









FKG OEM Rating 2024

The rating of OEMs is intended to serve as a signal for the need of a healthy relationship between customer and supplier, with economically sustainable terms and mutual respect, in order to join forces and tackle the challenges of the transformation that the automotive industry face. It is a tool to high-light areas of improvements that would be mutually beneficial.

The FKG OEM rating was launched on November 8, the survey has been sent to one representative per member company in FKG, a total of 273 companies, and the results in this presentation are based on 86 respondents until December 11. The rating is carried out on the esMaker platform, all answers are anonymous and data is stored on servers in Sweden.

Respondents are asked to rate the three OEMs of Sweden (Scania, AB Volvo & Volvo Cars), from 1-6 on eight statements:

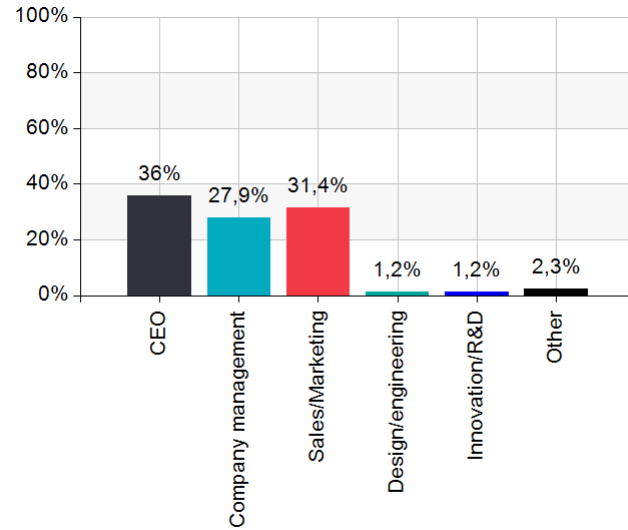
-   1-2 is poor (there are issues and no/little improvement to resolve)
-   3-4 is average (there may be issues but ongoing dialogue)
-   5-6 is good/positive (cooperation and conditions are good)

The statements are clustered in three groups; Sustainability, Business conditions and Communication and collaborative climate.

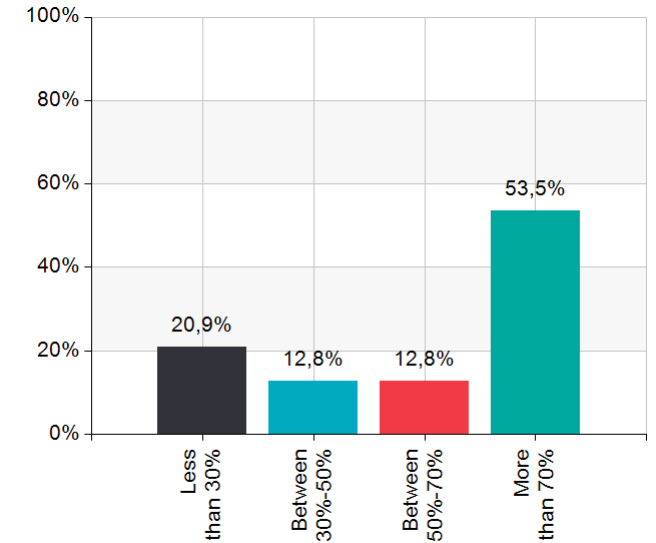


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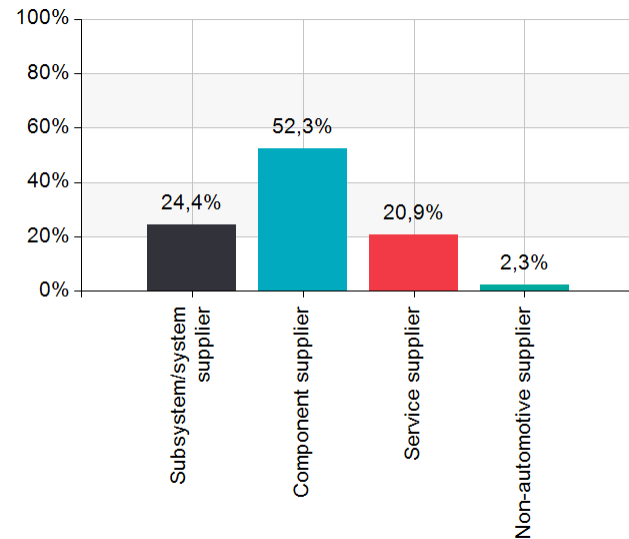
Function of the respondent



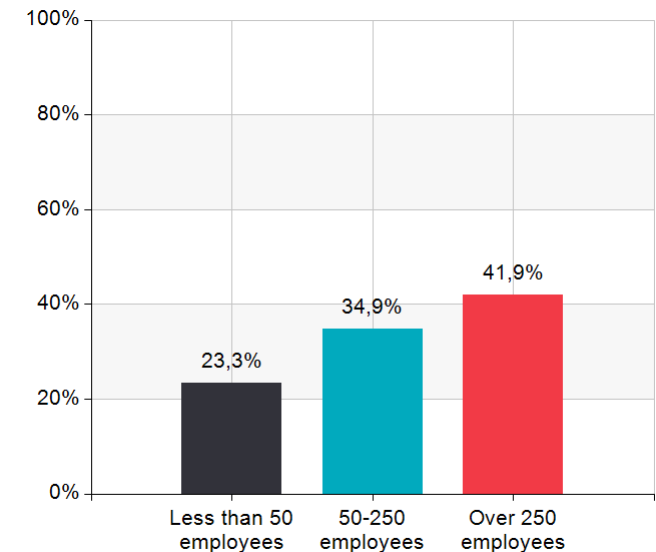
Percentage of turnover to automotive



Type of supplier



Size of company





FKG OEM Rating 2024

General observations

- Over 50% of respondents have more than 70% percent to automotive, consistent with other FKG surveys, and are highly dependent on OEM behaviour.
- Clear communication regarding expectations for sustainability gets high ratings for all three OEM with significant drops on sustainability being reflected in purchasing decisions.
- Not a cohesive picture regarding overall business conditions for service suppliers, but low ratings for AB Volvo and Volvo Cars could be a result of the legislation regarding consultants that have come into force.
- For Scania the shift in policy and behaviour, specifically connected to payment terms, in past month are clearly reflected in their rating of business conditions.
- In terms of payment terms and handling the smallest companies give higher rating for all three OEMs compared to larger companies.
- Component suppliers consistently give the lowest rating in areas of communication and collaboration suggesting frustration that they are not given the same opportunity to contribute in terms of development as system suppliers and service suppliers are.
- Non-automotive suppliers give either very low or very high rating suggesting great frustration in some areas and good conditions in other areas. Due to the low number of non-automotive respondents, 2,3%, it does not have big impact on the overall rating scores.

Result overview

Scania total rating	3,41
Sustainability	3,58
Business conditions	3,26
Communication and collaboration	3,44
AB Volvo total rating	3,79
Sustainability	3,81
Business conditions	3,60
Communication and collaboration	3,98
Volvo Cars total rating	3,33
Sustainability	3,83
Business conditions	3,04
Communication and collaboration	3,30

Total rating is calculated from all data, not grouped ratings. Please note that the grouped ratings are rounded, which means that the total value cannot be calculated based on the reported rounded numbers.



Rating - Scania

Total rating Scania: 3,41

Grouped rating Sustainability: 3,58

Grouped rating: Business conditions: 3,26

Grouped rating: Communication and collaboration: 3,44

Summary comments

- 66% of respondents are suppliers to Scania and 93% have been suppliers more than 5 years.
- Both component suppliers and suppliers of subsystems report a 1,4 point drop on follow through on sustainability, indicating that required investments in that area does not pay off in terms of more orders.
- Component suppliers consistently give the lowest rating for communication and collaboration (3,34) while service suppliers the highest ratings (4,6).
- The same applies to business conditions where the span is from 2,65 to 4 for service suppliers.
- There is a clear difference regarding payment terms and handling where small companies up to 50 employees rate Scania at 3,7 while large companies over 250 employees give the rating 2,97.

Ratings per statement

Sustainability – expectations	4,21
Sustainability – follow through	2,95
Business conditions – overall	3,16
Business conditions – payment terms and handling	3,16
Business conditions – general follow through	3,46
Communication – top management	3,42
Communication – purchasing	3,33
Collaborative climate	3,56

Please note that the grouped ratings are rounded, which means that the total value cannot be calculated based on the reported rounded numbers.

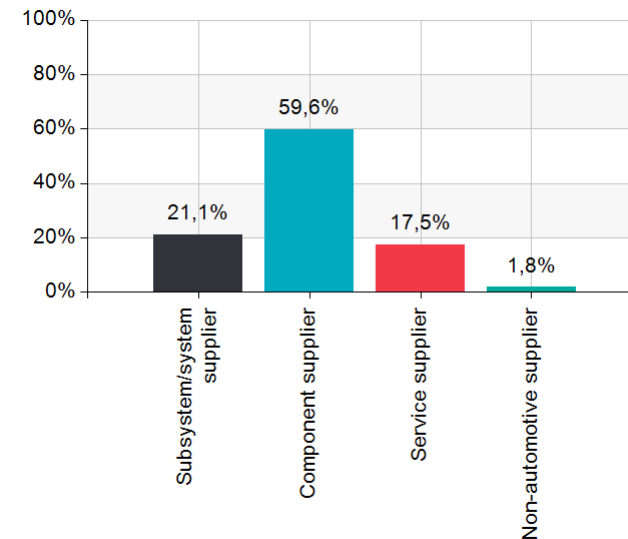
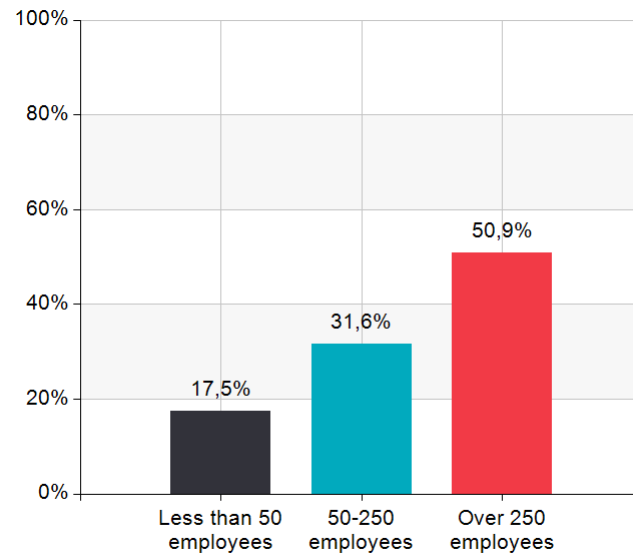


Rating - Scania

Summary of respondents Scania

Less than 50 employees	50-250 employees	Over 250 employees
3,66	3,30	3,38

Subsystem/ system supplier	Component supplier	Service supplier	Non- automotive supplier
3,60	3,13	4,18	2,88





Rating - Scania

Sustainability – expectations

Statement: Our customer has clearly communicated their sustainability strategy and what is expected from us as supplier in concrete terms.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,50	4,18	4,30	1,00

Sustainability – follow through

Statement: The targets and requirements placed on us regarding sustainability are reflected and valued in purchasing decisions, i.e. in competition with less sustainable suppliers and in terms of cost coverage.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,08	2,71	3,80	1,00

Grouped rating Scania Sustainability 3,58



Rating - Scania

Business conditions – overall

Statement: We have an overall economically sustainable level of earnings with the customer, and we consider our terms and conditions to be acceptable. For example payment terms and warranty obligations.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,75	2,65	4,00	5,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,40	2,94	3,21

Grouped rating Scania Business conditions 3,26



Rating - Scania

Business conditions – payment terms and handling

Statement: We have a good dialogue regarding payment terms and are paid punctually according to contract, without deliberate handling to postpone payment dates.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,50	2,85	3,70	4,00
Score				
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	3,70	3,17	2,97	

Business conditions – general follow through

Statement: We are treated respectfully and professionally according to the agreed conditions. The volume forecasts are generally delivered on, and deviations are handled in a responsible way. Our customer compensates accordingly in situations where external circumstances affect our operational costs (for example sudden fluctuations in energy prices).

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,58	3,12	4,30	5,00
Score				
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	4,20	3,33	3,28	

Grouped rating Scania Business conditions 3,26



Rating - Scania

Communication – top management

Statement: the messages and company visions communicated by top management is consistent with the actions taken and behaviours on an operational level.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,50	3,03	4,60	1,00

Communication – purchasing

Statement: We experience a good discussion climate and have a long-term relationship with one or more purchasers/are supported as new suppliers.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,30	3,07	4,10	5,00

Grouped rating Scania Communication and collaborative climate 3,44



Rating – Scania

Collaborative climate

Statement: The customer is transparent and shares business plans (short and long term) with us as a supplier. We have access to relevant information/product drawings related to the components/services we supply including dialogue with the engineering department/product owner. Our customer values improvements of product and process as alternative to productivity, and good performance lead to more business/cooperation. We experience constructive and open communication about the customer's satisfaction with us and how we can improve our performance in a reasonable timeframe.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,60	3,34	4,60	1,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,40	3,83	3,45

Grouped rating Scania Communication and collaborative climate 3,44



Rating – AB Volvo

Total rating AB Volvo: 3,79

Grouped rating Sustainability: 3,81

Grouped rating Business conditions: 3,60

Grouped rating Communication and collaboration: 3,98

Summary comments

- 72% of respondents are suppliers to AB Volvo and of those have 89% been suppliers for over 5 years.
- 55% are component suppliers and 23% system suppliers and 21% service suppliers.
- The largest companies give an overall score of 4,06 compared to 3,7 for the smallest companies. However, the smallest companies give the highest score for Business conditions at 3,82, for “payment term and handling” even higher at 4.
- All types of suppliers report a lower score on follow through on sustainability, following the pattern from Scania. Biggest drop from component suppliers with 1,4 lower score.
- The largest companies rate collaborative climate at 4,44, one of the highest score in the entire rating.

Ratings per statement	
Sustainability – expectations	4,44
Sustainability – follow through	3,33
Business conditions – overall	3,52
Business conditions – payment terms and handling	3,62
Business conditions – general follow through	3,90
Communication – top management	4,00
Communication – purchasing	4,08
Collaborative climate	4,12

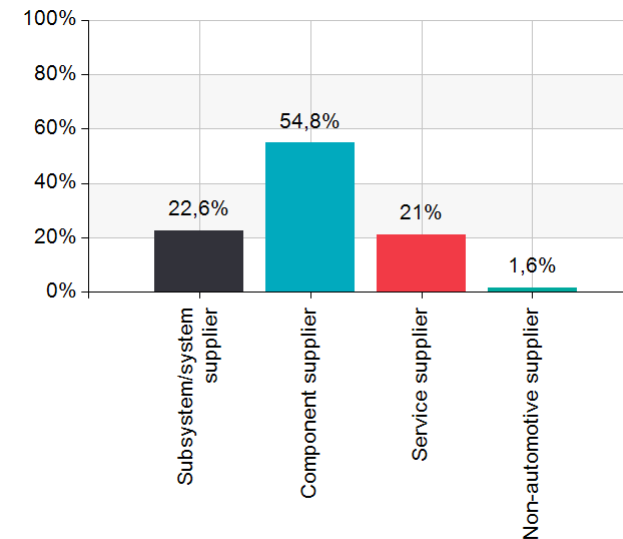
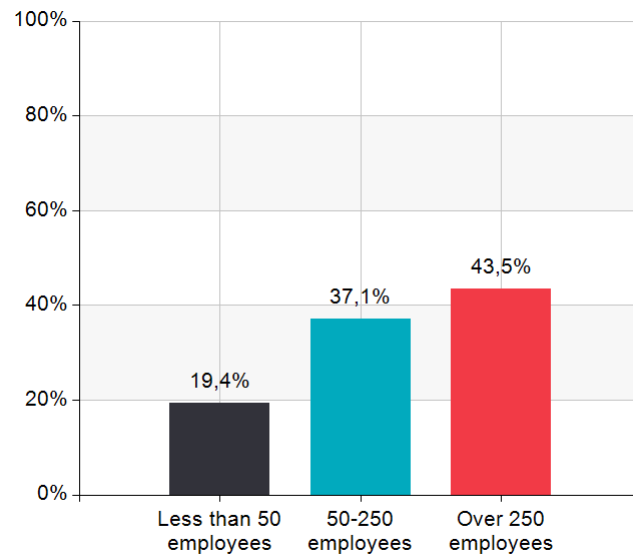
Please note that the grouped ratings are rounded, which means that the total value cannot be calculated based on the reported rounded numbers.



Rating – AB Volvo

Summary of respondents AB Volvo

Less than 50 employees	50-250 employees	Over 250 employees	Subsystem/ system supplier	Component supplier	Service supplier	Non- automotive supplier
3,70	3,54	4,06	4,13	3,78	3,54	3,00





Rating – AB Volvo

Sustainability – expectations

Statement: Our customer has clearly communicated their sustainability strategy and what is expected from us as supplier in concrete terms.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,93	4,50	3,46	1,00

Sustainability – follow through

Statement: The targets and requirements placed on us regarding sustainability are reflected and valued in purchasing decisions, i.e. in competition with less sustainable suppliers and in terms of cost coverage.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,21	3,09	3,08	1,00

Grouped rating AB Volvo Sustainability 3,81



Rating – AB Volvo

Business conditions – overall

Statement: We have an overall economically sustainable level of earnings with the customer, and we consider our terms and conditions to be acceptable. For example payment terms and warranty obligations.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,71	3,50	2,85	6,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,58	3,30	3,52

Grouped rating AB Volvo Business conditions 3,60



Rating – AB Volvo

Business conditions – payment terms and handling

Statement: We have a good dialogue regarding payment terms and are paid punctually according to contract, without deliberate handling to postpone payment dates.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,64	3,53	3,23	6,00
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	4,00	3,30	3,52	

Business conditions – general follow through

Statement: We are treated respectfully and professionally according to the agreed conditions. The volume forecasts are generally delivered on, and deviations are handled in a responsible way. Our customer compensates accordingly in situations where external circumstances affect our operational costs (for example sudden fluctuations in energy prices).

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,79	3,65	4,15	5,00
Score				
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	3,75	3,74	3,89	

Grouped rating AB Volvo Business conditions 3,60



Rating – AB Volvo

Communication – top management

Statement: the messages and company visions communicated by top management is consistent with the actions taken and behaviours on an operational level.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,21	3,76	4,00	1,00

Communication – purchasing

Statement: We experience a good discussion climate and have a long-term relationship with one or more purchasers/are supported as new suppliers.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,29	4,09	3,85	3,00

Grouped rating AB Volvo Communication and collaborative climate 3,98



Rating – AB Volvo

Collaborative climate

Statement: The customer is transparent and shares business plans (short and long term) with us as a supplier. We have access to relevant information/product drawings related to the components/services we supply including dialogue with the engineering department/product owner. Our customer values improvements of product and process as alternative to productivity, and good performance lead to more business/cooperation. We experience constructive and open communication about the customer's satisfaction with us and how we can improve our performance in a reasonable timeframe.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	4,29	4,09	3,69	1,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,50	3,74	4,44

Grouped rating AB Volvo Communication and collaborative climate 3,98



Rating – Volvo Cars

Total rating Volvo Cars: 3,33

Grouped rating Sustainability: 3,83

Grouped rating Business conditions: 3,04

Grouped rating Communication and collaboration: 3,30

Summary comments

- 50% of respondents are suppliers to Volvo Cars and of those have 88% been suppliers for over 5 years.
- The mid-sized companies give the highest overall score of 3,6 compared to 3,17 from the largest companies.
- All types of suppliers report a lower score on follow through on sustainability, following the pattern from Scania and AB Volvo. Biggest drop from system suppliers rating expectations at 5 and follow through at 2,86. Non-automotive suppliers rate sustainability follow through at 1.
- Business conditions are given the lowest score out of the three OEMs at 3,04, indicating that the level of competition is tougher in the passenger car segment.
- Opposite of the score for AB Volvo, the largest companies rate communication and collaborative climate lower than the smaller companies.

Ratings per statement

Sustainability – expectations	4,24
Sustainability – follow through	3,27
Business conditions – overall	3,03
Business conditions – payment terms and handling	3,08
Business conditions – general follow through	3,16
Communication – top management	3,46
Communication – purchasing	3,27
Collaborative climate	3,19

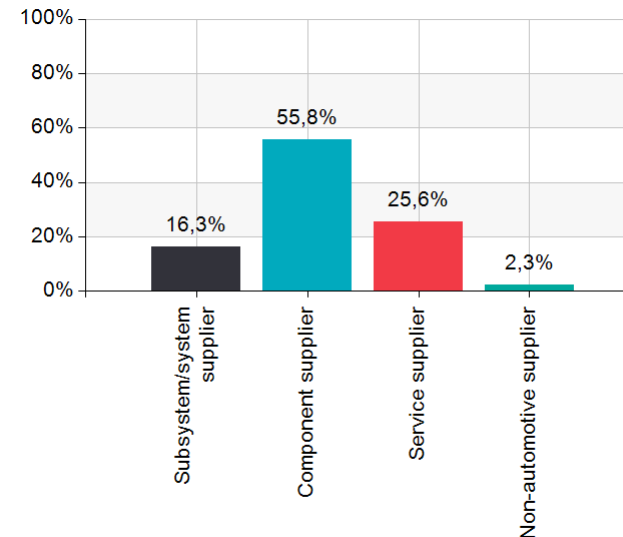
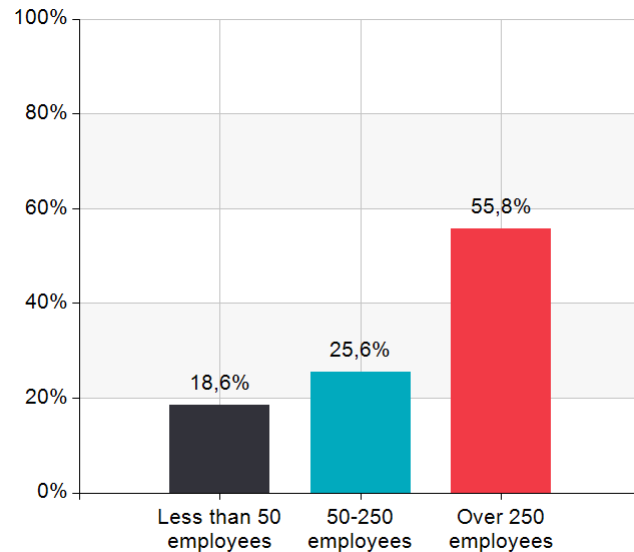
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Rating – Volvo Cars

Summary of respondents Volvo Cars

Less than 50 employees	50-250 employees	Over 250 employees	Subsystem/ system supplier	Component supplier	Service supplier	Non- automotive supplier
3,47	3,60	3,17	3,04	3,39	3,49	2,38





Rating – Volvo Cars

Sustainability – expectations

Statement: Our customer has clearly communicated their sustainability strategy and what is expected from us as supplier in concrete terms.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	5,00	4,42	3,91	1,00

Sustainability – follow through

Statement: The targets and requirements placed on us regarding sustainability are reflected and valued in purchasing decisions, i.e. in competition with less sustainable suppliers and in terms of cost coverage.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	2,86	3,58	3,36	1,00

Grouped rating Volvo Cars Sustainability 3,83



Rating – Volvo Cars

Business conditions – overall

Statement: We have an overall economically sustainable level of earnings with the customer, and we consider our terms and conditions to be acceptable. For example payment terms and warranty obligations.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	2,57	3,04	2,91	5,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,38	3,36	2,67

Grouped rating Volvo Cars Business conditions 3,04



Rating – Volvo Cars

Business conditions – payment terms and handling

Statement: We have a good dialogue regarding payment terms and are paid punctually according to contract, without deliberate handling to postpone payment dates.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	2,57	3,08	3,45	3,00
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	3,75	3,55	2,67	

Business conditions – general follow through

Statement: We are treated respectfully and professionally according to the agreed conditions. The volume forecasts are generally delivered on, and deviations are handled in a responsible way. Our customer compensates accordingly in situations where external circumstances affect our operational costs (for example sudden fluctuations in energy prices).

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	2,71	2,75	3,73	5,00
Score				
	Less than 50 employees	50-250 employees	Over 250 employees	
Average	4,13	3,18	2,63	

Grouped rating Volvo Cars Business conditions 3,04



Rating – Volvo Cars

Communication – top management

Statement: the messages and company visions communicated by top management is consistent with the actions taken and behaviours on an operational level.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,14	3,54	3,91	1,00

Communication – purchasing

Statement: We experience a good discussion climate and have a long-term relationship with one or more purchasers/are supported as new suppliers.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	3,00	3,33	3,18	2,00

Grouped rating Volvo Cars Communication and collaborative climate 3,30



Rating – Volvo Cars

Collaborative climate

Statement: The customer is transparent and shares business plans (short and long term) with us as a supplier. We have access to relevant information/product drawings related to the components/services we supply including dialogue with the engineering department/product owner. Our customer values improvements of product and process as alternative to productivity, and good performance lead to more business/cooperation. We experience constructive and open communication about the customer's satisfaction with us and how we can improve our performance in a reasonable timeframe.

Score				
	Subsystem/system supplier	Component supplier	Service supplier	Non-automotive supplier
Average	2,43	3,38	3,45	1,00

Score			
	Less than 50 employees	50-250 employees	Over 250 employees
Average	3,50	3,45	2,96

Grouped rating Volvo Cars Communication and collaborative climate 3,30



FKG OEM Rating

Full statements that the respondents have based their rating on:

Sustainability – expectations	Our customer has clearly communicated their sustainability strategy and what is expected from us as supplier in concrete terms.
Sustainability – follow through	The targets and requirements placed on us regarding sustainability are reflected and valued in purchasing decisions, i.e. in competition with less sustainable suppliers and in terms of cost coverage.
Business conditions – overall	We have an overall economically sustainable level of earnings with the customer and we consider our terms and conditions to be acceptable. For example payment terms and warranty obligations.
Business conditions – payment terms and handling	We have a good dialogue regarding payment terms and are paid punctually according to contract, without deliberate handling to postpone payment dates.
Business conditions – general follow through	We are treated respectfully and professionally according to the agreed conditions. The volume forecasts are generally delivered on and deviations are handled in a responsible way. Our customer compensates accordingly in situations where external circumstances affect our operational costs (for example sudden fluctuations in energy prices).
Communication – top management	The messages and company visions communicated by top management is consistent with the actions taken and behaviours on an operational level.
Communication – purchasing	We experience a good discussion climate and have a long-term relationship with one or more purchasers/are supported as new suppliers.
Collaborative climate	The customer is transparent and shares business plans (short and long term) with us as a supplier. We have access to relevant information/product drawings related to the components/services we supply including dialogue with the engineering department/product owner. Our customer values improvements of product and process as alternative to productivity, and good performance lead to more business/cooperation. We experience constructive and open communication about the customer's satisfaction with us and how we can improve our performance in a reasonable timeframe.