



## Communicating a product- and branding strategy

Volvo Car Group's strategic direction had to be introduced in an engaging way, and Celemi Enterprise™ proved to be what traditional learning was not: Fun!

With a partnership reaching back to the eighties, Volvo was already familiar with Celemi's business simulations and learning solutions, which had been used to address various issues, such as innovation, strategic planning, and financial acumen. This time, the HR department at Volvo Car Group was looking for a way to get the new product- and branding strategy understood, and bought into across the company. Discussions focused on how this would be achieved, and the business simulation Celemi Enterprise™ was deemed a perfect match.

"Prerecorded videos and classroom lectures are not that engaging, and leave little impression. I believe that in a classroom you should do things that can't be done elsewhere," says Simon Eade, Senior Leadership Development Specialist at Volvo. "Celemi Enterprise corresponds to this approach: You walk around, you discuss, you physically move stuff. Knowledge gets anchored in your mind and body!"

### The simulation and its gains

In Celemi Enterprise, six teams of four people form companies and compete with each other for customers. When Volvo arranges these seminars,



*"What's great is that everyone gets something different out of Celemi Enterprise™. If you work with purchasing, you learn about brand image, and if you're in marketing you learn about finance and strategy."*

— Simon Eade  
Senior Leadership Development Specialist, Volvo Car Group

people from different company departments and units are put in the same team, making them see their simulated company from new perspectives, and recognizing different needs. Resources are limited and tough strategic choices must be made. Should we invest in marketing, product range and/or develop our people? Go for the high-end clients with specific needs, or the price-sensitive ones with less demands? All this while maintaining a healthy Profit & Loss statement...

As openings appear in the marketplace, teams have to target specific customer segments, strategize accordingly and make decisions consistent with the chosen path — and re-strategize when needed. Participants develop a common language for discussing strategies and actions, along with a shared mental model of how a company works.

## Clarifying the new strategy



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### The results at Volvo Car Group

At Volvo, after the two days of simulating, teams are placed in a “shareholder board-setting”. Participants make a thorough presentation of the developments and results of their simulated company, and explain the key decisions they made as a management team. Then, one additional day is spent on tie-in discussions, to great success. Mr. Eade leads the discussions, linking the challenges and learning points from the simulation to Volvo’s real strategy challenges:

“We notice that people develop the ‘why are we here’-way of thinking. Not only *how* they should develop, but *why*. The fact that we cannot, and should not, produce high-end cars and compete on price at the same time, then becomes evident,” Mr. Eade says. “We know where we need to go, and Celemi Enterprise helps us get the organization there. Participants quickly discover that ‘being stuck in the middle’ with no clear market positioning strategy tends to be a bad idea... The key learning points from the seminar correspond to our passion for customers and cars, and this is the key for reaching the 2020 objective of making Volvo the most desired luxury car brand. We have thorough discussions on our brand and strategy — how we got to where we are, and where we want to be.”

### Future plans

Volvo uses Celemi Enterprise as part of the Corporate Leadership Development package. In the first year alone, 12 seminars were held for 250 specially nominated managers from all over Europe, North America, and Asia.

In addition to the benefits of a smooth transition and strategy implementation, Mr. Eade concludes by emphasizing two of the simulation’s invaluable features: “When the day is over, they all come out with a smile on their faces. I think that’s a very important measurement of a successful training day. And of course, it’s better to learn from mistakes when running a simulated company, than in real life.”



### About

Volvo Car Group is a global car manufacturing and service company with 21,500 employees in over 100 countries. Based in Gothenburg, Sweden, the company revenue in 2011 amounted to 18.2 billion USD.