

Enterprise Architecture Role & Operating Models

AB Volvo

Nithish Kolla

Sai Tejaswini Kolapalli

Saint Louis University

IS-5000 Enterprise Architecture and System Infrastructure

Information Systems

Cheri Greer M.S

Company Overview:

The company I am using for this assignment is Swedish AB Volvo. AB Volvo is an Automotive Company and intercontinental manufacturer of trucks, buses, construction equipment, and marine & industrial engines. This company provides commercial transport solutions. This company also offers solutions for financing and services to its customers. This company proliferated on many continents. This company has been listed among fortune 500 companies in the world. It is in Gothenburg Sweden. The size of the company was 43,394million USD

AB Volvo operates through six business components: "Trucks, Construction equipment, Buses, Financial services, Volvo Penta, Group functions, and others." This company's products and services are magnificent in every feature. The trucks business component produces and sells "moderate to heavy trucks for regional transport, construction operations, Etc.". The construction equipment segment "creates, produces, and markets components for construction purposes." This segment produces a wide range of excavators, wheel loaders, and articulated haulers. The buses component provides "complete buses and bus frameworks for intercity and coach traffic." This segment also offers service and repair contracts, a global service network, spare part handling, Etc. The financial service segment provides "customer financing, dealer financing, leasing, Etc.". Volvo Penta component manufactures "engines, drive systems for both commercial crafts and holiday boats." This component also provides industrial engines for various industrial applications. Group functions and other business include the company's "sales business, support functions that consists of Volvo Real Estate and Volvo IT." AB Volvo has its production spaces in North America, Asia, Europe, and South America. This company's sales activities are held in approximately 190 markets.

Volvo also reported a "10% increase in its revenue in FY2021 over FY2020".

AB Volvo has customers through many brands, such as Mack, Renault, Eicher, Nova Bus, SDLG, Dongfeng, Etc., as this company has a wide range of products and services.

Enterprise Architecture Core Components:

AB Volvo's products and services are diversified. It has independent business units with different customers and expertise. With all these features, AB Volvo belongs to the **Diversification and Unification** enterprise architecture model. The critical components of this company are as follows:

- **Core Business Processes:** AB Volvo's core business process involves manufacturing and developing the products of trucks, construction equipment, Volvo Penta, and Buses and providing financial services to its customers.
- **Shared Data Driving Core Process:** This company's Group functions also include sales business and support functions that include Volvo IT and Volvo real estate. Alongside this, this group also operates group functions that offer services and products to the entire group, including IT and accounting.
- **Key Linking Technology:** AB Volvo company's products try to provide commercial transport solutions and financial services to their customers.
- **Key Customers:** This company provides products to many customers under the brands of Renault trucks, Mack Trucks, SDLG, Nova Bus, Volvo Prevost, Terex trucks, Etc. This company also attracts many customers for their financial services of Volvo group.

Operating Model:

The **Diversification and Unification** operating model refers to a business strategy that combines both Diversified and Unified operations. In this model, Volvo seeks to expand its business into new markets, products, and services while also seeking to unify and streamline its operations for efficiency and cost savings. The aim is to achieve a balance between growth and efficiency and to reduce risk by spreading operations across multiple areas while also maximizing resources and capabilities. This model may involve the integration of acquired businesses, the centralization of shared services, and the standardization of processes and systems.

With all these diversified and unified business units, I identify this employer with the **Diversification and Unification** enterprise architecture model.

Reference

www.marketline.com

Publication Date: Nov 18, 2022.

Reference Code: C248E940-DF2A-4570-8EB4-05095DA10CDF