# PRESS RELEASE



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# Services and partnership with Scania – the route to profitability

The route to sustainable profitability is paved with tough trials for many hauliers. Challenges are many and margins are tight, so unforeseen expenses or a loss of income can rapidly become a significant problem. A partnership with Scania that covers all types of services – physical, digital and financial – is one way for hauliers to get peace of mind and conditions that are right for long-term profitability in their company.

"Scania customers operating in the construction industry are almost always part of a larger process and so are important cogs in a workflow where interruptions can never be accepted," says Anders Lampinen, Product Director, Construction, Scania Trucks. "It's therefore absolutely crucial to tailor a complete solution that keeps the wheels turning so that the haulier never misses its deliveries."

#### Connected knowledge

Scania has created an entire ecosystem with services of various kinds, all of which essentially have the same purpose: to enable Scania's customers to remain profitable and receive a reasonable return on their investment through their partnership with Scania. This is based on better-known services such as repair and maintenance contracts and Fleet Management Services, but Scania's offering is a great deal broader than that.

"In particular, the fact that all vehicles leaving Scania for a number of years have been connected has created a wealth of new opportunities," Lampinen says. "And this knowledge naturally benefits customers, both in their own operations and also because we can monitor how the vehicles are used andoffer flexible maintenance or preventive replacement of components."

#### **Customised training**

One innovation in relation to Scania Driver Services is that during 2017 a number of markets have started to offer application-based driver training, which can also be customised for construction operations. Driver training is an established service in long-distance operations where the focus is mainly on eco-driving and road safety, but in the past Scania did not have a customised service for the construction application in its range. The newly developed modules are Productivity, Safety and Security, and Environmental Performance. These can be used as a framework for customising driver training based on local requirements.

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"We've had a very good response to this," Lampinen says. "Driving a construction vehicle is more demanding than driving a long-haul vehicle in many respects. Construction vehicles operate in several different environments, involving anything from a motorway to no road at all. Add in factors such as loading, tipping, securing goods, off-road driving and other factors that the driver can influence and you can see how multi-faceted the task is."

For anyone driving a Scania, help is also at hand in everyday life, either directly or via the connected services that Scania offers. In addition to the vehicle itself giving feedback to the driver on his or her anticipation in relation to acceleration, braking and so on, drivers can also obtain tips on how to improve their driving via the Scania Fleet app (provided that their haulier has a subscription to Scania Fleet Management Services or the driver has undergone Scania Driver Training). In its most advanced form, drivers that have undergone driver training are given personal follow-up coaching by a driver coach trained by Scania Academy.

#### Secure financing

An aspect that is often neglected, at least initially, when choosing a truck for a haulage business is how it is financed and insured. The focus ends up on horsepower, load capacity and colour, whereas in practice the crucial economic aspects often come further down the priority list.

"The economics are one of the tough challenges that construction hauliers have to deal with," Lampinen says. "They have to contend with tough conditions resulting in wear to the equipment, while assignments are highly varied and income is likely to be spread unevenly throughout the year. If the purchase is financed through Scania Finance there may be options to smooth out the repayments and the peaks and troughs that affect income, in dialogue with Scania. At the same time the haulier is always guaranteed rapid and appropriate repairs because we naturally have a common interest in the vehicle and the haulier's finances even after the purchase has been made."

In its sales dialogue with customers, Scania has put behind itself the industry's traditional way of viewing the financing of trucks where the focus is mainly on keeping down the visible costs. To achieve the best total operating economy over time, the overall picture must be factored into the calculation, and that is where variables such as earning capacity, uptime and financing are crucial.

"The secret that we'd like to tell you more about is to tailor a comprehensive solution and to review and evaluate both the things you think you know and those aspects you've never factored in before," Lampinen says. "The old wheel tracks are rarely the right route, but our sales force has the tools, knowledge and data to design just the right solution. This may involve apparently small details such as the choice of gear ratio in the rear axle, which over time have a significant effect on everything from fuel economy to how many days the vehicle is actually in operation generating income."

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## Tracking the trailer

Scania Fleet Management has now been expanded with a function for monitoring trailers: Scania Trailer Control. It allows haulage companies to access important information about such things as the position and temperature in the cargo area – extremely important for all types of refrigerated transport – directly in the Scania Fleet Management Portal. Further functionality is about to be introduced, such as information about important factors such as axle weight, tyre air pressure and brake status. Scania Trailer Control can currently handle data from 35 trailer manufacturers via a built-in telematics system.

## **Operating digitally on Scania One**

Scania One, a newly-created sales channel for Scania's digital service offering, was introduced earlier this year. Through Scania One, customers have access both to Scania's own services and those of others via Android tablets.

Scania One makes it easy to interact digitally with Scania, which increases the value of the investments customers make in vehicles and in services and creates the conditions for sustainable profitability.

When launched, Scania One contains Scania Fleet Management, a real-time monitoring and analysis system that assists hauliers withfleet planning by providing position data and servicing requirements. Other examples on the apps are Guide me, a unique, digital version of the operator's manual that uses augmented reality to help the driver rapidly access information about various features in the vehicle and Check before drive, a digital, brand-independent pre-drive checklist. The first market to introduce Scania One is Germany.

### Scania takes care of the fleet

Another maintenance-based service that Scania has recently introduced and is now rolling out on European markets is Scania Fleet Care. The service involves Scania taking on overall responsibility for planning all maintenance requirements and all repairs. The aim is to increase total uptime for the customer's fleet while improving cost control and predictability.

"There is an insight among customers that no one has more extensive knowledge about long-term maintenance planning for our customers than Scania's own experts," Lampinen says. "By leaving it to Scania to plan maintenance and preventive replacements, hauliers can focus on the job itself, safe in the knowledge that their work tool is in good hands."



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Scania is a world-leading provider of transport solutions. Together with our partners and customers we are driving the shift towards a sustainable transport system. In 2016, we delivered 73,100 trucks, 8,300 buses as well as 7,800 industrial and marine engines to our customers. Net sales totalled nearly SEK 104 billion, of which about 20 percent were services-related. Founded in 1891, Scania now operates in more than 100 countries and employs some 46,000 people. Research and development are concentrated in Sweden, with branches in Brazil and India. Production takes place in Europe, Latin America and Asia, with regional production centres in Africa, Asia and Eurasia. Scania is part of Volkswagen Truck & Bus GmbH. For more information visit <u>www.scania.com.</u>