador App

THE VOLVO GROUP'S Ambassador App #WeAreVolvoGroup will make it easier to share approved content, without the risk of disclosing confidential information. "By implementing this app, we're giving all employees the opportunity to become true ambassadors for the Volvo Group and its entities," says Jens Gustafsson, SVP Communication Development. "We know that our employees are our best ambassadors, highly trusted among friends, family and business associates."

If an employee is especially

interested in a specific topic, like electromobility or automation, he or she can use the app to keep updated on what is going on in the company. They can share content with their social networks, whenever and wherever they want. All posts can be 'liked' and commented on and employees can submit their own photos and posts. Users can also customise their newsfeeds by choosing the Volvo Group brands they want to follow.

The app is available in AppStore and Google Play.

PHOTO: VOLVO GROUP



The Ambassador App #WeAreVolvoGroup is a new way of working with external communication.

Securing Volvo Group Purchasing Power



David Peters

THE VOLVO GROUP Purchasing Community meetings were initiated in June 2017, with the objective of creating alignment, synergies and stronger ways of working.

David Peters, Chairman of the Purchasing Community meetings and SVP of Uptime, Vehicle Adaptation & Synergies at Group Trucks Purchasing, believes the community is greatly beneficial.

"We share our organisations' best practices and ways of working to strategise on the best way forward for the Volvo Group globally. Together we can leverage the Volvo Group's collective purchasing power to improve the overall results," he says.

PHOTO: PATRIK OLSSON



Tobias Wilhelm

New on the job

AS THE NEW chief editor, I look forward to continuing to fill *Volvo Group Magazine* with stories from all around the world, interesting individual portraits and diving deep into the Volvo Group's past, present and future.

I personally like to read the magazine on the sofa at home and my favourite articles are the long reports from distant places that concern both our products and the benefits they create for society.

What would you like to read about?

Feel free to contact us at:

groupmagazine@volvo.com.

PHOTO: UD TRUCKS



Eight drivers participated in a test drive of the new Quon from UD Trucks.

Women drivers give new Quon top marks

AFTER A RECENT test drive of the new Quon at the UD Experience Center in Ageo, Japan, eight leading women drivers rated the new vehicle highly. Its ESCOT-VI transmission was particularly well liked, earning a score of 4.9 out of 5, even though many of the drivers had never used an automatic transmission before.

PERFORMANCE

Whether it is a small team or a large company, Martin Lundstedt believes that the basic prerequisites for achieving good results are essentially the same.





“Be honest and transparent”

Martin Lundstedt's recipe for generating good results begins with making a difference for the customer. This is followed by setting a clear direction and being open about how things are progressing.

TEXT MARKUS LINDBERG PHOTO ROBIN ARON

BEFORE MARTIN LUNDSTEDT became president and CEO of the Volvo Group, he had spent his entire career performing different line roles, from R&D to production and sales, with positions that ranged from first-line manager to managing director. *Volvo Group Magazine* met him to hear about his views on what is needed to achieve good results – both in small teams and in a large business enterprise.

An open question: how do you achieve good results?

“By having an idea of your objective, of what is important and creates value, and making a difference to your customers’ business operations. You then need to break all this down

in order to define the things that are important to different parts of the business. People also need to feel that they are able to have an impact, make decisions and both take responsibility for their part of operations and see the big picture.”

If you think back to the first time you were the head of a team, how did you approach the task?

“Well, I always want to understand my role and the role of my team and make it easy to understand what we are hoping to achieve. I like having clear-cut targets, but I think that we sometimes exaggerate and measure more aspects than necessary. It’s better to find just a few things that really drive improvements in different ways, from motivation to financial results, and that we as leaders talk about them with the team and show that we think they are

Being honest and transparent is very important to Martin Lundstedt. “We find ourselves in situations in which we have to make choices every day. The most important thing is to learn from the decisions that are made.”

really important! Once this has been done, people are not afraid to take the initiative. They can also be honest with their colleagues and those further up in the company hierarchy and emphasise that this is important for us and we are going to drive these questions. So you don't just sit and wait for someone else to come and solve your problems, but instead you take the lead."

What changes when you scale up from a team to a large company?

"Many of the questions are basically the same. The larger the area of responsibility, the more control you need to delegate, trust people and make sure you create the conditions to enable different parts of the company to work in their areas in a clearly defined manner. They must be given the freedom and authority they need, but this comes with clear-cut responsibility – in a positive way. Clearly defined objectives create motivation, engagement and a better work environment."

How far have we come on the journey from control to trust?

"We have come a long way in many areas, but a great deal obviously remains to be done. All of us who are leaders must continue to develop and not be afraid to delegate responsibility and authority in an effective way, but in some cases we also need to change systems and organisations in order to create the right conditions. It's also important to define what managers are expected to focus on. They need time to talk to their teams and work together every day on operational development. In a large organisation like ours, we need to find channels for working cross-functionally. Our customers don't care about our internal organisational plan. They want us to create a good solution together. It's also important to create a structure that enables us to deliver what we have and excel at today, while at the same time embracing new developments."

Is it OK to make mistakes at the Volvo Group?

"It goes without saying that we must be very clear when it comes to our ethical and moral compass and where we stand in terms of complying with legislation and regulations."

"At the same time, we live in a complex world

What do the symbols mean?

When facing an assignment or problem that needs to be solved, follow three simple steps.

THE CIRCLE: solve it yourself or in the team.

THE CROSS: if you can't solve it yourself, do it cross-functionally with your colleagues in other parts of the organisation.

THE PYRAMID: if there is no other solution, take the question to the next level in the hierarchy.

"The symbols are a straightforward way of demonstrating that that we all have the tools we need to get things done. The important thing is to choose something! Waiting for someone else to come and solve the problem is not an alternative."

and every one of us is going to make mistakes at some time or another. What is important is our ability to solve problems, learn from them and then take that experience with us as we participate in improvement programmes in the future. In this context, I think our values are very good. We start by putting the customer in the centre and end with performance. In between, we need trust in order to dare to do things; change, because the world is changing and we need to improve the whole time; and passion, ▶

"Every one of us is going to make mistakes at some time or another... What is important is our ability to learn from them."

MARTIN LUNDSTEDT, PRESIDENT AND CEO, VOLVO GROUP





Clear objectives and clearly defined roles are vital according to Martin Lundstedt. "Once this has been done, people are not afraid to take the initiative."

because we need an environment that makes our employees feel that the time they invest in the Volvo Group is worth it in the long run."

Have you made mistakes?

"Many times! I remember when I was going to buy a chip conveyor for a lathe at crankshaft production. When we were about to start it, I realised that I had bought a chip conveyor for dry production, but, when you produce crankshafts, there's a great deal of coolant in the system. So, after just a short time, there was a big puddle throughout the plant! I had a good boss, who supported me, because it was a very visible mistake, if I can call it that!

"I naturally have other examples of mistakes I have made. We find ourselves in situations in which we have to make choices every day. The most important thing is to learn from the decisions that are made. I believe in transparency, the big picture and being able to formulate the areas we need to improve clearly and succinctly. Don't be afraid to put yourself out there and don't try to give the impression that you know everything, because you don't and people around you know that. Be honest and transparent. That will make you a credible leader and you will gain the support of your entire team." ☺

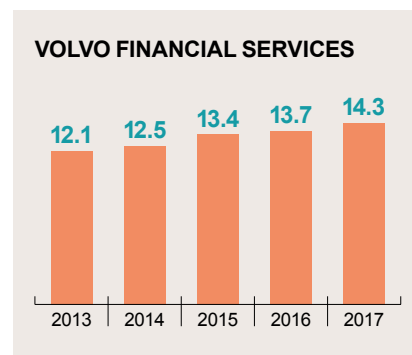
Performance in practice

THE VOLVO GROUP has taken a number of actions to increase financial performance. And it has yielded results. 2017 was a record year both in terms of sales and operating result.

"The long-term improvement of our profitability is the result of hard work by all colleagues and business partners. We are well on our way, but there is still room for further improvement in areas such as speed and efficiency in decision making, internal collaboration, the time it takes to solve customer problems and to deliver an even better customer experience. And it is of course always important that we keep a close eye on our costs. It is important to be profitable since that gives us the ability to shape our future", says Martin Lundstedt.

A CLEAR AND straightforward operating margin target supports the efforts to drive performance across the Volvo Group. The AB Volvo Board of Directors has therefore decided to introduce an operating margin target of above ten per cent over a business cycle. ☺

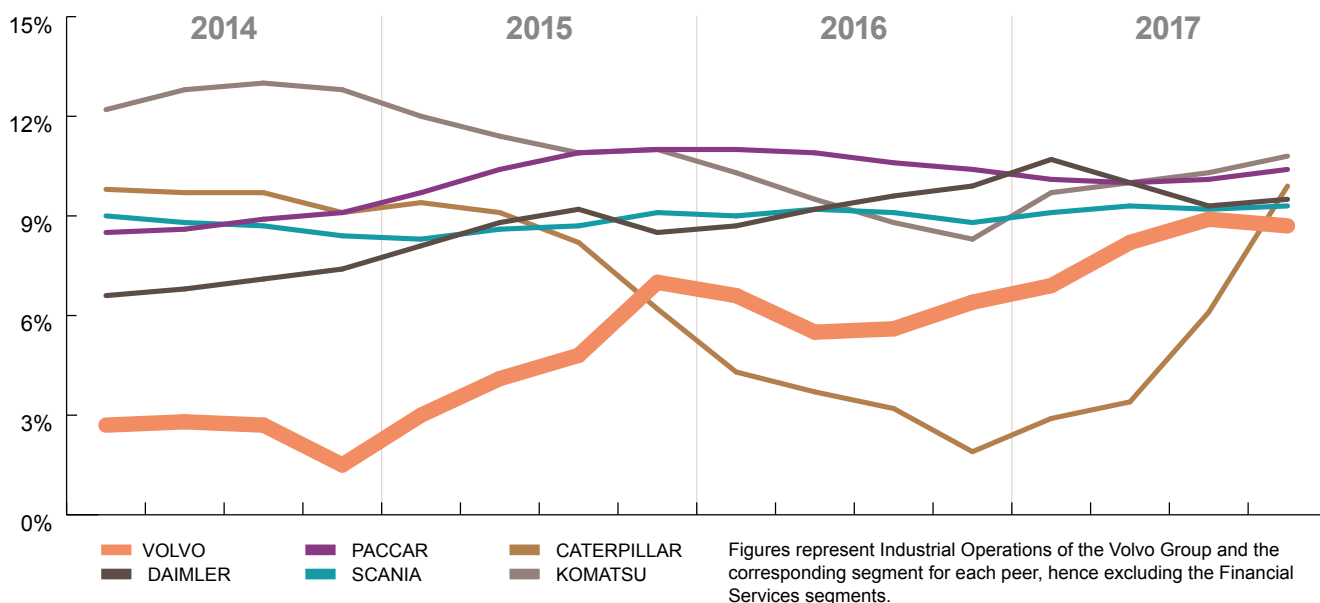
RETURN ON EQUITY (%)



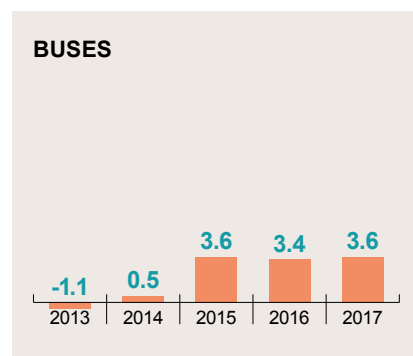
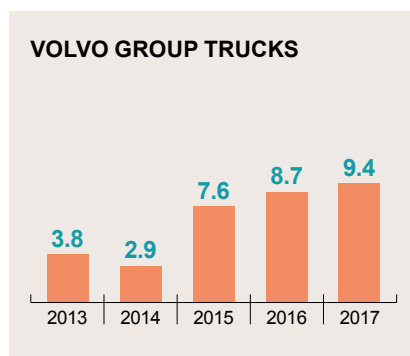
VFS target: return on equity of 12–15%

VOLVO GROUP VERSUS TOP 5 COMPETITORS

OPERATING MARGIN (ROLLING Q4)

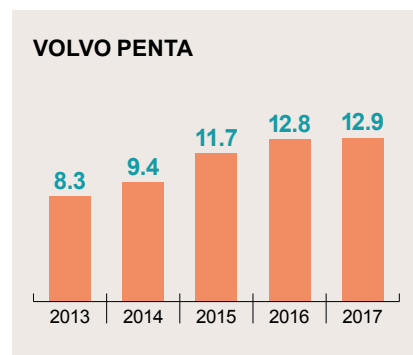
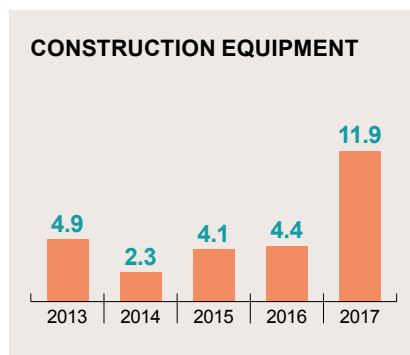


ADJUSTED OPERATING MARGIN 2013–2017 (%)



GLOSSARY

- **Return on equity (ROE)** is the amount of net income returned as a percentage of shareholders' equity. ROE measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
- **Operating margin** shows the percentage of every Swedish krona of turnover that is left to cover interest and tax and provide a profit. It is based on the actual result of operations – in other words, income minus costs related to turnover.



PERFORMANCE

The transformation programme consisted of both large and small initiatives, and impacted every aspect of the business.





After implementing a comprehensive transformation programme, Volvo Construction Equipment went from being a business area in crisis to one of the best performing companies in its industry.

TEXT NIC TOWNSEND PHOTO PONTUS JOHANSSON

A COMPLETE TURNAROUND

IN EARLY 2014, Volvo Construction Equipment – like many in its industry – was in trouble. For the previous 15 years, its strategy has been to expand via acquisitions with the aim of becoming a global supplier with a broad product portfolio. At the same time, strong global growth led by China resulted in what would soon be an overinvestment in production capacity.

“The downturn in China and the global mining industry hit the whole sector hard and we had to adapt quickly,” recalls Martin Weissburg, former President of Volvo CE (now President of Mack Trucks). “Our operating margin was unacceptably low, employee engagement was poor and people had stopped being entrepreneurial and innovative. The downturn also exposed some additional problems, such as the fact that some product lines were actually losing money.”

The response was the implementation of a three-year transformation programme consisting of both large- and small-scale initiatives that would radically shake up every part of the organisation.

ONE OF THE key areas was improving governance and ways of working with the introduction of PEG (product earning governance) and MEG (market earning governance). This has created much greater visibility of each product and what it contributes to the bottom line, which in turn enables Volvo CE to identify areas of limited growth, profitability and determine what is core and non-core.

“The new governance system has enabled us to get back to the basics of measuring the business,” says Carl Lockwood, SVP of Strategy and Business Development, Volvo CE. “From this, we took the bold decision to exit some product lines, which was a big cultural shift, since it contrasted ▶



The transformation programme has seen Volvo CE's operating margin return to double figures and has restored morale among employees. The photo is from Arvika, where the new Volvo 260H is produced.

with our growth strategy over the past 10-15 years. But the result is that we have rebalanced our product range so it is more in tune with the reality of today's market."

Various structural changes were implemented across the organisation to improve both operations and distribution. One important initiative has been ACcelerate Efficiency (ACE), which involves analysing every site and process, and identifying improvements that offer the greatest gains in the shortest possible time (see the article on page 18 on how this impacted Volvo CE's Arvika plant).

ONE OF THE greatest challenges was changing the culture and mind-set. A new campaign called 'Building Tomorrow' has helped create a shared purpose and vision for the organisation, by emphasising the important roles its products play in society. Organisational changes have been made to bring decision-making as close to the customer as possible and help instil a self-help mentality where people feel empowered to take the initiative themselves.



Carl Lockwood

"We had come out of a period of sustained success and, when it suddenly stopped, we were overcome and paralysed by a culture of fear," says Carl Lockwood. "However, by moving

"By moving decisions to the people who run the business, we have helped rebuild trust."

CARL LOCKWOOD, SVP OF STRATEGY AND BUSINESS DEVELOPMENT, VOLVO CE

decisions to the people who run the business, we have helped rebuild trust so that now people want to come up with solutions."

By the end of 2017, with the transformation coming to a close, Volvo CE's operating margin was up to 11.9 per cent – amongst the highest in its industry.

HOWEVER, WHILE THE transformation programme is officially over, the quest to make Volvo CE as efficient and robust as possible is never ending. "What has been achieved through the transformation really is extraordinary," says Melker Jernberg, President of Volvo CE. "It has put us back on the right track, but the journey does not end there. We need to maintain and build on these efficiency gains, keep the entrepreneurial spirit, remain flexible as we are in a cyclical business and keep moving forward through continuous improvement. This is now our main focus." ●

THE IMPROVEMENT JOURNEY





Johan Jonsson and his colleagues were surprised by the Kaizen project's massive impact.

ELIMINATING WASTE

Everyone likes full order books but production peaks can lead to stress, quality problems and higher costs. The Volvo CE plant in Arvika, Sweden, has found a new way to tackle this challenge.

TEXT MARIA SKÖLD PHOTO PONTUS JOHANSSON

DURING THE SECOND half of 2017, the production rate at the Volvo CE Plant in Arvika, which produces wheel loaders to be exported all over the world, was extremely high.

Both an economic boom and the launch of the new Volvo 260H were boosting demand.

Production managers Andreas Kronqvist and Henrik Wadman wanted to step up production without adversely affecting the work environment, quality or costs. So, as their

starting point, they decided to build on the successful continuous improvement work that was already being done.

“After all, it’s the employees here who are experts in production and can see the potential areas for improvement,” says Henrik Wadman.

So, in December 2017, a Kaizen project began in the Large department, which produces the largest wheel loaders. All six groups involved were asked separately to present suggestions for improvements for their individual operations. Around 120 people, from assembly and support functions, collaborated and took part.

“It was great that they asked us what could be done rather than bringing in external consultants,” says Robin Hjalmarsson, an assembly worker in Group 2 on the Large line.

The project began by making an inventory of all the working processes and listing various



Production manager Andreas Kronqvist wanted to step up production in a sustainable way.



Production manager Henrik Wadman



From left: Johan Jonsson, Henrik Wadman, Robin Hjalmarsson and Ricky Alexandersson.

Kaizen

The Japanese word for improvement. In industry, it is when there is constant focus on generating efficiencies and avoiding unnecessary waste. Companies should only do the things that add value.

weaknesses. Each team then spent two days finding solutions. Production continued as usual the whole time. When they had finished, Group 2 presented four pages full of suggestions.

“Our suggestions are currently being implemented. It’s really great to see how the things we identified are actually being changed,” says Ricky Alexandersson, who also works in Group 2.

A TOTAL OF 283 points were put on the agenda and so far around 230 of them have been dealt with. They have included everything from moving material closer to the operators to new, more ergonomic processes. In terms of time, this has resulted in an improvement in productivity of 139 minutes for each machine that is produced.

“I was actually surprised that we found so many sources of waste which could easily be eradicated! In my group alone, we managed to save 26 minutes,” says Johan Jonsson, an ATL, assistant team leader, and assembly worker in Group 5.

FACTS VOLVO CE ARVKA

Founded: 1895

Employees: Around 900 people

Produces: The Volvo Group’s main global plant for the production of the L60-L350 wheel loaders. In 2017, 5100 were produced.

The project also helped eliminate unnecessary sources of irritation.

Johan Jonsson highlights a pile of hoses that used to look like a tangled ball of wool. Following a suggestion from the group, these hoses are now cut into different lengths in advance to make it easy to find the right kind.

“These improvements have also improved the atmosphere in the group, in addition to making our work safer and more ergonomic,” says Johan Jonsson.

ERIK SUNDBÄCK, a production technician and project leader, is also somewhat surprised that the model has produced such overarching results.

“We have always devoted time to improvement programmes, but in the past we did a little bit here and a little bit there and that wasn’t always especially effective. The difference this time isn’t that we have spent more time but that we have worked in a more focused, cross-functional way. This should be a model that works in many different areas,” he says. ☺

A REFOCUS ON WHAT REALLY MATTERS

In just one year, Volvo Chile managed to jump from seventh to second place in customer satisfaction. The reason: they started talking about their purpose.

TEXT ROSSANA CASALI & MARIA SKÖLD PHOTO ANDRÉS LANG

LIKE MOST DAYS, today is hectic at the workshop of the Volvo Chile Santiago dealership, where a constant stream of Volvo trucks, buses and Penta engines come in to be serviced. A B11R bus has broken down and needs an urgent repair so that it can be put back into service. Workshop manager Carlos Briones and the technicians set to work immediately.

“It’s my job to understand the customer’s business, so I must focus on asking and listening. In fact, the breakdown itself takes second place. That’s of course also something I need to fix, but my primary focus is on the needs of the customer,” Carlos Briones says.

With 22 years of experience, he knows a great deal about his customers. Uptime is naturally extremely important to them, but, for the workshop, it is not enough simply to manage technical problems. Customers also need precise

information about the condition of their vehicle, with accurate cost estimates and help solving their practical problems.

“We should be the customer’s most trusted partner – understanding, helping and always listening,” Carlos Briones says.

Nowadays, this attitude is very representative of Volvo Chile. Consequently, in 2016, the company enjoyed the second highest customer satisfaction in all of Chile. But this has not always been the case.

JUST ONE YEAR earlier, Volvo Chile came second last in the same Customer Satisfaction & Image Survey. “There was a large gap between the customers’ expectations of us and what we actually managed to deliver. To bridge the gap, we wanted to inspire people and create a connection between the purpose of the company and each employee,” explains Natalia Faguaga, Head of Customer Satisfaction at Volvo Chile. ►





Hernán Muñoz

WORKSHOP TECHNICIAN

"I've been here for six years and I've seen real change with #YoSoyVolvoChile. Now I try to do my job fast, in a safe manner and with the highest possible quality so that the truck is back on the road again as soon as possible. That's how we get satisfied customers. We have a great working atmosphere with good team work and extra support for new employees. We trust each other."



Technicians David Oviedo, Alexis Salfate and Leonardo Gómez hold a planning meeting with workshop manager Carlos Briones at the Volvo Chile Santiago dealership.

In response to this, Volvo Chile formulated one overarching goal: to have the most satisfied customers. All employees should understand how they contribute to the realisation of this goal. The internal programme Yo Soy Volvo Chile (I am Volvo Chile) was launched in 2015. In addition, a series of activities were organised to highlight the purpose of the Volvo brand.

STEP BY STEP, employees gained a better understanding of the image and promises related to the brand, as well as the value chain and how the Volvo Group contributes to society. But most of all, they learned about their customers and their business. And that is when things really began to change.

CUSTOMER FOCUS CUP

- The 'I am Volvo' Chile campaign won the Customer Focus Cup at the Volvo Truck's Leadership Summit in 2018.
- The Customer Focus Cup was an internal Volvo Trucks initiative to share best practice examples. In 2017, 21 nominations from all over the world competed.



Ignacio Vidal



Natalia Faguaga

"Before, people would think that someone else was responsible and blame this or that. Today, there's a different attitude: 'okay, something happened, how are we going to fix that?' and they will all work together," Natalia Faguaga says.

Ignacio Vidal, Director Aftersales and Dealerships Volvo Chile, is surprised by the rapid turn-around. "Our first goal was to align the employees, to create more consistency around



our brand image, but the results surpassed the initial objectives," he says.

People began to contribute ideas for improvement and engage more actively with customers. Soon the new attitude was also reflected in the Volvo Group Attitude Survey (VGAS) where engagement scores soared.

Carlos Briones has noted the same thing at his workshop. "People have changed. They work more in teams and look at things from a wider perspective. There's been a cultural change that can also be seen in small things, like keeping the workshop neat and tidy. We want the customer to see that we perform our job in the clean, orderly fashion that could be expected from the Volvo brand." ●

Drivers' choice

Transportes Tiex specialises in taking on assignments that few others could handle. But, when driving 5,000 metres above sea level, transporting hundreds of tonnes of mining equipment, you must be able to trust your truck.

Mining is the backbone of the Chilean economy and an important segment for the country's trucking business. Transportes Tiex operates 400 trucks – tractors, flat-bed trailers and trailers – that transport parts and modular equipment for the mining industry, often in remote locations and at high altitudes.

"For us, quality and reliability are most important in a truck brand," says Managing Director Marko Simunovic. "We work under rather extreme conditions, like 5,000 metres above sea level, but our Volvo trucks have proved to be up for the task."

He is proud to point out that, despite the challenging conditions, the company has not had a single accident in the past 52 months.

"When buying a truck, it's very important for us what the

drivers think. We want them to be comfortable and safe when working," Marko Simunovic says. "This is also key to being able to recruit the best drivers and provide first-class services. After all, it's the drivers that represent us to our customers."

Similarly, his impressions of the Volvo brand are also heavily influenced by the level of service he receives as a customer. Availability is important and Marko Simunovic appreciates the fact that three new dealerships recently opened. In a demanding business, he and his drivers need to know that help is nearby should things go wrong.

"We have a very close and special relationship with the Volvo staff. They are simply very caring and attentive people. We know that they will keep their promises and always go that extra mile," Marko Simunovic says. ●



Marko Simunovic at Transportes Tiex makes sure that drivers have a say when the company buys a new truck.



OCCASIONS FOR CELEBRATION

The VPS assessments give feedback on an organisation's continuous improvement efforts. In January, the RDC celebrated reaching Platinum, the second highest level out of six.

Reaching Platinum level at the SML Regional Distribution Center, Dubai

"WE LIKE TO celebrate! It's a great way to boost our levels of the happiness hormone dopamine!" says Anizio Souza, Director of the GTO Regional Distribution Center Dubai (RDC).

In January, he and his colleagues had plenty of cause for celebration, after a visit from two VPS assessors who measured their achievements working with Volvo Production System. Based on their high performance, they were awarded Platinum level. The team gathered to pop non-alcoholic champagne and indulge in cakes.

"We were of course very happy! We have worked consistently with continuous improvement for the past five years and we could now see the result. The key to success is to formulate a clear goal, like reaching Platinum level, and then work

step by step towards it. And to celebrate our achievements!"

Forty-six people work at the Regional Distribution Center, a quarter of them women, and they service six different brands – Mack Trucks, Renault Trucks, UD Trucks, Volvo Trucks, Volvo Buses and Volvo Construction Equipment. Their customers are found all over the Middle East and Africa.

"It is a very complex task and we are greatly helped by different tools for continuous improvement; we work a lot with Kaizens and the managers spend half their time on Gemba walks. But, most importantly, we believe in teamwork, with men and women working together," says Humera Shaikh, who manages the Service Center at the RDC. ☺



PHOTO: THOMAS ANOOP

David Lilja cuts a cake after he and his colleagues won the Improvement of the Month award.



PHOTO: PONTUS JOHANSSON

Improved pin assembly at Volvo CE in Arvika

IT IS 2 pm and the employees at Volvo CE assembly plant in Arvika, Sweden, are celebrating the Improvement of the Month award with coffee and cake. "It's important to acknowledge when we do something good, not simply because it's enjoyable but also to reward engagement. We want to show just how important it is that everyone contributes their ideas," says Jenny Gustavsson, a team leader at the logistics centre at assembly.

On this occasion, the improvement of the month relates to an extremely cold freezer. Team

member David Lilja, who first visited the plant as an engineering student, has played a key role in its development. For his master's dissertation, he wanted to find a way to make it easier to hammer in the pins that are used to assemble the hydraulic cylinders in wheel loaders. This is a risky procedure as the pins have to be knocked in with a heavy hammer.

"We tested many different ideas, but none of them really worked. It turned out that the solution was to keep the pins in a wheeled freezer with a temperature of almost 50 degrees below zero. This makes the pins shrink and they are therefore much easier to hammer into place. It's great to feel involved and be part of developing something that really helps to improve the plant," David Lilja says. ☺

France is the Market of the Year

EVERY YEAR, Renault Trucks and Volvo Trucks nominate the bestperforming markets, their 'Market of the Year'. This time around, France won both, which called for a celebration.

"As soon as we heard, we updated the screens at the office with photos announcing our win. Bruno Blin, President of Renault Trucks, came by to congratulate the team. Later, when we won the same category for Volvo Trucks, Roger Alm, President of Volvo Trucks Europe, flew in

from Sweden to speak to our employees," says Eric Dubois, Marketing Director, Volvo Group Trucks France.

"When you get recognition for your work, you become more confident as a team. It's the management's duty to acknowledge when we have worked very hard and sometimes even if we haven't reached our full objectives. You don't need to spend huge amounts of money to appreciate someone's efforts. All it takes is a thank you." ☺

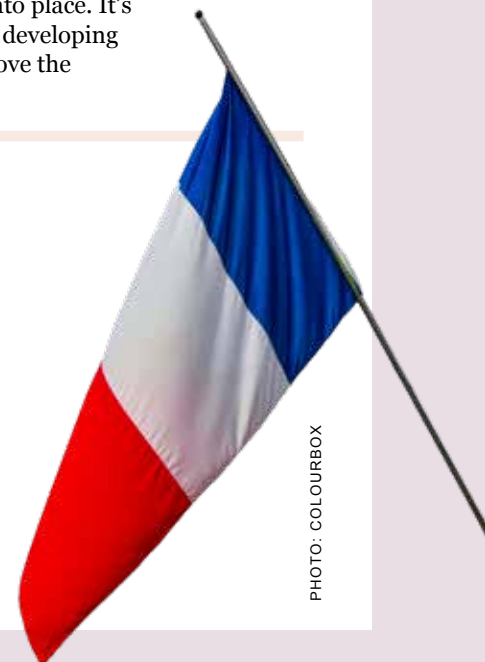


PHOTO: COLOURBOX

25 YEARS WITH VOLVO FH

Since its launch in 1993, the Volvo FH has been a favourite among drivers. Over the past 25 years, Volvo Trucks' flagship model has been continuously developed with new technology and industry-first innovations. Here are just some of the highlights.

CAB

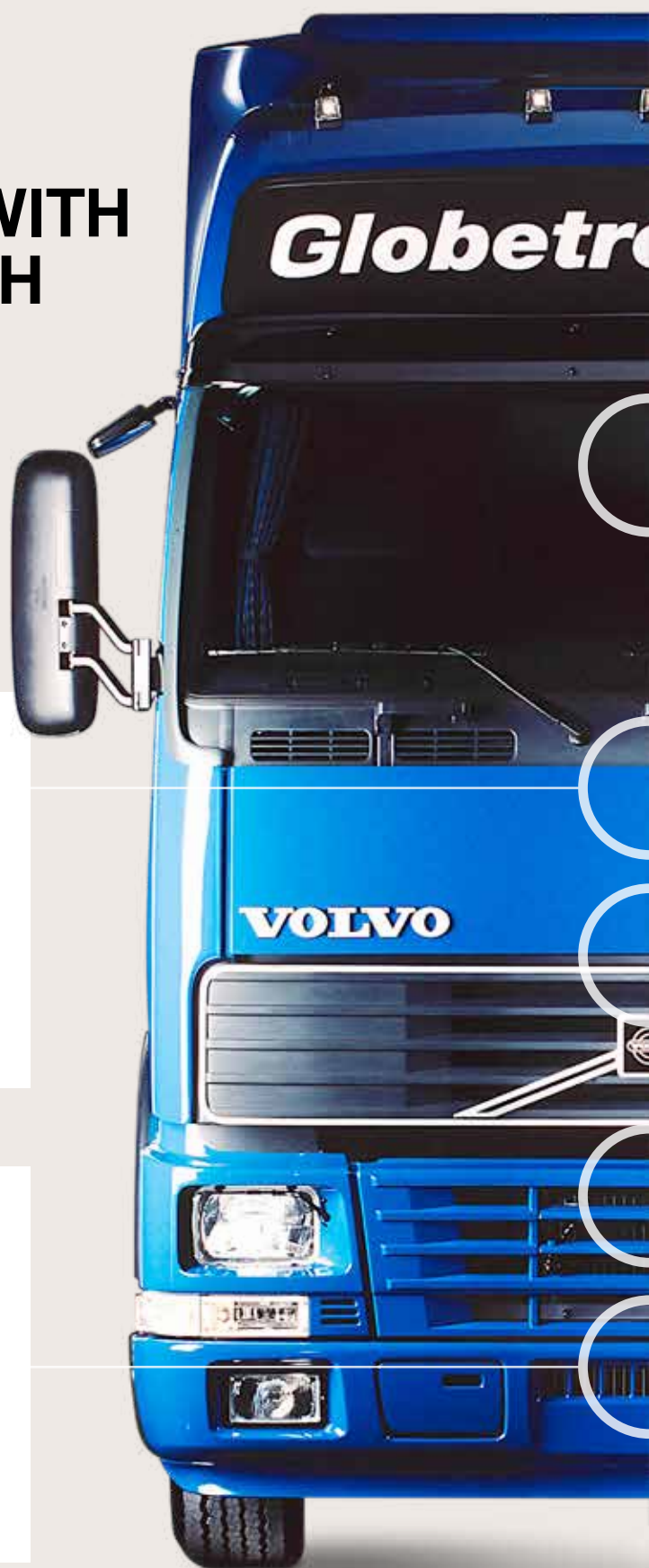
1993 The newcomer, the Volvo FH, was before its time when it came to ergonomics, thanks not least to an innovative instrument panel. In interviews, drivers had stated that the most important things for them were to sit comfortably, have good visibility and sleep well during the night, so these became the priority areas.

2018 The cab has been improved continuously over the years, based on new research on ergonomics. In the new Volvo FH, which was launched in 2012, the cab was no less than one cubic metre larger. Another popular new feature was I-Park Cool, which keeps the cab airconditioned during the night.

CONNECTIVITY

1993 Connected vehicles were still science fiction when the first Volvo FH made its appearance.

2018 Today's trucks are connected to improve safety, productivity and fuel efficiency. In the future, there will be less risk of unplanned downtime, as more and more smart systems issue a warning before a component needs replacing.





VISIBILITY

1993 Few things are as stressful for the driver as not being able to see well from the cab. Twenty-five years ago, the Volvo FH was already making a name for itself by offering better visibility than its competitors.

2018 When the new Volvo FH was presented in 2012, one of its new features was a 17 per cent improvement in visibility area compared with the original version. The windscreen was larger and the two side windows and rearview mirrors had been modified.

SAFETY

1993 The Volvo FH was designed to be as safe and stable as possible to protect the driver in accidents. The airbag was introduced as an option in 1996. Volvo Trucks has often been ahead of both the legal requirements and its competitors when it comes to safety.

2018 Intensive research is being conducted on both active and passive safety to protect the driver and other road users. The Volvo FH has been equipped with active cruise control, front underrun protection and active safety systems that enable trucks to avoid dangerous situations.

DRIVELINE

1993 Prior to the launch of the Volvo FH, there was a great deal of talk about its new engine, the D12A, featuring unique technology. As far as drivers were concerned, this represented a sharp improvement in performance and driving characteristics. The patented VEB engine brake made driving downhill far safer.

2018 The engine is one of the areas that have undergone the greatest development during the past 25 years, not least when it comes to emissions and fuel efficiency. The I-Shift transmission was a revolution when it was introduced in 2001, as was the I-Shift Dual Clutch in 2014.



There are good results and then there are exceptional results. Here, three outliers from within the Volvo Group – people whose achievements have far exceeded expectations – share their advice on what is required for high performance.

IAN REED, VOLVO TRUCK & BUS CENTRE EAST ANGLIA, UK

“A true salesman is always at work”

IAN REED AND his Commercial Crew team at the Norwich dealership of Volvo Truck & Bus Centre East Anglia, UK, have established a phenomenal track record when it comes to truck sales, deliveries and service contracts.

Despite operating in a predominantly agricultural region with very few large truck fleets, he has exceeded his sales target by 150 per cent and reached contract penetration of 70 per cent. In 2015, he was awarded Volvo Transport Solutions Executive of the Year for UK and Ireland and Volvo Truck & Bus Centre East Anglia Employee of the Year in 2017.

“Sales are all about working as a team. Every member of the Norfolk team comes together regularly as a Commercial Crew, to discuss all the issues and concerns, listen to our colleagues and listen to customer feedback. We also talk about prospecting and identifying potential

future customers. We are always looking for opportunities, the process is relentless! A true salesman is always at work and my sales success has been built up year on year over the six years I have been here.

“I HAVE A very good working relationship with my customers and keep in touch with them all year round. Good customer relationships

THREE TIPS FOR HIGH PERFORMANCE

- 1 | Acquire knowledge of every aspect of your business and of your customers' business.
- 2 | Be honest from the moment you receive a customer enquiry, so you do not over promise and under deliver.
- 3 | Be determined! You will not succeed every time.

are the key to selling. Be honest, keep them up to date, make time to listen and understand what they want. Admit it when you have got something wrong, and say, ‘yes it was my fault!’ Also, don’t be afraid to say ‘I don’t know, but I do know where I can get that information’. I have never had a problem doing that and I know my customers really appreciate my honesty.

“I STRIVE TO maintain loyal relationships as this not only helps us to become long-term business partners, it also leads my customers to recommend me personally and the Volvo brand. That is a really powerful message – it means they not only like us but more importantly they trust us. Here in East Anglia we have our vision ‘to be our customer’s number 1 partner of choice’. We live and breathe those words in everything we do.” ☉

TEXT NIC TOWNSEND
PHOTO CRAIG ECCLESTON

DESIRÉE BRÖMSTER BLOMQVIST, FIRST LINE MANAGER
AT THE CAB PLANT IN UMEÅ, SWEDEN

“Everyone can change their work place”

WHAT IS THE difference between a good idea from a bad one? No one knows until it has been tried, believe First Line Managers Desirée Brömster Blomqvist and Jonas Nylén.

A good culture of improvement requires open minds and the freedom to suggest ideas. At GTO cab plant in Umeå, Sweden, there is a team that excels in both areas.

“Desirée and I lead a team of 35 people who apply primer and paint to Volvo truck cabs. We have five lines with a total of 40 robots which paint three layers from 900 colours. We paint around 300 cabs per day, with the capacity to go up to 450. It is an operation where we must maintain high quality and it consumes a lot of energy, solvent and paint – which can be very costly. Therefore, we always need to look for new ways to work smarter,” says Jonas Nylén, First Line Manager at the Umeå plant.

“It began with a process meeting in 2015, where we asked ‘How can we increase volume?’ We asked our employees to go home and think about it. When they came back to me and Jonas, they had many good ideas to show us. And, by testing the ideas in practice, we could show that everyone had the opportunity to change their

work place. Since then, our employees are always looking for new improvements,” says Desirée Brömster Blomqvist, First Line Manager.

“One example is the VC3 line, which is idle between productions. Since it costs 25,000 SEK an hour to get it started, we thought about how we could best use it. We tried shutting down the ventilation and furnaces and then seeing how long it took to get it ready for production again. Now we have a smarter working method where we accumulate several cabs and run them through together at once. On the same line, we have also replaced solvent with warm water when cleaning. This is better for both the environment and our costs,” says Jonas Nylén.

“**ALLOWING** the freedom to make improvements creates an environment where employees feel that they can come up with ideas and will be listened to. When we introduced the monthly Umeå Recognition Award in 2015 and began celebrating

good ideas with cake, pins and diplomas, there were some people who felt it was unnecessary since they were ‘only’ doing their job. But deep down I think they are proud and encouraged. After all, our team has won the award six times since then,” says Desirée Brömster Blomqvist. ◎

THREE TIPS FOR HIGH PERFORMANCE

- 1 | Do not dismiss ideas too quickly, it can discourage involvement.
- 2 | Try it out. Some ideas are better in practice than in theory – and vice versa.
- 3 | Highlight good suggestions. It shows that you are proud of your colleagues.

TEXT JIMMY HAKANSSON
PHOTO ERIK ABEL





L-R: Eric Ohlsson, Desirée Brömster Blomqvist, Patrik Lindmark, Mats Lindmark (back), Jonas Nylén (front), Ola Ågerlind and Peter Jakobsson. Each of the grey pins on their uniforms represent a monthly Umeå Recognition Award for contributing an idea for improving the workplace.

ERIC DE ROY, DIRECTOR OF VOLVO BUSES BELGIUM

“Our efforts are really starting to pay off”

AFTER SEEING AN exponential increase in sales in recent years, Eric De Roy, Director of Volvo Buses Belgium, explains why dedication and trust are so important for a high-performing team.

In just a few short years, Volvo Buses Belgium went from selling low volumes of chassis to winning large-scale public tenders for whole fleets of hybrid and electric hybrid buses and charging stations.

“Traditionally, our main focus was on supplying chassis to bus and coach builders, but, as more and more of these builders started making their own complete buses, it became tougher. In some years, we were only delivering 10–15 vehicles, which is not sustainable. So, to increase volumes we decided to focus on supplying complete vehicles to the public transport sector. At the same time, Volvo Buses’ electromobility strategy and product range were creating new opportunities too.

“We initially had some tough years while we made the transition. We had to start lobbying politicians and decision makers, which we had never

done before. This was something I had to learn and so I went to meetings and conferences, some of which were not related to public transport, just so I could meet the right people and explain the benefits of electromobility.

“Earning the trust and confidence of your customers is particularly important when it comes to new technology. Having customers in Luxembourg who were early adopters of electromobility technology helped build a lot of confidence, as people in Belgium could see we had experience. It also helped that Volvo Buses had a clear and consistent strategy.

“Now our efforts are really starting to pay off. We have won two tenders from TEC in the Wallonia region, one for 11 electric hybrids and three

charging stations and the second for 90 electric hybrids and 12 charging stations. More recently, we won a frame agreement for five years with Brussels’ public transport authority, STIB-MIVB, initially for 90 hybrid buses but with the potential to go up to 350 buses.

“**I NEVER THOUGHT** that we would be able to sell so many buses so quickly and it is all thanks to having a very dedicated and motivated team. All public tenders require teamwork. I can lobby alone, but that doesn’t sell buses – it’s just the start. You also need to make good offers and have the right people in the aftermarket. One thing I’ve noticed is that customers often ask me a question, and then ask the sales engineer or the field service engineer and get the same answer. That builds a lot of trust.

“The next challenge, when we’ve delivered on these tenders, is to ensure we can offer aftermarket support once these vehicles are up and running. They need to be showcases, so we cannot afford to fail.” ●

THREE TIPS FOR HIGH PERFORMANCE

- 1 | Establish a dedicated and motivated team.
- 2 | Have a clear and consistent strategy.
- 3 | Focus on building trust and confidence with your customers.

TEXT NIC TOWNSEND
PHOTO EZEQUIEL SCAGNETTI



For Eric De Roy, shifting focus to the public transport sector required new skills, such as lobbying and networking.



Hiroshi Amada and Joachim Rosenberg discuss UD Trucks future direction during a Gemba tour of the Ageo plant.



Tatsuo Saito

OPERATOR PAINT, UD TRUCKS OPERATIONS

"To me, climbing Mount Fuji means meeting the customer's needs through *monozukuri* (precision manufacturing) and delivering results. It is key to be flexible and open to change. Monozukuri cannot be done alone. All teams must work towards the same goal. And the next generation must be trained in the Japanese craftsmanship that we have inherited.

"Therefore, I strongly feel that the 'One UD' and 'Climbing Mount Fuji' concepts can guide us. Together with our strategies and values, they give us a clear and common direction."

UD TRUCKS TRANSFORMATION

CLIMBING

MOUNT FUJI

Joachim Rosenberg, UD Trucks chairman, has just returned from a Gemba walk around the plant in Ageo, Japan. The successful transformation of UD Trucks, “the climb of Mount Fuji”, is a source of pride for everyone working here.

TEXT JÖRGEN GUSTAFSSON PHOTO JUN TAKAGI

Historically, UD Trucks has always been the challenger among the four Japanese truck brands. But, after a far-reaching transformation over the past two years, it is now a winning team and contributes to the Volvo Group’s recent performance improvement.

“With the all-new Quon as our flagship in Japan and other key markets, we will improve our customer satisfaction and market shares across all our main markets,” Joachim Rosenberg says. “With this function, we will continue to build deeper customer relationships and to widen our customer base. And this will also allow us to continue to grow the ever-important service business.”

The transformation includes many activities directly related to people. For example, more than 30 per cent of the leadership teams’ direct reports have been appointed in the past 12 months. Competence development programmes

UD TRUCKS

65%

of the 5,800 UD Trucks employees work in sales.

13.7%

of managers (n-3 to n-5) are women, compared to 6.3% of the total workforce.

30%

... is the increase in UD Trucks’ gross income between 2016 and 2017.



Joachim Rosenberg

have been launched, including a special programme for female leaders.

“The way engagement and leadership are demonstrated in our everyday life shows we are onto something good,” says Joachim Rosenberg. “We act with restored confidence and the VGAS results are strongly improving.”

The concept of “One UD” is instrumental. It gives UD Trucks direct control and ownership of the value chain of purchasing, engineering and manufacturing as well as trucks, parts and service sales, which makes the decision process quicker and more market oriented. The few remaining Group functions in Ageo are closely aligned with UD Trucks’ goals.

“There are four key buying factors for a Japanese truck brand across markets; quality, uptime, payload and fuel efficiency. We deliver on all four and are being rewarded,” says Joachim Rosenberg, before adding a word of



Mount Fuji is Japan's most important landmark and a powerful symbol of UD Truck's transformation along four dimensions: people, markets, profitability and asset base.

Takuma Asano

QAG LEADER QUALITY & CUSTOMER SATISFACTION, UD TRUCKS TECHNOLOGY

"I lead the Quality Action Group (QAG) which is working to secure the quality of the new Quon. QAG is a cross-functional team. Working cross-functionally has become much easier after the introduction of 'One UD', since we are now all moving in the same direction. For me, climbing Mount Fuji is about securing quality for our customers and constantly improving. The customers are at the top of the mountain and, in order to get there, we must work more proactively with different issues. As 'One UD', we can deliver the best vehicles and services to our customers."

“We are confident that reaching the top is possible. However, it is a mountain climb and not a walk in the park.”

JOACHIM ROSENBERG, CHAIRMAN UD TRUCKS

caution. “The quality levels expected across the Japanese models are at a completely different level compared with vehicles created elsewhere and we should leverage this even further across the Group.”

In the UD Trucks business model, the heavy-duty segment is covered by the all-new Quon and the complementary medium-duty and light-duty segments by OEM alliances. The service market is of course captured for all and increasingly so.

“It’s a very effective strategy for us, with regard to complementary ranges. We will see more partnerships in our industry, especially when moving into new technologies and we can also see this across other industries experiencing disruptive shifts,” Joachim Rosenberg says.

The “UD Trucks Innovation Plan” was launched in April 2018 in Tokyo, in the presence of UD Trucks entire leadership team, as well as Lars Stenqvist, head of Group Trucks Technology, and Carl-Henric Svanberg, chairman of the Volvo Group. Electromobility, automation and connectivity are key areas for the heavy-duty segment in Japan and UD Trucks will draw from the Volvo Group’s technology.

“Again, quality, uptime, payload and fuel efficiency are the success factors for us and they will guide us when deciding concepts and technical solutions,” Joachim Rosenberg says.

From his office window, he can see Mount Fuji, Japan’s highest mountain and the nation’s most important landmarks. It now also has a special meaning for UD Trucks as it represents the transformation along four key dimensions: people, markets, profitability and asset base.

“We are confident that reaching the top is possible. However, it is a mountain climb and not a walk in the park. We have full respect for the magnitude of our challenge,” Joachim Rosenberg concludes, looking out of the window, towards Mount Fuji-san. ☉

HD TRUCK SALES 2017

- In 2017, UD Trucks’ market share in Japan grew by 2% over the past year.
- In Australia and South Africa, UD Trucks was the fastest growing Japanese brand.
- Parts sales in Japan increased by 4.9% from 2016 to 2017.
- Service hours sales increased by 2.7%.
- Parts sales in South Africa grew by 20%.

UD TRUCKS VGAS SCORES

- In 2017, VGAS scores improved compared to 2016:
- +3% Employee Engagement Index
 - +6% Performance Excellence Index
 - +4% Leadership Engagement Index



Ayumi Adachi

SGP MARKET, DELIVERY AND INVOICING, INTERNATIONAL SALES

“Since joining International Sales in February 2017, I have been in charge of the whole sales process and collaborate both with UD Trucks Operations and with colleagues in international markets to reach the monthly sales target. Cross-functional collaboration has taught me to listen and understand other people’s situation. To me, climbing Mount Fuji has meant both professional and personal growth through new experiences.”



Ryu Yamashita

FIELD SERVICE ENGINEER, JAPAN SALES

“Climbing Mount Fuji has to be done by a team, not by individuals. Our new system has made our quality improvement process more structured. My team works closely with customers to connect with colleagues in sales and at the Ageo plant when needed. There are still some challenges to overcome to provide the best truck and services to our customers, but step by step we are becoming even more ‘One UD’.”

Matthew Parry is a Production Engineer and Local Technical Specialist at the one million square foot (93,000 m²) LVO plant in Pennsylvania, USA. 2018 marks his ten-year anniversary at the plant: "It's a special milestone for me".



Smooth operations

When the new Mack Anthem recently rolled off the production line at the Lehigh Valley Operations (LVO) Plant, it was a historic moment. *Volvo Group Magazine* spent a day with Matthew Parry, who helped prepare the plant for the production of Mack's new highway tractor.

TEXT LINA TÖRNQUIST PHOTO MARTIN ADOLFSSON

MATTHEW PARRY LIKES to joke that the list of responsibilities he does *not* have at the plant where he works is shorter than those he *does* have.

As a production engineer and Local Technical Specialist at the LVO Plant in Pennsylvania, USA, Matthew Parry is charged with improving efficiency and ergonomics at the plant to support its operators.

"Through the work we do, operator fatigue is reduced because the assembly areas are more

organised and workers aren't walking around as much to get parts. This also translates to a cost advantage."

Matthew Parry's role involves everything from programming the assembly management system to working with the quality department on the root cause analysis of audit issues and collaborating with logistics and packaging engineers to improve parts delivery times.

"In short, our goal is to make the working environment here easier for everyone. That



09.22 a.m

An informal chat with Shrikrishna Kulkarni, Matthew Parry's cubicle neighbour. The eight people in the Production Engineering Section speak six different languages. "It's a diverse group of talented and dedicated people."



Going through yesterday's performance indicators in the morning meeting with Michael Whitaker, Manufacturing Engineer Manager. These daily meetings were crucial during the Mack Anthem launch. "In big projects, the key to success is communication – and lots of it."



11.10 a.m

Discussing part inventory levels with Material Advisor, Marcia Hoffman. Making sure there are enough supplies to meet business needs is critical to keep the production line running seamlessly.



04.16 p.m

Going through the day's action item list to make sure everything has been completed. Behind Matthew Parry is the production line that was recently rebuilt to prepare for the Mack Anthem product. Everything is organised by colour to make it easier to find parts and people.

12.53 p.m

Matthew Parry and Final Technician, Tim Reitz, check the wiring of a truck. "When redesigning the production line ahead of the launch of the Mack Anthem, operator feedback was essential. At the end of the day, the operators are the ones who have to build these trucks day in and day out."

generally requires a lot of hard work on our part, but we like a good challenge!"

Matthew Parry also worked on the recent launch of the Mack Anthem. "Ahead of its release, there were innumerable requirements to meet. We started our work a little over a year before we began physically building cabs. It was a very tight timeline and most of the work needed to be completed in parallel with ongoing production, which made it very tricky."

It was a special day when the first Mack Anthem finally rolled off the production line. "There are no words to describe the feeling. It

made all the hard work and late nights worth it when it roared to a start and the driver blasted the air horns so the whole plant would know a new Mack truck was 'born ready'."

Being part of the team building the next generation of trucks at the 118-year facility felt especially meaningful, since Matthew Parry's own heritage is so closely tied to the plant's history. Both his father and grandfather worked as engineers at the LVO Plant. "History runs deep here. The strong ties to this brand's legacy are a source of pride for all of us who work here. When we say, 'We are Mack', we aren't kidding."🍷



12.05 p.m

Shooting the breeze with fellow production engineer colleague, Utkarsh Ranjan, over lunch. "We have about 30 minutes for lunch, I chat to colleagues or I use it as private time to catch up on emails."



01.37 p.m

Coordinating with Production Auditor, Bruce Traylor, as he reviews the wiring of a Mack Granite truck ahead of it leaving the plant. "These trucks are capable of running over one million miles and we need to ensure that everything is correct so that we deliver a quality product to our customers."

An instant impact

For the newly-created Group Trucks Asia & JVs to be successful, it needed a lean, agile organisation with strong customer focus. Together with the executive management team, Christina Lu, SVP HR & Communication, has established a high-performing culture.

TEXT NIC TOWNSEND PHOTO JONAS GRATZER

In the west of Singapore, nestled amongst the city's countless high-rise buildings and a short distance from its sprawling port, lies the new headquarters of GTA & JVs (Group Trucks Asia and joint ventures). From here, Christina Lu helped create a new organisation on a tight deadline, which can already boast a number of achievements.

In the beginning, what were your main priorities?

"It was critical to establish our vision and who we are, so that everyone was onboard. We then had to put in place a structure that would best meet the new organisation's aims: to capture growth in Asia and other emerging markets. This included creating a separate value chain, as well as securing all the key competences needed for Asian markets.

How did you manage the short time frame?

Speed was essential and we had very good collaboration with other Volvo Group entities including GTT, GTO, GTP and UD Trucks. By working closely together, we quickly identified all the aspects that belonged to the new business and transformed them into this new entity. "

What qualities were you looking for during the recruitment process?

"Firstly, we needed to secure Asian know-how because we're manufacturing trucks in Asia, primarily for Asian markets and customers, as well as emerging markets. We also looked at softer qualities that would build our new culture. We wanted high-performers who have an entrepreneurial spirit, and team players who have a collaborative mind-set. These attributes are important, because, as a new business, we



CHRISTINA LU

Title: SVP HR & Communication,
Group Trucks Asia & JVs

**Years with the
Volvo Group:** 10

Previous positions: Head of HR,
Volvo CE Asia Pacific; Head of
HR, Volvo Financial Services Asia
Pacific.

Lives: Singapore

Family: Married, two boys, two
step-children and a dog.

Interests: "I enjoy travelling and
learning about new cultures. I
listen to music and enjoy outdoor
activities and exercising."



CHRISTINA LU, SVP HR & COMMUNICATION, GROUP TRUCKS ASIA & JVS

► **Founded:** 1 July 2016

► **Headquarters:**
Singapore

► **Employees:**
Approx. 1800

► **Product range:** UD Trucks' models especially for emerging markets (Croner, Kuzer and Quester) as well as Volvo Group Trucks' two joint ventures: Eicher in India and Dongfeng in China

► **Markets:** Over 40 in Asia, Middle East, Africa and Latin America

► **Performance:** Already, after only one full operational year, GTA & JVs has delivered some substantial gains, including increased volume by 65%, product costs down by 10% and reduction in quality resolution lead time by more than 50%.

How did you create a new identity and culture?

“That was fairly complex. Internally, we are GTA & JVs and we wanted to create a sense of identity around that, but externally we are always representing one of our truck brands, UD Trucks, Eicher or Dongfeng, and we had to reflect that brand’s values and identity. We created a document, ‘High Performing Leadership and Culture’ and that helped articulate our mission, why we exist and what we want to achieve. The end outcome was to inspire people and make them feel part of GTA & JVs. I’m proud to say that we reached a very high employee engagement score of 82 per cent in the last VGAS, which is a good indication that people feel they belong to this organisation.”

How important was communication?

“It’s absolutely important! Over the past year, we have had numerous activities to help communicate with every level and every corner, using a mix of online and offline channels including townhall meetings, face-to-face dialogue sessions, Violin, workshops with employees and management. It is important to get the right message out, at the right time to the right audience. Particularly for a new organisation, everyone is keen to understand the future direction of the company and how they can be part of the journey. Not only is it important to share information, but it is also important for us to listen to our colleagues.”

GTA & JVs works in the value segment. How is this reflected in the new organisation?

“Value’ is sometimes misunderstood as ‘cheap’ and it shouldn’t be. Customers in this segment are looking for more competitive prices, but they

still expect quality. In setting up GTA & JVs, we implemented a very lean structure and adopted a cost-sensitive mind-set. We are not stingy – if we have to spend money to get maximum results, we do it. The mind-set we have is that of an entrepreneur – how can we do more with less, or be creative and smart about where we're spending in view of what we want to achieve.”

How is this leanness reflected in your products?

"Let's take the Quester as an example. When UD Trucks first developed this model



Christina Lu believes that an important part of GTA & JVs' success is its collaborative spirit. "Sometimes unexpected issues pop up, but because we work so well as a team, we can come up with solutions together."

a few years ago, it was intended for the value segment, but was not successful because it used some of the same technology, same high specifications and materials as the other Volvo Group truck brands, thus undermining its profitability. With its relaunch under GTA & JVs, we are responsible for the full value chain, our own R&D arm and our own distribution – all of which enables us to bring the total product costs down and offer a good quality truck at a competitive price for customers in this part of the world."

How would you define GTA & JVs today?

"We are a lean, agile organisation that stays close to our customers. We speak to our customers regularly and not just our sales people. Even I'm involved in quite a few customer events, which helps me understand their expectations and how we can support their businesses. With this knowledge, we can adapt quickly to changes in the market. Speed of execution is one of our main competitive advantages, especially in such a fast-changing market. This is where the action is!" ©

FULL OWNERSHIP

Who is actually responsible? It is easier to answer this question since GTT introduced product owners. For every component, system and product there is now one person responsible throughout the full life cycle.

TEXT MARIA SKÖLD PHOTO NICOLAS DARTIAILH & PATRIK OLSSON

IN 2017, AN old role – the product owner – made a fresh appearance. In simple terms, this means that for each entire truck model and for each component and system, there is always one appointed person who has the ultimate responsibility through the full life cycle. “The aim is to improve our deliveries. We want to work more rapidly and be more receptive to our customers,” explains Lennart Börjesson, Senior Vice President Vehicle Engineering at Group Trucks Technology (GTT).

In recent years, product ownership for different life cycle phases, for example ownership during the early development phase, during the product development projects and when the vehicles are with our customers, has been distributed in different parts of the organisation.

“However, the responsibility for a component or a system throughout its entire life cycle wasn’t clearly defined. If some of our customers encountered problems, it often took an unnecessarily long time internally to determine who was responsible for resolving it.”

With the new set-up, this has now been changed. The appointed product owners now have a strong mandate to ensure that their



Lennart Börjesson

component, system or finished product always complies with the requirements customers set when it comes to function, quality and cost. They follow research in their areas and keep checking what the competitors are doing. They initiate new developments and improvements and decide when something is mature enough to be introduced into production. And, not least, they need complete knowledge of the way their products are assembled, serviced and how the functions are used by the customers and what customers think about them.

“**WE NEED TO** maintain a strong focus on ensuring that our projects deliver what has been committed. In addition, the full life cycle product ownership gives us a more clearly defined, long-term focus on the actual product,” says Lennart Börjesson. “By having more clearly defined responsibility, we will be even better at supporting the success of our customers, by creating the products they need and by being quicker at rectifying the things with which our customers are dissatisfied.” ☉



Product owner of: the power cylinder unit (PCU) and the engine fluids (oil, coolant and crankcase ventilation) on medium-duty engines

Nathalie Masboeuf

GROUP MANAGER FOR PCU & FLUIDS GTT, LYON, FRANCE

“TO ME, HAVING a product-ownership mind-set is a way to reinforce the sense of responsibility within the technology line organisation and simplify decision making. Now we know in which direction we are moving; the next step is for the organisation to change.

“Strengthening product ownership over time is of course very important and to do this we need dedicated people with the right knowledge.

“My team members develop the concepts and often come up with very good ideas. One colleague, for example, suggested a new oil module that has led to improved fuel economy

and lower costs. The person in charge of a component synchronises all the different functional requirements, like quality, operation, aftermarket and purchasing.

“If a quality issue occurs for a customer, the clock starts ticking for my team and finding a solution immediately becomes our number one priority. The technical experts work together with the designers, the simulation and material teams, the test engineers and the suppliers. We must always strive to make this process faster and smoother. Product ownership is one way of achieving this.”



Product owner of: front and rear wheel suspension and steering systems

Andreas Sundqvist

GLOBAL TECHNOLOGY MANAGER SUSPENSION, AXLES & STEERING, GTT, GOTHENBURG, SWEDEN

“FOR ME, BEING a product owner means that I have full responsibility for the system and its components. This involves ensuring that we have the right system solutions on the truck both today and for the future. My job applies to technical and commercial questions.

“One important part of product ownership is firstly understanding what customers want but also knowing what competitors are offering within the same area. I work closely with our product planning and marketing teams and regularly take in their input. In addition, I try to meet as many customers as possible in my daily

work, for example, in conjunction with tests or when I handle a customer’s problem.

“As Global Technology Manager, I travel all over the world and, when I’m away, I always try to meet customers so that I can understand how my wheel suspension and steering systems affect their daily business. With the new product owner role, it has become clearer that we should not wait for anyone else to feed us information, we should find and gather it directly from customers. I’m very proud of the opportunities and responsibilities that come with being a product owner.”

Eva-Lisa Leandersson

GLOBAL TECHNOLOGY MANAGER DRIVER ELECTRONICS, GTT, GOTHENBURG, SWEDEN

“THE BEST THING about being a product owner is having the chance to help to develop future technologies and products for our customers. Being appointed as a product owner includes being responsible for deciding on the right products for the Volvo Group. It also means that I can influence things so that we incorporate the right quality in our products.

“Working on products is great, especially when our customers are satisfied. We recently launched a new instrument cluster for UD Trucks and, among other things, the feedback we received told us it was fantastic.

“We talk a great deal about needing more contact with our customers and how important this is. We often receive input via the brands, when we work on technology road maps to plan future technologies and products, for example.

“As someone working on driver electronics and, first and foremost, software, it's important for me to follow other industries, such as mobile and home electronics, when it comes to both new technologies and working methods to come up with new ideas. I really like this combination of people and technology.”

Product owner of: driver electronics, i.e. electronic systems that are visible to the driver, such as instruments, displays, climate control systems, locks, alarms and so on. Both hardware and software are included.





Kristina Nilsson is head of CAST, a modular system that makes it possible to cater to customer needs in a cost-effective way.

CAST is key to synergies

Customers need to be able to customise their vehicles to match every individual requirement. The Volvo Group uses a system known as CAST to fulfil this need in a cost-effective manner.

TEXT PER-MARTIN JOHANSSON PHOTO PATRIK OLSSON & VOLVO GROUP

THE VOLVO GROUP has many brands on many different markets, which offer products in a large number of segments. To ensure that customers receive solutions adapted to their needs, they are offered a wide range of variants.

“Our current product offer when it comes to trucks can be combined to create millions of different specifications, giving our customers every opportunity to find their optimal solution. However, to be able to do this in a cost-effective

way, we use a modular system we call CAST, Common Architecture Shared Technology,” explains Kristina Nilsson, head of CAST at the Volvo Group.

The system is based on three principles. The first is to define all the requirements customers have and then create a balanced offer that meets these needs.

“Our engine offer is one example. Customers require engines with many different displacements, but we have chosen to offer five performance levels with engines of 5, 8, 11, 13 and 16 litres. This covers our customers’ needs and, at the same time, enables us to optimise our resources and technical solutions.”

THE SECOND PRINCIPLE is based on offering the same technical solution to customers with the same requirements. In this case, it is enough to develop one solution rather than many very similar solutions. This also facilitates production at plants, service at workshops and, not least, parts management.

“In this context, it is, however, important always to ensure that our brands are able to offer exactly what their customers need. We must be able to offer brand-specific solutions when this is important to the customer,” says Kristina Nilsson.

The third principle relates to standardised interfaces. Chassis frames, where there are three different CAST frames for light-, medium- and heavy-duty trucks, is a clear example. The front widths differ to match the different engine sizes, but the back of the frames is exactly the same size.

“With frames with standardised lengths, widths and hole patterns, we are able to use the same solutions in many areas in the vast majority of our variants.” ☉

A TOOL FOR TECHNOLOGY LEADERSHIP

AT THE CENTRE of the CAST strategy are the Group's engine platforms, which, together with electronics, transmissions and technology in connectivity, electromobility and automation, are Group resources for the Business Areas to draw from.



Team analysis

Clearly defined targets, trust and a constructive dialogue generate high-level performance. This is one of the important lessons that have been learned within the programme Developing High-Performing Teams. *Volvo Group Magazine* met a group of participants.

TEXT FRIDA WALL PHOTO PATRIK OLSSON

COLLABORATION HAS always been a focal point for this team of four business controllers and one global audit manager at Volvo Trucks Retail Development in Gothenburg, Sweden. As soon as the group was set up just over a year ago, they formulated their own golden rules and, when Monica Skyttebol, their manager, heard about Developing High-Performing Teams, she thought it sounded exciting.

The programme is being run by the Volvo Group University and it begins with everyone answering a questionnaire about the way collaboration between them functions.

"It was challenging to analyse how we act here and now but also to identify what we can develop. It gave us an awareness I think everyone needs," says Monica Skyttebol.

Monica Skyttebol and her team were then helped by Anders Forsberg, their facilitator, to analyse the answers to the questionnaire. They also spent a whole day talking about how the group functions and performs.

Monica Appelkvist, one of the group members, thinks it was good training, as it also helped them to see that they were already collaborating effectively.

"An assignment is usually discussed by everyone in the group. This really improves the results, as everyone approaches tasks in different ways," she says.

During the one-day session, common targets for the future are also set. How should the team work to keep performing at the same high level?

"The way we handle change and the way we approach it was something that really interested me. We have to improve the way we break issues down and bring them to our level," says Lejla Karamehmedovic.

CONFLICT MANAGEMENT WAS another point that was discussed at this session. This team has not encountered any major conflicts, but this is not because all of them think in the same way. Rather, they are not afraid to speak out when they have a different opinion.

"Because we aren't afraid to talk

and find new solutions together that work for everyone, I think that we manage and prevent conflicts before they have a chance to occur," says Monica Appelkvist.

Six months later, the team received a follow-up questionnaire, designed to see whether they had developed and if their targets were within reach. This working method has proved to be highly effective, according to the overall analyses the Volvo Group University has made of the questionnaire answers.

"When we follow up, we can see clear-cut results. The groups that complete the programme increase both their efficiency and productivity," says Anna Elfversson, Learning Program Manager.

THE TEAM FROM Retail Development received definite proof that they are a High-Performing Team. When they discuss how they have become so successful, they talk about inclusive working methods, openness and enjoyment. They like both one another and their work. Sometimes they meet during their leisure time to bake or eat together. Leadership is also important. Monica Skyttebol is quick to stress that she is not the only person who makes decisions.

"It's important to show that you really want to be a group and that all the members trust one another completely." ●

THE TEAM MEMBERS ON CREATING A GOOD GROUP DYNAMIC

MONICA SKYTTEBOL

"You need to take the time to be a group. Even if things are stressful, you have to try to set aside time to talk to one another."

MONICA APPELKVIST

"You need to be able to give and take criticism. It's neither personal nor negative. It helps you develop."



LEJLA KARAMEHMEDOVIC

"Always knowing what is expected of you creates a sense of security in the group. Setting common targets and deadlines is really good."

MARIE PAVLIC

"To perform well and work together effectively, you need to be accepting and forgiving. It's OK to make mistakes."

CARL HOLMGREN

"It's important to find the time to chat. It creates engagement and interest in one another."

Group dynamics

What is the secret behind really successful teams? This is a question Christian Jacobsson, a psychologist, has researched in great detail. He is now helping the Volvo Group to succeed with team development.

TEXT MARIA SKÖLD PHOTO SÖREN HÅKANLIND

IN RECENT YEARS, interest in group psychology has exploded and there is currently a great deal of knowledge about what makes a group of people high performers. At the same time, however, the research results have found it difficult to impact working lives.

“This is strange, as companies are facing increasingly complex challenges that require large-scale collaboration. We are going to see more and more teams in the future. Jobs that are done alone can be automated, while the tasks that require collaboration will remain,” explains Christian Jacobsson.

For the past three years, he has been working as a consultant to the Volvo Group to increase its knowledge and understanding of the factors that create a culture of collaboration. On behalf of the Volvo Group University, he is training co-workers who are going to be facilitators and help teams develop.

Christian Jacobsson thinks that everyone who works in teams would benefit from a little basic knowledge of group psychology. First and foremost, he wants everyone to understand the importance of collaboration. There is less stress, sick leave and conflict in groups that are good at collaborating, where everyone feels respected.



5 KEYS TO SUCCESS

- ▶ Formulate common targets that are easy to understand
- ▶ Everyone in the group has clearly defined roles in relation to the targets
- ▶ Open, honest, prestige-free communication
- ▶ Everyone takes responsibility for the big picture and shares leadership
- ▶ If possible, the group should not have more than eight members

It is also relatively easy for companies to create the right conditions for teams to succeed.

“The research is clear. The most important thing for a group to be effective is that it has easily comprehensible, common targets. This then enables the group to manage itself based on the targets. The second most important factor is to clarify each individual’s role in relation to the targets,” says Christian Jacobsson.

Sometimes he sees the label of “team” applied to a group of people who do not actually have



Christian Jacobsson has trained 40 facilitators all over the world. They have the chance to both study current research and learn how to work practically with questionnaire analyses and development strategies.

DEVELOPING HIGH-PERFORMING TEAMS

WHAT? Since 2015, the Volvo Group University has been running the Developing High-Performing Teams programme at the Leadership & Management Academy.

FOR WHOM? Every kind of group that is looking to develop can apply to the programme and is then allocated its own facilitator. More information is available at Volvo Group Navigator. You can also contact Anna Elfversson, who is responsible for the programme, at anna.elfversson@volvo.com

HOW? The programme begins with the participants completing a questionnaire comprising 60 questions, the Group Development Questionnaire (GDQ). They then spend a day with their facilitator to receive feedback and discuss the results. They are helped to formulate the group's strengths and weaknesses and the steps they need to take to be an effective team. Together, they also formulate their targets going forward. Six months later, they complete a follow-up questionnaire which they spend half a day discussing.

a common target. In this context, he says it is wrong to call them a team.

“A team is not created by having a joint manager. A team is made up of people with common tasks. A team is characterised by members who need one another to realise their targets.”

THE MODEL THE Volvo Group is using is based on the research conducted by Professor Susan Wheelan from the USA. Christian Jacobsson describes the method as easy to understand and viable all over the world.

“The definition of effective collaboration does not differ from one country to another. In every part of the world of which I have experience, it has been important to have clearly defined,

effective targets rather than having one manager who decides everything. It may, however, be more difficult to implement this at a workplace if the culture in the rest of society is extremely authoritarian,” explains Christian Jacobsson.

Focusing too heavily on the individual can also create problems. Many companies look at the individuals they have employed and move them around, hoping that they will achieve great things in the organisation, regardless of where they find themselves.

“For a long time, interest focused on developing individuals, while groups were simply expected to function effectively. This is naturally the wrong approach. More and more people are starting to realise what groups can achieve if they are given the right conditions.”



Year: 1928

The first ever Volvo truck

THE SERIES 1, the first ever truck manufactured by Volvo, rolled off the production line in Gothenburg 90 years ago. It had a four-cylinder engine, 28 bhp and a payload limit of 1,500 kg.

Back then, Volvo was a newly formed company that had only started manufacturing cars the previous year. It decided to move into the truck segment after realising that the market lacked a vehicle that could handle the harsh Swedish climate and poor road conditions.

The new Series 1, with its simple but highly functional design, delivered a level of quality and reliability that was unmatched by non-Swedish trucks. The first 500 units sold so quickly, a second batch of 500 – Series 2 – was manufactured shortly afterwards.



PHOTO: VOLVO GROUP



Together, Delanchy Transports and Volvo Group developed a custom-built, fully electric 13-tonne Renault Trucks D experimental vehicle.

CLEAN AND QUIET

When Delanchy Transports needed a new truck for deliveries to the world-famous food market Halles de Lyon in France, they turned to Renault Trucks. Together, they designed an electric truck that caters to their needs.

TEXT CÉLINE FOGGIE AND MARIA SKÖLD PHOTO RENAULT TRUCKS

Traffic in downtown Lyon can be quite hectic and this also places restrictions on the companies bringing goods to the city's iconic food market, Les Halles de Lyon Paul Bocuse. So, for distribution company Delanchy Transports, there are many factors to consider when buying a new truck, explains the company's technical director Yannig Renault.

"We wanted a clean truck and, since at the Halles, goods are delivered to the basement, it had to be an electric truck. That way we would not have problems with fumes or ventilation during the delivery," he says.

Another important aspect when transporting goods in increasingly congested cities is noise. With a new generation of silent, electric trucks



“Not having a noisy engine around is of course a great benefit to the driver.”

YANNIG RENAULT, DELANCHY TRANSPORTS

under way, it will be possible for more and more deliveries to take place at night when there are fewer vehicles on the roads. As a bonus, the silent trucks also create a better working environment for the driver.

“Not having a noisy engine around is of course a great benefit to the driver, but also to other people,” Yannig Renault says. He notes how it is something of a paradox that the driver must now go to great lengths not to produce unintentional noise by accidentally slamming a door or speaking too loudly.

For Delanchy Transports, it simply made good business sense to opt for an electric truck. It is also well in line with the company’s focus on sustainable development. In addition to its investment in electric transport, the company

monitors its fuel costs and encourages fuel-efficient driving.

Renault Trucks is seen as a natural partner, with a similar view of sustainability and long experience of electromobility. Together, they developed a custom-built truck and discovered a third advantage of using an electric vehicle. Since Delanchy delivers fresh produce, refrigeration is very important and the refrigeration system can now be powered by the truck’s traction batteries.

“Renault Trucks’ engineers are fine-tuning the set-up. Since our products are fresh, we must be able to guarantee that the fridge temperature is always absolutely even,” Yannig Renault says.

For him, it was important to be able to work out all the details and specific requirements together with Renault Trucks.



Silent, emission-free trucks are perfect for deliveries at night and in confined spaces.



The food market is one reason Lyon is dubbed the gastronomy capital of France.

DELANCHY GROUP

- Family business founded in 1968
- Has 37 outlets in France, two in Italy and one in Spain.
- Specialises in the fast transport of products with a limited shelf life: 60 per cent fresh produce, 40 per cent seafood.
- 65 per cent of its business is in transport and 35 per cent in logistics.

“It is easy to handle, it has powerful acceleration – and it is comfortable.”

YANNIG RENAULT, DELANCHY TRANSPORTS

“There have been many phone calls between our teams and Renault Trucks. The truck we are now using is a unique prototype that can be further developed based on what we learn

from its daily use. This type of collaboration is naturally also valuable for Renault Trucks,” Yannig Renault says.

So far, the electric truck has met all expectations. It is silent and easy to operate in congested streets and confined spaces. To refuel, a standard 380V outlet is plugged in for seven hours, after which the truck can drive up to 150 kilometres.

“Our driver is very happy with the new truck. It is easy to handle, it has powerful acceleration – and it is comfortable,” says Yannig Renault. ☉



A 100% Renault Trucks fleet

IT WAS A special day when CEO Brigitte Delanchy was handed the keys to Delanchy Transport's new custom-built electric truck by Bruno Blin, President Renault Trucks. The ceremony took place in November 2017 at Les Halles in Lyon and the companies were congratulated by David Kimfeld, president of the Lyon metropolitan area. “You both share the same commitment to solving problems related to mobility,” he said.

The partnership between Delanchy and Renault Trucks goes back to 1968, when Delanchy Transport was founded in Lorient, Brittany. Today, it is a major player in the field of highly specialised temperature-controlled deliveries for the French, Italian and Spanish markets.

The company is still headquartered in Lorient, but it has 40 different outlets. Its fleet has grown to 900 vehicles – and to this day, all of them are from Renault Trucks.



ARQUUS

The name Arquus is an abbreviation for the Latin term 'Armis Equus', which means 'the protected horse'.

Emmanuel Levacher and Zouhour Boughammoura are confident that the new direction will be well received.

Introducing Arquus

In May, Volvo Group Governmental Sales re-emerged under the new name Arquus, with a clearly defined mission: to be a leader in light- and medium-duty armoured tactical wheeled vehicles.

TEXT MARIA SKÖLD PHOTO ADRIEN DASTE

IN RECENT YEARS, the future direction of Volvo Group Governmental Sales (VGGS) has been uncertain. Even after it was decided that the business area would remain within the Volvo Group, there was still a question of how it should position itself. The acquisitions of Acmat in 2006 and Panhard in 2012 left VGGS with a conglomerate of brands with quite different customer segments and brand images.

"Consequently, we decided to reflect on our brand image and our defence market positioning. This highlighted

our strengths and challenges and in addition clarified who we are today and where we want to be tomorrow," explains Emmanuel Levacher, President Arquus.

The process led to a redefined mission: to be the first European specialist in light and medium armoured tactical wheeled vehicles, with a full range of products and services, for all global markets. A road map was also drawn up, describing how this goal should be reached, despite an increasingly competitive and fragmented market.

One decisive decision was renaming

the company. "By taking a new name, we clearly signal who we are and where we are going. We chose Arquus because it describes our heritage and close affiliation with defence," says Zouhour Boughammoura, who has been project leader for the transformation.

WITH THE NEW name, it will be easier for customers to understand what the brand can offer and how it is constantly developing. Zouhour Boughammoura also hopes that Arquus will attract new talent who want to work on technology innovations and both she and Emmanuel Levacher are optimistic about the future.

"Our commitment is clear: to improve our operational efficiency in order to deliver on time with the expected level of quality," Emmanuel Levacher says. ☺

This state-of-the-art Volvo pavilion is built in a record time of nine days at each of the participating ports. Never before in the world of sporting events has such a premium construction project been carried out on a global scale.



FACTS

- ▶ The Volvo Ocean Race is known as “the Everest of Sailing”. In the 13th edition, seven participating yachts spent nine months sailing 45,000 nautical miles around the globe. It has been Volvo owned since 1998.

Reaching billions of people

DID YOU KNOW that the Volvo Ocean Race is the world's third most visited sporting event? By the time the participating yachts reached the finishing line in The Hague in June after nine months of sailing, 1.7 billion people all over the world had followed their endeavours on television. Millions more had been captivated by exciting stories on social media.

In addition, around two and a half million people visited the Volvo Ocean Race Village, which

featured in 12 different ports on six continents. Here, some 20,000 customers from over 40 countries had a chance to learn more about the Volvo Group's breadth of offerings and new technologies through seminars, interactive events and more informal get-togethers.

The Volvo Ocean Race reflects the values of teamwork, performance, innovation and care for the environment. Protecting the health of the oceans has always been at its heart and this particular

edition has been used as a platform to raise awareness of plastics polluting the oceans. Activities include an educational programme for schools which reached approximately 20,000 students. In seven ports, Ocean Summits were held, where researchers, politicians, NGOs and the business community joined forces to make a positive change. The Volvo Ocean Race is a powerful communication tool for both the Volvo Group and society.

MARIA SKÖLD

PHOTO: SÖREN HAKANLIND

Peter Grönberg together with some of his colleagues at Volvo Group HR. From left to right: Cendrine Terrier, Anna-Karin Blommé, Eric Way and Ulrika Jacobsson.





4

QUESTIONS TO PETER GRÖNBERG

SENIOR VICE PRESIDENT CULTURE
AND LEADERSHIP, VOLVO GROUP HR

Living dialogue is essential for good results. A new, more open working method will give every employee more feedback and the opportunity to develop.

Why is an open dialogue important for a company like the Volvo Group?

"We find ourselves in a business climate in which we need to be courageous and move quickly. If, in my role as an employee, I am to put in a top performance in an environment like this, two things are needed. First of all, the Volvo Group's objectives and my mission in relation to them must be clearly defined. Secondly, a continuous dialogue is needed, between both individuals and different groups. It's a bit like a GPS – even if you have a clear-cut destination, you need guidance and you need to adjust your route in real time."

How will the Volvo Group's employees notice the change?

"One thing that is going to change is the personal business plan, the PBP. The process is going to be far more flexible than before and will focus more heavily on the priorities that are important here and now. In the future, the employee engagement survey, the VGAS, will be conducted every two years and will be supplemented by a new tool known as "pulse checks". They will offer managers a quick, straightforward way to put a short questionnaire to their employees to 'measure the temperature'. It goes without saying that acting on the results will be the important

factor. The questionnaire will simply enable the dialogue to be as effective as possible."

How much progress have you made?

"It is our job to make sure there are structures that enable a living dialogue at every level. Even if there are dialogue guides and new tools, it is primarily not a question of launching a new process or introducing new tools. We are basically talking about a cultural change and a new mind-set. We have started some 50 pilots involving around 600 employees from a large number of countries and the feedback we have received has been really positive."

Which requirements are going to be imposed on me in my role as an employee?

"We trust all our employees to do their best and be prepared to give and receive feedback. However, time is a limited resource and all of us, employees and managers alike, must make sure that we really prioritise dialogue to ensure that we receive the feedback and guidance we need. Only then will we have an organisation in which all the employees can utilise their full potential and be given the opportunity to grow. This will then create engagement and generate good results." ◎

LINDA SWANBERG

Improve your flow at work

Do you feel as though some days are constantly interrupted and that you get nothing done? Here are six tips to help you improve the flow at work.

1 CREATE AN OVERVIEW
To work in a sustainable, efficient way, it is important that you find a good structure. Define your work and create an overview using a to-do list and your calendar. Outlook is an effective tool that can help you organise your work.

2 PRIORITISE AND PLAN
Make sure that you prioritise and plan sufficiently often but not all the time. If you do not do this frequently enough, there is a real risk that your brain will be constantly dwelling on topics and wondering if you are doing the right things. Setting aside time for planning and prioritisation at regular intervals makes it easier to focus and concentrate on the tasks that are really important.

3 CHOOSE THE RIGHT PLACE
Do you work at an activity-based office? Make sure that you choose the place that is best for the work you are doing and adapt your digital availability. If you need to concentrate and work without being interrupted, put Skype in the do-not-disturb mode and choose somewhere quiet.

4 TAKE CONTROL OF YOUR INBOX
Few people are able to work in a focused manner while still having constant control of their email. Focus instead on one thing at a time and check your email at set times during your working day. And make sure that you deal with your email in a structured way. Delete the email you do not need, file what needs to be dealt with under "Tasks" and save the ones that need to be saved. This gives you a quick overview of what needs to be done and what needs to be prioritised.



5 TAKE A BREAK EVERY HALF HOUR

Both the brain and the body like movement. Taking a short break every half hour will make it easier for you to concentrate and work effectively. Take the opportunity to stretch, take a few deep breaths, fetch a cup of coffee or chat to a colleague. However, stay away from email, Facebook and Instagram – new information triggers the system and sends your thoughts in different directions.

6 REVISE AND REFLECT

Before you go home, draw up a short list of priorities for the next day. What do you want to complete before you go home tomorrow and what must you do to succeed?

In the same way, you should set aside at least half an hour a week for reflection. What are you satisfied with and what can you improve? By giving yourself time for this kind of planning and reflection, you can create and maintain the right sort of direction in your work.

LINDA SWANBERG

FACTS SELF MANAGEMENT – WORKFLOW

- ▶ Volvo Group University offers Volvo Group employees a number of courses in Self Management – Workflow.
- ▶ In these trainings, the participants learn how to use both IT-related tools such as Outlook, Skype, One Note and smart phones more efficiently, but also methods for changing the way of thinking, towards an activity-based mindset, reducing stress, working in a paper-free environment and collaborating in the work environment.
- ▶ You can read more about these courses and apply in Navigator on Violin. Search for Self Management – Workflow Curriculum.

HELÉNE MELLQUIST

Purpose for high performance

I AM A TRUE believer in the saying ‘What you get by achieving your goals is not as important as what you become by achieving your goals’.

It is a commonly accepted sentiment that setting goals will lead you to success. Individuals and organisations are continuously setting goals for one reason and one reason alone: to change the status quo for the better. I am a big believer in goals. However, I also know that, in order to achieve goals, we need a bigger purpose for why we do what we do and why we come to work each day. We need a direction.

Two years ago, we set the Volvo Trucks International (VTI) direction for 2021 with financial targets and also the purpose of building a strong, sustainable and scalable organisational culture. With the diversity and vast geography of the international Sales Area, we decided that the organisation should comprise entrepreneurial, passionate and hardworking individuals ready to take on unusual challenges. Our purpose should be to deliver on the potential of VTI and thereby make a significant contribution to the Volvo business.

Each day, I believe we are getting one step closer to fulfilling that purpose. In 2017, the financial performance of VTI was very strong and we had outstanding engagement results in the VGAS survey. This year, our intention is to take this even further by reinforcing the messages, daily behaviour and decisions that reflect what we want to be.

THERE IS MUCH to be gained from having a shared direction as an organisation. In fact, purposeful, value-driven companies outperform their counterparts in stock price by a factor of 12, according to one study. It is also so much more fun to work for an organisation where people and resources are not just managed for profit but mobilised for a purpose.

One of the reasons I have been with the Volvo Group for nearly 25 years is my belief in the purpose of this company. I feel that the smaller goals we achieve each day, the progress we make towards our purpose give all of us the opportunity to change for the better and become what we want to be.



HELÉNE MELLQUIST, SENIOR VICE PRESIDENT
AT VOLVO TRUCKS INTERNATIONAL

WHAT YEAR IS IT?

It would prove to be a significant year for both the Volvo Group and the world in general. Can you guess which year it was from these seven events?

■ Volvo Penta launches the 40 engine – a small six-cylinder diesel engine that combines the acceleration of a gasoline engine with the fuel economy and reliability of diesel.

■ The Volvo Group expands its manufacturing base from Sweden and into Europe, with the construction of its second truck plant in Ghent, Belgium.

■ Groucho Marx dies in Los Angeles at the age of 86, but his legacy lives on as a timeless Hollywood icon and one of the best comedians of all time.

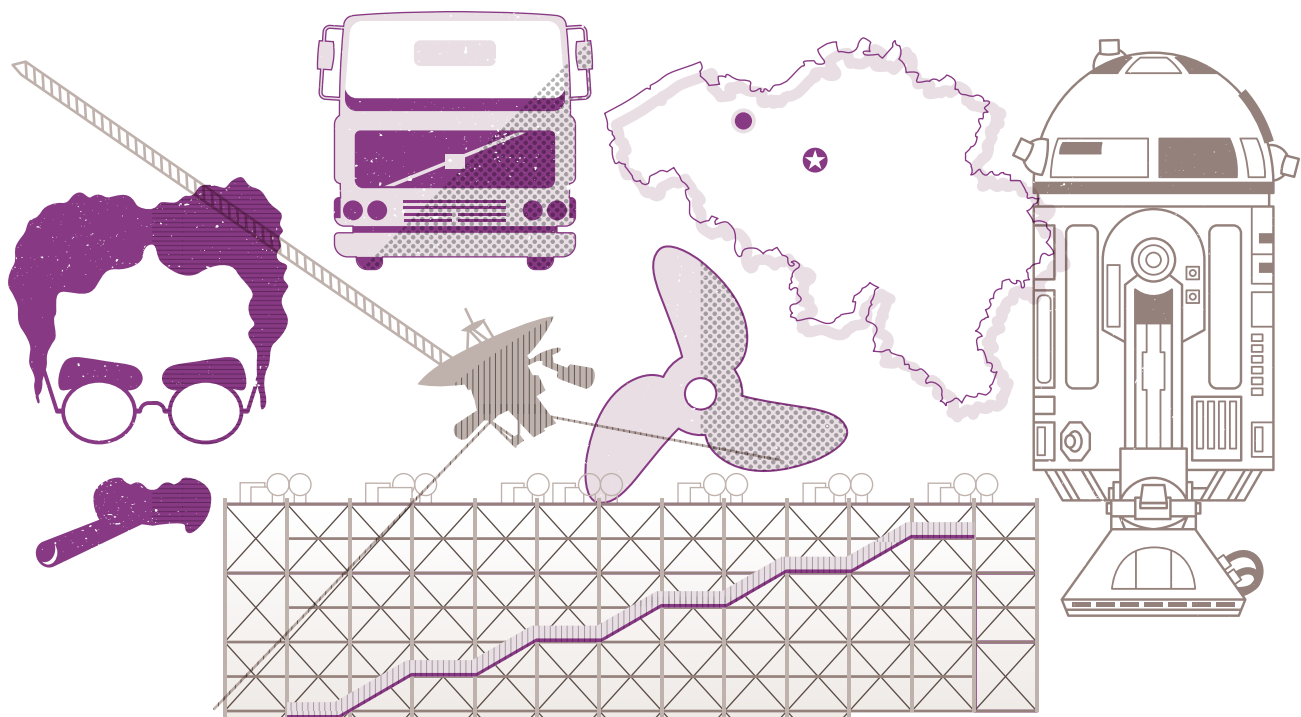


ILLUSTRATION: KEN NISS

■ The Pompidou Centre is officially opened in Paris, housing both a public library and a museum of modern art. The building's high-tech architecture instantly makes it a landmark, attracting millions of visitors every year.

■ A new science fiction film called *Star Wars* premieres and quickly becomes one of the most popular films of all time.

■ NASA launches the Voyager 1 space probe, which continues to transmit data to earth from the outer solar system to this day.

■ Volvo Trucks launches the F10 and F12 series, which represents a radical shift in truck design and sets new standards in ergonomics and safety. The trucks go on to pioneer new trends in truck design for years to come.

Win a model of a Renault truck!

One lucky winner will receive a 1/43 scale model of a Renault Trucks' T High Edition Team Alpine. The model is a limited edition, produced in only 300 copies and not sold in shops.

Email your answers to groupmagazine@volvo.com no later than 31 July 2018. Write "Quiz" on the subject line and remember to include your name and address.

The winners of the quiz in Volvo Group Magazine #1 2018 were Kwon Suyeon, South Korea, Michael Kissel, USA, and Łukasz Puszczewski, Poland. The correct answer was 1959.



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