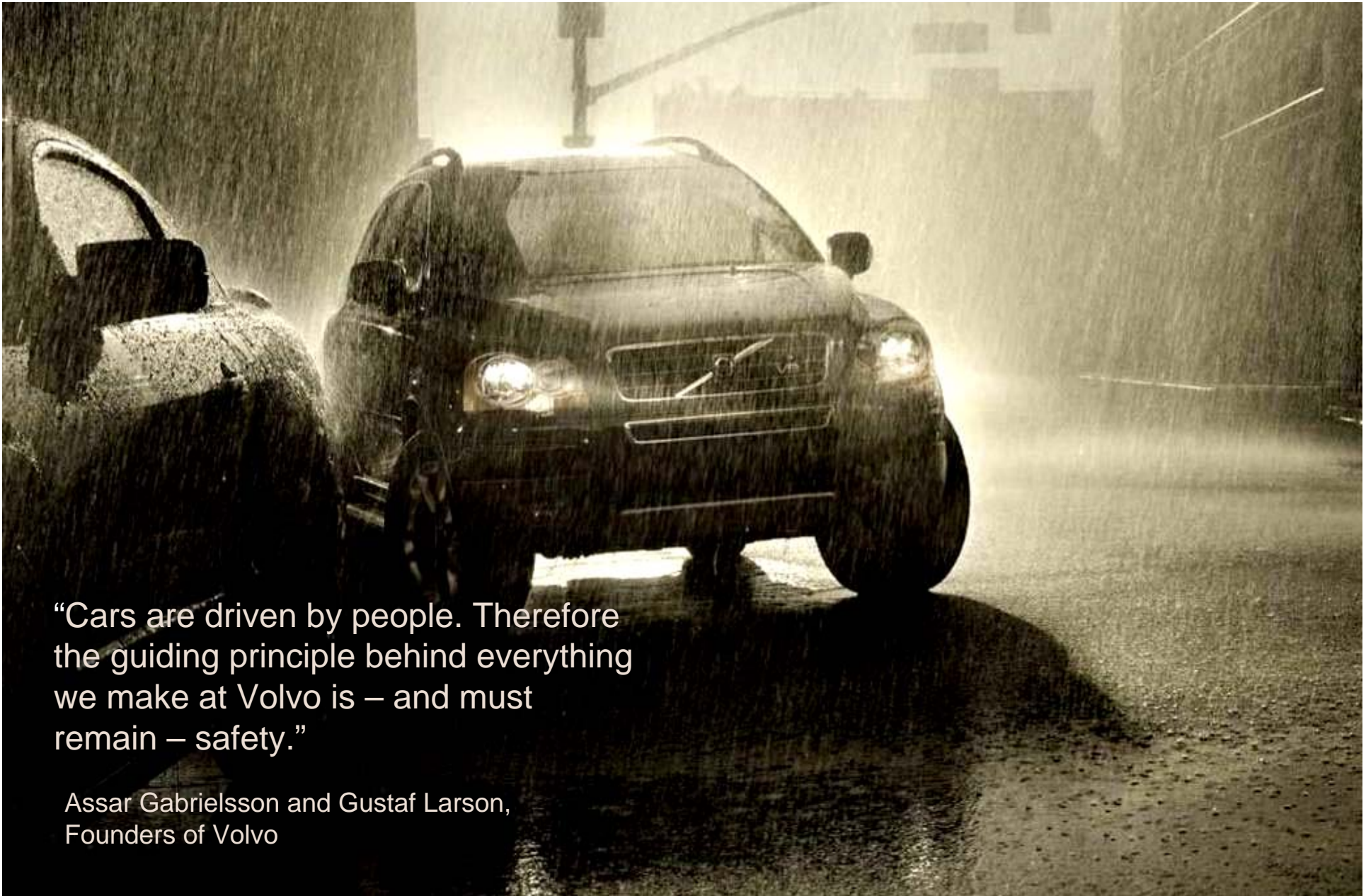




**“Managing diversity at the workplace:  
competitive advantages for companies”  
Rueil Malmaison, Paris, France  
14-15 June 2007**

**Volvo Car Corporation**  
Britt Älvsäter-Thomasson  
Global Diversity Director





“Cars are driven by people. Therefore the guiding principle behind everything we make at Volvo is – and must remain – safety.”

Assar Gabrielsson and Gustaf Larson,  
Founders of Volvo



# Vision and Mission

## Our Vision

To be the world's most desired and successful premium car brand.

## Our Mission

We create the safest most exciting car experience for modern families.

## Our Diversity Mission

It is to support an organizational culture valuing and embracing individuals' differences, and to utilize this unique composition to gain competitive advantages.



## Fredrik Arp CEO Volvo Cars

**One area** that I personally will be working on is diversity. In the course of last year, we broadened our strategy on diversity. The aim was to clarify the link between diversity and our business priorities, such as customer satisfaction and profitable growth. Greater diversity within the company in terms of gender, age, ethnicity, education and life experience gives us more perspectives and new ideas. It also increases our understanding of customer needs.

This is a long-term process, but one which I am sure will ultimately lead to increased sales and therefore to supporting our long term targets.

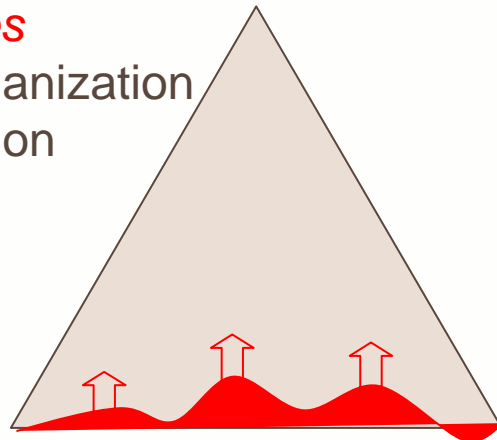


# Planning for Diversity



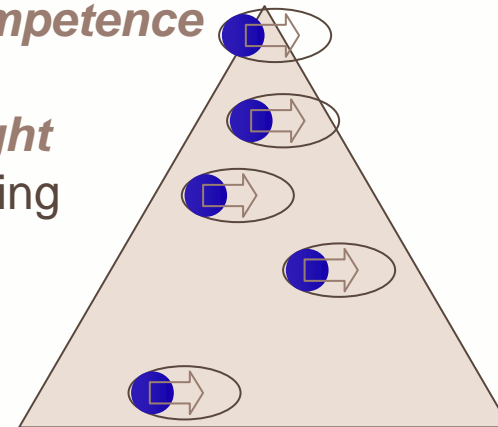
# Diversity & Business

Not a workforce where diversity is counted only in *percentages* and the organization misses out on essential learning...



*Goal: x % to y %*

...Instead VCC's business effectiveness is enhanced through *broadened competence* and *deepened customer insight* in decision-making teams.



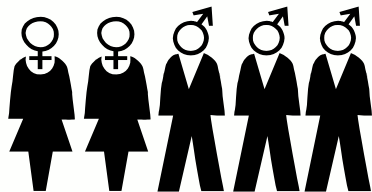
*Goal: Enhanced teams & tools*



# What Kinds of Diversity are Important to VCC's Business Success?

## *Demographic Diversity*

- age/ generation
- cultural/ ethnic/ geographic origins
- economic situation
- gender
- life-stage
- physical abilities and/or limitations
- sexual orientation, etc.



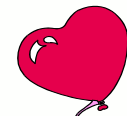
## *Informational Diversity*

- educational background
- international experience
- professional experience
- industry experience
- skills, etc.



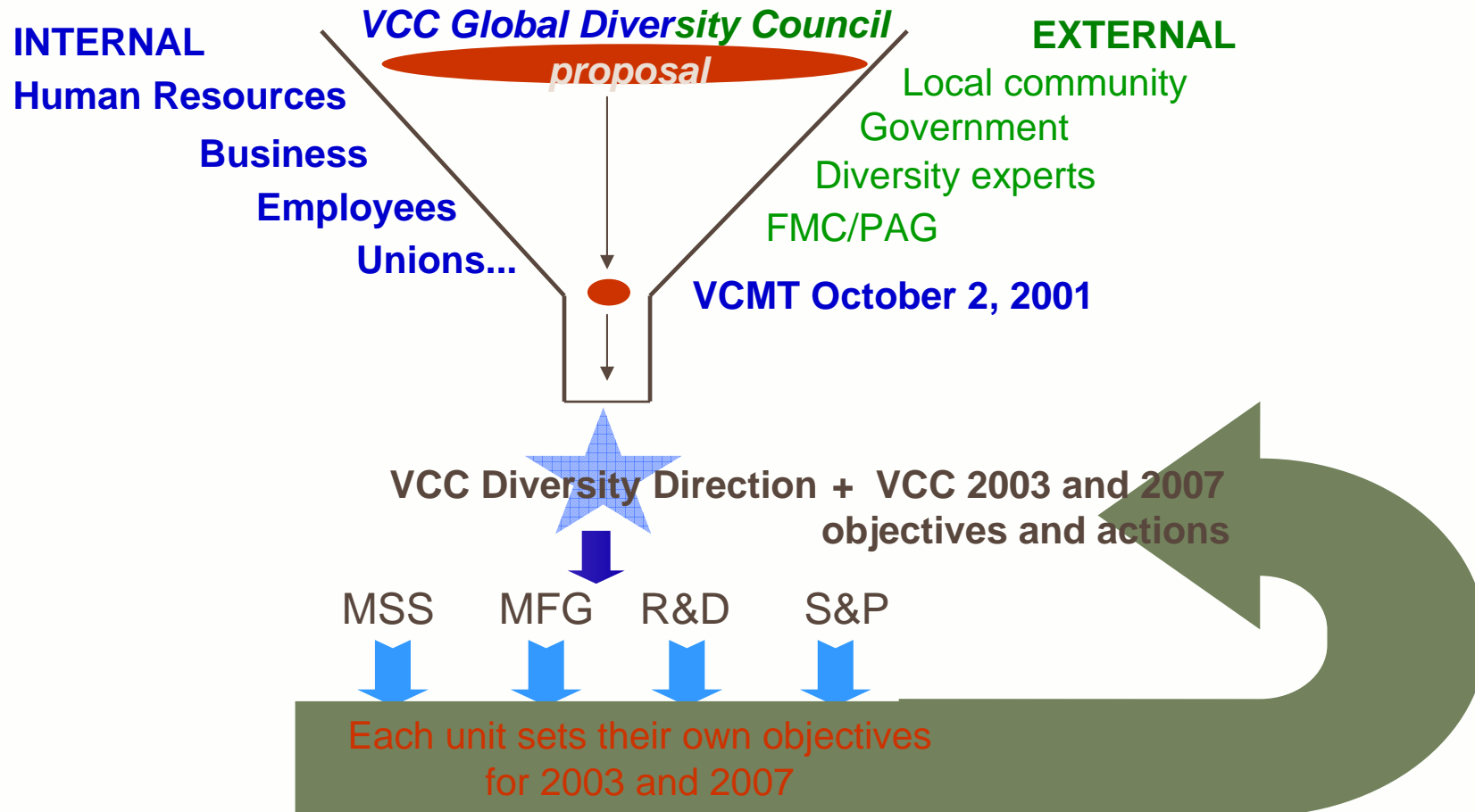
## *Values Diversity*

- life-style choices
- motivations
- personal values
- product-focus Vs. customer-focus
- work-style preferences, etc.



# Implementation

## Diversity Objectives development process

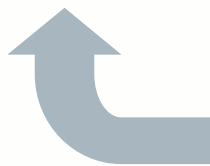




# Diversity is one of 29 Directives in the VCC BMS System

Use Diversity to Fulfil our Business Objectives by:

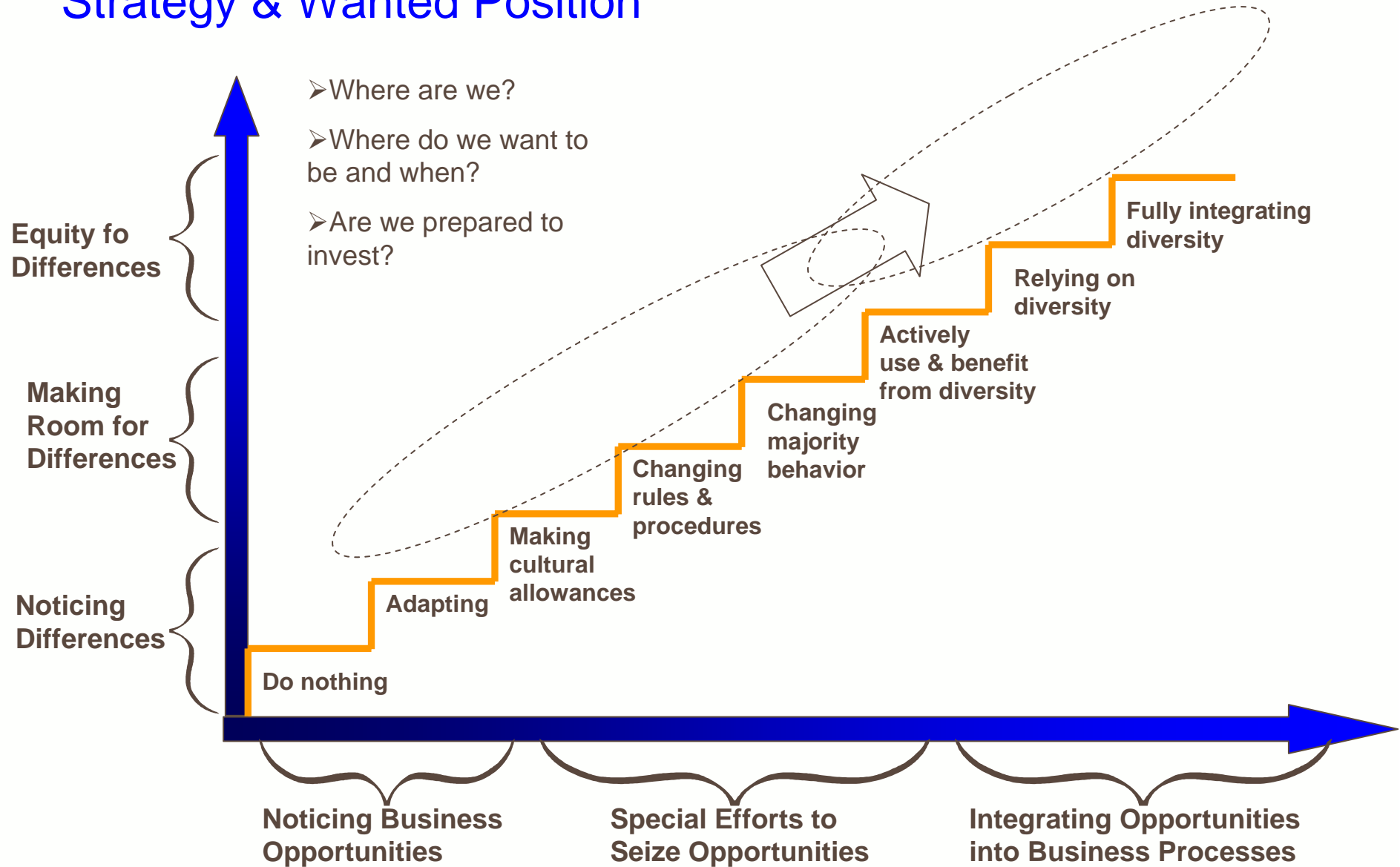
- increasing sales;
- boosting innovation and increasing understanding of diverse customer demand;
- improving service and customer satisfaction;
- recruiting, retaining and developing the best talent;
- make full use of team resources; and
- strengthening and protecting our brand.



Zero tolerance towards discrimination and full legal compliance is the foundation and necessary preconditions for our benefiting from diversity.

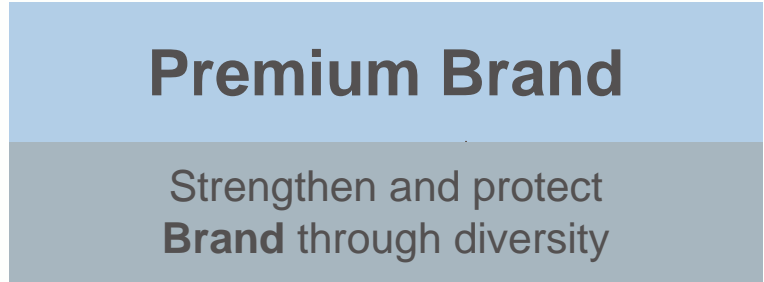


# Strategy & Wanted Position

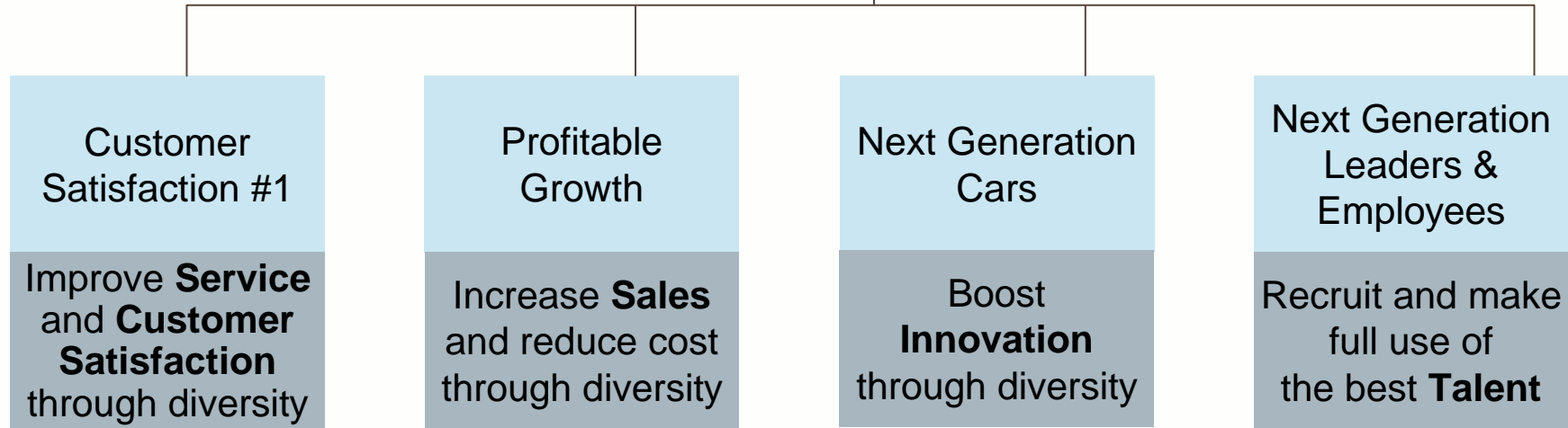


# Business Case for Diversity

CURRENT CASE



EXTENDED CASE

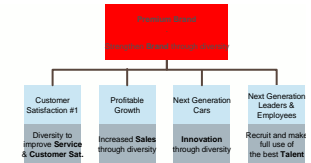


Female LL6+ :  
25% (2008)

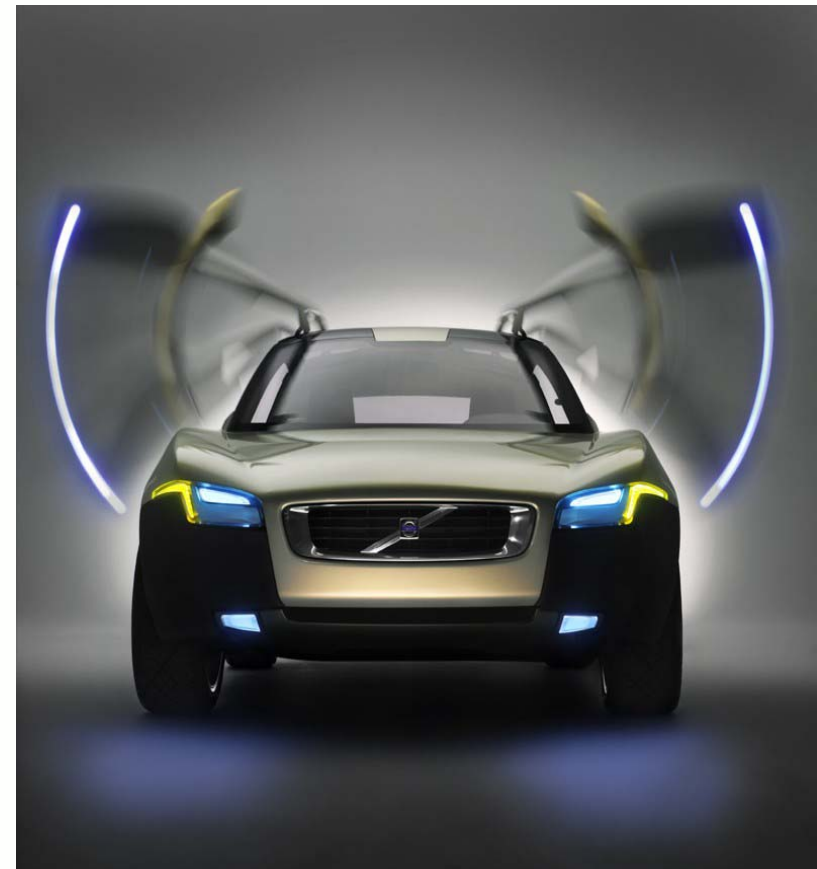
*All of the agenda items support each other*



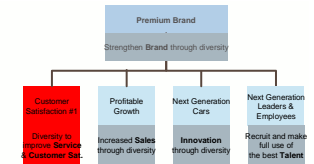
# Business Case for Diversity



*VCC can strengthen its brand through an active, customer orientated approach celebrating diversity (as part of modern family values).*



# Our Dealers and Service Workshops



The **most important** interface between us and our customers.

Europe: 1,500 locations

North America: 400 locations

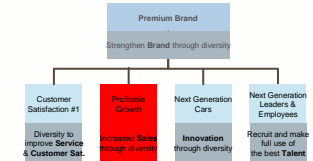
Rest of world: 500 locations

Total: 2,400 locations

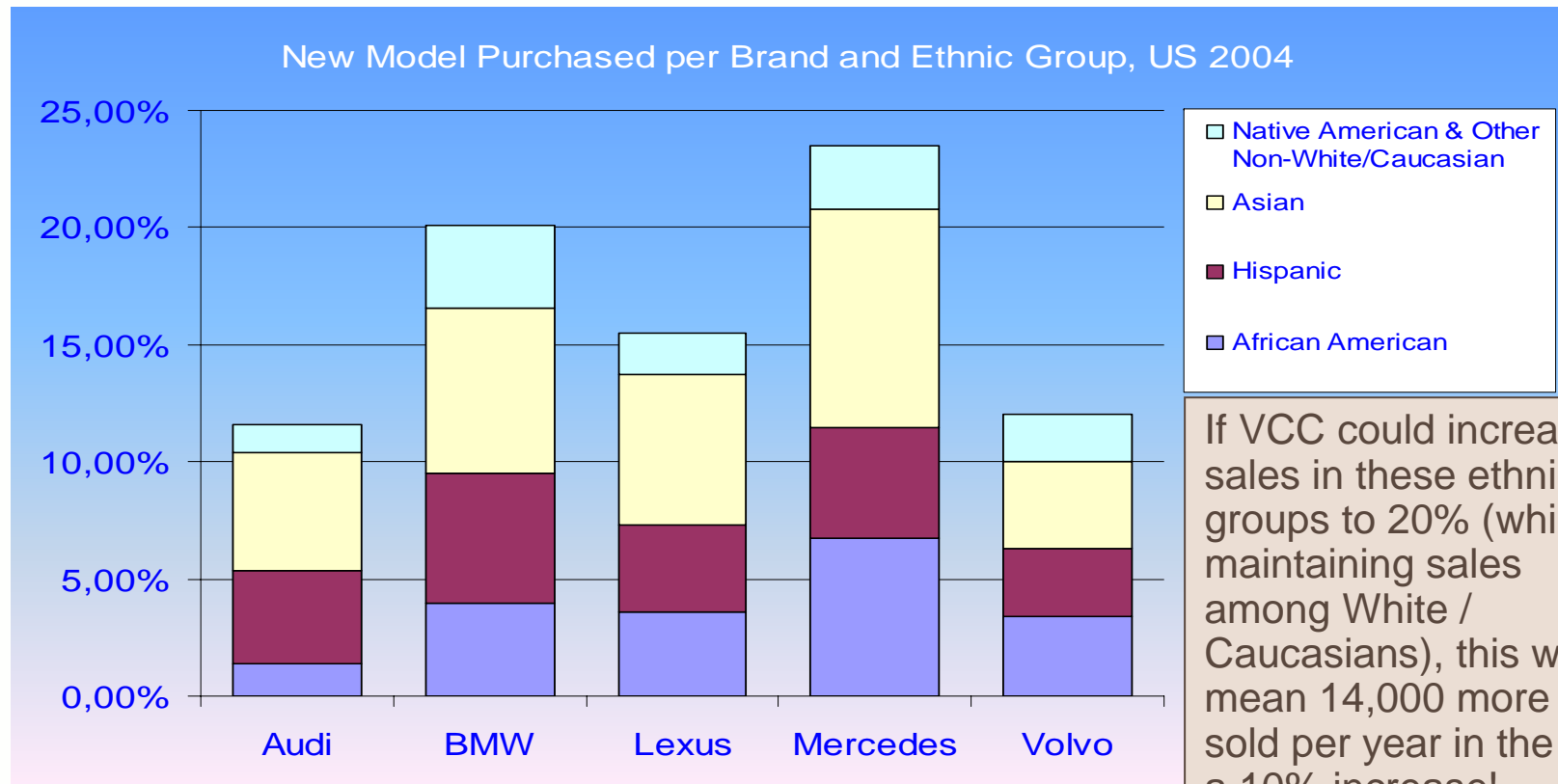
The dealer and service workshop network employs a total of 22,500 people (including a small number of Volvo Group personnel).



# Business Case for Diversity

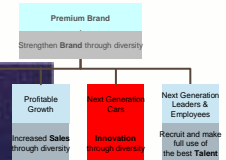


**VCC can sell more cars by better targeting specific, sometimes overlooked customer groups in our marketing efforts as well as in the sales organisation**



If VCC could increase sales in these ethnic groups to 20% (while maintaining sales among White / Caucasians), this would mean 14,000 more cars sold per year in the US, a 10% increase!





**First SUV Hybrid**  
on the road today

**250,000 Hybrids**  
a year by 2010

**250,000 ethanol-ready**  
vehicles next year

**Engineers from Ford**  
and our Volvo Division  
working together on  
new safety strategies

# INNOVATION

is our mission.

The guiding compass  
of everything we do.

Smarter, safer, more  
fuel-efficient vehicles.

*Bill Ford* **Bill Ford**  
Chairman and CEO  
Ford Motor Company

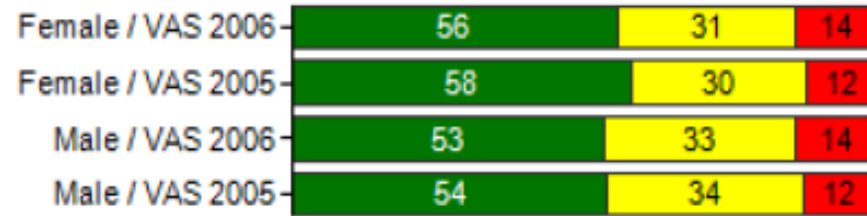
**Driving American Innovation**  
[ford.com/innovation](http://ford.com/innovation)



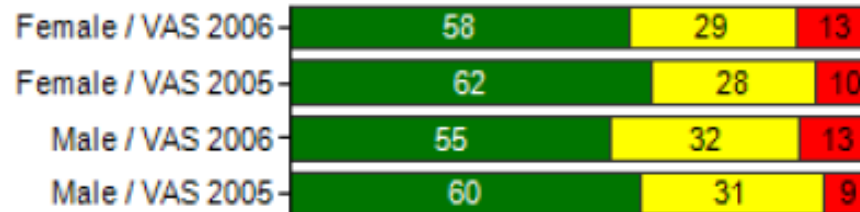
# Measuring

## Measuring Impact and Evaluating Success

Is your working group actively working to improve diversity (e.g. gender, ethnicity, competence, age etc.)?



Is Volvo Cars actively working to improve diversity (e.g. gender, ethnicity, competence, age etc.)?



>9 3-grade scale



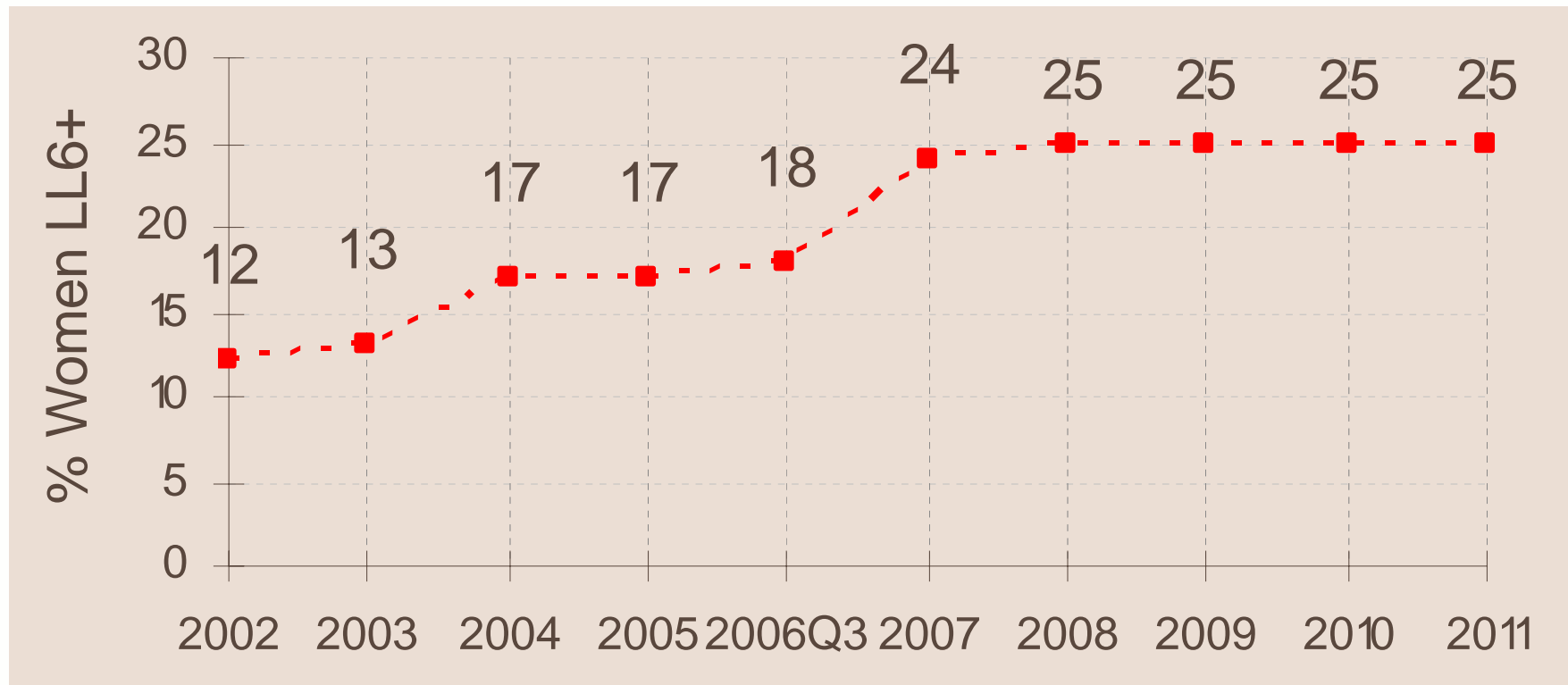
### Response options

- 5 = Yes - Definitely
- 4 = Yes - Mostly
- 3 = Neither yes nor no
- 2 = No - Improvements are necessary
- 1 = No - Improvements are very necessary

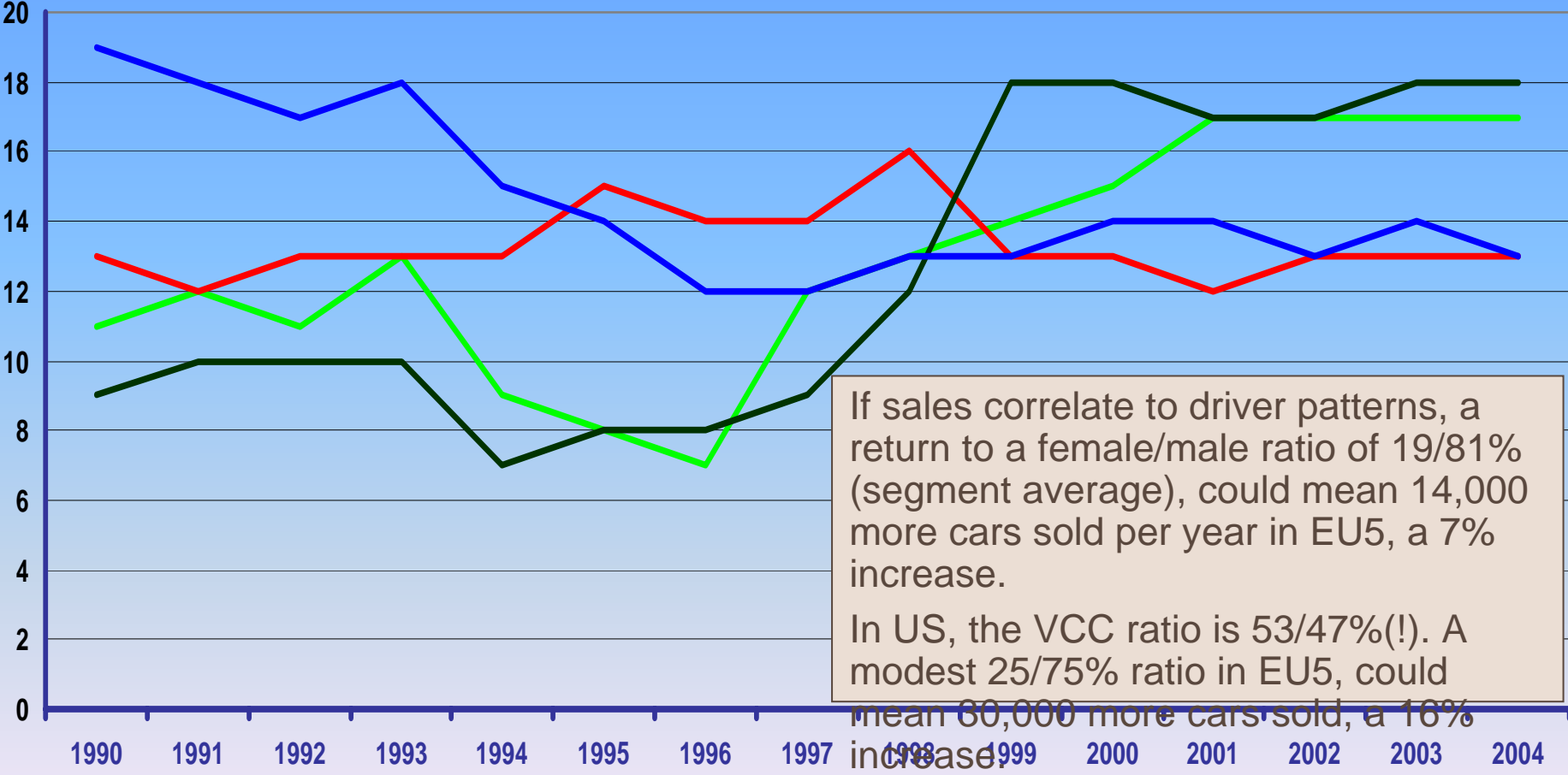




## Women in LL6+ positions actual Q3 2006, Business Plan 2007-11



# Main Driver Female (Europe 5)



If sales correlate to driver patterns, a return to a female/male ratio of 19/81% (segment average), could mean 14,000 more cars sold per year in EU5, a 7% increase.

In US, the VCC ratio is 53/47%(!). A modest 25/75% ratio in EU5, could mean 30,000 more cars sold, a 16% increase.



# Diversity Input to Business Plan 2008-2012

## Deliver continued growth (volume & revenue)

*Key Business Issue Focus Area :*

### **VOLUME GROWTH**

*Overall Objective:*

#### **Value and manage diversity as a means to increase sales volume**

*Problem Statement:*

The diversity of our customers is not reflected in the sales organisation – within VCC as well as at our dealers. It is questionable if we are addressing our customers according to their diverse needs in our marketing as well as in direct interaction. It is therefore highly likely that we currently lose sales volume.

*Critical Questions:*

- How do we use diversity in our marketing to increase ROI and support our diversity sales efforts?
- How do we improve our own and our dealers' ability to serve the needs of our increasingly diverse customers?
- In which markets and in which forms of diversity are the potentials the greatest?
- How do we handle the global differences?

*Strategy / Action :*

- Assess current situation and market potential
- Create market-specific plans
- Target sometimes overlooked customer groups in our marketing efforts as well as in the sales organisation

*Target :*

- ...

*Lead / Support / Champion:*

- ...



## Looking Back



# Key Achievements

- Diversity key objective on functional level
- Global and local champion network established
- Learnings from YCC
- Cooperation with key external stakeholders for learning and change
- VCC directive on Diversity published on BMS
- Tool/template for equal opportunities plan
- Training of all new managers (ITM)
- Improved VAS questions on Diversity
- Gender goal for 2008 – 25% females LL6+, line commitment
- Black belt project
- Volvo Cars Accelerated Diversity Development – new strategy framework



# VCC Diversity Key Achievements

- Decision taken in VCMT , People Board , to implement Accelerated Diversity Development
- Integration of Diversity in the business plan process
- Quarterly follow up in VCMT People Board on gender target LL6+ 25% 2008
- Volvo Cars ethnicity demographics mapped
- Career development for blue collar women – action plan suggested
- Master class developed for HR to raise Diversity competencies on acquire & apply level
- 10 global Diversity Councils with Diversity champions
- VCC Diversity presentation produced and put on the homepage
- Initiating 2-3 networks
- Ford Diversity & Work Life award 4 VCC nominees - 1 winning team



## Looking Ahead



## Diversity Action Plan 2007- 2009

### **From words to action**

We have the framework. Thus, it is time to move to action!

### **Managing diversity**

We need both strategy, and culture to benefit from diversity. The focus in 2007, will be to prepare and create an inclusive culture that understands and embraces the possibilities of diversity.

### **Proposed process**

The core of the process is to integrate the diversity perspective in existing activities (e.g. training, recruiting, launches, test drives)

### **Proposed actions**

During 2007, the concrete activities will focus on training and internal communication, also include tangible efforts on sales, external communication, and recruiting processes. We will continue our efforts on business plan integration.





## Impact on Bottom Line

