



“ Dear Customer, welcome to Volvo Logistics’ newsletter!  
 In the beginning of May we arranged a customer event with the theme “Successful Together”.  
 I am convinced that teamwork with you, our customer, is the key to a successful future. I would like to draw the parallel to Volvo Ocean Race where every single skill and every area of expertise is tested to the limit and where efficient teamwork is the key to success. We face the same challenges, and to meet them in the best possible way we need to listen to one another, learn from each other and work together towards shared goals. With that attitude, there are no limits to how far we can go.  
 I would like to wish you a really pleasant summer!

Åke Niklasson, President and CEO, Volvo Logistics

# deliveries

NEWSLETTER FOR VOLVO LOGISTICS’ CUSTOMERS



JULY 2007

## GENERAL VOLVO LOGISTICS NEWS

# A Successful Customer Event

**Global Marketing & Sales at Volvo Logistics have started an extensive work to further enhance Volvo Logistics customer relations. A vital part of that work was the customer event in Gothenburg in May.**

“The purpose of the event was to show the customers that Volvo Logistics is a competent partner and the natural choice in the future” says Marie Carlsson, Head of Global Marketing & Sales.

Customers worldwide were invited, both existing and potentials. One of them was Anders Lindström, General Manager Logistics at Volvo Trucks. He thought the event was rewarding:

“It was like taking a trip through the entire Volvo Logistics. I think it was especially interesting to learn about future scenarios for logistics. The workshop was a great chance for us customers to contribute to how we successfully can work together.”

The theme for the event was “Successful together”. “The theme says a lot of what it is about. Teamwork with our customers is the key to a successful future” continues Marie Carlsson.

The main activity was the vlc Tour, which consisted of a number of sta-



*The Future Lab workshop*

tions. Some addressed what Volvo Logistics’ products will offer in the future.

Other stations were speaker’s corners that focused on external factors that may affect the supply chain in the future.

Another station was the Future Lab workshop where the customers could contribute with keywords for being successful together. The most frequent words were communication, reliability and common future vision.

“We will continue to work with the material we got from Future Lab. As a service company it’s of great importance to be professional when it comes to relations”, says Marie Carlsson.

## ENVIRONMENTAL ISSUES

### Energy in focus

In 2007, the “Energy in Focus” project is being launched at Volvo Logistics. It is designed to define energy consumption at vlc’s offices, terminals and other buildings and in conjunction with business trips.

During the autumn, targets will be set for the company’s energy consumption and a range of activities will be started. Some examples:

- The office in Ghent will move to a “passive building”, an office complex with minimal energy consumption. It will save 60–70% of the consumption.
  - Al Gore’s film “An Inconvenient Truth” will be shown to employees at as many of Volvo Logistics’ facilities as possible.
  - The company will also be looking into the opportunity to use greener car transport and to purchase green energy.
- The Energy in Focus project is based in last years decision by Volvo Logistics’ executive management team to set targets for energy consumption for our transports.



*Susan Ahl, Volvo Logistics*

## CORE VALUES

### Customer Satisfaction Survey 2007 has started

The first step of the updated Volvo Logistics Customer Satisfaction Survey was finalised in mid-June. 500 customers answered the new web-based questionnaire, where areas such as Volvo Logistics’ customer relations, staff,

service, operations, etc were covered. The first three questions regarding overall satisfaction, expectation fulfilment and comparison to an imagined ideal logistic provider adhere to international standards for customer satisfac-

tion surveys and form the vlc KPI: Customer Satisfaction Index (csi). As the next step our survey agent will conduct in-depth interviews with strategic customers in June and August. The final results will be reported in early September, and these will be followed by Volvo Logistics feedback meetings.

**BUSINESS INTELLIGENCE**

### The Japanese market

The Volvo Company acting on the Japanese market is named Volvo Nippon K.K. and consists of Volvo Trucks, Volvo CE, Volvo Penta and Volvo Parts. Volvo Aero does not channel their business through Volvo Nippon K.K. Most automotive transports in Japan are jointly bought by JAMA. A non-profit industry association currently comprised of fourteen automotive manufacturers, e.g. Mazda and Toyota.

The Japanese physical distribution is characterised by small-lot, high-frequency conveyance heavily reliant on trucks and thousands of small- to medium-sized companies in transportation and warehousing.

The truck size is limited by the infrastructure; long trucks (> 12 m, incl. trailer) can hardly be used near inhabited/industry areas. Rail is only used to transport people, not goods. The most active logistics competitors are FedEx, UPS and DHL, other foreign contenders work mainly through Japanese agents.

Nippon Express is the largest domestic competitor with international transports, both Nissan Diesel and PAG are Nippon Express customers.

Nissan Diesel's current logistics set up is a complex network of part- and completely owned subsidiaries for purchase and logistics.

Volvo Logistics has an ongoing synergy/integration mapping together with Nissan Diesel. The agenda and road maps for all products are in place.

Next on the agenda is a pre-study with Emballage, also Risk Management will soon be evaluated.



**REPORT FROM EAST ASIA**



## Excavator Outbound India

Volvo Logistics India entered an agreement with Volvo Construction Equipment India for their outbound distribution of CE machines. Volvo Logistics will get the relevant input from the CE order desk.

The operation starts by booking the carriers online with the place of delivery.

Volvo Logistics have introduced a GPS tracking system which functions on GSM concept and provides the correct location of machines and the correct distance run by the carriers. VLC provide the status of machines and the delivery status to the customers/CE regional offices.

India is a vast country with lots of internal restrictions for cargo carrying, taxes and duties. Volvo Logistics need to be very cautious when dispatching the machines with respect to the permits and weight restrictions. Volvo Logistics started the operations in March 2007 and have been able to show a good cost saving for the customer who now has lesser damage rates.

Currently the insurance is managed by the buyer of the machines. Volvo Logistics are discussing with the insurance consultant about the possibilities to take over also the insurance and risk management.

**CUSTOMER UPDATE**



### THINK - New Customer

In competition with two well-reputed logistics companies, Volvo Logistics has been selected to handle the Packaging and the Inbound logistics services for Think Technology AS, an electrical car manufacturer in Norway.

Think highly appreciated the business concept Volvo Logistics presented and they have high expectations on our ability to deliver according to specified agreements.

