



ArvinMeritor™

Gladstone Plant
Columbus, Indiana

ACHIEVEMENTS

Quality

- Decreased customer PPMs by 72% (since 2000)
- Decreased supplier PPMs by 99% (since 2000)
- Reduced scrap by 43% (since 2000)
- Decreased cost of non-quality by 54% (since 2000)

Productivity

- Increased finished goods inventory turns by 30% (since 2000)
- Averaged 36 total inventory turns
- On-time delivery average is 99.99% (since 1999)
- 100% of all work units have adopted cellular manufacturing
- Reduced MRO inventory by 73% (since 1993)
- Increased sales per employee by 12% (since 1999)

Employee Involvement

- 40 hours of annual training per employee (since 1997)
- Averaging 21 kaizen ideas submitted annually per employee (since 1997)
- Average annual savings per employee is \$4,285; \$204 per kaizen idea (since 1997)
- Idea implementation rate is 95%
- Safety incidents declined 86% (since 1999)
- Incident rate dropped 48% (since 2002)
- Lost-time rate dropped 60% (since 2002)

Plant Recognition

- Ford Q1
- Ford Full-Service Supplier Award
- Four-time recipient of the State of Indiana Quality Improvement Award
- State of Indiana Governor's Award for Excellence in Recycling
- Indiana Department of Environmental Management 100% Club Award
- Recipient of 11 ArvinMeritor corporate awards
- 2002 Shingo Prize Finalist

PEOPLE

The most valuable asset in Gladstone is our people. Through 71 different employee involvement (EI) teams, employees take ownership for process improvements that deliver bottom-line results. Our 2003 achievements are the direct result of their engagement in the business.



PROCESS

The ArvinMeritor Performance System is a combination of lean manufacturing principles and employee involvement practices designed to drive a Continuous Improvement (CI) culture that is passionate about reducing waste and costs through production and business process improvements.

The roadmap that steers us on our lean manufacturing journey is the "20 Keys to Continuous Improvement." The 20 Keys provide a structured approach for assessing and prioritizing 20 different performance areas. From the lowest traditional level to best-in-class, each site is responsible for building and executing a CI plan that focuses the organization and teams on what improvement efforts must be made – and tasks them with making it happen.

Each work unit then develops and displays its CI goals, action plans, and related metrics in a consistent format for all to see. Our customers, who frequent our plant, continue to be the most impressed – knowing CI is our foundation that ensures we are manufacturing and delivering the highest quality of products.

The 20 Keys include three different areas of evaluation: Production Excellence (Manufacturing), Business Excellence (Administrative), and an overall Site Excellence evaluation. This approach guarantees involvement by all levels and functions, unifying us in a common goal...to be the Best-in-Class site.

High levels of competency must be demonstrated by all teams with regards to our lean vision if we are to achieve Best-in-Class status. Our employees are trained in synchronous flow, mistake proofing, kanban, work standardization, waste elimination, value stream mapping, work place organization, and Six Sigma/Shainin methods, as necessary, to ensure we reach our CI goals.

Employees are also encouraged to cross-train in multiple roles on their respective teams which ultimately helps the business become more flexible and adaptable to today's increasing pressures and market demands.

Since 1991, Gladstone sales/ft² has increased from \$214 to \$496, an increase of 132%. This was accomplished without adding one additional square foot of floor space. The Gladstone team also became Ford Q1 certified in 1990, QS 9000 certified in 1996, and ISO 14001 certified in 2002.

We owe these results, and so much more, to our employees and their commitment to the ArvinMeritor Performance System. To demonstrate our appreciation, we regularly make the time to recognize and celebrate our achievements. From plant-wide events to individual awards, contributions are valued and appreciated.

BUSINESS

Born in 1919, the ArvinMeritor Air and Emissions Technologies business is built on a history of "firsts." From creating the first catalytic converter in North America to developing the first mass-produced, high-performance automotive titanium exhaust system, we build on our past accomplishments to develop new ideas that meet our customers' current and future needs.

This know-how drives ArvinMeritor's excitement about leveraging what we do best in the light vehicle market to develop "next-generation" emissions management solutions for the commercial vehicle and recreational vehicle industries. At a time when market forces are demanding new levels of emissions management, ArvinMeritor Air and Emissions Technologies knows how to meet durability and weight objectives, while maintaining peak performance and cost effectiveness.

In addition to full exhaust systems, ArvinMeritor supplies automakers with components such as manifolds, early light-off converters, catalytic converters, diesel particulate filters, heat exchangers, resonators, mufflers/silencers, tubing, and exhaust tips.

PLANT

The ArvinMeritor Gladstone facility, located in Columbus, Indiana, was constructed in 1955 to produce light vehicle mufflers for the Ford Motor Company. At present, the 403,000 sq. ft. operation consists of more than 700 people deployed into 54 work units that manufacture mufflers, catalytic converters, exhaust pipes, resonators, and full exhaust systems for today's leading automotive OEMs.

CORPORATION

ArvinMeritor, Inc. is a premier \$8-billion global supplier of a broad range of integrated systems, modules and components to the motor vehicle industry. The company serves light vehicle, commercial truck, trailer, and specialty original equipment manufacturers and related aftermarkets. Headquartered in Troy, Michigan, ArvinMeritor employs approximately 32,000 people at more than 150 manufacturing facilities in 27 countries. ArvinMeritor common stock is traded on the New York Stock Exchange under the ticker symbol ARM.

For more information contact:

Mark Frazier
Site Manager
ArvinMeritor, Inc., Gladstone Plant
601 South Gladstone Avenue
Columbus, IN 47201
Phone: (812) 348-4351
Email: mark.frazier@arvinmeritor.com.