



SUBARU of INDIANA AUTOMOTIVE

# update

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Scott Brand  
SVP

## ASCENT LAUNCH UPDATE

It hardly seems possible, but it has now been six months since we launched the new Subaru Ascent. As of this writing, we have produced and shipped over 40,000 Ascents to Subaru of America and Subaru of Canada. While not completely caught up, we have been able to pull within 250 units of the production schedule and keep the supply of units flowing to the sales organizations.

The Ascent launch has certainly had its challenges and setbacks. Now that we have stabilized and mostly recovered the behind condition, I think it is important to understand the launch issues and act to prevent those same issues from happening during the GC7 (next generation Legacy and Outback) launch next summer. Not all the issues were caused within SIA, but it is important that we acknowledge each one and make sure we have plans to prevent them from happening again.

The initial factor that affected the Ascent launch (and production in general) was the delay of CKD parts arrival from our parent company (Subaru Corp.). As explained by Bob Wu in his Update article on June 25, beginning in April of this year, the shipping company that brings the CKD parts from Japan to the west coast of the U.S. made significant changes to their schedules and ultimately delayed the arrival of the parts to SIA. At the same time, port congestion further delayed shipments. These issues impacted our operations during the week of June 11 and caused us to stop production for several shifts.

Ordinarily, this production interruption would be recovered by working additional overtime, but the delay happened at the same time we were increasing our daily and Saturday overtime schedules to increase Ascent output, therefore limiting the additional overtime available for recovery. While some CKD shipping delays persist today, the Materials Management department continues to closely monitor west coast container movement and make alternate transportation arrangements to assure parts are available.

Next, as a result of these and other production delays, our inventory of U.S. parts grew to excessive levels and prevented us from sending returnable packaging back to a few key suppliers. Without available packaging, supplier production ran inconsistently and caused numerous part shortages and line stops at SIA. These issues were eventually

resolved by expediting packaging back to the suppliers and increasing the number of containers in the pipeline, but this took several weeks to complete. As a result, a thorough evaluation of packaging requirements for GC7 has taken place and adjustments are being planned.

Once the packaging issues were identified and resolved, it became evident that some suppliers were still not ready for the 320 per day Ascent volume. Please be aware that the original planned volume of Ascent was 268 per day, so some suppliers were struggling to increase capacity to meet our increased orders. Several departments in SIA dispatched engineers and specialists to these suppliers to help resolve production bottlenecks and technical issues. There are still a few suppliers that struggle to meet our daily requirements, but they are being monitored closely and have solid plans to prevent parts shortages. For GC7, SIA Supplier Management is implementing additional production confirmation trials to make sure the suppliers are ready.

Finally, SIA had several internal facility operation issues, some of which were masked by the inconsistent availability of parts. Manufacturing and Engineering sections have worked diligently to address those issues and operation rates are showing a positive trend. As modifications of equipment and processes are completed for GC7, additional trials will be run to identify and correct risks ahead of the launch. No number of trials will find every weakness or risk, but the trials we do run are invaluable to helping to identify and correct issues early.

I offer this summary for three distinct reasons: (1) To make sure everyone in SIA is clear on the issues that occurred during the summer of 2018 that affected our production; (2) To describe the steps necessary to prevent similar issues at the GC7 launch; and (3) To take the opportunity to sincerely thank all SIA associates for their dedicated efforts to adapt to these challenges and get high-quality Subaru vehicles to the customer. SIA has been handed many unique and difficult challenges throughout the course of our history, but one thing has been constant: SIA teamwork and perseverance have always been able to overcome these obstacles. Now that we are stabilizing, we need to shift our focus from recovery to good fundamental process management. Our quality performance indicators (Direct Runner, DPV, VES) are not where they need to be, so now is the time to renew our focus on quality and apply our "Can Do" spirit to that cause. As always, follow standard work and raise your hand when something goes wrong; the customers are counting on us to deliver the highest quality on every vehicle.

Thank you.

## PAINT SECTION WINS GRAND CHAMPION AT ANNUAL KAIZEN COMPETITION IN JAPAN

SIA's Paint Section was selected as the unanimous Grand Champion at Subaru's Annual Kaizen Competition on Nov. 16 in Ota City, Japan. A total of six teams competed.

Tony Shuman, Gary Baugh and Terra Allen of Paint I represented SIA with their presentation called "Our Ascent, Our Way," a kaizen about jigs and fixtures that improved the Ascent paint application process. They earned the opportunity after winning SIA's Fall Kaizen Competition on Sept. 18. This was the third year in a row that Paint has represented SIA in Japan. Last year, they finished in second place.

Paint production would like to thank Manufacturing Engineering, Process Engineering and Kaizen for their assistance in the jig modification process. Through a combined effort, Paint was able to launch the Ascent successfully while excelling in Prominence 2020 goals. This put Paint ahead of the STEP platform for Subaru to improve future model development.

On behalf of all Associates, congratulations Paint !!



Ed Wulbrecht, Gary Baugh, Tony Shuman and Terra Allen posed for a picture after the competition.

# Save With New Associate Discounts

Opening in early December, the new Lafayette Family YMCA is offering its partnership discounts to SIA Associates by waiving its Joiners Fee (savings of up to \$50) and discounting each of its Membership Categories by \$10 per month. The memberships are good at all Lafayette locations.

- Adult Only – ~~\$40~~ \$30 monthly
- Single-Parent Family or Two-Adult Family – ~~\$50~~ \$40 monthly
- Two Adults and Two or more Dependent Family – ~~\$60~~ \$50 monthly



## TICKETS AVAILABLE FOR 'DISNEY ON ICE' SHOWS



'Disney on Ice' presents 'Mickey's Search Party' at Bankers Life Fieldhouse, Jan. 4-6. Tickets range from \$26.20 to \$31.70, depending on performance date and time. Purchase tickets in the Team Wear Store through Dec. 10. For complete details, see the Team Wear Store page on mySIA. For questions, contact Ruthanne Viars at ext. 6277 or ruthanne.viars@subaru-sia.com.

## DON'T FORGET ABOUT THE 'BREAKFAST WITH SANTA' FOOD DRIVE

'Breakfast with Santa' is just around the corner and Associates are asked to bring canned goods and non-perishable food items as 'admission' to the event. Donations will benefit Food Finders Food Bank.



For each food item or dollar donated, Associates will have their name entered in a gift card drawing.

Have fun and help others in need on Saturday, Dec. 8.

## BOOK FAIR

'Books R Fun' book fair will be in the Security hallway on Dec. 7. Cash or card transactions will be accepted, as well as payroll deduction for full-time Associates. The book fair will also be at 'Breakfast with Santa' on Dec. 8.

# SHOE CARNIVAL

## SHOPPING Party

Save an additional

# 30% OFF

INCLUDING SALE PRICES

Cannot be combined with other coupons or used on prior purchase, refunds, or exchanges. One coupon per transaction. Excludes gift cards, yellow sticker items, certain Asics, Converse, Nike, Adidas, Timberland and Timberland Pro styles. Valid in participating locations only. Cannot be combined with Buy One Get One Half Off or other discount offers. Must present flyer or company ID to receive discount.

## Subaru of Indiana

Employees and Family

Saturday, December 15 - Sunday, December 16

Teal Plaza • 3545 S.R. 38 East •  
Lafayette, IN (765) 449-0139

# TIME IS RUNNING OUT: NOMINATION DEADLINE FOR SUBARU SERVES VOLUNTEER AWARDS IS DEC. 7

Time is running out to nominate yourself or a fellow Associate for a Subaru Serves Outstanding Volunteer Award. The deadline is Dec. 7.

Up to seven Associates can win Jefferson Awards and grants of at least \$1,000 for their favorite non-profit. The top winner will also represent SIA at the Jefferson Awards National Ceremony in Washington, D.C. in June.

Applicants must be a full-time SIA Associate and have donated 50+ hours of volunteer service to one or more Indiana non-profit in 2018. Those hours must be logged with Subaru Serves. Volunteer service can include serving on boards and committees, coaching youth, teaching at church or any other work done for a non-profit organization without pay.

To apply, go to mySIA and click on the 'Subaru Serves Outstanding Volunteer Award' banner at the top of the page. For more information about this volunteer recognition program, contact Craig Koven at ext. 6269 or craig.koven@subaru-sia.com.

## JOIN THE 'HOLIDAY OF HOPE'

Associates can help make the holidays brighter by participating in the Holiday of Hope. Stop by any garland decorated with tags displaying 'Holiday of Hope' wish list items.

To participate:

- Pick a tag
- Purchase the gift listed (new gifts only)
- Wrap it (only if requested on the tag)
- With the tag attached, bring the gift by Dec. 18 to either the first floor admin office or Paint 2 office

There are a variety of tags from which to choose:

- Green tags will be for new clothing, toys and household necessities for families utilizing LTHC Homeless Services.
- Additional tags will be for blankets for people in nursing homes.
- Bone-shaped tags will be for dog food, cat food, toys and other items needed at local animal shelters. To make it easier for those Associates who generously purchase 25 pounds of dog food for the shelter animals, contact Stacy Conklin at ext. 6825 to arrange for delivery.

| PRODUCTION   | Actual            | Projected        | Sch. YTD        | YTD Total       |
|--------------|-------------------|------------------|-----------------|-----------------|
|              | 11/19/18-11/25/18 | 11/26/18-12/2/18 | 1/1/18-11/25/18 | 1/1/18-11/25/18 |
| LEGACY       | 497               | 1,052            | 36,790          | 36,102          |
| OUTBACK      | 2,096             | 4,713            | 179,555         | 177,871         |
| IMPREZA      | 796               | 1,796            | 70,256          | 69,989          |
| ASCENT       | 918               | 1,927            | 41,195          | 40,886          |
| <b>TOTAL</b> | <b>4,307</b>      | <b>9,488</b>     | <b>327,796</b>  | <b>324,848</b>  |

EUREST WEEKLY MENU

**monday | december 3**  
 breakfast: blueberry pancakes - \$3.99  
 fit: apple cranberry pork loin - \$4.29  
 market: chicken and noodles - \$5.99  
 grill: Philly cheese steak quesadilla - \$4.59  
 soup: broccoli cheese soup

**tuesday | december 4**  
 breakfast: chorizo burrito - \$3.99  
 fit: southwest chicken salad - \$5.99  
 market: just burger bar - \$4.99  
 grill: hot ham & cheese croissant - \$4.29  
 soup: loaded baked potato soup

**wednesday | december 5**  
 breakfast: breakfast enchilada - \$3.99  
 fit: bbq chicken flatbread - \$4.29  
 market: diy mexican bar - \$5.99  
 grill: gyro - \$4.59  
 soup: house made chili

**thursday | december 6**  
 breakfast: kickin' chicken breakfast sandwich - \$3.99  
 fit: turkey meatloaf - \$4.29  
 market: diy mexican bar - \$3.88/oz  
 grill: spicy chicken cordon bleu - \$4.59  
 soup: chicken and dumpling

**friday | december 7**  
 breakfast: breakfast pizza - \$3.99  
 fit: baja fish tacos - \$4.59  
 market: diy chinese bar - \$3.88/oz  
 grill: jumbo pork tenderloin - \$4.59  
 soup: clam chowder

MON:  
Curry Rice & Katsu  
Yasai Itame  
(Stir fry vegetables)

TUE:  
Ramen Noodles  
Gyudon  
(Sweet Beef)

WED:  
Karaage Chicken  
Katsudon  
(Pork Egg)

THU:  
Buta don (Pork)

FRI:  
Udon & Soba Noodles,  
Karaage Chicken