

AVALON & TAHOE MANUFACTURING

www.avalonpontoon.com

CORPORATE BROCHURE



A group of people are enjoying a ride on a pontoon boat on a lake. The boat is moving across the water, leaving a wake. The sun is setting, creating a warm, golden glow over the water and the surrounding forested hills. The boat has a blue canopy and several people are seated on the deck. Two women in bikinis are in the foreground, smiling. A man is at the helm, and other people are visible in the background. The overall atmosphere is relaxed and enjoyable.

A buoyant business

The latest technology, the finest materials, the best people and an uncompromising approach to customer service combine to promote growth, as Greg Knight and Jim Wolf explain to John O'Hanlon



P

ontoon boats are becoming an increasingly familiar sight on the lakes and inland waterways of the United States, thanks in no small measure to the innovative approach and dedication to customer service offered by Avalon & Tahoe Manufacturing, a company with a 40-year reputation for building the finest US-made pontoon boats.

Because of the luxury features that Avalon & Tahoe can incorporate in its range, even top-end buyers who might previously have bought a cruiser are looking more carefully at what pontoons have to offer, realizing they can get all the comfort and function they are looking for at a price considerably lower than they'd expect to pay for a modest cruiser. There is a definite upturn in demand, for instance, for the company's premium Deco range of vessels, which has sold 25 percent more units during the last year. "Deco incorporates our highest quality, our best features and some very unique designs: it is more expensive but tremendous value," said Greg Knight, director of marketing.

Pontoons are made of aluminum, with all of the deck accommodation above the waterline. Though they are designed principally for inshore and inland use the boats can be equipped with the exclusive Waveglider high performance system that turns them into a planing sports boat that has been tested in rough water ocean trips. In this market that translates as a fast and maneuverable all around family boat that is perfect for pulling skiers, tubes and wakeboards.

You can buy into Avalon & Tahoe quality for as little as \$12,000, and even at the top end of the range \$90,000 will buy comfort that is rarely matched in a cruising boat. This has much to do with the company's 120,000 square foot manufacturing facility in Alma, Michigan. It is a vertically integrated operation, where the product is manufactured to order using the latest equipment and technology, with even the soft furnishings being produced on site.

Though the high-end sales are increasing fastest the entry level models represent the company's bread and butter. The Tahoe LT and Avalon LS were introduced during the downturn to attract customers into its showrooms. That decision worked well and was the foundation of the recent acceleration in the brands. "If we can introduce customers to the products at this level they will soon realize that pontoon boats of the quality we can offer them at the lower end are capable of supporting any level

of sophistication they might aspire to in the future." Whether they want to use the boat for fishing, family time, sport or entertainment a pontoon boat is versatile enough to satisfy their needs.

The company expects to increase production to 2,200 boats in 2011, 500 more than last year, and this growth means that accommodation is now getting tight. "We are pressed for space right now and that is one of our biggest concerns," says CEO Jim Wolf.

There is room to put up more buildings on the 25-acre site, and this kind of investment will become inevitable if demand continues to grow at current rates. However, for the time being Wolf wants to refine the plant's existing best practices and introduce the workforce to a new lean culture. "The focus right now is on value stream mapping, identifying our current process flows, evaluating the results and relocating certain operations to better utilize the space that we have."



“Deco incorporates our highest quality, our best features and some very unique designs: it is more expensive but tremendous value”



Hand in hand with these lean initiatives he is introducing a new emphasis on employee involvement and empowerment. A new suggestion scheme gives financial rewards for suggestions that cut costs, increase productivity or improve safety. Suggestions are reviewed each month and the top three rewarded. The existing plant-wide performance related bonus scheme has been split into departments to make it fairer. "We have been looking at better ways to show the employees that their work matters and they will be compensated better based on their creativity and efficiency," says Wolf. As proof of

that, wages for the 140 staff were increased by an average of ten percent in October 2011 – a great statement of confidence in the future.

This focus on employee involvement will ultimately show itself in the most important metric of all, Greg Knight believes, customer satisfaction. "We take a lot of pride in our responsiveness and our accessibility to customers. If we ever do get a complaint, we all know about it the same day and move very quickly to make the necessary changes. The final customer is the most important link in the chain so we give them a variety of ways to



interface with us, whether it is via the website, over the telephone or direct: we don't hide behind the dealers."

The company sells through a network of 145 dealers spread across the United States. Though these are concentrated in the Midwest and the eastern states, more customers are moving to pontoons in the western states, attracted by the ease with which they can be transported on trailers. The standard 8½ foot width of the boats conforms to highway width restrictions, Knight explains. "In the Midwest and Canada many of the customers live on lakes and waterways and keep their boats moored there all summer. In other regions they



“ The focus right now is on value stream mapping, identifying our current process flows, evaluating the results and relocating certain operations to better utilize the space that we have ”



may live some distance from the water, so it is important to them to be able to take the boat to a lake that may be somewhat remote."

The customer-focused, quality centered model that Jim Wolf has built up since he took over as CEO in 2004 depends for its success on these dealers as much as it does on the employees. "Our dealers are our long-term partners, and we work closely with them to improve our products. In return we do our best to support them. Excellent customer service and prompt problem resolution after sale are really important to the dealers, and we appreciate that." Avalon & Tahoe has one of the lowest warranty claim rates in the industry, just about the best indicator of quality there could be, and it is determined to keep it that way. www.avalonpontoons.com

AVALON & TAHOE
MANUFACTURING

www.avalonpontoons.com