



A Textron Company

E-Z-GO, founded in 1954 and located in Augusta, Georgia, is a leading supplier of golf, turf and utility vehicles throughout the world. The facility features fabrication, three manufacturing assembly lines, an automotive inspired testing facility, engineering, parts and accessories with a focus on customer care. The company also has six branch locations nationwide serving its sales, service and distribution network. The company's lean transformation began in 2003 as it saw both its market share and profitability diminishing. Since 2004, E-Z-GO has seen its profitability increase by more than 200% and its ROIC increase by greater than 13%.

ACHIEVEMENTS (2005-2008)

Environmental, Health and Safety

- TRIR of 0.7 with focus on behaviors
- Awarded 5 Textron Presidents Safety awards during 2008
- Implemented a Management of Change System – identified as *Textron Best Practice*
- Reduced absenteeism by 36%
- Reduced energy consumption 10% year over year; natural-gas consumption reduced by 8% from 2006 to 2008
- Plant water consumption reduced by more than 85% over six-year period
- Plant wide recycling program, including employee recycling, resulted in more than \$250,000 in cost savings and avoidance
- ISO 14001 Certification (current) – *auditors identified 5 best-in-class practices*
- Launched employee wellness program

Quality

- Improved Supplier PPM 38% 2007 to 2008. The part mix and complexity increased significantly with launch of new RXV fleet vehicle in 2008.
- Increased First Time Quality over 20%
- ISO 9001 Certification (current) – *auditors identified 6 best in class practices*

Delivery

- Improved schedule adherence 42% from 67% to 95%
- Improved customer satisfaction with on time delivery 12.2% from 80% to 90% based on a customer satisfaction and loyalty index score.

Cost

- Improved inventory turns 30%
- Improved operating profit over 90%

- Improved Productivity by 30% - taking 3 hours of labor out of labor hours per vehicle metric
- Reduced SG&A as a percent of sales by over 300 basis points
- Reduced supply base 60%
- Instituted all employee suggestion system to collect employee improvement ideas
- Improved ROIC over 500 basis points

Awards and Recognition

- Named top 20 finalist for *Industry Week's Best Plants 2008*
- Extensive media coverage including *IMPO Magazine* cover article highlighting lean and operational excellence
- Awarded State Funding Grant by Governor to support Training and Transformational objectives
- Received two Textron Chairman's Award for Innovation (A/C Drive and Braking system on new RXV vehicle)
- Lead *Augusta Manufacturer's Forum* – bringing local manufacturers together to share best practices and address issues in common

PEOPLE

E-Z-GO has approximately 1,000 employees located in Augusta and throughout the sales/distribution organization around the world. The biggest and most important transformation has been a significant change in the cultures, mindsets and behaviors of all E-Z-GO employees. Employee engagement scores are the highest for an operating company within Textron. The transformation to embrace lean principles has occurred at all levels of the organization. Basic lean tools such as 5S, identification of the seven wastes, standard work, and "Kaizen" events are now part of everyday work routines. Lean manufacturing philosophies help manage inventories throughout the plant. Standard work is in place from the leadership team down to the operators on the assembly lines. The highly engaged work force is a powerful sales tool influencing the purchase decision of key customers through tours and interactions. Average training hours per employee are up 14% year over year. In addition to every employee being a part of a formal performance management process, they also benefit from a pay for performance incentive program. The diverse workforce has developed goals and strategies that are aligned with the needs of the customer. E-Z-GO has implemented lean manufacturing and business

processes that deliver high quality, reliable vehicles and customer value.

PROCESS

E-Z-GO processes start with customer orders and ends with finished products that are shipped to customers. E-Z-GO fabricates 30% of production parts and purchases the remainder from vendors throughout the world. Fabricated components are processed through CNC lasers, CNC break presses and benders prior to weld. Completed components travel by an overhead conveyor system where they go through a nine-stage pretreatment process before continuing into the two-stage, powder coat paint process. Larger components (e.g. frames) then travel directly to point of use assembly lines. The remaining parts are delivered to supermarkets where they merge with purchased components. Parts are then delivered by waterspiders/tuggers in two-hour increments to the appropriate assembly operation. Two of the three lines use a continuously moving "creep" line set to takt time. The new RXV fleet vehicle assembly line incorporates manufacturing execution system (MES) technology which sends and receives information to the line on a real-time basis with key information, including operator standard work, relayed via computer monitors located at each station. "Smart" tools send information about the assembly process through the system capturing quality issues immediately. Completed vehicles are moved to a traffic yard where they are staged by a warehouse management system that allows for capacity load scheduling and efficient routing of shipments to customers. E-Z-GO has two distinctive distribution channels utilizing a direct distribution model for golf customers and a network of distributors and dealers for personal use, utility vehicles and international customers. The company also operates a Parts & Accessories business utilizing a warehousing management system to pick and pack parts for same day delivery.

PRODUCT

E-Z-GO manufactures over 40 different vehicles supporting 4 of its 5 value streams (Golf, Commercial, Residential, vehicles marketed under the Cushman brand and Parts & Accessories). Vehicles produced include the RXV and TXT fleet golf cars, the ST line of personal and sport utility vehicles, the MPT line of multi-purpose utility vehicles and the E-Z-GO and Cushman brand of industrial vehicles for use in manufacturing plants, warehouses and other commercial and industrial facilities. These

vehicles are available in both electric and gasoline-powered models. To meet customer needs, E-Z-GO offers a wide range of colors and factory-installed options and accessories.

Key customers include golf courses, large property owners, individual consumers, resorts and hotels, grounds care and manufacturing. Fleet golf customers depend on golf car rentals as a key revenue stream contributing to their profitability. Consumers use the products for recreational and light grounds keeping. Manufacturers utilize industrial vehicles as light transportation capable of carrying personnel, equipment and material.

PLANT

E-Z-GO manufacturing is located in Augusta, Georgia where over two million golf cars have been produced since operations began in 1954. The current facility consists of an administrative complex, two manufacturing buildings, an international distribution center and parts and accessories warehouse and call center. The facility in Augusta has expanded from a 10,000 square foot building in the mid 1950's to today's 664,000 square foot facility.

CORPORATION

Textron is a \$14.2B multi-industry company that employs 42,000 people in 28 countries. E-Z-GO was purchased by Textron in 1961, making it the oldest continuously run business in their current portfolio. Textron's family of businesses includes strong brands such as Bell Helicopter, Cessna Aircraft, E-Z-GO, Greenlee and Kautex.

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