

5 years of agile at Volvo Cars

HOW TO SUCEED WITH TRANSFORMATION?

Maria Hansson, Volvo Cars - LPPDE April 26 2023



VOLVO

SUV/XC



EX90



XC90



XC60



XC40



WAGON/V



V90



V60



SEDAN/S



S90



S60



CROSSOVER/C



C40



FULLY ELECTRIC



PLUG-IN HYBRID



INTERNAL COMBUSTION



ENGINE

V O L V O



1.2M
UNITS SOLD

50%
FULLY
ELECTRIC
SALES

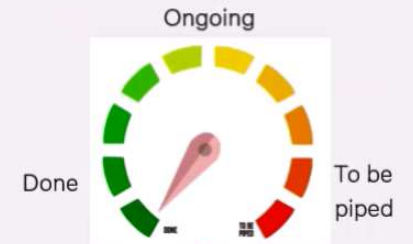
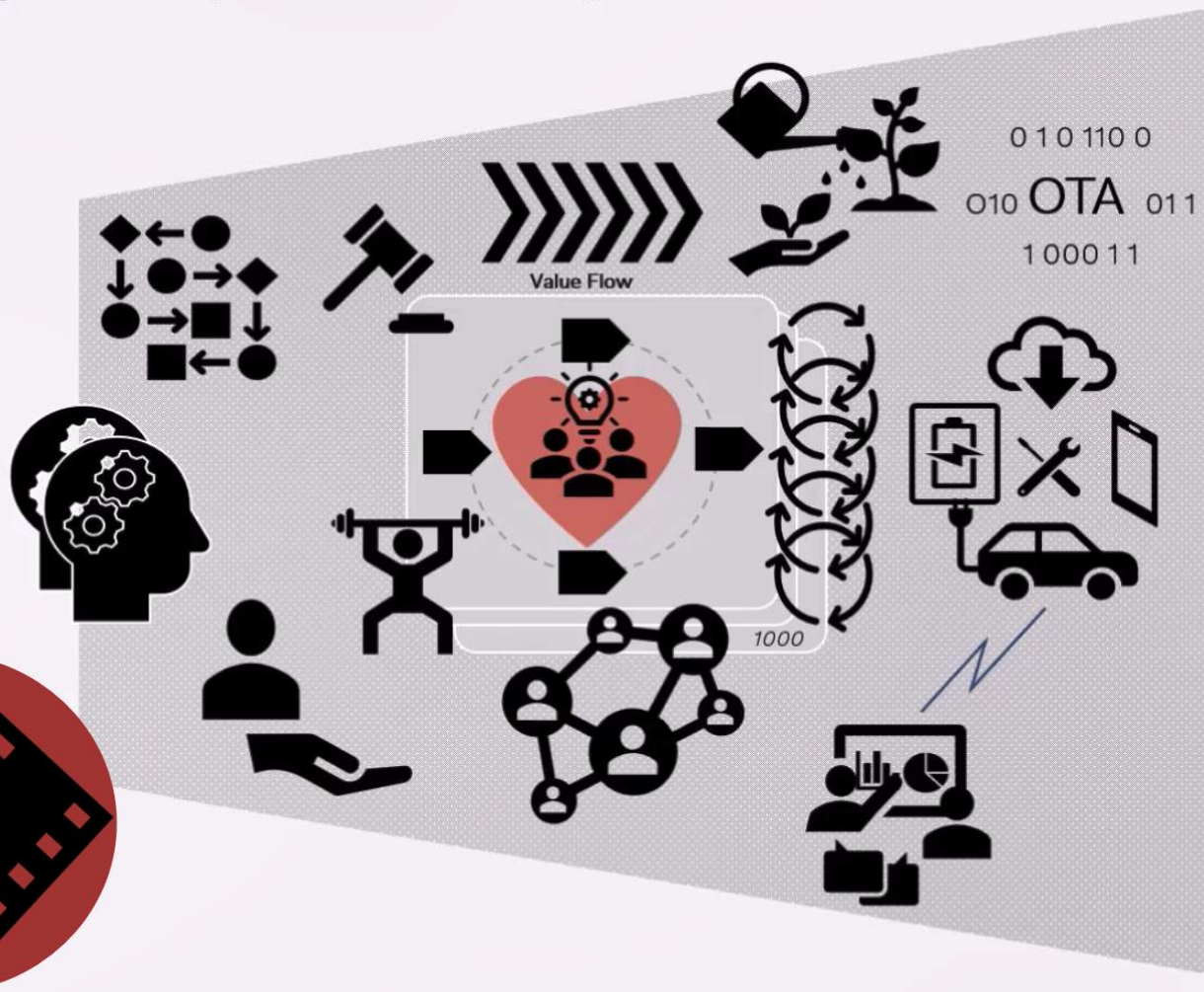
8-10%
EBIT MARGIN

40%
CO₂ REDUCTION
PER CAR

50%
ONLINE
SALES

“The only way we can win is to change faster than the competitors”
JAN BOSCH

Our journey towards speed



- Ambidexterity
- Digital native thinking
- Decision accountability
- Autonomous architectures
- OTA business focus
- Value flow
- Continuous improvement
- Servant leadership
- Collaboration
- Data-driven transparency
- Connected vehicle
- SAFe
- Scrum
- Continuous integration
- Empowered teams
- Agile

VOLVO

2013

LEAN MANUFACTURING
LEAN SERVICE

AGILE GRASSROOT
MOVEMENT
LEAN PD TRANSFORMATION

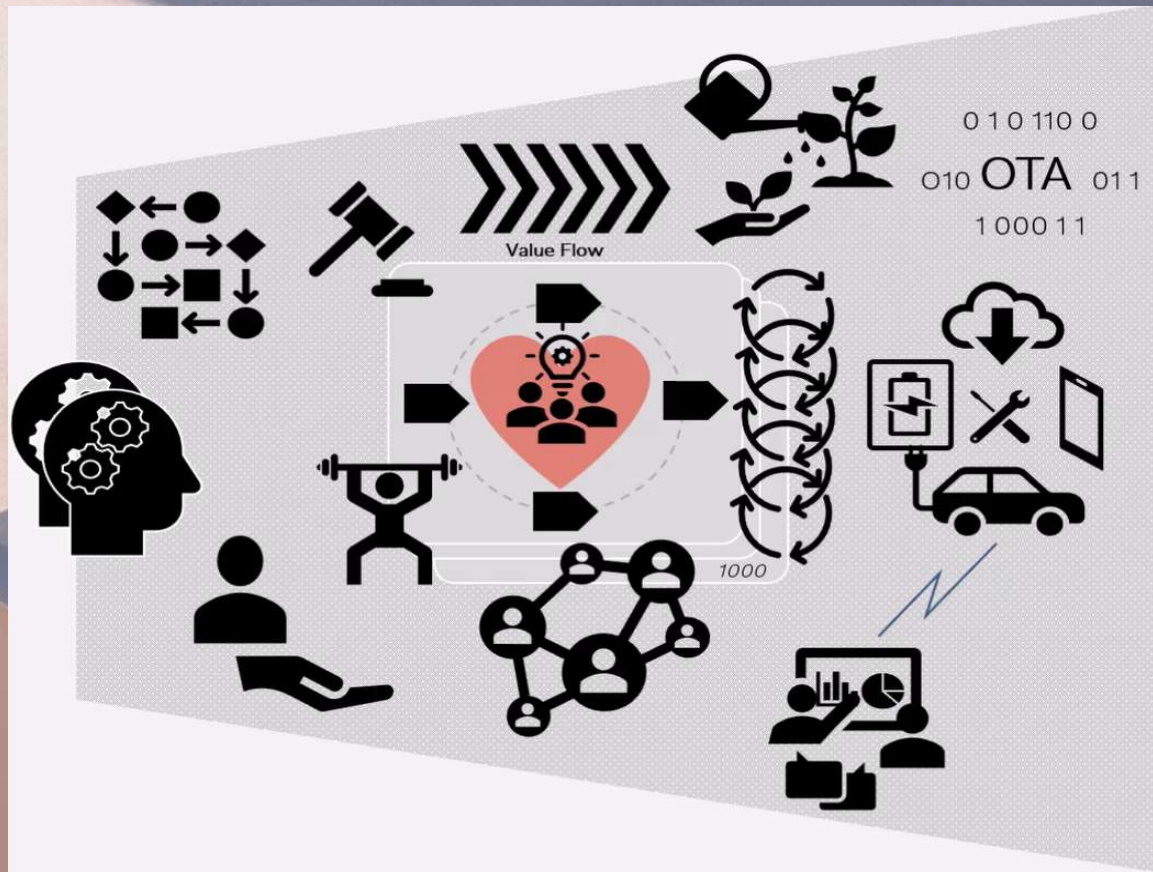
2018

AGILE
TRANSFORMATION

2020

CONTINUOUS
IMPROVEMENT

2023



- Ambidexterity
- Digital native thinking
- Decision accountability
- Autonomous architectures
- OTA business focus
- Value flow
- Continuous improvement
- Servant leadership
- Collaboration
- Data-driven transparency
- Connected vehicle
- SAFe
- Scrum
- Continuous integration
- Empowered teams
- Agile

V O L V O

SOME KEEPERS

Work with the ones who see opportunities

BUT BEWARE OF THE RESISTANCE



TRUST?

Collaboration

USE THE MANY BRAINS



VOLVO

Glass half full

AND HEJJA HEJJA





Transparency

SHARE CURRENT BEST THINKING

V O L V O

Through continuous reflection, learning and improving



*Everyone always
reflects to learn*



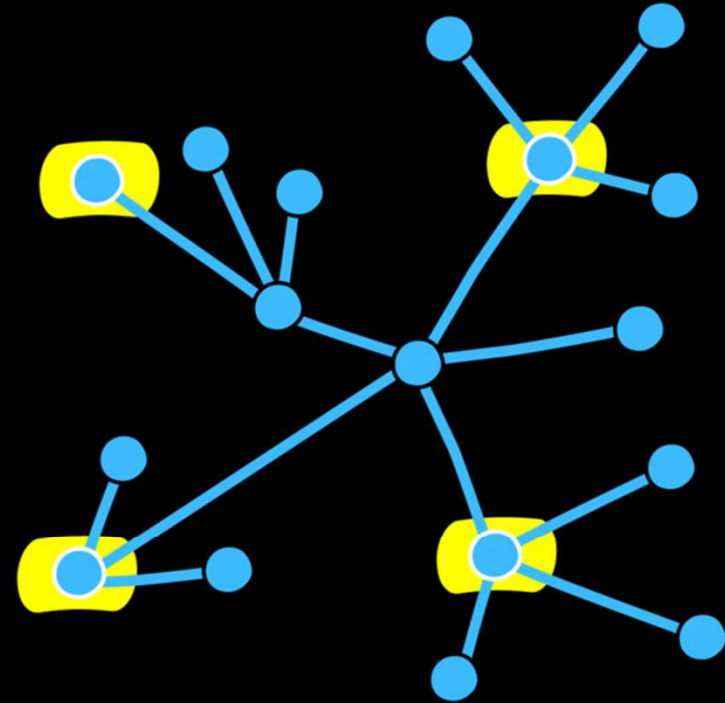
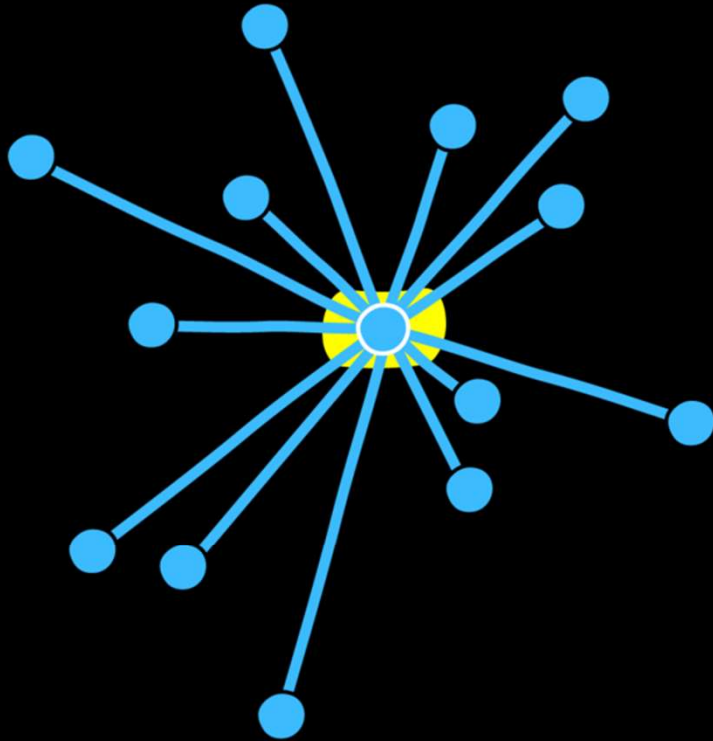
*Everyone always work with
at least one improvement*

... become the fastest transformer in our industry

Always improve so that we can rapidly adapt to new business

V O L V O

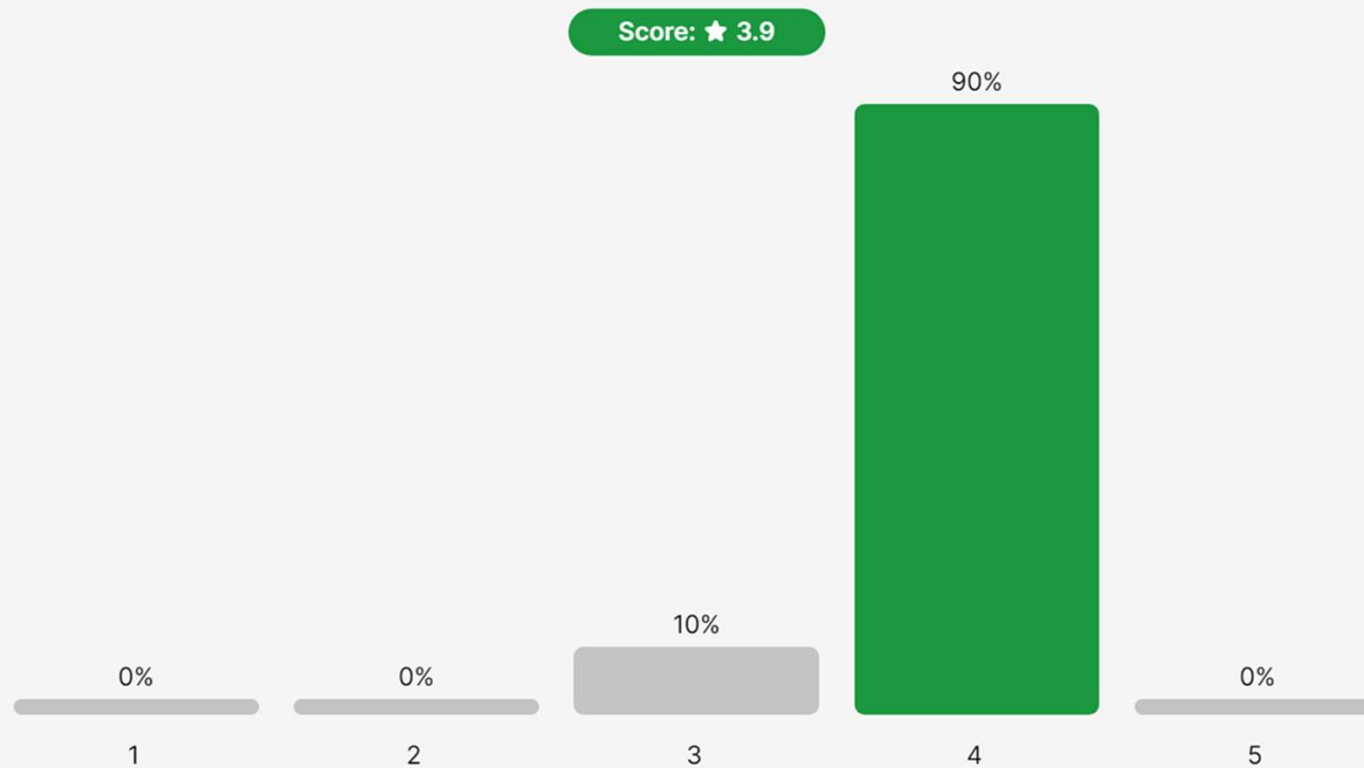
SOME DILEMMAS

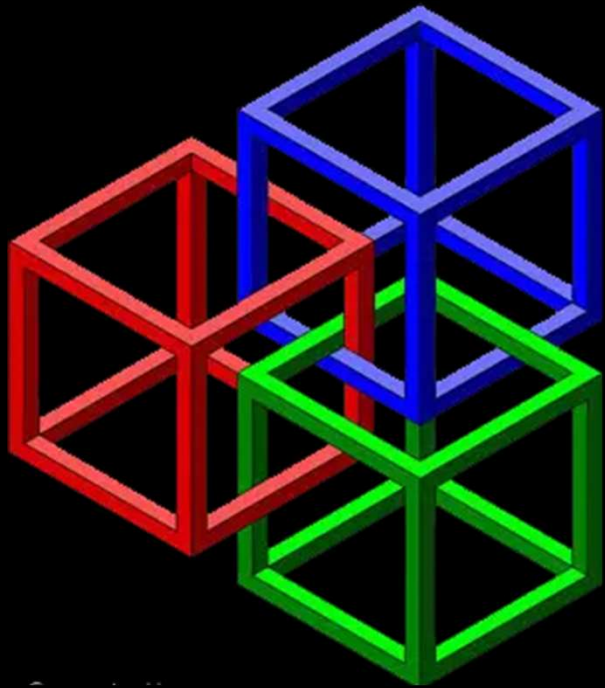


Centralize or decentralize

When creating a new operating model, the emphasis need to be on ...

1 - Centralisation - securing alignment 5 - Decentralisation - optimizing locally

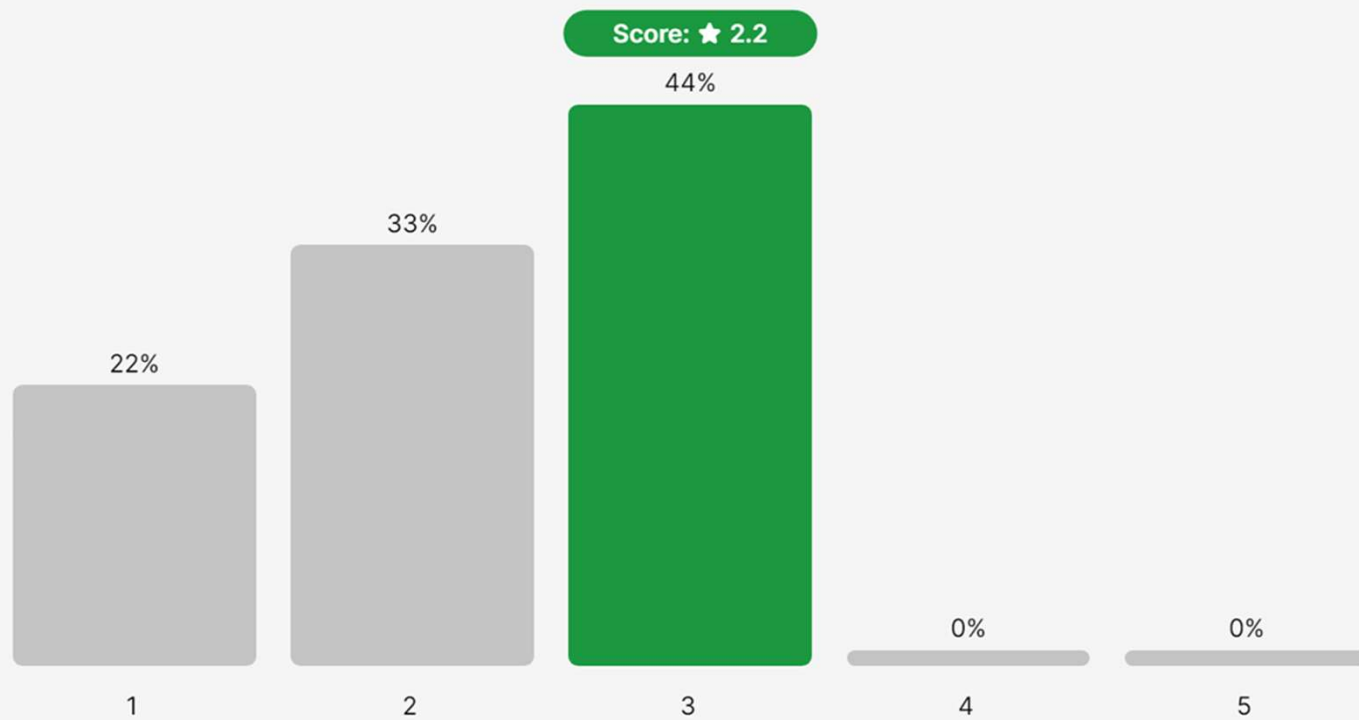




Framework or no framework

When implementing an agile operating model, I would recommend to

1 - Use a framework as starting point 5 - Start out from blank paper





Mechanical or goal approach

Explain why, set the structure, practice, tune

Explain why, set the goals, practise, tune

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When driving change, I recommend to use an approach based on

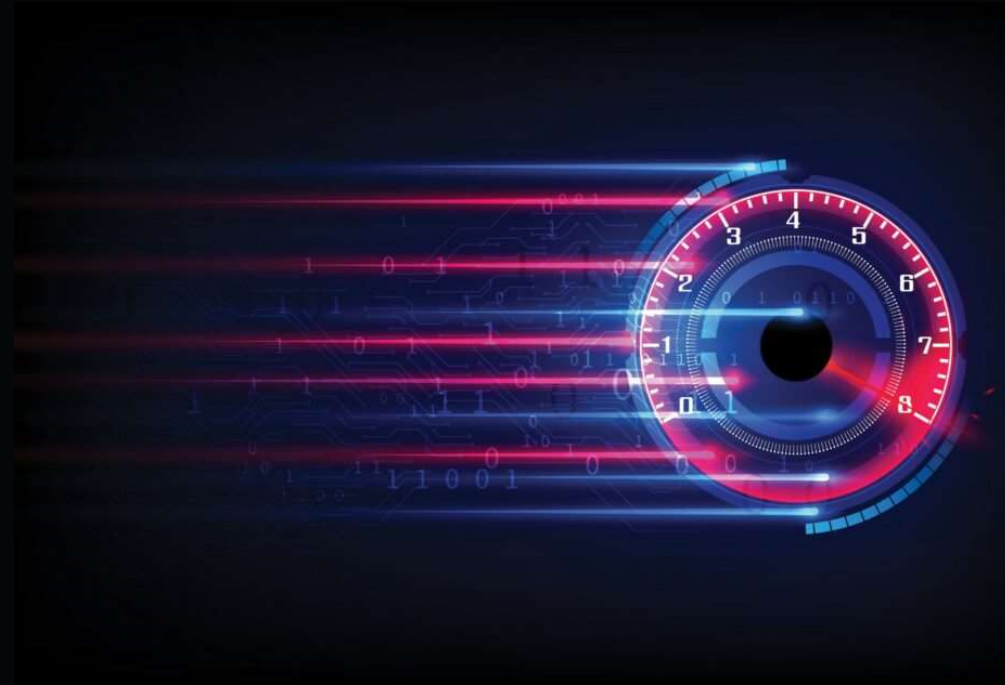
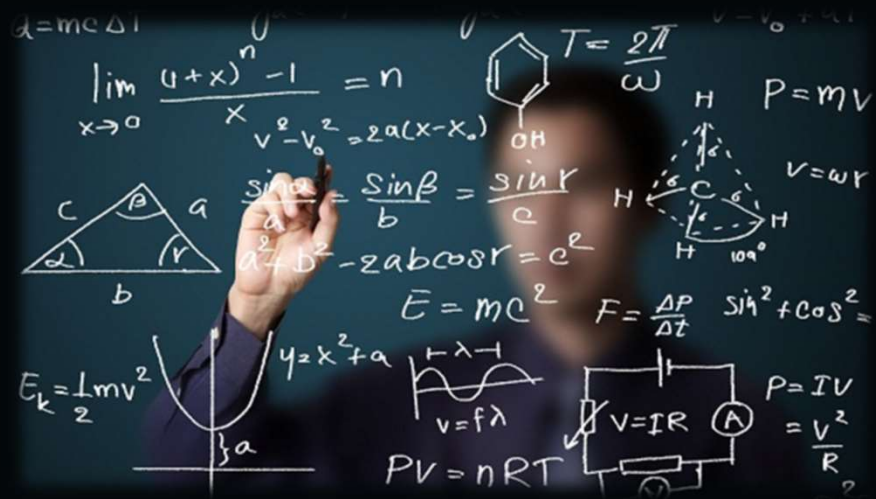


MECHANICS

....



GOALS



Accuracy in solution or Speed of change

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When driving change, I recommend to use an approach based on



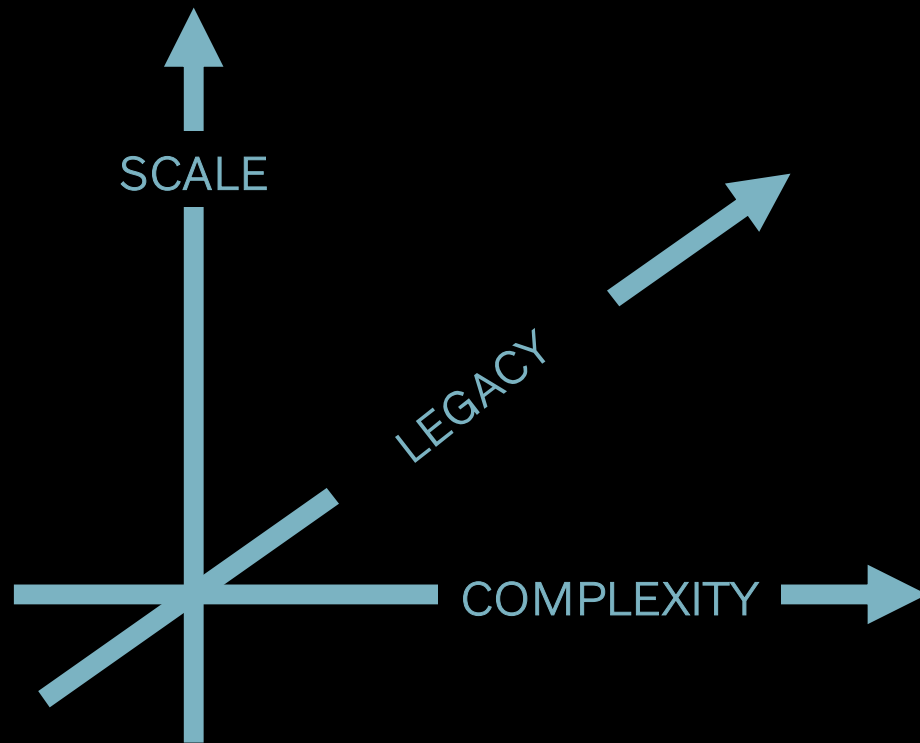
ACCURACY OF SOLUTIONS

...



SPEED OF CHANGE

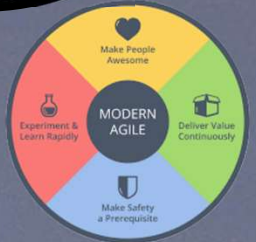
V O L V O



It depends ...

VOLVO

Key learnings



V O L V O

Thank you!