

COLUMBIA PARCAR



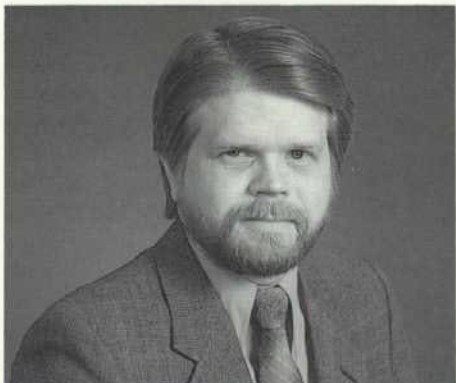
Made in Wisconsin

COLUMBIA PARCAR **Building a New Generation**

By Monroe S. Miller



W.R. Sauey, chairman of the Board.



Eric Sauey, President.



Todd Sauey, Executive Vice-President.

Many of you've seen him at the GCSAA Conference. Some of us have enjoyed a conversation with him. You wouldn't miss him if you were to see him - he's the one with a cigar, and usually he is not smoking it. Chewing on it, maybe. He is W.R. Sauey, chairman of the Flambeau Corporation and a classic American success story. He is a self-made man subscribing to old fashioned values and virtues; a capitalist through and through; an entrepreneur. W.R., as he prefers to be called, saw a business opportunity in December of 1983 when it became known that the Columbia Car Corporation of Deerfield, Wisconsin was for sale. Negotiations started in April, 1984 and by August it was purchased by Sauey's Reedsburg, Wisconsin company, Seats, Inc., and its parent company, Nordic International.

His story as a Wisconsin business success precedes Columbia by nearly 35 years. The son of Norwegian immigrants, W.R. started his business career almost immediately after his return from Marine Corps duty in World War II by borrowing \$2,000 in 1947 and starting the Flambeau Plastics and Machine Company of Bruce, Wisconsin. A few lean years are part of the story, and in 1950 W.R. moved Flambeau to Baraboo, its current home. From the very beginning, W.R.'s business pursuits were family affairs. A brother was a partner in Flambeau in 1947. Two other brothers joined him in the early 1950's as he began to create new companies (e.g. Seats, Inc. in 1952) and acquire others. A brother-in-law came on board in this same time period. More business starts were made in the 1960's and those companies already under his corporate umbrella continued to grow. Presently there are 13 companies internationally with 8 in Wisconsin.

An interesting development in the Sauey family headquarters occurred in the 1970's. W.R. had seven children and the oldest one, son Craig, assumed the Assistant Manager position of Seats, Inc. in 1971. He became president of that firm in 1974. W.R.'s confidence in his family carried into the 1980's when Seats, Inc. bought the Columbia Car Corporation in 1984 and renamed it Columbia ParCar Corporation. The company president is son Eric Sauey, age 31. Todd Sauey, W.R.'s 29 year old son, is Columbia's executive vice-president. Twenty-three year old Sonja Sauey serves the company in Dealer Services.

Contrary to the common but often mistaken perception of "Dad buys company to give to kids to keep them occupied", W.R. has found that involvement of his family gives him a great sense of trust. Family have a very personal and special interest in the success of a family business. And is so often the case, a parent expects far more from an offspring than from almost anyone else. So it is at Columbia.

W.R., who holds a BA degree from Northwestern University and a MBA from the University of Chicago, knew the value of college training and prepared family members for roles in the corporate structure, should they decide to become a part of the family businesses. Eric earned a BA degree in Business Administration and Management at Carthage College in Kenosha. Todd holds a BA in Finance from the University of Wisconsin-Madison School of Business and Sonja has a BA degree in Marketing from the UW-Madison School of Business.

Youthfulness is pervasive throughout Columbia's management staff. Eric considers that a distinct advantage. Open-mindedness, enthusiasm and self-confidence are staff trademarks, and he feels that their strong teamwork more than makes up for what they lack in years.

The golf car business is a mature industry with five major players - Columbia ParCar, E-Z-Go, Club Car, Yamaha, and Melex. Yet Eric Sauey feels they also have five competitors: Yamaha, E-Z-Go, Melex, Club Car, Yamaha and Harley-Davidson. Because of circumstances beyond their control, they have been working diligently selling Columbia ParCar golf and utility vehicles on their own right as newly designed quality products. And that hasn't been an easy task. The Harley-Davidson name is readily recognized across the country, but Eric emphasizes that they are not building Harley-Davidson golf cars. Creating their own Columbia ParCar image is a job they face everyday.

All of the Columbia ParCar staff do recognize that Harley-Davidson is part of their heritage and history. And it is an interesting history that also has its roots in our own state. That company started building quality motorcycles in Milwaukee in 1903. A couple of factors inspired the Harley-Davidson Company to enter the golf car market in 1963. In 1959 they designed an innovative 175cc belt-driven fan-cooled engine for their "Topper" motorscooter. They recognized the growth potential of the golf car market and, using their "made in Wisconsin" engine, they developed a three wheel gas car and complemented it with a three wheel electric model. Their name recognition, an in-place network of dealers and vast engineering experience led to an immensely popular vehicle. Then, in 1969, they realized some serious competition; substantial capital expenditures were going to be needed. Their reluctance to make these expenditures resulted in a decision to sell the business to AMF. The new owners continued to make engines and chassis components in Milwaukee, and initially they



An engine is bolted into the chassis.



Engine manufacturing by the "cell concept"; one man performs many machining operations.



A car moves slowly along the assembly line, allowing time for careful work.

assembled the cars in Oak Creek. In 1976 the assembly operation was moved to York, Pennsylvania.

As happens so often when a conglomerate buys a business, AMF attempted to make major cost cuts. The results are almost always predictable - there is a concomitant decrease in quality. Mechanical problems became prevalent with the Harley-Davidson golf cars, and this all happened at a time when golf car sales were at a peak. AMF continued to rely on the Harley-Davidson name, but this obviously did not ease the after-sale breakdowns. Their problems were amplified by new competition, both from domestic and overseas manufacturers. Their reputation continued on a downhill slide. Finally in about



"Build America, Buy American!"

1979, AMF decided to change the design and engineering of their troublesome cars, but this decision was really too late. The competition had matured and greatly increased their market shares. AMF decided to sell. Several groups expressed interest, but investors from Madison bought the Harley-Davidson car business in 1982.

Looking for a way to consolidate all manufacturing operations, these new owners selected a large, new plant in Deerfield. They moved the company from York and two locations in Milwaukee to the new factory in May of 1982 and by September of that year were making golf cars. It is interesting how the name change took place. AMF would not release the Harley-Davidson name, so the new owners chose the name "Colum-

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bia Car Corporation". The management staff had ambitious plans to build a high quality golf car. Changes in the vehicle were made, but the projected durability did not show. Problems related to production cropped up and these were very disappointing. All of their troubles were compounded by a serious fire in the plant in 1983. It was in April of the next year that W.R. Sauey initiated negotiations to purchase the company. He modified the name to "Columbia ParCar Corporation".

Eric Sauey divided the work he had to do as president into several broad categories. He knew that immediately he had to offer a newly designed vehicle with many unique yet solid features that would stand out among all other golf cars. They



Jigs for frame fabrication.

needed to be differences that appealed to owners of the cars and to golfers operating them. That has been done, with great success. The plant has been reorganized for optimum productivity. They now build lower product numbers on a daily basis, but do it consistently all year long. The result has been significant gains in parts and vehicle quality, and has provided the company with a steady workforce with minimal amounts of training and retraining. They have stabilized their financial position. The final step is now underway - sharing what they feel is the best kept secret in the golf and utility car industry. The Columbia ParCar now embodies the features and quality and cost the industry wants. Marketing and sales are now receiving more emphasis and attention. John English



A welding operation in the fabrication bay.



An aerial view of the Columbia facility in Deerfield. Notice the test track in the upper right quadrant.



Engine assembly can be done completely by only two craftsmen.

brings his vast experience to them as the new Marketing and Sales Director. He has over eight years of successful experience in the golf and golf care business with two of Columbia's major competitors. All of those years were served as a Regional Manager for E-Z Go and for Club Car. John feels his job is going to be selling Columbia's ParCar's unique and exclusive features. Programs for dealers and distributors will be upgraded. More personal contact will be made. Overseas markets will be explored, opened and expanded.

The Columbia ParCar manufacturing facility is in an industrial park in Deerfield. As with several other turf equipment manufacturers, the site seems an unlikely one. Deerfield is a small agricultural village about 25 miles east of Madison, just south of Interstate 94. The company really likes their location, primarily because of the workforce. Their rural work ethic is strong and they really do care about the product they are literally building by hand. A common thread through all of the visits I've made for the "Made in Wisconsin" feature has been the Wisconsin craftsmen (and women), a great source of pride for all of us who live and work here. The 120,000 square feet of the plant houses 85 employees, which makes Columbia one of Dane County's largest manufacturing employers. They have an estimated \$40 million impact on the Wisconsin economy each year. It is a non-union workforce with no job classifications other than experience. The cross-training they experience offers the company great flexibility in the manufacturing and assembly areas. Absenteeism rates are extremely low, as you might expect.

The large plant is divided into four general areas: shipping/receiving, storage, assembly and fabrication. The fabrication bay is a place with a tremendous amount of activity. Primary processes of this area are cutting, bending, welding, boring and final machining. Columbia makes most of the parts for their vehicles in-house. When they are unable to do that economically, parts are sourced from American suppliers, if at all possible. "Build

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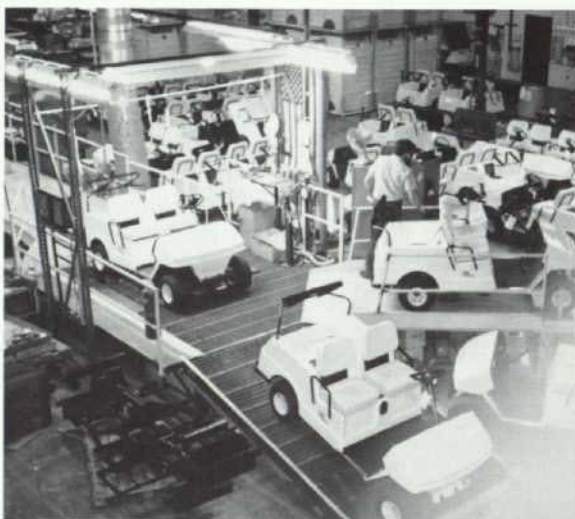
America, Buy American" is an attitude that the Sauey family not only preaches, but practices. You do not see stacks and aisles of parts and pieces from Korea, Taiwan or Japan. In fact, whenever they can they purchase from Wisconsin companies (aluminum engine castings, for example, come from Manitowoc and (obviously!) the seats come from Reedsburg).

Peter Kooiman, a manufacturing engineer for ParCar, spent time explaining and emphasizing the "just-in-time" philosophy of manufacturing. It is a procedure that is finding more use in American plants where it is feasible. What it is, basically, is making pieces and parts for assembly just as they are needed. You do not see large crates of parts sitting around the factory. What may be raw steel and tubing in the morning is cut, welded, painted and on a finished golf car at the end of the day. Management has found that this is essential for economic production. Also, they do not have to store thousands and thousands of pieces until they are needed. Further, if there is a fit problem or a rework required on a particular part, the number of parts needing attention is greatly reduced. Just-in-time manufacturing offers this as a good quality check and allows a lot more flexibility in scheduling and use of labor.

Columbia takes a lot of pride in the fact that they manufacture their own engine - the only American golf car company to do so. Competitors use will-fit engines, always imported and usually designed for other applications. The Columbia engine is used only in the Columbia ParCar and they have full control over all parts and manufacturing. These engines are made in one area of the fabrication bay and are built by the "cell concept." This is an idea where one man performs several of the operations necessary in the product manufacturing. Two men can, in fact, machine all of the engine parts by themselves and another two men can do the assembly. Engine testing is done on each and every engine on a dynamometer twice - first after the engine has been assembled and a second time after the car



Columbia offers not only ivory colored cars, but standard red, blue, silver and gold. The one in the foreground happens to be red.



Cars at the end of the assembly line are given a final testing.



Car inventory ready for shipment in the approaching busy season.

is completely built. They also have a testing laboratory where engines are routinely taken for horsepower and performance checks.

The overwhelming impression after a walk through the assembly area of the plant is that the Columbia ParCars are assembled with great care. They are meticulously crafted. The line moves slowly and each employee performs several of the assembly tasks. As mentioned, cars are built at a steady rate all year long, but the busy time for shipping is the upcoming March and April period. All manufactured cars are stored inside until they are loaded for shipping. Columbia ParCar builds their car numbers to an educated forecast of sales, not on pure speculation. Because of lead times needed for raw materials and other supplies, they generally work on a 120 day projection.

When the cars reach the end of the assembly line, their last step is an inspection. The engine is tested again. Each car is checked on a chassis dynamometer. The front end is aligned. Axles and drive trains are gone over. After each car leaves the test ramp, an experienced employee goes over the vehicle, reviewing it for every last detail. When the cars leave the building, Columbia is confident of their quality construction.

When we think of the auto industry we also think of test tracks. Often they are included on television ads, showing a new model car screaming around tight turns at high rates of speed and coming to screeching halts. Well, Columbia ParCar has a test track for their vehicles! It is part of their broad in-house testing program. As you near the Columbia plant you see a large and steep grassed hill rising abruptly and dramatically from the surrounding level ground. An asphalt cart path dissects it. This is the most visible feature of the outdoor test facility. They are able to run cars through sand, up and down these severe paved and unpaved slopes. Rock has been deposited and cars are driven around and through them. Straightaways are paved with asphalt, gravel and other materials. There are sharp

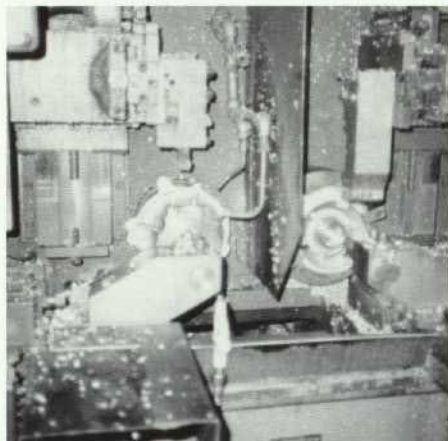
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turns, posts, stop-and-go's. In a phrase, they can duplicate almost any golf course condition these cars might encounter. In addition to the outdoor track and indoor testing lab, automatic operation equipment can put hours on machines by either steady or by intermittent operation. The extensive testing is all part of building

a durable, dependable and low maintenance product.

My impression of the attitude of the leadership at Columbia Par-Car is that hard work and smart decisions will lead to an ever increasing share of the golf car market. They are pressing on with the adaptation of these vehicles for industrial and com-

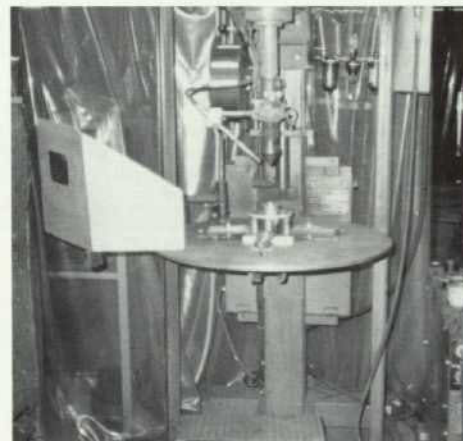
mercial use. The energy, perseverance and competitive nature of W.R. Sauey is obvious and on the surface at Columbia, even if he is not there every working day. We shouldn't be surprised, I guess. It is this chip off the old block that makes the future bright for this family affair.



Engine parts machining area - the "cell concept".



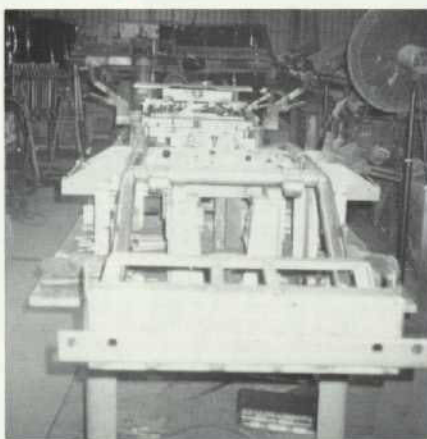
Because of "just in time" manufacturing, this aluminum tubing will be part of a sun roof by day's end.



An automatic welding setup for wheel hubs.



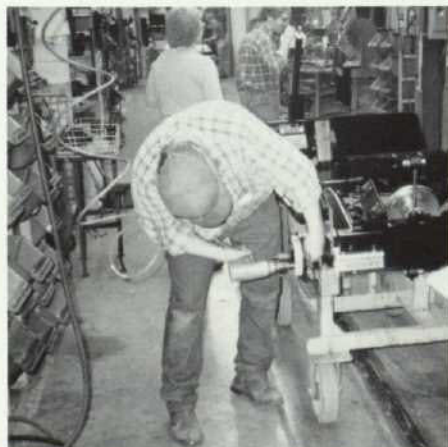
Golf car bodies ready for the paint booth.



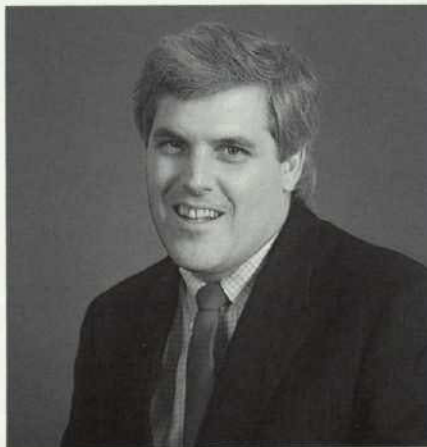
Frame fabrication area of Columbia's plant.



Cars move slowly along the assembly line.



Chassis assembly.



John English, Director of Marketing and Sales.



Wiring harness subassembly area.

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Car bodies waiting for the paint booth.



Cars waiting for approval at the last inspection.



Vehicle controls are being installed here.



A completed car is readied for dynamometer testing.



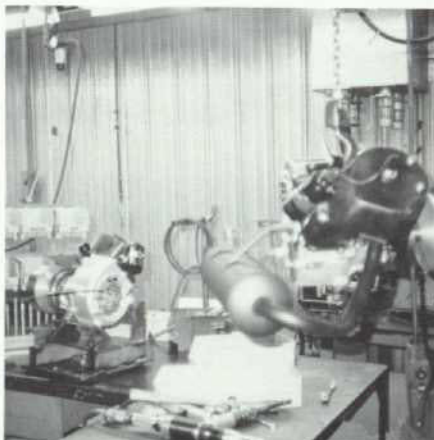
The front end of every car is aligned.



Engine subassembly area.



A car body comes from a subassembly area and is married to a chassis on the primary assembly line.



Engines are hoisted from subassembly area to primary assembly line.



Pieces just out of the paint booth. Parts are cleaned in a phosphate material before they are electrostatically painted.