



March 3, 2022

## Volkswagen realigns Technical Development: shorter product cycles and faster digital offerings

- Transformation into a technology company starts with development: new interdisciplinary development process focused squarely on customer requirements and software
- Future vehicle development shortened by 25 percent from 54 to 40 months
- Closer integration of Development and Production to accelerate production time per vehicle – targeting ten hours per vehicle
- Extensive training programs are preparing the Technical Development team for new challenges and ways of working
- 800 million euro Campus Sandkamp project to create agile work structures

**Wolfsburg – In its drive to become a technology company, Volkswagen is realigning its Technical Development (TD) division in Wolfsburg. This involves turning the Group’s largest engineering unit with 11,500 employees into a pace-setter for the Volkswagen brand’s transformation into a technology company. The main emphasis is on a complete redesign of the development process, making it interdisciplinary, focused squarely on software, customer requirements and SSP, Volkswagen’s electric platform of the future, and centered on functions rather than individual components. This is expected to cut development time by about a quarter, increase the speed of new software releases and also significantly accelerate manufacturing processes in production. TD will thus become an important pillar for the transformation of development for the Group.**



Transformation of the Volkswagen development process.

in 40 months from the point at which the basic software architecture is in place, instead of 54 months as before,” said Thomas Ulbrich, member of the Board of Management responsible for Technical Development. “This year, the transformation will also become visible outside the Group with the Campus Sandkamp development center planned for Wolfsburg. We will spend 800 million euros on making Campus Sandkamp the most cutting-edge vehicle development center in the world. In this way, we are highlighting that TD is ratcheting up the pace of transforming Volkswagen into a tech company,” said Thomas Ulbrich.

“If the car is increasingly becoming an electrically driven software product, then its development must also evolve in all dimensions. We are making TD more connected and more efficient by focusing our processes and organization on systems and functions rather than on components. Software first rather than hardware first. This will enable us to cut development times by 25 percent – in the future, vehicle projects will be completed

### Media contact

Dr. Christoph Ludewig  
Head of Volkswagen Corporate Communications  
Phone: +49 5361 9-87575  
christoph.ludewig@volkswagen.de

Benedikt Griffig  
Head of Products and Technology  
Tel: +49 5361 9-977164  
benedikt.griffig@volkswagen.de

Katrin Hohmann  
Spokeswoman Strategy and Digital  
Tel: +49 152 53203762  
katrin.hohmann1@volkswagen.de



More at  
volkswagen-newsroom.com





## **Systems engineering to reduce development process by around 25 percent**

The growing connectivity of vehicles aimed at achieving seamless integration into the digital ecosystem and the consistent focus on the user experience necessitate a redesign of the development process. The starting point in vehicle development is the new functions catering to customers' needs. The new development process will therefore be focused on functions and systems rather than on components. Known as systems engineering, this is a common approach in complex development projects in industry such as in aircraft construction. In the 1990s, vehicle development centered primarily on components. As functions and electronics were added in the early 2000s, connectivity began to play an increasingly important role. Now and in the future, the vehicle must be viewed as one system in the customer's entire ecosystem and communicate seamlessly with all systems outside the vehicle. To this end, the experts from different specialist units clarify requirements and interdependencies at an early stage and ensure that systems and components are configured and designed appropriately so that all these functions can mesh seamlessly. In tandem with stepping up its focus on agile working methods, Volkswagen is thus reducing development times by 25 percent; in the future, vehicle projects will be completed in 40 months instead of 54 months as before. By working closely with Production, TD contributes significantly to process-optimized manufacturing, targeting a possible production time of around ten hours per vehicle.

## **Honing future skills through targeted training**

By realigning TD towards connected development processes focusing on systems and functions, Volkswagen is making targeted investments in employee training to ready its workforce for the digital age. Several hundred employees have already undergone training for new fields of work in TD, and thousands more will do the same in the years to come. By 2030, some 4,000 employees will be re-skilled for significant new job profiles, while 6,000 to 8,000 more will be up-skilled, receiving extensive training. Training opportunities range from shorter course units designed to broaden specific expertise, to large-scale retraining. Currently, the longest training programs last up to 180 days and will give employees the chance to work in new areas of activity, for example a skilled metalworker could become an automotive engineering commissioning specialist. In this way, Volkswagen is laying the foundations for attractive jobs and safeguarding jobs at its Wolfsburg location for the long term.

## **Campus Sandkamp to make the future of development visible**

Volkswagen will spend 800 million euros on Campus Sandkamp over the next five years. The new, ultra-modern development center will raise the bar in vehicle development. Campus Sandkamp, which will house more than 4,000 employees in the project house and integration center, will also be a flagship project for the future of work at Volkswagen. The project house will act as an umbrella for design, conceptualization, user experience, product strategy, model series, technical project management and project team members from Purchasing, Finance, Production Planning, Quality Assurance and Sales.

The integration center will ensure short, efficient approval and decision-making paths between the different divisions. Its innovative testing and simulation infrastructure and the open design of the collaboration areas will provide a first-rate environment for active systems engineering. New, agile development methods and the state-of-the-art



working environment will thus enable TD to take on a pioneering role in Volkswagen's overall transformation.

## **Electrical platform of the future SSP and systematic focus on software will lay the foundations for future mobility**

By accelerating the development process, focusing systematically on customer requirements and training staff for specific jobs, Technical Development is not only setting the stage for future mobility, but also creating the conditions for developing a value-driven, all-electric, fully connected vehicle with Trinity that is seamlessly integrated into the digital ecosystem. To this end, Volkswagen is working on the platform the Group will use in the future, known as SSP (Scalable Systems Platform). A powerful and scalable platform for the electric age, this will be deployed for the first time in 2026 in Volkswagen's Trinity project and will eventually merge the current MEB and PPE platforms. This will make the SSP the bedrock for all brands and models – in other words, the basis for more than 40 million Group vehicles – and allow Volkswagen to cement its positioning as a platform champion. Like MEB, SSP will also be open to third-party providers. At the same time, it will enable the vehicle to be fully integrated with its ecosystem, thus creating the conditions for high driving automation (Level 4) and new usage-based business models. Digital Lifecycle Management (DLCM) will keep Volkswagen vehicles up-to-date even after delivery, so that in the future customers will have a vehicle that is always in step with the times. As a volume manufacturer, Volkswagen is making this progress affordable for many people – technologies such as over-the-air updates (OTA) and functions on demand (FoD) are already living up to this claim.

By rolling out the ACCELERATE strategy, the Volkswagen brand will systematically prepare for the profound changes in the automotive industry in good time. The brand has earmarked around 18 billion euros for investment in the future trends of e-mobility, hybridization and digitalization up to 2026. As part of its global electric offensive, Volkswagen will increase the share of its all-electric deliveries in Europe to over 70 percent. In the United States and China, the brand is targeting an EV market share of over 50 percent in the same period. To achieve this, Volkswagen will bring out at least one new BEV model every year. The goal is the full electrification of the model portfolio. Volkswagen intends to be net carbon neutral by 2050 at the latest. At the same time, the company is also accelerating the other big issues of the future: Integration of software in the vehicles and the digital customer experience will become important core competencies. In implementing data-based business models, the Volkswagen is seeking to attract new groups of customers and tap additional sources of income. In addition, Volkswagen will enable autonomous driving for many people by 2030. In the process, Volkswagen is bolstering its position as the most attractive brand for sustainable mobility.

---

The Volkswagen Passenger Cars brand is present in more than 150 markets worldwide and produces vehicles at more than 30 locations in 13 countries. In 2021, Volkswagen delivered around 4.9 million vehicles. These include bestsellers such as the Polo, T-Roc, Golf, Tiguan or Passat as well as the successful all-electric models ID.3 and ID.4. Last year, the company handed over more than 260,000 battery electric vehicles (BEV) to customers worldwide, more than ever before. Around 184,000 people currently work at Volkswagen worldwide. In addition, there are more than 10,000 trading companies and service partners with 86,000 employees. With its ACCELERATE strategy, Volkswagen is consistently advancing its further development into a software-oriented mobility provider.

---