



"SUSTAINABILITY AND ESG WILL BECOME THE CORE OF OUR OPERATIONS"

Sandberg follows this approach at VRG Truck Equipment.

Part of the VBG Group, it offers products and service under several brands that contribute significant value for customers and users in the form of increased reliability, personal safety, and efficiency. Its major product lines include drawbar couplings, underrun protection devices, and automatic tyre chains, with sales pursued across approximately 70 countries spread around the world.

Key customer bases include truck body assemblers, truck manufacturers, and users of commercial goods and emergency vehicles.

A major USP is the company's ability to offer highly bespoke solutions designed at a system-wide level as opposed to off-the-shelf individual components. Meanwhile, its unwavering commitment to safety and ongoing role in pioneering more sustainable truck travel through developing systems that lower fuel consumption have positioned VBG Truck Equipment as a knowledgeable, value-creating partner in the automotive ecosystem.

In 2022, the Truck & Trailer equipment division had around 380 employees on its books and contributed 36% of VBG Group sales.



"WITH THE SUPPLY BASE, WE HAVE A 'GROW, FIX, EXIT' APPROACH"

"COMMUNICATION, COMMUNICATION, COMMUNICATION"

Sandberg also highlights the importance of working through a long-term lens, with a mix of targets and objectives which are broken down into manageable pieces that are well communicated across the organization, shortly after he arrived in 2008, this very much became the priority when VBG Truck Equipment's plant in Germany was closed due to the financial with operations being merged with in Sweden.

Sandberg took on the role of plant manager in 2009 and immediately set about implementing some fundamental processes and practices, "Delivery performance to customers was not where it should be, and there was no long-term view or plan in place," he recalls.

"Structural changes were needed to support a new culture where feedback and 'communication became king, We implemented KPIs and success factors and built in daily meetings to assess metrics in granular detail."

Following the transformation of operations at the Swedish plant, in 2011 Sandberg moved into a broader Supply Chain Director role which now also sees strategic purchasing activities splintered

out into a separate team from the rest of the procurement setup. In essence, his work has centred around developing a long-term supplier base that is healthy and thriving.

"We now have a commodity structure in place whereby everybody's responsibilities are clearly set out with targets and long term visions," Sandberg explains, "We create strategies around how to get there. With the supply base, we have a 'grow, fix, exit' approach. For the most successful suppliers, we want to grow our relationship and business with them. Others we may identify areas that need fixing and will work with them to make improvements that benefit both parties, where things cannot be fixed, we exit the relationship."

Sandberg has also adopted best practice sourcing processes from around the automotive world, and much like the feedback loops established internally, regular follow ups and constant dialogue with suppliers is helping to build bridge. "It is also important to celebrate our success together, which is why we created the Supplier of the Year award to recognise those partners who go above and beyond," he admits. "It adds a little bit of healthy competition and suppliers see it's a prize they want to win, and we have had several local suppliers pick up awards which is great to see."



"YOU NEED TO CARE ABOUT THE PEOPLE IN YOUR ORGANISATION, BECAUSE WITHOUT THEM YOU YOURSELF ARE NOT MUCH AT ALL LEADERS SHOULD BE THERE TO SUPPORT, DIRECT AND PUSH PEOPLE"

LOOKING AHEAD

As the conversation steers towards what the future has in store, Sandberg outlines a combination of short-term and long-term priorities. In the immediate term, volatility caused by the ongoing crisis in Ukraine coupled with rampant inflation has created a dynamic where it is difficult to keep

costs under control. Managing creeping expenses is therefore a major concern for Sandberg as VBG Truck Equipment seeks to continue offering value to its customers, longer-term, a key focus is embedding sustainability into the company's value chain, a task that by Sandberg's own admission will be no small undertaking "Sustainability and ESG will become the core of our operations," he says. "Much like how quality became a non-negotiable aspect of supplier-buyer relations 20 years ago, we are now heading rapid; towards sustainability doing the same thing. Once again this requires careful planning that looks far ahead into the future. It will be challenging, but it is imperative that we embrace it head-on."

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