

## **Danfoss Drives has achieved increased customer loyalty with the New Future Formula Meet-Listen-Act concept**

**Danfoss Drives has always been in the lead when it comes to quality and scored top grades especially in product quality. And yet the industrial giant found that when they went into detail with their customers, those customers asked for improvements.**

Discover how Danfoss Drives' efforts with New Future Formula's Meet-Listen-Act (MLA) concept have transformed customers' wishes into concrete improvement projects. Learn also, why this has improved customer relations and made the same customers even more convinced that they chose the right partner, when opting for the world-leading manufacturer of variable speed control for electric motors.

– At Danfoss Drives we have always had a classical quality mindset and an enormous focus on the product as such. By working with New Future Formula's MLA concept and meeting our customers, we have learned what the customer's experience of quality is all about. It means ensuring that we pinpoint all touch points in the value chain in relation to the customer, says Morten Buhl Sørensen, Senior Vice President Global Supply Chain at Danfoss Drives.

### **The MLA concept is an efficient keep-it-simple tool**

New Future Formula's MLA concept is actually nothing more than a KISS tool. The customer's problems and challenges are identified at a 2-day MLA session attended by a team of 5-10 employees in various job functions from both Danfoss Drives and the customer. Together they describe their collaborative effort and identify concrete points for improvement which the Danfoss Drives staff will be addressing and solving during a 100-day sprint.

– Our fear was that the customers would raise unrealistic requests. But this was far from what we actually encountered. In our experience, our customers have been very specific and focused on how we through our combined efforts can optimize and improve highly achievable factors. These include aspects such as technical specifications, the product catalogue, order processing speed, reliability of supply, the track-and-trace function, packaging, after market service and customer service, to name a few, explains Morten Buhl Sørensen. He is very pleased with the results brought about for Danfoss Drives thanks to the MLA process.

– The MLA concept is a really good tool for Danfoss Drives. It ensures that we work together across the organization to create common solutions to the benefit of our customers. We can really feel how meeting our customers has given our employees a far better understanding of the challenges encountered in a business relationship. It has also given employees a stronger personal commitment to solving problems in a smart and efficient way. The result has been improved customer satisfaction, increased customer loyalty and higher earnings. We find that our customers place more orders with us because we deliver the solutions they ask for, says Morten Buhl Sørensen. He has also enjoyed working with New Future Formula founder, Niels Gørup Christiansen.

– Niels is a vibrant, dedicated and professional whirlwind who can really get things going. He has a sharp mind and understands how a company such as Danfoss Drives can create important

improvements in customer relationships within a short period of time. The MLA concept is not some overly fancy and complex tool. Its simplicity is its strength and forms the foundation for the success we have created together with New Future Formula and our customers, emphasizes Morten Buhl Sørensen.

## **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 relevant issues 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.