

## Danfoss Drives has kept important customers thanks to New Future Formula's Meet-Listen-Act concept

**Despite world-class quality management systems and A+ audits, Danfoss Drives observed that several of its important customers pointed out issues in need of improvement. This kick-started a behavioural change in the industrial giant. Since 2108, it has completed thousands of improvement projects in close cooperation with its customers, based on the New Future Formula concept Meet-Listen-Act.**

These are the words of Hans Peter Boisen, Senior Director Business Development at Danfoss Drives. For a number of years, he has been deeply involved in the company's quality management systems with overall responsibility for the quality at Danfoss Drives at several levels.

– At Danfoss Drives we tended to nourish the steadfast belief that the ultimate key to a good customer relationship was the technical standard of the products. We focused on identifying technical flaws and solving these. Another critical dimension, however, was to identify customer needs that were not met and which we were unable to report via standard systems, explains Hans Peter Boisen.

In the process of developing the Meet-Listen-Act (MLA) concept together with New Future Formula it was essential for us to ensure that improvements which concerned our customers could be realized within a short period of time. In addition, the MLA concept was not intended to replace the company's dedicated QA systems.

### **The MLA concept identifies potential optimizations jointly with the customer**

The New Future Formula MLA concept is actually quite simple: Identify and solve the customer's concrete problems and challenges during a 100-day sprint. A 2-day MLA session with a team of 5-10 broadly selected employees from both the customer and Danfoss Drives maps the collaborative effort and identifies potential optimization points.

- After the initial session at Danfoss Drives, each of the company's employees is allocated one or two improvement projects for which they are responsible. Every Friday we hold a brief on-line status meeting with the customer to ensure constant progress of the various projects and after 50 days we evaluate the projects together on-site with the customer. When the 100 days are up all projects must be completed, explains Hans Peter Boisen, who is pleased to note that Danfoss Drives has managed to focus even more attention on the customer.

– With the MLA concept we really do put customers before systems. We listen to the customers and together with them identify the most important issues. This has highlighted to us that factors such as reliability of supply, packaging, local product training and the information we feed into the systems are at least equally important as the quality of the product. The process has clearly demonstrated that our customers appreciate our holistic approach to enabling our cooperative relationship to flourish. Besides having brought us closer to our customers, the MLA concept has also increased customer loyalty and customer satisfaction, emphasizes Hans Peter Boisen.

The MLA concept not only represents a method that you can use to solve the problems of individual customers, however, but the concept also acts as a springboard to be used to improve the

customer's experience in general of working together with Danfoss. For this reason, lessons learnt from addressing issues for individual customers are compiled and used to introduce improvements in products, systems and processes in general. This approach improves customer experience moving forward.

## **Facts about Danfoss Drives**

Danfoss Drives, member of the Danfoss group, is a world leader in variable speed control of electric motors. Since 1968, it has been a pioneer in the AC drives business. Now one of the largest companies in the industry, it delivers on its passion for development, manufacturing and sale of the most versatile AC drives in the world. Its VACON® and VLT® drives serve a broad range of industries and applications.

Danfoss Drives is 100% focused on developing, producing and supplying AC drives. Its portfolio consists of high-quality application-optimized products that maximize process performance, save energy and minimize emission levels.

## **Facts about the Meet-Listen-Act concept**

The MLA concept identifies and solves specific problems and challenges in 100-day sprints for a customer. A 2-day MLA session with a team of 5-15 broadly selected employees from both the customer and Danfoss Drives maps the collaborative effort and identifies potential aspects to be addressed.

After the initial 2-day MLA session at Danfoss Drives, each of the company's employees is allocated one or two improvement projects for which they are responsible. Every Friday progress is followed up on-line. After 50 days, the projects are evaluated at the customer. On day 100, the customer returns to offer feedback on whether the projects have been completed as agreed – also according to the customer's assessment.

Over a period of three years, Danfoss Drives has held more than 140 MLA sessions all over the world. More than 1,000 employees have been project leaders spanning more than 1,200 improvements.

## **Facts about New Future Formula**

New Future Formula is dedicated to working with CBI – Continuous Business Improvement.

Together with its clients, New Future Formula designs, introduces and supports new CBI programs – and inspires, evaluates and improves existing CBI programs.

Through continuous process improvements, employee development and system optimization we create a steady flow of improvements in all corners of the company and its life.

Since 2007, New Future Formula has completed more than 10,000 improvement projects in more than 100 organizations. The documented effect on the bottom line is in excess of EUR 300 mill. In the process, more than 600 people have received training.