

Executive Elite Program

IESE Custom Program
TRATON GROUP



Executive Education



Executive Elite Program IESE Program for TRATON GROUP Executives

Volkswagen Truck and Bus (officially named the TRATON GROUP in August 2018) was formed three years ago when Volkswagen Group bundled together its truck and bus brands – MAN, Scania and Volkswagen Caminhões e Ônibus.

The logic was simple: to enable the newly formed company to focus solely on the truck and bus business, with the explicit objective of creating “a global champion in the transportation business”.

Since then, the company has made significant progress, improving collaboration between its 81,000 employees, integrating systems and processes, and leveraging its powerful brands. It has also strengthened its presence in the North American and Asian markets through strategic alliances with Navistar and Hino Motors respectively.

In 2017 VWT&B achieved sales of 205,000 vehicles, driving annual revenues up 12% to almost €24bn, and operating profit up 27% to €1.7bn.

So far, so impressive. But Group CEO Andreas Renschler is intent on further enhancing efficiency, professionalism and innovation. The name of his current ‘Next Level’ project sums up his approach, with its objective of achieving capital market readiness, providing VWT&B with additional financing opportunities to accelerate profitable growth.

And taking the group to the next level is where the Executive Elite Program comes in. Entitled ‘Building the Global Champion of Truck and Bus’, the program is intended to be an ongoing development initiative developed with IESE and HEC Paris.

“The Executive Elite program is one of the most global and ambitious programs that I have directed. The combination of a highly select group of participants from Germany, Sweden, Mexico, Brazil and the US all working together to reinvent the company made the experience immensely memorable.”

Neil Selby
Executive Elite Program Director

“Coming together is a beginning, staying together is progress and working together is success.”

Henry Ford



The Executive Elite Program

VWT&B's first 'Executive Elite Program' took place in four countries (on three continents), and involved participants from all over the world.

Nineteen executives with high board potential were chosen from the group and its strategic partners, Volkswagen Commercial Vehicles and Navistar, to come together for four program modules spread over 10 months.

The modules took the participants to Rennes and San Francisco with HEC, and Beijing and Barcelona with IESE, familiarising them with different cultures, as well as teaching them new management theories, and inspiring in them innovative commercial thinking.

A key element of the first program, running through all the modules, was the 'The Next Big Idea', requiring participants to focus on how VWT&B could best cope with the threat – and exploit the opportunities – of rapid change in the automotive sector and the wider transportation industry.

The hallmark of this complex industry is innovation, with technological developments ranging from the advent of connected and autonomous vehicles to the rise of digital manufacturing. The premise of The Next Big Idea is that VWT&B's future leaders need to anticipate and shape the future.

"Because we are a very young company, we have to understand that to become a global champion, we have to work together," says CEO Renschler. "It means changing the way we think and work, how we interact with customers, competitors and partners and, most importantly, how the coming leadership connects, combining their respective experience, know-how and forces."

"We don't want to be asking ourselves in a few years 'what went wrong?' We don't want to join the companies that already have the letters 'RIP' after their name."

Dr. Martin Hofmann

Head of Human Resources and HR Strategy at VWT&B – and chief internal sponsor of the Executive Elite Program

The hallmark of this complex industry is innovation – future leaders need to anticipate and shape the future. And the hallmark of this program is true collaboration and creativity in every aspect.

The client side was handled by Dr. Martin Hofmann, Head of Human Resources and HR Strategy at the TRATON Group.

Dr Hofmann wanted a program that would put particular emphasis on how the Group would handle disruptive innovation. He believed executives had to be encouraged to think creatively, examine new business models, propose radical changes, and consider the reinvention of entire processes.

For this, he had looked beyond VW Group's regular internal academy courses, instead researching and travelling to some of the world's top business schools. "I really liked both HEC's and IESE's ideas, so I pushed for a three-way collaboration to get the best from both of them," he says. "I didn't want an 'off the shelf' program, but one that was tailored for us.

It needed to really challenge the participants to take bold leadership stances, question current strategies, and learn from exposure to different environments."

Specifically, VWT&B also wanted the executives to develop their own new 'Big Ideas' that could reshape the future of the company and assure its success for the next 20 years. They were duly split into four teams, each of which would work on an idea during and between modules, and present it at the conclusion of the program in March 2018.



Module 1

Leadership and Teamwork

The Executive Elite Program kicked off in May 2017 with the first module run by HEC Paris. But it didn't begin in Paris, as the participants had expected. Instead, the 16 male and 3 female executives were faced with combat-like challenges at France's Saint-Cyr military academy near Rennes. The plan was designed to mould the individuals, many of whom were strangers to each other, into a cooperative and supportive group through tough team-building and leadership development exercises.

One of the tasks involved navigating a labyrinth of tunnels in complete darkness. Hofmann continues, "In daily business you're permanently engaged in routine work and you don't really have time to think outside the box. To do that you have to get a little bit uncomfortable – to push boundaries."

Module 2

Disruptive Innovation and New Business Models

Three months later, the second module took place in San José, California. Also run by HEC, it was designed to expose the participants to the cutting edge of disruptive innovation. The module focused on putting fresh ideas into practice through new business models, and was made vivid by a visit to tech-driven taxi pioneer Uber.

Experts from Uber and Google, along with entrepreneurs from smaller Silicon Valley start-ups, offered insights into their visions, and described how it is possible to rethink existing ways of doing business.

Module 3

Digitalization and Culture

In November 2017, IESE came to the fore, running the third leg of the program in Beijing. This module was designed to expose participants to the awe-inspiring scale, complete cultural difference and massive disruptive capability of China.

As well as making the executives more aware of alternative leadership models and corporate strategies, this module gave them an understanding of the extent to which technology has permeated day-to-day life in Asia.

A highlight was a visit to Horizon Robotics, a leader in Artificial Intelligence, and discussions focused on the significance of AI, big data and Industry 4.0 for the mobility and transportation solutions of the future.

To address the cultural differences, participants were exposed to 'The Beijing Experience', a discovery safari to 'deep-dive' into Chinese culture, including a short lesson in Tai'Chi and a visit to a Chinese temple.

IESE's Academic Director and member of IESE's Academic Executive Education Committee, Professor Marc Sachon, reflects: "Our thinking was always twofold: we set out to convey the fast pace of digitalisation in China and emphasise the shift of the centre of gravity in the automotive sector. Being in Beijing helped participants to reflect about these dimensions."

Module 4

Reinvention and Future Business

IESE ran the fourth and final module close to home, in Barcelona, in late February and early March 2018.

Over many centuries Barcelona has been home to a plethora of cultures, and continues to wrestle with its identity today as both the capital of Catalonia and an integral part of Spain. In terms of diversity and reinvention, it informs visitors more than most cities, making it an ideal location for them to address both themes.

Program participants enjoyed another journey of discovery, 'The Barcelona Experience', to demonstrate how the city has evolved over the last 2,000 years. They also visited Camp Nou, home of Barcelona FC, to learn how this global sporting champion has engineered constant renewal and sustained success over the past 100 years. Building on the theme of the disruptive nature of technology, the module also incorporated a visit to the Mobile World Congress.

The Barcelona module culminated with the four executive teams making their 'Next Big Idea' presentations to the VWT&B Board, where they covered key issues such as automating the business, creating capacity on demand and providing future mobility solutions. One idea, judged the winner by the Board, was seen as suitable for implementation, while a second was thought worthy of serious further consideration.

Conclusion

For TRATON GROUP, the Executive Elite Program has proved to be a resounding success, with two business schools coming together to create experiences that have bonded participants from across the diverse group, exposed them to the disruptive technological and leadership change in the world, and inspired them through examples of corporate and cultural reinvention.

As participant Ulrich Dilling, Chief Production and Logistics Officer and Director of MAN Truck and Bus AG, sums up: “The beauty of this program is that we could take time out from day-today business to reflect on what we’re doing and how we’re doing it. We’re thinking about the challenges we have in the group, having new ideas, and looking to the future to see how we can approach things in a better way.”

TRATON Group’s Dr. Hofmann agrees, “For our managers, this has been a great opportunity to network, strengthen their collaboration and share ideas. Above all, it will support them in reinventing TRATON GROUP as a global champion.”

He concludes, “Right now, we’re working with HEC and IESE on the second program to begin in 2019. The challenge is to come up with something fresh, but just as inspiring.”

IESE

Since 1958, IESE Business School has been committed to developing exceptional leaders who aspire to have a deep, positive and lasting impact on people, firms and society.

IESE’s humanistic approach puts the participant at the centre of the learning experience with a focus on their personal and professional development. At IESE participants hone their strategic leadership competencies within a global framework. With a thriving alumni community of more than 50,000 executives and entrepreneurs who work in more than 100 countries, IESE delivers cutting edge business programs designed around today’s critical and emerging business needs and challenges. IESE has been ranked No. 1 in the world in Executive Education and Custom Programs for the last four years.

TRATON GROUP

TRATON GROUP is a wholly-owned subsidiary of Volkswagen AG.

The Group is a global leader in commercial vehicles with its brands MAN, Scania, Volkswagen Caminhões e Ônibus, RIO, and Volkswagen Commercial Vehicles. The product range includes light commercial vehicles, trucks and buses as well as digital services. Its mission is to drive transportation to the next level – in terms of products, services, and as a partner for their customers. Its strategy is to become the Global Champion regarding profitability, customer innovations, global presence and employee satisfaction. Currently headquartered in Braunschweig, Germany, it has 22bn euros in revenues, 77,000 employees, 25 vehicle/chassis production plants in 17 countries and 5 component plants in 4 countries.

EXECUTIVE ELITE PROGRAM

The Executive Elite program is the TRATON GROUP’s most prestigious program, offered to those with board potential within the Group. Global in scale, it offers modules across three continents and challenges participants to deliver cutting edge thinking that delivers financial value to the Group as a whole whilst creating a collaborative culture amongst the companies within the Group.



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