



Construction Equipment

Corporation

Volvo Construction Equipment is an entity of AB Volvo, with other business entities of Mack Truck, Volvo Truck, Volvo Bus, Volvo Penta, Volvo Aero and Volvo Financial Services. The core values of AB Volvo are Safety, Quality, Care for the Environment. The Asheville Plant supports these core values through ISO 9001-2000, OHSAS 18001, ISO 14001 certifications.

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Asheville Plant

Total Property: 74 acres

Manufacturing Space: 400,000 ft²

Non-Union Plant

Employees: Current: 246

#Direct = 155

#Support = 91

Shifts: 2 (very small 2nd shift of material handlers to support restocking of parts for the production line)

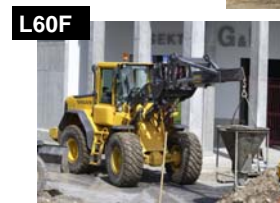
Vision: Be the "Plant with a Future" for new products and increased volume in North America.

Mission: Using the Operational Excellence model to eliminate non-value added work, meet operational KPIs, exceed quality expectations, create a strong culture of employee satisfaction and participation.



Products

Asheville is an industrial hub in North America, currently manufacturing 5 models of Wheel Loaders (L60, L70, L90, L110, L120), 5 models of Excavators (EC160, 210, 240, 330, 360), with supporting Cab assembly for Wheel Loaders and Excavators. Fabrication of Excavator frames was introduced in 2007.





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Lean Journey

The Asheville Plant began the Lean journey in 2001. Starting with the basics of Lean to build the cultural foundation, the company engages the workforce to continuously improve and move to the next level of Operational Excellence. In 2005, Volvo adopted the Shingo criteria as a quantitative measure of the depth and breadth of lean implementation. The Volvo Production Systems (VPS) is also used as a benchmark to our lean implementation and performance.

Best Practices

Asheville considers its "best practices" to be 5S + 1 (includes safety), Kaizens, Policy Deployment using the A3, Value Stream Mapping and Operational Development (OD).

Dedicated Work

Teams In 2004 Operational Development (OD) was introduced at the Asheville Plant. OD is a program within Volvo world-wide that organizes the workforce in teams around a common strategic focus. Today, the entire facility is operating in teams (either within their natural work groups or cross-functional). Each year the OD teams are asked to focus improvements around Safety, Quality,

Delivery, Cost, Environmental Care and Employee Morale (SQDCEM).

Policy Deployment / A3

Policy Deployment starts with the management team each year developing a master A3 for the Asheville Plant which outlines the top key objectives for the current year. The objectives are then cascaded down through each level of the organization including the Shop Floor. A3 is the tool used to capture, monitor, and report KPI status on a monthly basis.

Summary of Achievements and Recognition

<ul style="list-style-type: none"> ISO 9001-2000, ISO 14001 certified
<ul style="list-style-type: none"> First North American Volvo entity to receive OSHAS 18001 (safety) certification
<ul style="list-style-type: none"> Recognized as "best in class" within Volvo CE for 5S + 1
<ul style="list-style-type: none"> Local Manufacturing Leadership Award – 5S
<ul style="list-style-type: none"> Baldrige Best Practice Award – Process Management 2005
<ul style="list-style-type: none"> Cost savings from OD teams \$2.56 million since 2004 + 4,400 action items completed
<ul style="list-style-type: none"> Regional Air Quality Award for Improving environment
<ul style="list-style-type: none"> North Carolina Shingo Silver Award Recipient 2007
<ul style="list-style-type: none"> Distinguished Partners for Excellence 2008 – NC College Systems
<ul style="list-style-type: none"> ESC Employer Award in 2008

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