Keys to Intelligent Industry

with Caroline Segerstéen Runervik and Fredrik Gunnarsson

EP15

Leveraging synergies in a fierce and challenging market, with Catharina Modahl Nilsson, Head of Group Product Management at the Traton Group

Capgemini

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[Guest] **Catharina Modahl Nilsson**

[00:00:00] We have decided on one common product development process, and we have decided on one common way of product description. That is how we are going to succeed with our Traton modular system.

[music]

[Host] **Caroline Segerstéen Runervik**

Welcome to our next episode of our podcast, Keys to Intelligent Industry. And of course, with me, I have my co-host, Fredrik Gunnarsson. Good afternoon, Fredrik. How are you? How was your weekend? I heard you were actually doing some windsurfing. Did you have any wind?

[Host] **Fredrik Gunnarsson**

Yes. Hi, Caroline. Yes. I was out trying my new wing foil board.

[Host] **Caroline Segerstéen Runervik**

A wing foil board.

[Host] **Fredrik Gunnarsson**

I used to do a lot of windsurfing when I was younger, and now I restarted in the 50 years at age, trying to do some wind foiling. It was a lot of swimming, let's put it that way.

[Host] **Caroline Segerstéen Runervik**

That's good, but it's a big trend indeed. And you were in the Stockholm archipelago. So, for the listeners who have not been there, the archipelago of Stockholm is beautiful, right?

[Host] **Fredrik Gunnarsson**

It is indeed. How was your weekend?

[Host] **Caroline Segerstéen Runervik**

It was good. I was in the Swedish countryside in the typical red cottage. And I've tried to get acquaintance to the CET hours because I've spent some time in San Francisco and Los Angeles. So now I'm starting to getting there. And of course, it was a great week. You know, being in San Francisco, it's all about AI, agentic AI. And you do feel that it needs to accelerate further in your own organization, but it's a subject we will come back to later. Should we now introduce our guest?

[Host] **Fredrik Gunnarsson**

Indeed, we should.

[Host] **Caroline Segerstéen Runervik**

[00:01:33] So today we have the pleasure of speaking to a great leader who has made significant contribution to the commercial vehicle industry with over 30 years of experience at Traton and Scania. Catharina Modahl Nilsson has held various key roles like Head of chassis, cab, vehicle, Head of strategy and brand manager, and currently member of the executive board and Head of group product management, Traton Group. So welcome, Catharina Modahl Nilsson.

[Guest] **Catharina Modahl Nilsson**

Well, thank you so much. Great to be here.

[Host] **Caroline Segerstéen Runervik**

And we, of course, are really looking forward to an interesting discussion connected to R&D, product management in general, but also in terms of the transformation journey you are on. But maybe if we start with yourself. So, we mentioned 30 years in the industry. So how did you started working in this industry? And tell us a little bit about your own personal journey.

[Guest] **Catharina Modahl Nilsson**

I have a Master of Science in Aeronautical Engineering from the KTH, the Royal Institute of Technology here in Stockholm. And I was never sure on what I should do. So, I thought, why not try to go to one of these trainee programs? So that's what I actually did. So, I got accepted at Scania at that time as a trainee and that's how I started my career. And I think my career since then has always been around products. I worked with products my whole life, mainly in R&D, but also with product planning that I'm actually doing now also at Scania Sales and Marketing. And I also had some roles in project management, heading the project office at Scania. So, I think that is the red thread. And I think that I've always been envious of people who knows what their next career step will be. I have rarely actually applied for a new job. Very few times I've often been asked, what about this? If I thought it would be fun, I said, yes, I will try it. If not, I said, that is not for me.

[Host] **Caroline Segerstéen Runervik**

So, your key drivers along the way, what has that been?

[Guest] **Catharina Modahl Nilsson**

Well, I think that I've always been curious. So going into something which I thought could inspire my way of thinking has probably led me. And as I said before, if I think it will be fun, then I will do a good job as well.

[Host] **Caroline Segerstéen Runervik**

Good, I think it's really the right thing to do. So of course, we're here to talk about R&D and product management at Traton Group. And maybe you can elaborate a bit, how did you know Traton came about? What was the purpose for creating Traton like 10 years back?

[Guest] **Catharina Modahl Nilsson**

[00:04:20] Traton is a very young group, and we were created by our owners who wanted to create a commercial vehicle group. And what we are today is that we are consisting of four strong brands. All of them with a really long and proud history. It's Scania based in Södertälje, Sweden, and its MAN in Munich, Germany, and International in Chicago in the US, and then Volkswagen Truck and Bus, which is based in Brazil in the state of Rio de Janeiro.

[Host] **Caroline Segerstéen Runervik**

If you look at where we are right now, the vehicle commercial market is under a lot of pressure. Still, I would say may be growing at least compared to also some of the automotive industry in Germany, Nordics, which are facing even bigger challenges. But if you look into the market per sea, the competition in the US is of course fierce. And if you look into China, that market is evolving super, super fast. So how do you see from a market perspective that Traton Group is mobilizing and able to actually continue growing the market?

[Guest] **Catharina Modahl Nilsson**

With our four brands, we are covering most of the globe, of course. And our recipe going forward is, of course, the trait and modular system. But then I would say that this EU political situation doesn't really make it easier, because that is, of course, changing the playground, so to say, for us going forward.

[Host] **Caroline Segerstéen Runervik**

So, the tariffs is nothing you would like to see more of?

[Guest] **Catharina Modahl Nilsson**

No, definitely not. But also, when we see that these things are happening, we of course need to survive and live in this new environment. And even if we have a Traton modular system that we would like to be the same all over the world, we also have to understand how is regionalization affecting us and also to understand how can we cope with this and hope that it doesn't last forever. So, the good part for us at Traton is anyhow that we have productions sites on all the big continents. We have production sites in South America. We have production sites in Mexico and the US. We have many production sites also in Europe. And in October this year, we are actually opening our own production site in Asia, in China.

[Host] **Caroline Segerstéen Runervik**

In China, yes. Is it equally that you will invest and see the growth, or are you actually right now looking at one of the regions to be a bit more in the forefront and where you will do most of the investments? Is there any discussion on that right now?

[Guest] **Catharina Modahl Nilsson**

I think that the investments that we are looking for right now is actually connected to the transformation of the automotive business, where we are transitioning from internal combustion engines into electrical vehicles, and that's the main investments that we are seeing right now. But if you look at the different regions, I would say that the outlook for Europe is not, it's not going to grow that much. It's more or less a flat market for the next coming years. We see great opportunities in the US with our international brand. We think they can do so much better under the wings of Traton. And of course, China. China is the biggest commercial vehicle market in the whole world, hence also putting up a new footprint there with our new factory.

[Host] **Caroline Segerstéen Runervik**

It's very, very interesting. And when it comes to China, then, as you are setting up your production site there, when are you going to have your first vehicles to the market?

[Guest] **Catharina Modahl Nilsson**

Well, the plan is that we will start producing and selling vehicles at the end of this year.

[music]

[Host] **Fredrik Gunnarsson**

So, you're leading a global product management at Traton. Can you elaborate on that role? What does it mean and

how do you practically work with the different brands in that role?

[Guest] **Catharina Modahl Nilsson**

My main role is, of course, to develop global product roadmaps for our products all around the world. But I have 5 responsibilities. I also have a responsibility to allocate the R&D budget into the different technical areas. Of course, very much dependent on what roadmaps we are creating and deciding upon. I also have the responsibility to handle the product governance, so we also can take decisions on how to spend the money and how to what we actually are going to develop, and then I have a responsibility that is very strongly connected to the modular system. To develop a modular system also needs a lot of ways of working. And we have a methodology that we call the User Factor Methodology. That is how we bring needs from the market into the product management and then transfer that into products and products roadmaps. So that is a methodology that I also own. And my fifth responsibility is actually product differentiation. And product differentiation for us is important when we have more than one brand that meets on, say, market. And I would say that the most maybe interesting market is actually Mexico. In Mexico, all our four brands are present.

[Host] **Fredrik Gunnarsson**

Oh, interesting. So, are they competing then in Mexico?

[Guest] **Catharina Modahl Nilsson**

Of course, they are competing. They are there and they have been there for decades. So, they are used to competing with each other. But of course, we need to play it smart. Where to play and how to win?

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[Host] **Caroline Segerstéen Runervik**

How do you literally, on a strategic level, but also on a more tactical operational level, get it out into the different brands. How do you actually do that in your role?

[Guest] **Catharina Modahl Nilsson**

We work extremely closely with the brands. So, my function, we don't really have any direct customer contact. Of course, we do meet customers, but it's the brands that owns the interface towards the customers. So, we work extremely close with the brands to collect the needs. And we do that, I would say, on a continuous basis over the year. But we have one really important task that we do once a year. We do what we call the global annual roadmap review. So once a year, we collect all the needs and all the changes regarding legislation, geopolitical changes, technology changes, and look at our roadmaps and see what needs to change. And that's quite an intense work that we do in very close collaboration with group strategy, with the brands, but also with R&D, of course.

[Host] **Fredrik Gunnarsson**

So, I guess when it comes to the roadmap, then I guess there's a lot of exciting stuff in that roadmap looking ahead when some of them maybe you're not able to share. But can you describe some of the highlights of what you're investing in and what you're focusing on?

[Guest] **Catharina Modahl Nilsson**

[00:11:36] I would say if I look at the spending that we have going forward, it's definitely on electrification. And we truly believe in electrification within Traton. We think that is the solution to CO2 emissions. And we as commercial vehicles or automotive in general, we are, of course, responsible for quite a big part of the CO2 emissions in the world. I think we are more than 10% comes from road transport. So, the most and the best we can do is, of course, to reduce the CO2 emissions. And we at Traton, we truly believe and have full focus on the Paris Agreement. And that brings us that we need to electrify our portfolio going forward. It also comes down, of course, to the legislation. The legislation plays a big role. And there is quite stringent legislation in Europe saying that we need to reduce the CO2. There at least used to be stringent legislation also in North America. We see that in China, the legislation is not yet there, but 80% of the heavy duty battery electric vehicles are rolling on Chinese roads. 80%. So, they are learning fast about electrification in China.

[Host] **Caroline Segerstéen Runervik**

And building on that, because of course with the recent development on a global scale, it's not been moving in the right direction. And we all know we need to further accelerate. Is Traton and then also taking responsibility to actually be a leading voice in the industry as a whole, but also leading voice to more government players?

[Guest] **Catharina Modahl Nilsson**

Definitely. As I said, we truly believe in electrification, that is the solution going forward. And we see that things are not moving as fast as they need to do. We need to secure that the infrastructure is in place for these vehicles to be able to travel on the roads in Europe, for example. And one thing that we are seeing is that the charging infrastructure is not being built as fast as it is actually needed. So, what we did in 2022, we took the initiative and together with our competitors, we created a charging company called Milence with the aim to build 1,700 charging spots along the big highways in Europe. And today, this Milence is actually the biggest charging provider along the

roads in Europe. But that is not enough. This is just a small drop in the ocean. We really, really need now each member country in Europe to build charging infrastructure. So, it's the charging to secure that there's green energy and also secure that there's a grid that can bring all this power out to the roads.

[Host] **Fredrik Gunnarsson**

Do you have projections of when you will reach which level of electrification of your fleet?

[Guest] **Catharina Modahl Nilsson**

We actually said a few years ago that we believed that in Europe we would come to 50% of our sales in 2030. Now I would say that past years has shown a slowdown for the market acceptance. Also, the war in Ukraine increasing the energy prices. We see that it's slowing down. But I honestly think that legislation is one thing, but the best is if you can get the TCO, the total cost of ownership. Because when electrification actually will take off is when you have the right TCO. And the total cost of ownership, for example, for city buses has already happened here in the tipping point has already been passed. So, when you see that all the cities that are buying city buses, they buy electric today. And we at Traton are super proud that we have our MAN city buses, who is actually market leader.

[Host] **Caroline Segerstéen Runervik**

So maybe that is a good transition to go from electrical vehicles to autonomous vehicles,

[Guest] **Catharina Modahl Nilsson**

Definitely. And you were in San Francisco, so you know about this.

[Host] **Caroline Segerstéen Runervik**

Yes, I did go for first time in this Waymo. And yeah, I don't know for the guys who haven't done it, it's very scary when you first sit in the car and there is someone, for example, crossing the street ahead of you and no problem to do it. But after like 5 minutes, you continue just working in the car as you would not do anything else, right? So, for sure in San Francisco, the autonomous cars, it's obvious it's there every time and you will see more of it coming here, I'm sure.

[Guest] **Catharina Modahl Nilsson**

[00:16:24] Definitely. The technology is there. We at Traton, we are already offering customers in confined areas, autonomous vehicles. and they are being used right now in mining applications. But we see the first application for heavy duty vehicles will be the hub to hub in the US, where the regulation is different from Europe. So, in the next few years, it will definitely start to take off there.

[music]

[Host] **Fredrik Gunnarsson**

You've been in the...in the industry since the 90s. So, you've truly seen the development along the last decades of the whole R&D engineering processes. So, it's interesting to see your reflections of how you've been able to leverage new ways of working, new tools, no digitalization to speed up that whole process. Can you share some reflections both of the last decades and what you're focusing on now to speed up even further?

[Guest] **Catharina Modahl Nilsson**

I think that when I started many decades ago, the vast majority of the engineers were mechanical engineers, and each year then we have increased the number of electrical and software engineers, since the products are also changing, it also requires us to change our way of working. I mean, when you only have mechanical parts, you usually have long lead times for tooling, and you need to get it into production and get the assembly to work well. And that takes time. And then gradually, step by step, we have gotten into much more software. And software is so much faster. Then it's easy to say, okay, but now we changed the process that fits very well for software. And I think we have all tried that as well. But I think the solution is to find a good system where both can coexist, where you allow the software to be extremely fast and iterative, at the same time be able to cater for the long lead times of a plastic tool, for example. But to find this optimum, because now I would say it's probably 50-50. So, we really need to find this solution. This is not easy, but it's super necessary to get the speed into our development, especially as we talked about before, China. We talk very often about the China speed and how can we get that into our way of working to be competitive also in the future.

[Host] **Fredrik Gunnarsson**

And you were practically worked there with the roadmap. I mean, it must sort of, how does it impact? You have a hardware roadmap, a software roadmap. Or how do you manage that practically when it comes to the roadmap topic?

[Guest] **Catharina Modahl Nilsson**

[00:19:14] That is a challenge with software where you actually can develop so fast. And also, what we are now working on, we have been working with connected vehicles for decades, I would say. We have today 1.2 million connected vehicles. That means that we collect a lot of data. And maybe we haven't been super successful with

that, but the data we have, and we need to be really good at using this data because this data can tell us so much about how the customers are operating and also to trigger innovation into new functions. And that needs to be done super much faster than you can do in a yearly roadmap review. So, when you come to areas where you are still exploring, we are also trying to set another way of our budget, not giving a budget to a project or to a feature, rather to put a budget to fund capacity. And we have tried this and are trying this and using it into the autonomous field because there we are exploring so much. So, we need to have that freedom and the possibility to be super-fast to iterate and find new solutions with the data that we collect, but also with a lot of new partnerships, learning from other smart partners who knows a lot about things that we need to get into this.

[Host] **Fredrik Gunnarsson**

So, does it also mean that you recruit new types of competences in order to get to that stage where you work effectively with software and software development?

[Guest] **Catharina Modahl Nilsson**

It is interesting because we at Traton, we are actually really good at software and have been for many, many years. And I think that one of the reasons is that going back in time and when software became more and more an integral part of the vehicles, most of the past car companies, they outsourced this, and they worked with really good and high-tech suppliers. And some of these suppliers didn't have time to work with us because we were so small in volume compared to our peers than in the automotive industry. So, we have for a very, very long time developed our own engine management system, how we steer the whole powertrain, but also some other features. So, we actually, we have a good start in working towards what probably will be more common going forward is what we call the software-defined vehicles. We had a good start, and now we just have to continue our route and journey towards building this software competence.

[Host] **Caroline Segerstéen Runervik**

So very interesting, and it means that you have a real asset to build upon. First, the software engineering knowledge competence. You also talked about the data. Today you have 1.2 million of vehicles that are connected. That, of course, leads to the question on AI. How do you today see that AI will be an asset for you, and how are you actually working with it as we speak?

[Guest] **Catharina Modahl Nilsson**

AI is in its starting point. It will definitely change a lot, and it will happen super, super fast. We are in the digitalization field. As I said, we have been working with connected vehicles for a long time. We are also working with autonomous, and autonomous will also have its share of AI. I think what also is on top of our mind is software-defined vehicles. And the thing with software-defined vehicles is that vehicles will, in the future, be smart and they will be connected. And then we will use software to define the functionality and the value over the lifetime of the vehicle. And to understand this, maybe you could think about the smartphone. When you want to have the new functionality of your smartphone, you download an app. You don't buy a new phone. And this is what we actually see will happen also in the vehicle space.

[Host] **Caroline Segerstéen Runervik**

And we are there already, no?

[Guest] **Catharina Modahl Nilsson**

We are there already, I would say. Some of the past cars, especially those who don't have a heritage, who come directly into e-mobility, the Chinese and Tesla, they actually have this already. And when it will be more mature, these software-defined vehicles in the commercial vehicle space, we see that our vehicles will serve as a node in a big ecosystem where we will have the logistics provided, we will have our customers, we will have ourself, and maybe even the customer's customers. So, this will create a new digital ecosystem. And here, AI plays an important role, and it's super important to be part of this journey right now. And that's what we are spending a lot of time now with our in-house competence, but also with some really exciting partners to build this capability. In this field, I would say that we have two very exciting partnerships. On autonomous side, we are working with Plus AI to create the hub-to-hub solution in the first step in the US. And we are also working with Applied Intuition, which is a California-based company on software-defined vehicles. And we have worked with them for a couple of years already in the tool chain, working in our methodology, but now we are also working on to creating products together.

[Host] **Fredrik Gunnarsson**

Is there a risk associated with this as well that you'd other players coming into the value chain and offer value-added services or integrated services in your vehicles or the surrounding ecosystem, which takes part of the value creation towards those customers?

[Guest] **Catharina Modahl Nilsson**

And that is of course a risk because we believe and we see that the business models will change, and especially when we come into using more AI and also more software-defined vehicles. This will change the business models.

We have to be there to take part of this. But of course, there will be others also wanting to do this. But I think for us to work with partners is really strategic for us because we realize that we don't have the resources and we don't have the competence. So, we need to find really strategic partnerships to be able to evolve fast enough into these super exciting technologies.

[music]

[Host] **Caroline Segerstéen Runervik**

I want to come back a little bit to the R&D. It's been noticeable for everyone that now you are merging the R&D ownership under Traton.

[Guest] **Catharina Modahl Nilsson**

[00:26:16] A couple of years ago, we decided to create this Traton modular system. A consequence of that is actually that we realized that we need to get all our R&D resources to work together. And then we took the decision, and as of 1st of April this year, we have created what we call the group R&D, and we are putting the majority of our R&D capabilities into the group. We still are leaving some of the R&D in the brands and there are two reasons for that. One reason is that we are still not fully on the trait and modular system. So, we have heritage products in many of the brands. So, this will be less and less for every year, but we need to cater for that. It's also super important to be able to be very close to the customer for specific customer adaptations. And that role, the customer adaptation actually stays in the brand to be very close to the customer.

[Host] **Caroline Segerstéen Runervik**

And this is, of course, a big change. And it's like a transformation journey in itself.

[Guest] **Catharina Modahl Nilsson**

Oh, that's an understatement.

[Host] **Caroline Segerstéen Runervik**

I can imagine. But looking then at this, creating one R&D, so what's the most important purpose why you did that? And what would you say are the biggest challenges as you speak right now?

[Guest] **Catharina Modahl Nilsson**

I mean, the purpose is to be able to be as efficient and to utilize our competence in the best possible way. Having been fierce competitors up until 10 years ago and all of a sudden say, now we're friends, we're family, we're going to work together. That's, it is a journey to get people together. It takes time to build the trust. And I think trust is a very important word in this. So, what we are working on right now is, or we have been for some time now, is to actually take what's best from each of the brands and make that the new Traton way.

[Host] **Caroline Segerstéen Runervik**

So, this is truly a change journey, and you said it's about building trust, and we know that takes time, but it's also about building on the different strengths of the different brands. So, do you have any good example of what you're actually taking from one of the brands into the Traton group as we speak?

[Guest] **Catharina Modahl Nilsson**

If we look at the two brands of Scania and MAN, Scania is very good at developing everything themselves. They have had the good fortune to be able to develop everything internally. And that means that they are not so good at specifying when they're going to buy something from someone else.

[Host] **Caroline Segerstéen Runervik**

Are they entrepreneurs?

[Guest] **Catharina Modahl Nilsson**

Yes. And here we have MAN who has been using suppliers much more and they are super good at making specification and demands on suppliers to say, this is what I need to have from this product and to specify that in a document. And there, this is something that we have taken with us because it's some things we will continue to do internally even in the future, but we will also need to work much more with suppliers, but also to work in partnerships with others. So here we are joining the different cultures together and benefiting from both.

[Host] **Fredrik Gunnarsson**

On the topic of modernization, which you mentioned, it's one of the core pillars and really Scania being famous for decades. Can you go a bit deeper on what that modernization actually means? Because I think it's also a question of how you break down the vehicle top down, but also bottom up, working with the different modules in a very fascinating way. Do you want to share the key principles of that modular system?

[Guest] **Catharina Modahl Nilsson**

[00:30:02] We are now creating common interfaces and what we really need to do it is in the chassis architecture

to create a common chassis architecture, but also an electronic and software architecture to be able to, when we develop new components, to be more plug and play, so to say. But modularization goes so much deeper, just as you said. It goes all the way down into the components and parts into a product. For example, the cogs. The cogs that we are using in our gearboxes, they are also now used in the transmission together with our electric motors. And what modularization is very much about is to create volume on ingoing components. To secure that we have enough volume on this cog that goes into the engine there and through the transmission there. And so, this is how we build the modular system on each and every level of the vehicle. Usually when we talk about it, you only talk about the big modules, an engine, a cab or so. But it really, as you said, goes into the details of every part number.

[Host] **Fredrik Gunnarsson**

Seems like you have some interesting PLM discussions done in order to make that happen.

[Guest] **Catharina Modahl Nilsson**

An interesting topic there about PLM system because two very important decisions have, we made within Traton to secure that we can collaborate good together. One is we have decided on one common product development process, and we have decided on one common way of product description. That is how we are going to succeed with our Traton modular system.

[Host] **Caroline Segerstéen Runervik**

So where are you then in terms of acceptance of the same, a common sort of PLM ambition and strategy?

[Guest] **Catharina Modahl Nilsson**

Everyone are chipping in and working full speed ahead in making this happen. But it does not happen overnight. I mean, a product development process, we are now working on a common one, but also that one was not taken from one brand. It's actually that we took the best parts from the different brands and putting that together. And that one I think, it is there, it's up and running. On the product description, it will take a little bit longer. We have decided on which, how, and what system we're going to use. But that is going to be used for the Traton modular system, which we have gradually now introducing. But for the legacy products, we still keep the old product description, at least for the time being. I think that eventually when there's only a little piece left, then we probably need to go over to the common system. But this is a journey that we have in front of us that has now started.

[Host] **Fredrik Gunnarsson**

Are the production sites also common or are they per brand?

[Guest] **Catharina Modahl Nilsson**

The only group functions that we have is group product management and group R&D. But we are of course sharing components. For example, one of the first common components that we launched was a common-based engine, a 13-liter engine. It was launched first at Scania, then at International, and now it's also launched at MAN. And of course, we use our component factories to supply to all of the brands. It's a common strategy, but we have numerous production sites. And also, this comes a little bit back to the regionalization. Because of tariffs of different kinds, you need to have production in different parts of the world.

[Host] **Caroline Segerstéen Runervik**

So, in terms of the trait and modular system, which sounds to be the key element and in a way the glue in the group, right?

[Guest] **Catharina Modahl Nilsson**

Yes, definitely.

[Host] **Caroline Segerstéen Runervik**

Where do you see that in time there will be the trait and modular system leveraged to it fully? Or maybe that's it will always develop. But what is the current maturity level of the same?

[Guest] **Catharina Modahl Nilsson**

We are continuously now, of course, developing our Traton modular system. It's a no-brainer that we do this on the battery electric vehicles, of course, but it will also come in for the internal combustion engine. So, it is a journey. We have a time plan. I will not disclose every detail here, but all of the brands are part of this journey.

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[Host] **Caroline Segerstéen Runervik**

How do you work with the leadership to get everyone on board on this change journey?

[Guest] **Catharina Modahl Nilsson**

[00:34:34] A couple of years ago, we decided to launch what we call the Common Core Values. And they were

developed together with the four brands. And also, another few years ago, we then launched the leadership principles to guide us what behavior we would like to see in the group. And it's very important that these things as core values and leadership principles are alive and kicking in the organization. So, we spend a lot of time on discussing this, what they mean for different functions and different persons, because it's all about people. And you need to get the people to want to collaborate. And building trust takes a long time. So, I think we try to do this in a very structured way but also are very aware that it needs time. But I think we have reached a number of good milestones where we see that collaboration is now coming alive in every area of Traton. And I have this moment that I experienced, I think it was about a year ago when I and some of my colleagues from the other brands and Traton, we were meeting a supplier and when we went around the table to introduce ourselves, everyone said, “I'm from Traton, but also representing this brand”. And the next one said,” I'm from Traton and representing also that other brand.” And this was the first time when I heard people saying that we are Traton.

[Host] **Caroline Segerstéen Runervik**

And they started with Traton.

[Guest] **Catharina Modahl Nilsson**

And they started with Traton. That was a really big moment for me, realizing how far we have come with the collaboration in the group.

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[Host] **Caroline Segerstéen Runervik**

In Scania, are you coming with a very open culture? We spoke about it, entrepreneurial culture. How do you infuse that into the rest of the organization?

[Guest] **Catharina Modahl Nilsson**

It's really important to understand and also leverage from the different brands and their culture and their part of how you lead the people. I mean, even if the Swedish culture is very collaborative and you allow people to always say what they think. And we can also be very, very slow in making decisions. And there it's great sometimes to have people coming from the US or from Germany saying, stop it, we've discussed enough, let's make a decision now. So, we need to take the best part from each country.

[music]

[Host] **Fredrik Gunnarsson**

So, if you look 5, 10 years ahead, we talked about intelligent industry, we talked about digitalization, software defined vehicle, electrification, et cetera. What do you see 5, 10 years ahead? Where do you believe the industry is and Traton specifically?

[Guest] **Catharina Modahl Nilsson**

[00:37:34] I think that what we are seeing now, and especially as you, Caroline, said, also being in the US and seeing how fast AI now is being developed. I think things will change dramatically in the next two-three years. It's really, really difficult to understand what will happen. We as individuals need to be super flexible but also embrace the new technology in the best possible way.

[Host] **Caroline Segerstéen Runervik**

So, thank you, Catharina. It's been very insightful and very interesting to learn more about the commercial vehicle industry per se, but also to see how four old, in a positive way, companies can actually get together building something new and how this modular system is sort of the glue, but also bringing good perspectives on the fact that we can learn from each other cultures and in the end that we can become strong on a global play looking at what's happening in the market per se, right? So, thanks a lot for coming, sharing your experience and some good lessons learned. Thank you.

[Guest] **Catharina Modahl Nilsson**

Thank you. My pleasure.

[Host] **Fredrik Gunnarsson**

Thank you.

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