planview

The Volvo Group Drives Transformation in Enterprise Portfolios to Support the Global Business

VOLVO

INDUSTRY:
Automotive

GEOGRAPHIES:
Global

EMPLOYEES:
95,000+

PLANVIEW PRODUCT:

Planview® Portfolios

PLANVIEW SOLUTIONS:
Project Portfolio Management

CHALLENGE

To better plan and deliver strategic initiatives with the greatest business impact, Volvo sought to streamline portfolio management. It was a daunting prospect: The company needed to integrate its three multi-billion-dollar portfolios – as well as several recent acquisitions – into a centralized system.

SOLUTION

By deploying Planview® Portfolios, Volvo gained a single view into all projects across the organization, with accurate, real-time data and analyses. This facilitates more informed decisions about current and future initiatives, including the new projects that comprise one-fifth of its portfolio each year. Volvo is prioritizing its highest-value investments, managing dependencies across portfolios, and executing faster.

"We can also do analyses on things like application run-time costs. In the near future, we will be working with Planview to implement visualization and road mapping."

– PER BRÄNDSTRÖM, SENIOR PROJECT MANAGER, VOLVO GROUP TRUCKS TECHNOLOGY

ABOUT THE VOLVO GROUP

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. It also provides complete solutions for financing and service. The Volvo Group employs approximately 100,000 people, has production facilities in 18 countries and sales of products in more than 190 markets.

CHALLENGE: MANAGE THE PORTFOLIO OF INVESTMENTS

In the early 2000s Volvo acquired several brands and companies across the globe for scale, synergies, and geographical expansion. In 2012, the goal was to drive cost efficiencies and reposition Volvo by consolidating the various brands into one company, The Volvo Group. While the unification had its benefits, it also presented challenges with performance.

To become more customer-focused, simplify its portfolio, and speed its project execution, the company realized it must gain control of its investments. In 2016, the corporate goals shifted to maximizing investments through better prioritization and alignment of initiatives with the group's strategies.

The Volvo Group has three different investment portfolios: The Product Portfolio with 10 billion SEK (1.1 billion USD), the Industrial Investment Portfolio with 4 billion SEK (440 million USD), and the IT Investment Portfolio with 3 billion SEK (330 million USD). With such a large organization of many different business units, managing cross-portfolio dependencies was nearly impossible. The company wanted to improve the way it managed its portfolios across the enterprise while ensuring better data quality and accuracy for more informed business decisions.

SOLUTION: IMPLEMENT PLANVIEW PORTFOLIOS TO CONSOLIDATE PORTFOLIOS WITH FULL TRANSPARENCY

The Volvo Group looked at four key capabilities including improve the yearly cycle, integrate real-time decision making and be able to re-balance, improve IT application rationalization, and ensure good data quality.

Based on these requirements, The Volvo Group chose Planview® Portfolios. "Planview offered a safe SaaS environment that was quick to deploy, implementation readiness with a best practice library and a deployment plan, and strong enablement support for users. The Planview culture and responsiveness was impressive," says Per Brändström, Senior Project Manager at Volvo Group Trucks Technology.

Brändström and his team positioned the tool to work mainly within strategic planning, portfolio balancing, portfolio execution, and application management. Planview Portfolios provides the group with a consolidated view of all of its projects and organizes them based on how they will be executed in the different business areas. This transparency and consolidation of all ongoing and planned projects helps them measure project performance as well as re-balance and fine tune project portfolios.

Projects are prioritized based on budgets and alignment to corporate strategy, and decisions are now traceable. "We can analyze profitability of our projects based on different budget scenarios," says Brändström. "We can also do analyses on things like application run-time costs. In the near future, we will be working with Planview to implement visualization and road mapping."

One of the keys to The Volvo Group's success was its partnership with Planview to develop a global configuration blueprint with common logic on how to use the software. With the standardized configuration foundation in place, it could then offer a bit more flexibility to divisions to define their own processes and business rules. Reports were also customized; however, the bulk of the Planview Portfolios capabilities was implemented right out of the box.

"To monitor our portfolio, we included all of our projects," says Brändström. "To plan for our future, we must know where we are. To analyze and optimize, we need to understand our current and future plans. This is critical to Volvo because 80 percent of our projects are running and 20 percent will be new every year. Planview Portfolios gives us this transparency."

The group has been successful in phase 1, which includes implementing the product projects, the industrial portfolio, and the process and IT portfolio into Planview Portfolios. It has also started on the application management area with plans to implement more. The Planview Portfolios cloud solution and the group's commitment to its blueprint sped execution. The step-by-step approach enabled them to replicate the process quickly in other business areas.

RESULTS: DECISIONS BASED ON ACCURATE AND COMPLETE DATA

Since implementing Planview Portfolios, The Volvo Group has achieved:

- A common repository of all projects with complete transparency
- The ability to monitor budgets versus actuals
- Consolidation of the portfolio
- Breakeven on solution investment with the replacement of two legacy tools
- An improvement in the quality of reporting with standardization