

# **Danfoss Climate Solutions increases administrative efficiency**

**New Future Formula's Continuous Business Improvement concept (CBI) has streamlined the administrative work processes in Danfoss Climate Solutions by more than 4 percent annually and ensured greater turnover with increased administrative efficiency in the offices.**

Danfoss Climate Solutions is the market leader in energy-efficient cooling and heating solutions for buildings and industry enabling a decarbonized, digital, and more sustainable tomorrow. The industrial giant Danfoss designs energy-efficient and intelligent solutions that help customers around the world get more out of less, reduce global CO2 emissions and combat climate change.

In 2019, Danfoss implemented One ERP with the aim of streamlining and improving the company's workflows and business processes, from order processing and sales to purchasing, inventory management and financial management. A good investment with opportunities for subsequent improvements.

- In Danfoss Climate Solutions, we experienced that, despite the significant investment in a new ERP (Enterprise Resource Planning)-system, we had more administrative employees carry out the same amount of tasks. We did not take advantage of the opportunities in One ERP and went back to working as before and individually in silos, instead of exploiting the synergies and collaboration across the organization, explains Niels Behrensen, CFO of Danfoss Climate Solutions.

## **The employees create impressive results with the CBI concept**

Together with, among others, Head of Process Excellence Program Peder Helmuth Hansen and Director Systems & ERP Pernille Westergaard, CFO, Niels Behrensen therefore invited the New Future Formulas Continuous Business Improvement (CBI) concept into the engine room of Danfoss Climate Solutions.

- With the CBI concept, we started a journey where we work systematically and continuously to identify potentials and implement improvements. To date, we have completed no less than 183 Quality Improvement Projects (QIP) in seven different countries. The improvement projects are carried out by the employees and the results are impressive, emphasizes Niels Behrensen

- We have automated time-consuming manual work and streamlined the administrative work processes by more than 4 percent annually and today we work smarter than ever before. The employees use their resources, knowledge, and enormous dedication much better, and this creates value for the entire organization and not least for our partnerships with customers, elaborates the CFO of Danfoss Climate Solutions.

## **The CBI concept crushes problems and creates lasting improvements**

The CBI concept, in all its simplicity, involves identifying potential improvement projects and implementing these in a 100-day cycle. Every Friday there are status meetings, on day 40 mid-term evaluation and on day 100 the project must be rolled out and on target.

- Among other things, we have run a QIP at our Polish factory in Tuchom. The flow from the sales department in Germany to production at the factory was delayed because requirements and specifications were not clear. We brought the employees of the two departments together, and together they have optimized the work processes, ensured greater transparency and improved

communication. The result is that we deliver the right solution and make better use of our capacity at the factory, explains Niels Behrensen about one of the many successes the CBI concept has created and is still creating.

- We have only just started our CBI journey. The concept is a significant gain in the short term, because we get to realize the many possibilities that One ERP contains. But we also see it as a long-term investment, where we leverage CBI as the concept that is the foundation for creating a culture where employees take increased responsibility and constantly focus on optimizing and making work more efficient. Here it is important to emphasize that it is not a cost-saving exercise that should result in fewer employees. It is about us working smarter, finding solutions together and spending time on tasks that make sense and create value, explains Niels Behrensen.

### **Collaboration with New Future Formula leaves a lasting mark**

Working with New Future Formula has been an eye-opener, and has created a framework and an understanding of how Danfoss Climate Solutions will work with culture and continuous improvements in the future.

- New Future Formula is easy to work with. They listen to our input, are open-minded, experienced and dedicated. They come with good energy and they know what it takes to achieve continuous improvement projects. Niels Gørup Christiansen and his team are self-driven, adaptable and very professional. They live up to the CBI concept and get things done hands on. We needed an external partner to kick-start the process at our end. Both in relation to knowledge and resources. New Future Formula has lived up to our expectations, and it would not be wrong to say that we have gotten more out of it than they promised us, says Niels Behrensen.

### **The CBI concept is growing in all branches of Danfoss Climate Solutions**

Alongside the first 100-day cycle of the Continuous Business Improvement concept, the New Future Formula developed and trained selected Danfoss employees across Europe as QIP managers, mediators and ERP facilitators.

- Niels Gørup Christiansen facilitated the first CBI round. He supervised round two and from round three we drove it ourselves. It has worked well, and we have gradually got the concept firmly under our skin. Cultural changes take time, but I think we have found a model where it is clear that the employees on our various product lines can see that their initiatives are taken seriously, implemented and make a difference for their colleagues, customers and Danfoss, emphasizes Niels Behrensen, CFO of Danfoss Climate Solutions.