



Seeking synergy

Fleetwood smashes silos to create a proactive team approach to product development

By Greg Gerber

For years, Fleetwood Enterprises was very siloed in its approach to product development. Product managers would create floor plans and features with minimal input from consumers, dealers and staff. Designers picked the color schemes they liked. The units looked beautiful, but were not targeted toward RV consumers.

“What frustrated me when I took over this position was that we didn’t bring in sales, manufacturing, materials and service into the design and development process, or learn what customers and dealers really wanted. It was all about what we wanted,” said Paul Eskritt, president of Fleetwood’s RV Group. “We suffered from an ego mentality that basically allowed us to come up with something we thought was very cool, but would fall flat in the marketplace, resulting in fewer sales. I thought we could do better.”

A DISCIPLINED APPROACH

Eskritt tapped his staff to develop a more disciplined approach to product planning and development. The approach involved representatives from sales, manufacturing and materials as well as design and product development. When the company gathers everyone who will be involved in the development of Class C products, for example, there could be as many as 25 to 30 people.

In all, there are four production teams in place at Fleetwood: Class C, Class A gas, Class A diesel and American Coach. The company is in the process of setting up similar teams for their towable products.

Teams meet annually for intensive three-day meetings to plan future products. Before the meetings, everyone gets a research assignment so the staff actually has something to discuss in the sessions.

Service will bring in a list of everything they want fixed from last year’s models. They may describe leaking or electrical issues that need to be worked out in the next 12 months. Sales represents the voice of

customers and dealers by relaying lists of features they’d like to see added. Manufacturing will note that if a unit is designed a particular way, it would improve production efficiency. Design will bring in the latest trends, and product managers will propose features and floor plans they want the group to consider.

“Everything is on the table for the three-day discussions,” said Eskritt. “Once we have a list of all the issues, we already know what resources we have available. Then we prioritize the list to get the biggest impact in customer satisfaction, sales volume and cost reductions.”

By the time a final plan is set, everyone has bought into the product development schedule and knows what to expect. “The most important thing is that everyone works together and develops a plan to meet the needs of the marketplace,” said Eskritt.

DISAPPEARING SILOS

At their first meeting, people didn’t know what to expect. It took a few years for the group to develop the synergy, but once it was there, the results of the new dynamic were reflected in increased market share, and customer and dealer satisfaction.

“We can easily copy what someone else in the industry is already doing,” said Eskritt. “The challenge is to come up with something totally new. We would much rather be the innovators than rely on other companies to bring product to market that we can copy.”

Have the silos disappeared? It takes time, but walls are coming down, said Eskritt. “On a human dynamic side, all departments and functions were frustrated during the first year,” he explained. “Designers and product developers wondered why they needed sales input. My response was because they are on the front lines with the customers and dealers everyday. If the sales staff doesn’t buy into the plan, it won’t work.”



Team members learn to become good negotiators and sell their ideas. The system forces them to work with each other, negotiate and listen to concerns. It's a practical application of Steven Covey's seven habits of highly effective people:

- Be proactive
- Begin with the end in mind
- Put first things first
- Think win-win
- Seek first to understand, and then to be understood
- Synergize
- Sharpen the saw

"We no longer hear people saying 'I wasn't a part of the process, so it's not my fault it didn't work,'" said Eskritt. "Now everyone has a voice, including our dealers and customers."

When asked for an example of how the system has changed the design process, Eskritt quickly pointed to a unit produced four years ago.

"We created a split pea green Discovery," he said. "It was the ugliest thing I ever saw. Back then, designers could select colors without input from others. I was at a show watching people walk out shaking their heads and commenting on how ugly it was.

"I even had a customer tap me on the shoulder and ask if I was the one who designed the ugly green Discovery," he added. "I had to admit it was embarrassing to be general manager at one of our motorhome plants and have no say in how we built our products."

After the show, Eskritt returned to the plant and walked into the yard with a manager and selected new colors on the spot, never stopping to ask for design's approval. "We realized that most people won't buy designs created by people in Manhattan," he added.

HOMWORK IS ESSENTIAL

Having research assignments done ensures a smooth planning process. "There might be 300 different items on the to-do list," said Eskritt. "One item might be to look for different material, which may take two months to get quotes from suppliers. Someone may suggest we replace a \$200 part with a better

quality part for \$350. All functional disciplines then weigh in on whether the quality difference is worth the increased costs."

Once plans are locked down, they can still be modified based on discussion and new details as they emerge throughout the year. Some changes can be made quickly, while others wait until the following model year.

"If someone wants to change a GPS system in one of the coaches, and it doesn't require retooling, we can implement it in as little as a few weeks," he explained.

Bigger changes are always in the works. In general, each brand has a three-year life cycle. If a product looks good and sells well, it may extend to four years. Beyond that, the product loses its effectiveness, said Eskritt.

"We'll change interiors and exteriors, and add new features and floor plans each year," he said. "Every three years, we'll give the inside and outside a whole new look with new front and rear end caps, and a redesigned dash."

IMPROVED ATTITUDES

One of the biggest aspects of the team approach to product development has been an improvement in dealer attitudes, said Eskritt.

"It's empowering to our dealer body to realize that they asked for something, we listened and included it in the next model year," he explained. "At our recent dealer meeting, we had a question-and-answer session where dealers could respond electronically. About 90 percent responded that Fleetwood listens to their concerns and ideas. We never would've had that type of response three years ago."

According to Eskritt, RV dealers are essential to product planning and development. They bring in lots of ideas to help the company improve market share and product quality. It would be foolish not to listen to the people who actually sell the product.

"Our new Sprinter chassis models, Icon and Pulse, came out of this product development process, as did the Tioga Ranger and Jamboree Sport. And all are starting to get traction in the marketplace," he added.

Consumer input is just as important. That's why Fleetwood gathers input from clubs, owner's rallies and RV shows. "We talk to customers all the time," said Eskritt. "An example is the product manager for our diesel products. He drives his personal motor-

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home to a majority of the brand-based owner's club rallies on a consistent basis so he can get our customers' feedback firsthand."

SHARING POWER

The problem with the old system was that it put too much decision-making authority in the hands of a few people who may not have a complete understanding of what dealers and customers want.

"You can't put production guys in charge because all the units would look the same. And you can't put sales in charge because everything would sell for \$1," said Eskritt. "It's essential that teams work together to bounce ideas off each other. Only then do we get the right balance of input to create a successful product line that meets the needs of our dealers and customers." 🗣️