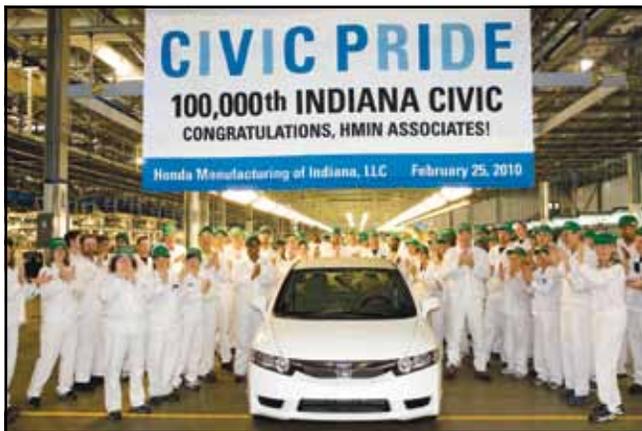


Honda Settles Into Greensburg Home

Less than 18 months after Honda Manufacturing of Indiana began production, the 100,000th Civic cruised off the assembly line. That’s just one of several milestones achieved since the plant opened in October 2008, notes vice president Rick Schostek.

While original production levels likely would have pushed that date earlier, it’s a notable accomplishment in an industry hit hard by the economic downturn. An automotive writer for *USA Today* wrote in February: “It’s hard to imagine any plant passing the six-figure milestone faster than Honda did.”

Plans called for a second shift at Honda to begin last year, but until consumer confidence and spending grow the plant is running one shift at full capacity. When a second shift will start “really depends on the market,” Schostek asserts. “Until then we just need to focus on the one shift and one vehicle at a time, which is what we’re doing.”



Honda Manufacturing of Indiana celebrated the production of its 100,000th Civic in February. The plant is operating one shift in Greensburg.



While sales for Honda and its Civic are up this year compared to 2009 (about 12% and 6%, respectively), Schostek notes that’s just improvement over a “very bad year.”

“The whole auto industry and all automakers are more or less adjusting to the lower volume and trying to figure out ways to continue to make improvements in operations, and we’re all

biding our time for the market to get back to a stronger level.”

Still, the Greensburg plant has expanded its production offerings. In May 2009, it started making a natural gas Civic. The company also added a version of the car for export (mostly to the Latin American market).

All of the cars produced are four-door Civics. “We’re here mainly to serve the U.S. market; a little better than 90% of what we make here is shipped in the U.S.,” Schostek shares.



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Systems of suppliers

Honda relies on a network of about 150 suppliers that ship parts needed for Civic production. Of those suppliers, about 120 are in the Midwest and 18 are in Indiana. While most Hoosier suppliers were established prior to the Greensburg plant opening, three of them either located or expanded into the state in response to the new plant, Schostek relates.

In all, there are 60 Indiana suppliers that ship to Honda manufacturers in North America.

“We couldn’t build one car without each and every one of those suppliers shipping good quality parts in here,” he emphasizes.

Michigan-based TAG Holdings’ companies provide tire and wheel assemblies for Honda plants in Alabama and Ohio. The company established Indiana Assemblies in Greensburg to supply the same parts for the newest Honda plant.

“We were able to demonstrate that another arrangement here in Indiana (like what) we have in Ohio and Alabama would be to Honda’s benefit and the customer’s benefit,” asserts Indiana Assemblies Plant Manager Alston Canton.

With 26 employees, Indiana Assemblies currently operates one shift – just like Honda. Since Honda is the company’s primary customer, “as they grow, we grow.”

“It’s definitely at the mercy of the market,” Canton notes. “The original plan was to have a second shift on last year, but we recognized that because of the economy and things going on – particularly in the automotive business – that it’s taking a little longer to get there.”

Still, Indiana Assemblies plans to be a long-time fixture. “Obviously Honda did not move here to be here for two or three years,” Canton asserts. “We plan to be a significant player for them, as well as the community as we grow in Greensburg.”

To view the September/October 2008 BizVoice® story on Honda, go to the archives section of www.bizvoicemagazine.com.

INFORMATION LINK

Resources: Rick Schostek, Honda Manufacturing of Indiana, at www.indiana.honda.com

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