



# Melanie Hart:

## Building Businesses in Bloomington and Beyond

By Tom Schuman

The Bloomington operation is one of four companies that are part of Tsuchiya North America.

Successful Japanese companies in the United States (and Indiana) are nothing new. But the international flavor gains new meaning when you add two more countries to the mix.

Melanie Hart serves as chief executive officer of Tsuchiya North America and president of its four subsidiary companies. TASUS Corporation in Bloomington is one of those companies. It focuses on complex injection molding, assembly and value added components.

**BizVoice®:** Tell us about TASUS and its growth.



**Melanie Hart:** “I was part of the start-up of TASUS. When we developed our first operations here in 1989, I came on board as human resources manager. I had a very quick career path with them because we were a start-up and there was a lot of need. Our Japanese ownership did not have intense involvement here. I went through HR, legal, accounting and financial systems to president essentially five years into my employment. It was a very quick career progression.

“Shortly after I became president, we bought a company called Craft Originators (in Hamilton, Ontario, Canada). They actually offered themselves for sale. Our model is not to go out and buy companies; our model is to actually start companies. But Craft’s product mix fit for us. We purchased them in 1995. The former owner is still there as a general manager. In 2000, we started Craft-Mexico – that’s a start-up in Mexico City. Then in 2005 we started TASUS Texas. It seems like every five years we grow.”

**BV:** How are the company operations similar? How are they different?

**MH:** “The two TASUS companies both have very similar products and a very similar customer

base. Both of the TASUS companies are all automotive. In both cases Toyota is our largest customer, but we do business for the other Japanese car makers – Honda, Nissan – as well as the domestics. The two Craft companies have a much broader customer base and a different product line. Part of the challenge that I face is they are in three different countries. The customers are different in each country. We do separate financials for each company, we have separate employee issues, (but) we try to bring them together in common areas, It's truly not like running four plants, but four separate companies."

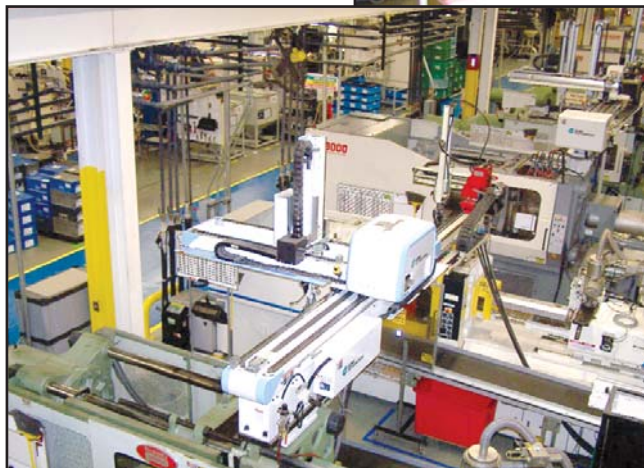
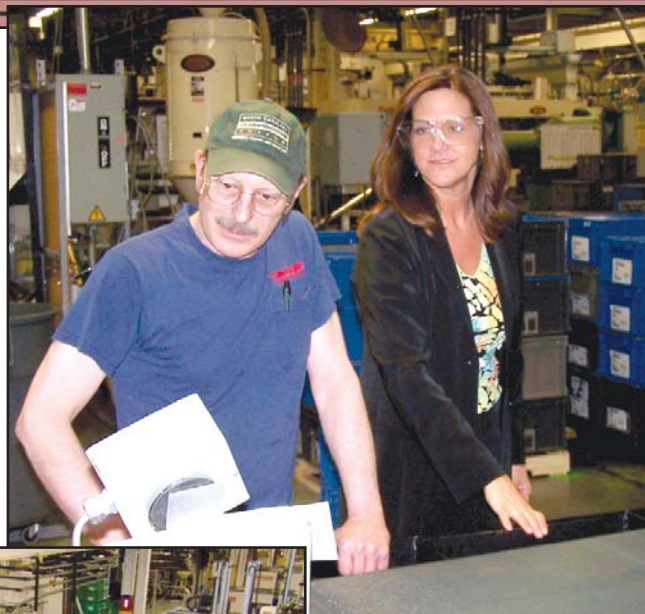
**BV:** Everyone is facing the same challenges of doing things faster, smarter and more efficiently. How have you taken hold of automation and technology to turn those challenges into opportunities?

**MH:** "We have fully implemented the Toyota Production System (TPS), which truly very few companies can say they have done. A lot of companies say they practice TPS, but to really embrace it and all the tenets of it is a huge job. It ranges from culture issues, how you treat employees, how you develop employees, respect for the employee and a focus on what's not going right. Don't cover it up. If you don't bring those things up, then they can't be fixed.

"So we bare all when I have a weekly conference call with the general managers. They lay it out there. They aren't trying to protect themselves in any way. Because they know if they don't lay it out there for help, it will catch them later on. We have always been focused on productivity improvement in automation and technology to just be a better company, and part of that push too is to help our employees advance. If they are going to stand there and run a molding machine for 15 years, there is not a lot of growth and development and challenge in that. But as you add technology and new products and different operations, it becomes more interesting to them.

"One of the challenges in TASUS-Bloomington is we are past our honeymoon stage now. Initially, the first five to 10 years, you are growing rapidly and employees who come in have a pretty rapid career path. You reach this place where the plant is at capacity and you have your employees on board, you are fully staffed and then what happens. How do they grow and develop? You have to grow and develop them with new products and technology and create opportunities. That is part of the push for that automation, in addition to productivity and improvement. It's to keep the interest."

**BV:** I've read some of the articles where you've been mentioned



**Embracing automation and technology has allowed Hart, TASUS and its dedicated employees to grow and adapt to changing needs.**

as the only female president of a Japanese-owned company. Are we nearing the point that we don't have to point that out anymore?

**MH:** "I did say 10 years ago to the people who asked that the answer to that is when you no longer want to interview me or

when the interview is on the topic of other things about me or about our companies. Absolutely, in the last five years, the topic of interest has not been 'we want to talk to you about women in their careers or being a woman working for a Japanese company.' I think we definitely have progressed in that area. Last year I spoke at Columbia University on the subject of being a woman in a Japanese company, but I don't get that near as much as I used to."

**BV:** What were your thoughts when you first came to Bloomington?

**MH:** "When I arrived in Indianapolis and was driving south, I remember calling upstate New York (she was born in Ithaca and attended Cornell University), and saying it's so flat out here. Then I arrived in Bloomington and what an oasis. It's wonderful because we have the hills, we have the lake and we have the university. I love the community. It felt good to me. I grew up in a university town with Cornell. Bloomington just has a lot to offer from an art standpoint, as well as for families."

**BV:** What are some of the ways you strive to be involved in the community, particularly in the areas of jobs and economic development?

**MH:** "Early on I served as chair of the local chamber. I've been on the board and the Bloomington Economic Development Corporation (BEDC) board. I talk nonstop to our public officials



**President Melanie Hart and second shift supervisor LaDonna Shannon are among those who help employees embrace the Toyota Production System.**

about the importance of keeping jobs here. While Bloomington has very much of a focus on the life sciences, we have to remember that one of the key components to a strong economy is the mid-sized manufacturers.

“You go for the big guys, right? Everybody wants a Toyota in their backyard or a Honda or a whomever. I think that is great, especially as the Japanese automotive market is growing. It’s wonderful, and we have benefited from it greatly. But having a good strong mid-sized manufacturer – they tend to be very long term, very consistent employers in the community, good contributors to the community. I constantly preach that we can’t forget that group.

“I think the Bloomington community is very laid back because we have the university here. It makes us feel a little cushy and comfortable, but the truth is our population continues to grow here with all different kinds of industry and all different kinds of sectors. I try to keep that word out there with the BEDC and the chamber.”

**BV:** What are some of the experiences, business development strategies that you try to bring to these discussions?

**MH:** “One of the things we were talking about in a chamber board meeting last year was that when we put our plant in Texas, the benefits we received between the state and local governments far surpassed anything that we have received in Indiana. We looked at other states when we were looking at locating in Texas. We talked to people in Arkansas and huge benefits were being offered. There seems to be a reluctance to that in this community. Tax abatements are fought constantly. As a new business looking at coming into a new community, if it’s going to be a struggle to get tax abatements ... I see it as our big challenge of having an environment where you embrace business rather than an environment where you show reluctance or opposition.”

**BV:** Manufacturing losses have hit here in Bloomington and elsewhere in the state. Do you consider TASUS an example of “it’s not what you do, but how do you do it” that determines your survival and success?

**MH:** “Very much so. Part of our model is that in one location we try not to exceed 150 to 200 employees. I think that if you are in assembly of automobiles you have to have several thousand people. But generally, to be a supplier to the automotive industry or whatever the industry might be, you can typically control your size in one location.

“I think there is real value in keeping that employee size to where it is much more manageable. If you know your employees well, if they feel like they are a part of the organization and not a number. If you focus on all the right things like productivity and involve the employees in improvements. Look at being innovative.

If you are smaller, it’s easier to innovate. You don’t have to turn the organization upside down to get it done. It is about how you do it.”

**BV:** There are wonderful incentives (including cash awards along the way and a free Toyota vehicle for 10 years of perfect attendance), but other than that how do you get more than 99% of your employees to show up for work?

**MH:** “They really do like what they do here. Every quarter I take to lunch the employees who have perfect attendance for more than five years. This quarter, there were several people that had just gotten to five or six years. I have taken five people to lunch and there’s been over 45 years of perfect attendance in the group. It’s amazing. Today, we had seven people and 41 years of perfect attendance. There is a lot of incentive out there. We have fun with this, but they do take it seriously. I truly think they really enjoy being here. A lot of it is about who we are. It’s not all about money.”

**BV:** Looking at opportunities and challenges, what are some of the keys for Bloomington to be successful?

**MH:** “First of all, have the kind of community that is desirable. Aside from the need to be supportive of business, it needs to be a community that is well rounded. You need arts, family-oriented activities, educational opportunities – which we don’t hurt for with our Ivy Tech campus outside our window here, and we have IU – to have a community that is attractive, that is visually appealing. I think we do a really good job there.

“The other component is having the right mind toward business. Business is not just about profits. If you look at our budget and look at what we give to this community every year, and look at what most of us give to this community, it is absolutely amazing. What we do in charitable contributions, let alone what we do in paying taxes and employee benefits, is not to get business. It’s to be a good community citizen, and because it’s the right thing to do.”

**INFORMATION LINK**

**Resource:** TASUS Corporation at [www.tasus.com](http://www.tasus.com)