

## FACTS

### CHRISTINA BENTZEL MOLLER

**Doing right now:** Senior director parts supply and logistics at Volvo Cars.

**Among previous assignments:**  
Various roles at Volvo Cars since 1996 and previously five years at Saab Automobile.

Which is most important?  
That we reach 97.4 percent  
availability or that the dealers  
go from 65 to 90 percent?



Many glance at Volvo Cars and their spare parts supply. Christina Bentzel Möller talks about a logistics that puts the customer at the center.



TEXT AND PHOTO MIKAEL MILDÉN

# "We must have the parts in place when they are needed"

**AFTER A QUITE** long starting distance, Volvo Cars has established a system of local distribution centers, which has been able to effectively shorten lead times in spare parts handling. The key to success lies in a clear customer perspective on logistics and Transport and Logistics Today, the company's senior director of parts supply and logistics, Christina Bentzel Möller, met to hear the story of how they created their spare parts supply.

- I usually say that you usually focus on the availability you have in your own warehouses, and it is usually around 95 or maybe 97 percent on the automotive side. Then everyone works together

the question arises: Should we dare to aim for 97.5 or should we say 97.4 percent by next year? she says.

**SUCH IMPROVEMENT** can require hard work when the margins are small. But when Volvo Cars instead asked itself the question of what matters to the customers, that is, those who hand in their car to the workshop, the focus instead ended up on the dealers.

- When we went out and did studies at dealers and looked at all the calls that come in, all the urgent needs, all the sales to small workshops, all the additional jobs that come on a car because you didn't plan ahead - then we see that they have no more than 65 percent availability. A really good dealer

believe they have an availability above 90 percent.

- Then we thought about it. Which is most important? That we get to 97.4 or that the dealers go from 65 to 90 percent?

eliminates the need for a new logistics for spare parts to the workshops. An average dealer may have

in Volvo's range every year. A Volvo dealer is expected to be able to service everything from the oldest models, to a ten-year-old V50, to both newer and older models of the XC90.

beta, both for Volvo Cars themselves and for the dealers.

- We came to the conclusion that we put a warehouse in the middle of a group of retailers. And instead of the party manager on site having to assemble the parts, we do it. If we have a warehouse for all those dealers, we might be able to hold 18,000

learn to pre-plan and order and

we after the one from the central warehouse that has

The result is that in the morning when The Volvo owner has to hand in his car, there is a package with all the parts ready at the workshop

can wait in the workshop or pick up

say the customer has said that it is the left rear -view mirror cover that is broken but it is the right, well then we have one or two day deliveries from the local distribution centre, says Christina Bentzel Möller.

**IN THIS WAY**, a dealer with good planning and daily deliveries has over 90 percent availability. The process is the result of analyzing where in the value chain you could add value and how to do it in the best way. What does the customer want, what makes the customer experience the best?

Volvo Cars started discussing this concept already at the end of the 90s. At the beginning of the 2000s, the work began, and in the last 7-8 years it has taken off, according to Christina Bentzel Möller. Now the concept sells more or

less into itself to the dealers

call out.

But it requires some of the dealers.

warehouses can expect a major change in their role. And if the planning and orders don't work, the whole chain is broken.

good in Sweden, but can be trickier

customers are used to swinging into the workshop without making an appointment.

**IN SWEDEN, Volvo Cars HAS** local distribution centers in Gothenburg, Örebro, Stockholm, Jönköping and Malmö.

In Germany, for example, there are eight warehouses, a total of 54 warehouses have been set up worldwide.

- You may wonder why we have eight warehouses in Germany, which is not really such a big market, but it's all about shortening the lead times, having the parts in place when they are actually needed. We are also expanding the number of warehouses in the USA.

from Gothenburg via a global IT system where you can see what is sold and make other forecasts for what is to come

the ity because we got a central warehouse

breed elsewhere.

So, while the availability of spare parts via Volvo Car's logistics concept increases, the dealers' own stocks may decrease. When Volvo stands for up to 70

no reason they shouldn't replenish the dealers' stock as well, which usually means that the local stock can be reduced by 75 percent. But in the customer's world, every service occasion becomes faster and easier than ever before. **B**