

Gearing UP

Volkswagen Slovakia is investing in its people and products as it continues to see opportunities for growth across the global marketplace.

Images courtesy of Volkswagen Slovakia

As the largest export business in the country, Volkswagen Slovakia produces a range of quality automobiles for more than 148 countries around the world, with the German, Chinese, and American markets proving to be its biggest customers.

To meet this demand for its products, Volkswagen Slovakia ensures that it invests in the people that make them. Volkswagen is one of the biggest private employers in Slovakia, employing more than 9,400 people across its operations. The company also invests in Slovakia, injecting more than €351 million in 2013 and more than €2.78 billion over the past 23 years into the local economy.

These bold decisions have been made by the skilled and experienced team at Volkswagen Slovakia. As a key part of this team, CEO Albrecht Reimold has seen the company go from strength to strength. Since assuming the position of Chairman of the Board of Directors of Volkswagen Slovakia in January 2012, Albrecht

has led the company to new heights of growth in the competitive automotive market.

It's been an interesting journey for Albrecht, who started his career as a trainee with Audi AG in Neckarsulm in 1987. Albrecht first qualified as a toolmaker before studying production engineering at the Heilbronn University of Applied Sciences and qualifying as a welding engineer.

After learning the ropes at Audi and developing his skillset, Albrecht was appointed head of body production for the new Audi A8 in 1993 and head of production for the new Audi A2 in 1998. From 2002, Albrecht was responsible for production planning for the C and D series models (Audi A6 and Audi A8) and for the R8 sports car as well as for the planning of the Neckarsulm plant. In this role, Albrecht gained international experience in planning work for international plants such as Changchun in China and Aurangabad in India. Albrecht then served as plant manager of the Audi Neckarsulm plant from 2009. He says that

these experiences perfectly prepared him for his current role at Volkswagen Slovakia.

"In 1987, I started my career at Audi as a trainee and then rotated through different departments, in technical as well as supporting functions. I started my career as a young toolmaker. Later, among other things, I was in charge of the body making of A8 and responsible for the work planning in Neckarsulm where I had worked as plant manager since 2009.

"In the meantime, I was on various internships abroad, for example in China and India or in Sant'Agata Bolognese for Lamborghini. Thanks to that I have learned all facets of car production and I've always contributed to its development.

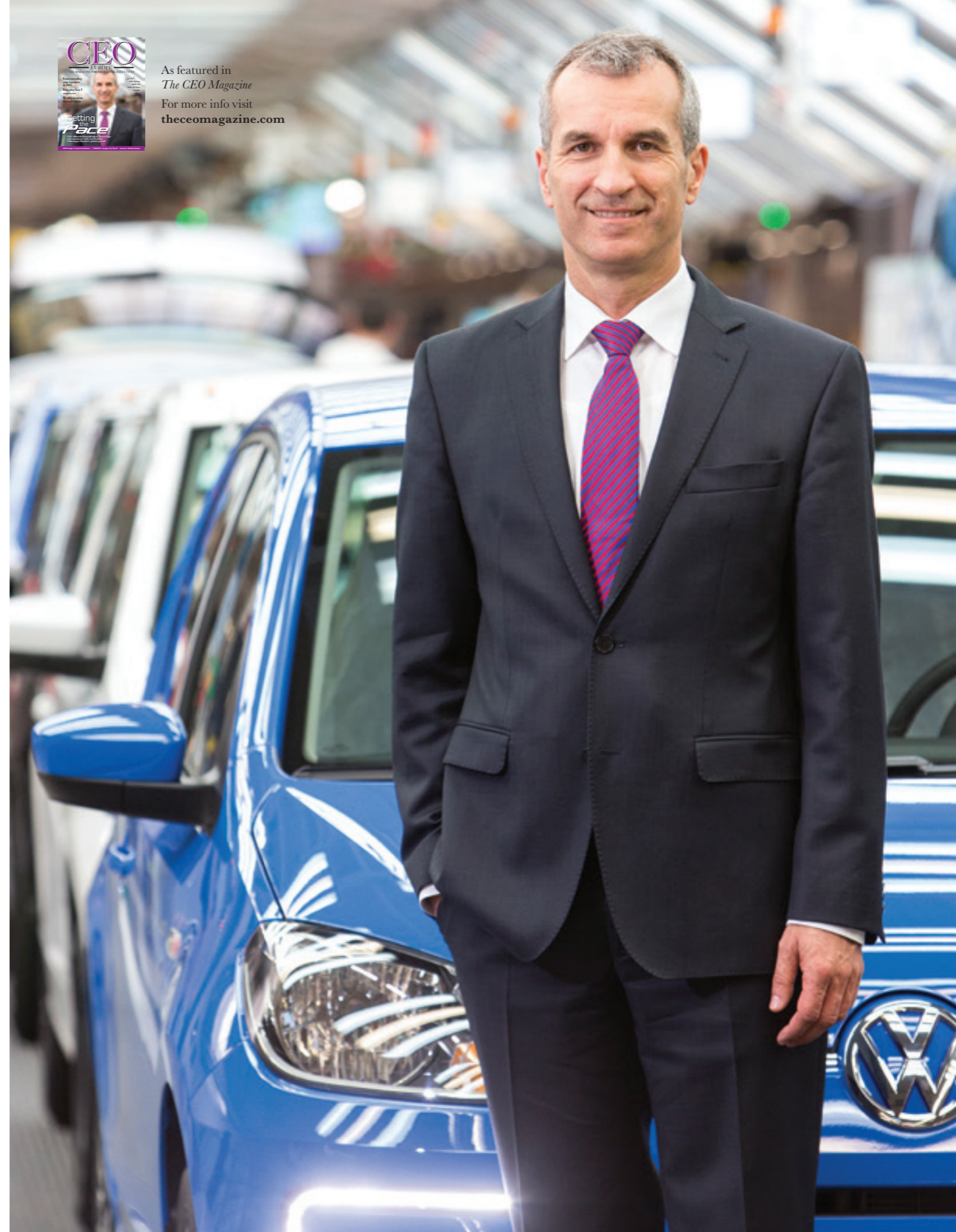
"For me, responsibility starts with small things. Everyone can take the responsibility for their own actions, suggest courageous solutions, and in that way, contribute to the company's development. Today, the company's management consists of two pillars. On the one hand, we manage according to the >

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indicators, and on the other hand—and this is the most crucial part—we manage our people. While the first pillar is mostly about creating long-term, efficient structures, the second-pillar processes of managing our people have the priority. Hence, the task of the manager is to influence the achievement of the set goals through influencing the behaviour of the people they manage.”

It's a big job with Volkswagen Slovakia producing cars and gearboxes in its factory in Bratislava. Today, this factory produces five brands under its one roof and employs a range of skilled and experienced staff to deliver its offering.

The company has definitely come a long way. It was founded in 1991 as Volkswagen Bratislava in a joint venture between the joint-stock Car Company of Bratislava and Volkswagen AG. In the same year, the production of Volkswagen Passat Variant was launched. In 1994, the production of the Golf automobile, as well as the assembly of the gearboxes, started. Volkswagen Bratislava became a 100-per-cent subsidiary of Volkswagen, and was renamed Volkswagen Slovakia in January 1999.

Over the years the company has seen significant and continuous growth. In 1998, the company celebrated its 100,000th vehicle and in 2000 that number grew to 500,000. In the same year, the production plant for components for the models Volkswagen, Audi, and ŠKODA was opened in Martin.

In 2011, the company entered the new small family car market with production of the Volkswagen up!, ŠKODA Citigo, and SEAT Mii.

A significant milestone occurred in 2012 when Volkswagen Slovakia marked the production of three million vehicles. Additionally, in 2013 Volkswagen Slovakia started serial production of its first electric car for the Volkswagen Group, the Volkswagen e-up!



Today, its Bratislava plant has a production portfolio that consists of the Volkswagen Touareg, Volkswagen Touareg Hybrid, Audi Q7, Volkswagen up!, ŠKODA Citigo, SEAT Mii, as well as the car bodies for Porsche Cayenne. With five car brands produced in one plant, Volkswagen Slovakia's Bratislava plant is a truly unique automotive factory.

According to Albrecht, the decision to centralise its production in its Bratislava plant was a strategic one. “It is a combination of several factors. The most important factor is that we have a top team of employees who build very good cars. We continuously work on our competitiveness and the innovation of the production process.

“One of our core advantages is the location. Our plant is situated in the heart of Europe and owing to that we have very good access to all of the European markets. Another big advantage is the euro. We don't have to worry about the development of the exchange rates between the euro and the Slovak koruna and that gives us greater planning security and better stability.

“Today, we have two attractive and stable pillars: the SUV production and the new small family car segment. Thanks to them we are covering different customer segments and producing for markets all over the world.”

It's this forward thinking and global benchmarking that has seen

Volkswagen Slovakia play a prominent role in the tough automotive market. One area where Volkswagen Slovakia is leading the way is in sustainability. Its ‘Think Blue. Factory.’ initiative has set clear targets for the company in the sustainable positioning of all its plants. By 2018, the company aims to reduce the environmental impact of all Volkswagen plants by 25 per cent. Specifically, this means 25-per-cent reductions in energy and water consumption and the waste volumes and emissions at all plants. Albrecht says this will be rolled out across its Bratislava, Martin, and Košice plants.

“We are not just talking; we are taking action and implementing these environmental protections. We invest in the most cutting-edge and the most environmentally friendly technologies. With that we are contributing to making the Volkswagen group the most ecological car producer in the world. By 2018, we want to reduce the energy and water consumption, the CO2 and solvents emissions, and the waste per vehicle by 25 per cent when compared to 2010.

“Our production goals and processes show that environmental protection is our highest priority. An important part within this process comes down to our employees. It is absolutely impressive how many good ideas and improvement proposals they constantly submit. This engagement of our employees is what makes us so successful. For >

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In addition to our core activities we strongly concentrate on innovative developments in the areas of production technologies, new material compositions, and sophisticated joining possibilities for automotive applications.

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our activities in the field of environmental protection, we received several prizes at both national and international levels, like the Lean & Green Efficiency Award in 2012.”

Volkswagen Slovakia is also leading the way in the field of safety with its Bratislava plant receiving the Occupational Safety Trophy in 2012. Albrecht notes, “With that award and the renewed award of the Industrial Health and Safety Cup, which we also received in 2011, we’ve proven that safety at work is a solid part of our company culture.

“Our employees are very much aware of their responsibility in this regard. Health has the highest priority for us. Therefore, we put great emphasis on the information and qualifications of all our employees and the use of the most modern technical solutions. This provides security for the families of our employees as well.

“It is important to be aware that security and safety at work cannot be improved from one day to the next. It is a long-lasting and continuous process, which besides the use of new and modern solutions primarily requires the transmission of safety information and explanations to all employees. We also rely on their guidance and dedication to observe the regulations and the use of their personal protection equipment. As a result, we have implemented not only an information campaign about security and safety at work but we’ve also implemented an initiative where all employees can submit improvement proposals, for example to improve the ergonomics at work.”

It’s clear that consistent and innovative education of the workforce is critical to Volkswagen Slovakia’s management ethos. Albrecht says that putting this investment and energy into its people has definitely paid off.

“We are pleased that MATADOR is a part of the VW Group supplier network. This partnership allows us to grow and develop ourselves and of course to be focused on the highest quality solutions and implementation of new materials and innovations.” - Boris Sluka, General Manager, MATADOR Automotive Vráble



“As the only plant in the world that produces five brands under the same roof, we require the best qualified personnel. That is one of the reasons why we built four training centres that are preparing our employees for the future requirements of their jobs. For example, last year we were the first Volkswagen plant in the world to start serial production of the electric Volkswagen, the e-up!

“We trained 3,500 employees for this production. At the same time, there is daily training for all employees, which is aimed at continuous improvement. This is further reinforced by each team’s yearly workshop for increases in productivity. The management is directly integrated into the CIP [continuous improvement process] workshops. We are also sending our employees to other automotive brands to learn and achieve further qualifications.”

According to Albrecht, Volkswagen Slovakia is also investing in its future employees. “Successful companies that are taking their future seriously are also taking the education of their current and future employees seriously. Therefore, our cooperation with universities is a very important aspect for us. Our project IngA, which has been running for five years at four Slovak universities, has already seen 3,800 students go through. The goal of the project is to give the students an insight into our practices.

“We have also founded a study program, Automotive Production, in cooperation with the Faculty of Mechanical Engineering at the Slovak University of Technology in Bratislava. While preparing the curriculum, we have closely cooperated with our experts. Now, they are the expert lecturers for the students. As part of the >



program, the students also come to our plants and learn our processes.

“We are introducing modern education methods into the country, thanks to the foundation of the Centre for Dual Education; the introduction of the course for mechatronic technician, industrial mechanical technician, and electronic technician for automation technology. Graduates of this course will not only have excellent theoretical knowledge, but also practical, top-class experience. The company invested approximately €1.1 million in this. Thanks to this, the centre’s 70 students have at their disposal the most modern aids and equipment.”

Continuous improvement is an important part of Volkswagen Slovakia’s ethos, with the company aiming to ‘become better

tomorrow than it is today’. Albrecht states, “We are never satisfied with something that we have already achieved. This is also a part of our management culture. Together with our employees, we keep asking what more we could improve and where we could learn something new. This is something that distinguishes Volkswagen Slovakia.

“We were awarded the Lean Production Award in the category OEM in Europe 2011. One year later, we went even further and got the Lean & Green Efficiency Award. This demonstrates our engagement in efficiency and sustainability. In 2013, we were named the Factory of the Year for large-scale production in Europe. These awards make us really proud.”

As part of this dedication to excellence, Albrecht and his team ensure that they work with the best suppliers and partners. “We exclusively cooperate with partners who fulfil our high requirements

and desired quality. In Bratislava, we produce five brands, and just the Touareg model on its own can be ordered in more than a million variations. That means a huge challenge for our production and logistics, and, as a result, for our suppliers as well.

“The core principle of the chain ensures that in each of the production processes the exact parts belonging to the respective configuration are built in each car. In that way, we can fulfil the wishes of customers from all over the world—the correct part is always in the correct place at the correct time.

“There are approximately 256 automotive suppliers in Slovakia. Approximately one half of them are located in Western Slovakia. We pioneered the idea of the placement of the suppliers’ network on site. Our goal is to have suppliers in close vicinity to our plant with a distance of no more than 150 kilometres away.

“BASF is one of Volkswagen’s most reliable partners worldwide, supplying products ranging from e-coat to clearcoat. At many Volkswagen plants, BASF is a system supplier with a service team on site. The confidence Volkswagen has in the quality of BASF products makes us proud.” - Frank Blosser, Global Account Manager, VW Group at the Coatings division of BASF



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We are managing this very well. In 2013, our purchasing volume for the production of vehicles, gears, and components made approximately €5.5 billion. With a share of €2.4 billion, the biggest suppliers of components and materials were from Slovakia.”

This local focus and global scope will serve Volkswagen Slovakia well in coming years as Albrecht and his team take the company to new heights. “From 2012, and by 2016, we plan to invest approximately €1.5 billion. That is a huge amount of money. It’s about making investments in the most modern technologies and expanding the car production in our Bratislava plant.

“Additionally, we will work on further developing our plant structure as we continue to grow our vehicle numbers and production structures. For example, a current €600 million project involves the construction of a new body shop for SUVs. Our new press shop in Bratislava utilises

“We will continue to work on productivity, efficiency growth, and improving our processes. We want to continue to be number one. Therefore, we have to fight for it every day.”

- Albrecht Reimold



innovative technologies and represents the most modern press shops in the car industry and in the Volkswagen group globally. saving natural resources and the use of modern technologies, which will support Volkswagen’s Think Blue ecological initiative.”

“We will continue to work on productivity, efficiency growth, and improving our processes. We want to continue to be number one. Therefore, we have to fight for it every day. In car production, we will concentrate even more on

Building on the growth and success it has seen in previous years, Volkswagen Slovakia will continue to develop its processes and practices to ensure it produces the best people and products possible. ●