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202020
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Realising a new car is a complex process involving all major units of a car company. In simplification the task is divided into three parts: strategic groundwork, preparation in product definition and finally implementation.

Within Volvo Car Group (Volvo Cars) a comprehensive analysis work is now under way to identify how new car projects from get go to start of production can be run in a smarter, more efficient way and thereby cut lead times, save resources and improve quality. A project should last no more than 20 months. In comparison, today a project stretches over about 30 months. Ekkehard Schwartz is Vice President Vehicle Engineering within Research and Development:

“A knowledge-based approach to product development and a corporate culture with less top-down management and more delegated responsibility enables us to shorten the project phase to 20 months. This supports our business in providing better quality in our products and internal processes, less re-work and less spending. That in turn enables us to invest even more in innovations and future products,” he says and continues:

“However, reaching this objective means we need to re-structure and re-think how we manage a new car programme, a huge task. The key

is to build on experience based knowledge as well as capturing innovative creativity. We are a knowledge based company with an 87 year history of making cars. Yet we recognise there is always more to learn and we are now re-defining our very way of working. It all starts with a question: How can we do this differently?”

The objective is to achieve project duration of 20 months by the year 2020. Thus this transformation is named 202020 within the company. Now, employees of different backgrounds and expertise get together to find out what gaps there are in internal processes and how these can be closed. This focus on learning and networking between units are crucial elements to achieve a new way of managing the development phases. Considering all the major units within Volvo Cars are involved, a shift such as this requires a strong corporate culture, clear objectives and readiness from employees as well as external partners to embrace change.

“This is not about implementing something new but creating something new – and to do that all employees and partners need to be co-creators. At Volvo Cars each employee is encouraged to grow and contribute to improvement, they are the innovators.” says Ekkehard Schwartz.



Transformation has become a household word at Volvo Cars. Since 2010 when Zhejiang Geely Holding acquired the Swedish car manufacturer from Ford Motor Company, Volvo Cars has been embarked on a journey to become a standalone manufacturer in every sense. In 2011 the future objective to reach an annual volume of 800,000 cars was announced as well as the company's dedication to develop in-house technology that would set new standards for its future products. Now, Volvo Cars is entering that new phase of the company's history: In 2013 the four cylinder engine strategy topped with electrification was launched with the introduction of the new Drive-E powertrains, offering high performance and low fuel consumption. And early 2015 will see the market introduction of the all-new Volvo XC90, the first car to be based on the company's new Scalable Product Architecture (SPA) which will further improve efficiency and economy of scale production.

"Innovation is at our core. The transformation of our company is in essence about capturing that unique Volvo way of looking at what possibilities a car can offer, how it can make our customers' lives easier. For us, what we do is all about people – even when the issue is internal processes as in Transformation 2020," says Ekkehard Schwartz.

Volvo Cars is currently developing the new Volvo Cars Management System, based on the EFQM Excellence Model. Transformation 2020 is part of and an example of the comprehensive improvement work that affects all business critical processes within the company and with focus on innovation and sustainable performance.

"We are a small player in a world of automotive giants. Yet we are convinced we will grow. To do that we make use of being a smaller company; we can collaborate more and act faster than the bigger companies can. But to capture innovation and creativity, we need a firm common ground where expectations and objectives are known to all stakeholders – that is the Volvo Cars Management System," says Paul Welander, Senior Vice President Quality and Customer Satisfaction.

Volvo Car Group aims at better quality, leaner development and less spending with Transformation 2020

About Volvo Car Group

Volvo has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 427,000 in 2013 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US.

Volvo Cars has over 23,000 employees worldwide. Head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Head office for China is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium) and Chengdu (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China).



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