



ASHEVILLE PLANT OVERVIEW

Allison Moses

Vice President & General Manager

18Nov08

~ 67 acres

~ 400,000 square feet of space

2 production buildings plus office space

Final Paint Bldg

Foreign Trade Zone

~ 250 employees

Core Competencies:

Weld, Paint, Assembly



In the last 2 years, we have created ~70 new jobs and invested ~21MUSD in new production equipment/processes.

ASHEVILLE PLANT SUPPORTS VOLVO CORE VALUES

ISO 9001-
2000

Quality



OHSAS
18001

Safety



ISO 14001

Environment



WHEEL LOADER MODELS

Assembly & Paint

L90F



L110F



L60F



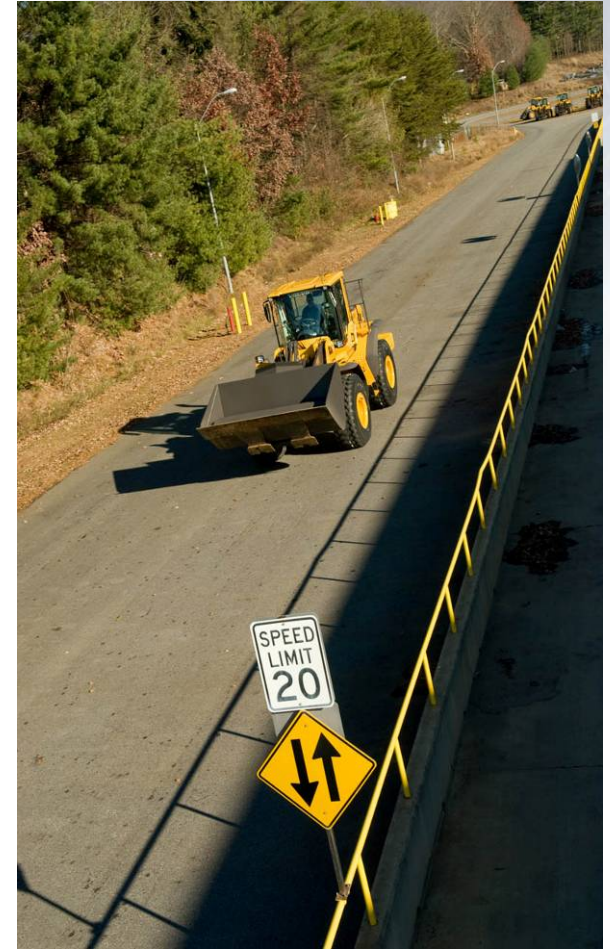
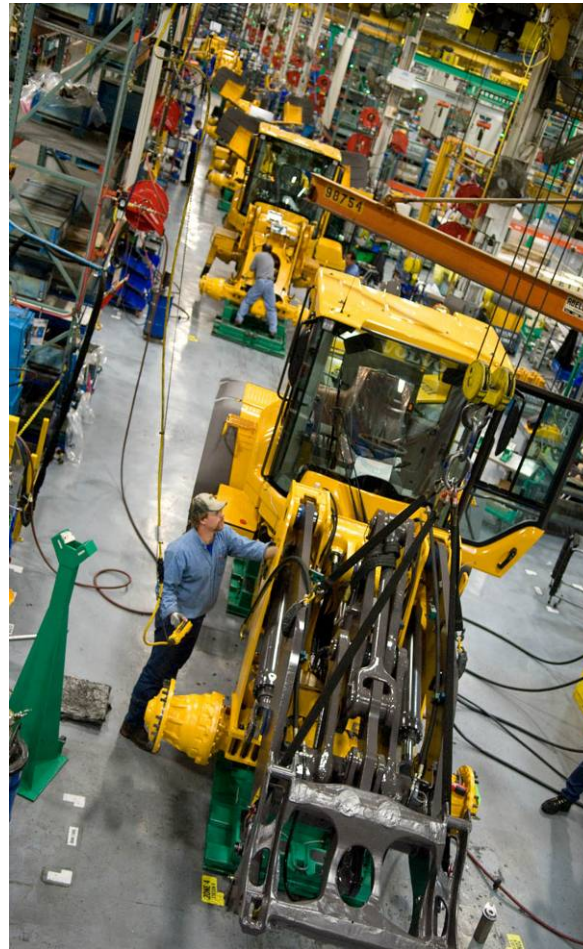
L70F



L120F



WHEEL LOADER ASSEMBLY LINE



EC160C



October 07

EC210C



October 07

**2007/08 New
Projects
EXCAVATOR**

**Fabrication,
Assembly &
Paint**

EC360C



January 08

EC240C



Planned Nov 08

EC330C



June 08

EXCAVATOR FABRICATION



EXCAVATOR ASSEMBLY LINE



OFFICIAL LAUNCH NOVEMBER 9, 2007





Cab Production

Fabrication, Paint, Assembly

Currently
producing all
ASH WL F-model
cabs



Project start up
for EXC c-series
cabs 2008, full
production 2009



Site Changes in '07



Warehouse



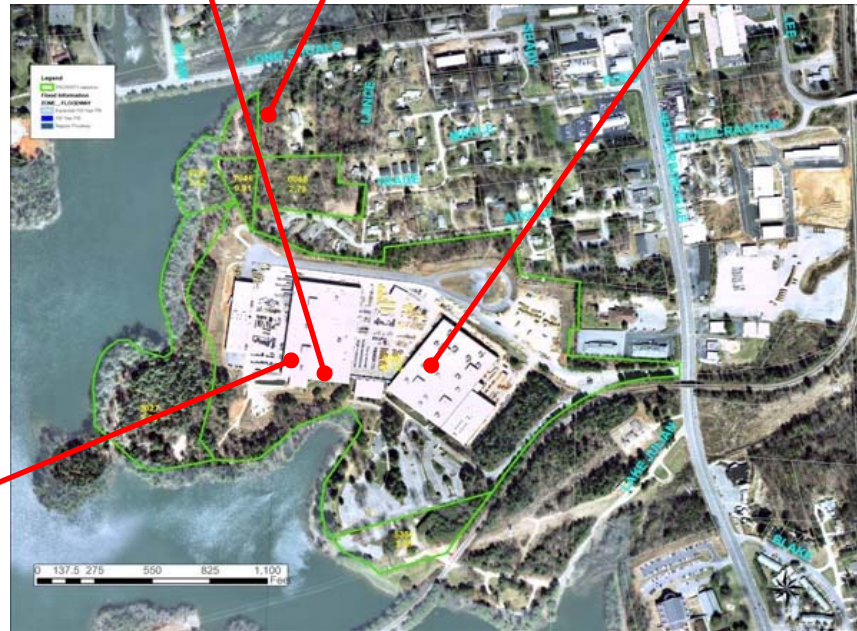
Long Shoals Entrance



Fabrication



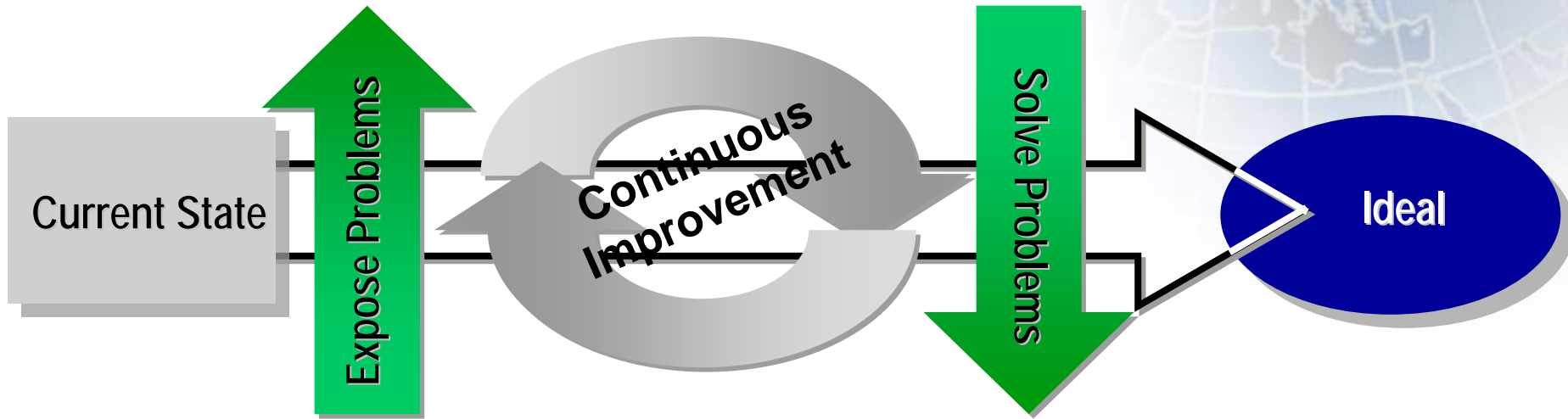
Assy Conveyor Pit



The Asheville Plant's Vision, Mission, Values, and Strategies are aligned with Volvo CE as well as supporting lean principles

Asheville Plant Vision, Mission, Values, Strategies, Goals	
Vision	Be the "Plant with a Future" for new products and increase volume to support North America sales objectives
Mission	Using Operational Excellence Model to: <ul style="list-style-type: none"> - Increase productivity while decreasing throughput and cycle time - Eliminate non-value added activities - Meet operational Key Performance Indicators (KPIs) - Exceed customer quality expectations - Create a strong culture of employee satisfaction and participation
Values	Our values are focused around Volvo core values of Safety, Quality, Environmental Care as well as <ul style="list-style-type: none"> - A culture that has respect for each other - A high level of employee satisfaction - A work environment that encourages employee participation
Strategies	The Asheville Plant strategies for deploying our core values are to be a world-class manufacturing facility through implementation of the Operational Excellence Model defined by Asheville and using the Shingo criteria and VPS assessment as the benchmark for world class practices, be recognized at the National level in 2010. Policy Deployment is used to communicate the strategies through all levels of the Plant.

Volvo CE Asheville Vision Plant with a Future



Operational Excellence

Safety
Quality
Delivery
Cost
Environmental Care
M Employee Morale



Plant with a Future

Safety = Zero Accidents
Quality = Zero Defects
Delivery = One Piece Flow, in Sequence, on Demand
Cost = 100% Value Added
Environmental Care =
Recycle, Reduce, Reuse
M Employee Morale = 100 %
participation VGAS; 100%
ESI score

ASHEVILLE PLANT ROADMAP TO OPERATIONAL EXCELLENCE

5S / VISUAL FACTORY
2001

JURAN PROBLEM SOLVING
USING QUALITY TOOLS
2001

INTRODUCTION TO LEAN
2002

OPERATIONAL
DEVELOPMENT [OD]
Lean / Six Sigma
2004

Shingo Application
Gap Analysis
2005

5S + 1
Kaizens
Value Stream
Mapping
Lean / SS Tools
Policy Deployment

Focus on
Operational
Excellence
2006

2007 – State
Silver Shingo
Award
2007

National
Shingo Silver
Medallion
2008/09

2009 Achieve Level
3 VPS principles

SHINGO PRIZE
National Recognition
VPS Assessment Score >= 3

2010
Operational Excellence



SQDCEM

SQDCEM

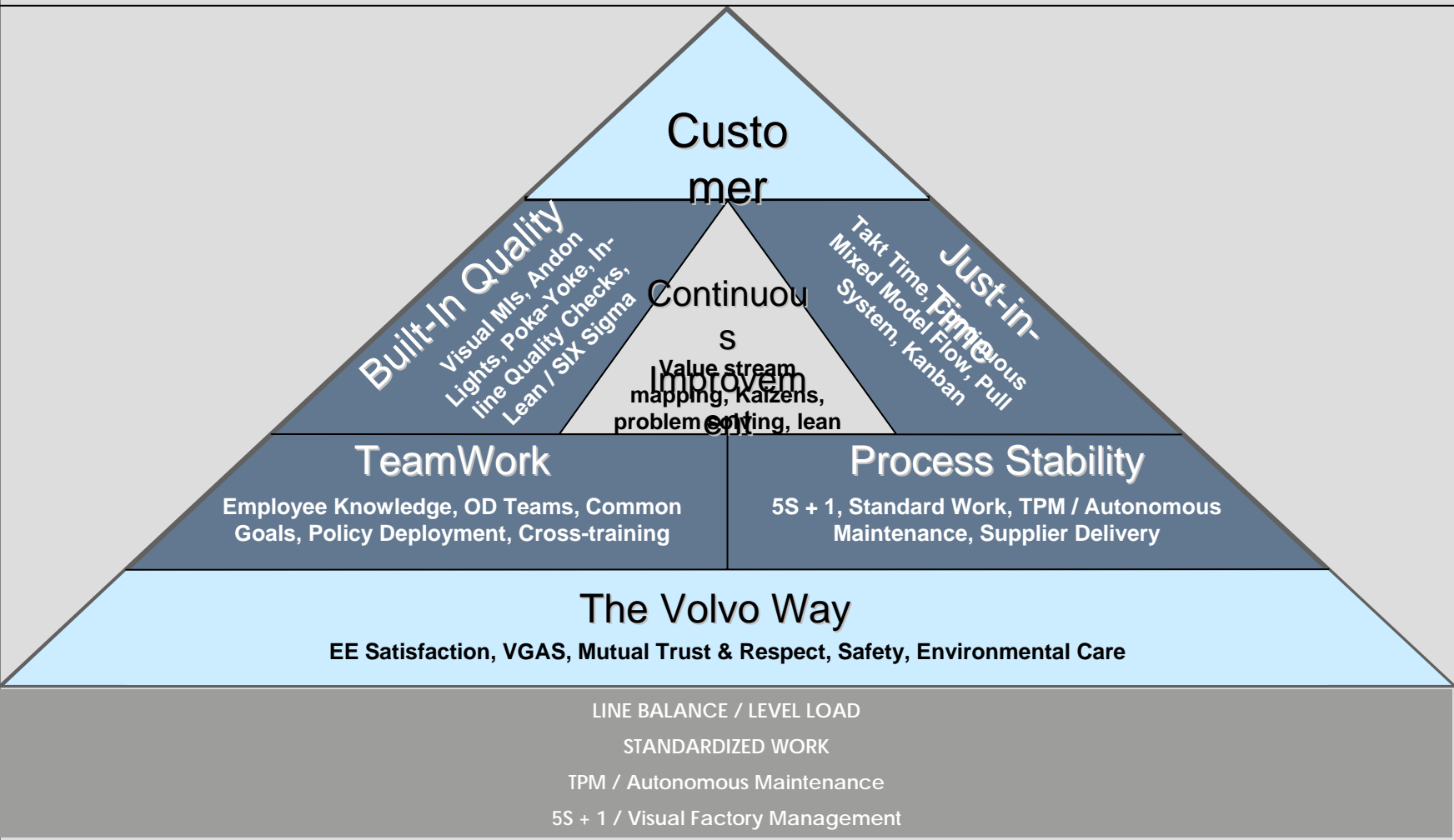
Volvo CE Asheville Plant

SAFETY, **Q**UALITY, **D**ELIVERY, **C**OST,
ENVIRONMENTAL CARE & **E**MPLLOYEE **M**ORALE

Asheville Plant Mission: Using Operational Excellence Model to increase productivity while decreasing throughput and cycle time; eliminate non-value added activities; meet operational key performance indicators; exceed customer quality expectations, create a strong culture of employee satisfaction and participation.

VOLVO PRODUCTION SYSTEM MODEL

FOUNDATION



PLANT TOUR

