



“ Dear Customer,  
You are welcome to Volvo Logistics’ newsletter!

To meet your future needs of logistics solutions and services, we will initiate a work to develop common three year rolling business plan with every customer. It is important that we highlight the future challenges that we are heading and the external factors that affects the Supply Chain such as infrastructure and environment.

*Åke Niklasson, President and CEO, Volvo Logistics*

# deliveries

NEWSLETTER FOR VOLVO LOGISTICS’ CUSTOMERS



MAY 2007

## GENERAL VOLVO LOGISTICS NEWS

### Leaning towards a Tokyo office

**One year from now, Volvo Logistics could have an office in Tokyo.**

**At least, this is what Mats Röstlund, Volvo Logistics, who is now going to develop the partnership with Nissan Diesel in Japan, is hoping.**

Last year, Nissan Motor sold a part of its holding in Nissan Diesel to AB Volvo and in mid-February, AB Volvo made an offer for the entire company. In the future, Nissan Motor is going to focus on cars and Nissan Diesel and the Volvo Group will co-ordinate operations when it comes to the development of engines and drivelines. Since the deal was completed, a number of the Volvo Group’s business units and business areas have visited Nissan Diesel in Japan to discuss collaboration. One of the most recent visitors was Volvo Logistics.

“Nissan Diesel was very interested and we had an excellent meeting. Among other things, they wanted to know more about our work on insurance, claims adjustment and damage-prevention measures,” says Mats Röstlund.

The meetings with Nissan Diesel are still of a discussion nature and no agreements have been signed yet.

“We have agreed to look for possible ways of collaborating. Things look very promising and I think it’s quite possible that we will have an office in Tokyo one year from now,” says Mats Röstlund.

The two parties will be focusing their attention on three sub-projects.

In addition to developing and offering solutions for risk management, one sub-project will relate to the delivery of finished vehicles from Japan to the



*Mats Röstlund, Volvo Logistics*

USA. In addition, Nissan Diesel and Volvo Logistics will discuss the handling of return packaging in CKD, Completely Knocked Down, flows.

“It goes without saying that we would also eventually be interested in discussing Nissan Diesel’s domestic transport in Japan. However, this is a good start,” says Mats Röstlund.

Nissan Diesel also has a joint venture in China with the Dongfeng Motor Group Company.

## BUSINESS INTELLIGENCE

### Industry trends for 2007

The automotive and commercial transport industry produce more than 60 million cars and trucks per year. The industry is highly correlated with the overall economical growth. Volumes are slowly increasing, but levels are still lower than a few years ago. Despite the global growth, the industry has profit margins averaging only 5%. Major trends within the industry are:

- Overcapacity in Americas and Europe
- Rigid European labour laws, inhibiting the closure of redundant factories
- Production locations shifting to low-cost countries and/or close to customers
- Truck industry more attractive than car industry
- Swedish southwest automotive industry cluster threatened by SAAB cars’ poor performance
- New brands entering the European and us markets, creating even more competition for margins

**WHAT DRIVES YOUR LOGISTICS PURCHASING ?**

A. A SMALL PRICE TAG  
B. TOTAL SUPPLY CHAIN COST

## OFFERINGS NEW AND EXISTING



Bruno Van Damme,  
Volvo Logistics

### Volvo Logistics on show at conference

At the beginning of March, Volvo Logistics was represented at the large international logistics conference in Montreux, Switzerland, organised by Automotive Logistics. The conference was aimed at decision-makers in the logistics industry. In addition to taking part as an exhibitor at the conference, Bruno Van Damme, Business Development Manager, spoke in the session "Packaging as an integral part of the Supply Chain". Volvo Logistics was also represented by its Head of Global Marketing and Sales, Marie Carlsson.



"This conference has developed over the years and it is an excellent opportunity for everyone in the industry to network. During the two-day event, people have an opportunity to meet important contacts in one place. We had many interesting discussions at our stand," says Marie Carlsson, Manager Global Marketing and Sales.

The Automotive Logistics Europe Conference is in its fifth year and is a great opportunity to gain insight and further knowledge of the automotive logistics industry in Europe.

For more information regarding the conference please visit: [www.automotive-logisticseurope.com](http://www.automotive-logisticseurope.com)

## GENERAL VOLVO LOGISTICS NEWS

### Mats Boll for Brussels

Volvo Logistics will be supplying the European Union with expert knowledge.

Mats Boll, at the Corporate Outlook Development Department, has been appointed contact person, the so-called focal point, when it comes to transport and logistics.

"A fantastic assignment and, at the same time, a huge challenge," says Mats Boll.

The highest logistics-related forum, DG-TREN, in the European Commission, has invited a number of trade organisations to participate. The aim is to specify the priorities for the future and the way transport and logistics should be organised in Europe. One of the trade organisations is BusinessEurope, a group of large enterprises and companies in Europe.



"They needed a contact person to help with logistics-related questions and decided to choose me. This is a real honour," says Mats Boll.

He will represent logistics in general, but he also sees an opportunity for AB Volvo and Volvo Logistics to strengthen their presence.

"It goes without saying that this is important for us. We will have a better opportunity to drive the issues that are of interest to us, not to mention our logistics-related interests. I shall have VLC's agenda with me and everything will naturally be done in consultation with AB Volvo,"

## OPERATIONAL DEVELOPMENTS



### "Parking Sons" in Gent halved lead time

During 2005-2006 an Outbound OD group in Gent, The Parking Sons, decided to focus on improving the parking in Gent harbour. The results were fantastic. Lead-time (where cars go from boat to ready for delivery) was halved and costs were reduced by 41%. They made a number of changes:

- They analysed and made better assessments of the number of dock labourers they needed, as well as the shift the dock labourers

worked in. This was combined with changing the boats' arrival time to the morning, which is the cheapest shift for dock labour

- They unloaded the cars directly from the vessel to the distribution yard
- Created a 'fence-in- fence' system which meant that the drivers were able to park the cars directly on their parking address.

These results have inspired the group to look for even more improvements.

## CUSTOMER UPDATE

### Bosch Rexroth

Last year, Volvo Logistics signed a master agreement with the Bosch Rexroth group of companies to introduce the Emballage concept on a global scale at Bosch Rexroth. Since then Volvo Logistics has been very busy

implementing and registering Bosch plants and suppliers into our system and flows are gradually starting up. Bosch Rexroth is a business unit within the Robert Bosch group of companies with approx 10% of the sales volume.