



Tom Snyder: Bringing Energy Advances to Indiana's Economy

By Tom Schuman

Tom Snyder started his General Motors/Delco Remy/Remy International career at the age of 17 working in the tool room. He was a co-op student from Kettering University, formerly the General Motors Institute, and recalls having to obtain a work permit to start his job.

Forty-four years later, Snyder retired as president, chief operating officer and CEO of Remy International. The independent company, formed in 1994, doubled its sales during Snyder's tenure, completing 17 acquisitions and six joint ventures, beginning operations in a dozen countries.

Long-term retirement was not really an option. In February, he accepted the position of chairman of the Flagship Energy Systems Center, a new alternative energy initiative seeking to take advantage of the area's automobile and engineering technology strengths.

BizVoice®: Of the many changes in the auto industry over the years, can you point to a couple of developments as the most significant?

Tom Snyder: "The change that first hit us was the rising cost of fuel on a global basis that started in the 1970s – and the perception of fuel economy. The other change was that the U.S. responded by putting trade restrictions on in the '70s and '80s. You have to take those two things together. Then global manufacturers came here to the U.S. to build because that was the only way they could get around the trade restrictions."

BV: As you look at Anderson today, is it still a General Motors town?

TS: "I think you would describe Anderson as a metro Central Indiana community. The number of (GM) retirees and the number of employees has always been a big factor in this town. And it will continue to be important, but important in this way – retirees here can fall back on a GM pension and health care. It's really more important for them because they were expecting that."

"Setting retirees aside, we've got an unemployment rate of about 6.4% in a county of about 130,000 people. I would think that's testimony to resilience of the Central Indiana economy. Twenty-five years ago there were 25,000 auto worker jobs; today, there are probably between 3,000 and 4,000. This is still a state that is big in manufacturing. We still have a significant proportion of our folks in Central Indiana in manufacturing and that will continue."

BV: As the community tries to diversify and bring in different types of businesses, is that effort being accepted?

TS: “Actually, I think the community is a leader in that. Beginning in the ’80s, the chamber of commerce started having Wake Up breakfasts to talk about what’s new, what are the big opportunities. Of a county that was significantly dependent on the auto industry, I don’t think there has been one that has been able to adapt as well as Madison County. Now, a big piece of that adaptation is that we’re fortunate to be part of this Central Indiana economy. Indianapolis metro is one of the fastest growing metro complexes in the Midwest. I think recently it was only behind Minneapolis-St. Paul.”

BV: Talk about the efforts here at the Flagship Business Center, to diversify and encourage entrepreneurship.

TS: “The history of Indiana was not old-line industries that just plugged along and created lots of jobs. The history of Indiana was that Allison, Remy, Lilly, Stoughton Fletcher, Cummins, on and on, were entrepreneurs that created huge enterprises in the teens, ’20s and ’30s. They happened to mature and create a steady stream of jobs. Because Delco Remy was here, all of the starters for the Big 3 (GM, Ford and Chrysler vehicles) were made in Indianapolis that weren’t made here. It was what you might call the Silicon Valley of the auto industry when it was growing. That changed, as I mentioned, when the fuel prices went up and that changed again when we put the trade restrictions in and the Japanese came and brought their own suppliers with them.

“Not only did the average citizen not see this change, but the business and political leaders – if they saw it, they didn’t speak out about it. So you had this change going on for 20 years. That’s when the auto employment in the state peaked. In the state of Indiana, at the political level, Joe Kernan was an advocate for change and Mitch Daniels continues to be. That’s when the state realized we have to do something about this economy.”

BV: The business community cannot do this alone. Government and education play critical roles, with Snyder focusing on the latter.

TS: “A big piece of this was the change of philosophy or filling in the void as GM left town. One of the big players in that was Anderson University. I would say Anderson University is a role model for private universities stepping in to the community. They set out and said, ‘Look, there may be a lot of change here, but Anderson University is still going to be Anderson University in 50 years and we want this to be a great place to live.’ ”

BV: That talent, those engineers, those people who have worked in Anderson. Are these people you’re going to be able to utilize in this energy initiative?

TS: “They are here. Altairnano is a company consisting primarily



Tom Snyder made the short trip from the Remy World Headquarters and U.S. Technical Center in the Flagship Business Park to his new role with the Flagship Energy Systems Center.

of R&D types working on nanotechnology in a variety of industries. Delphi had a joint venture on lithium batteries, among other things, sitting in Indianapolis that they had to pare back significantly. A cadre of battery engineers contacted Altairnano and said, ‘Why don’t you hire our team.’ They actually hired the entire team. That’s what I call the ultimate case of resources. That was a team that had somewhere between five to 30 years of experience apiece.

“The parallel I like to use is Henry Ford II, when he came back from the military and Ford was on the ropes. He hired the ... Whiz Kids (a team of young Army Air Force statistical experts). Now, we’ve got a company in Reno that has a technology. We have a bunch of engineers in Indiana that know how to make things. I think there is going to be a recurring theme we see here. We’re interested in people who make things. You’ve got technology and you’ve got know-how here that you have to be able to take advantage of.”

BV: When we look at some of the energy technologies out there, what are the things you look to focus on?

TS: “Where our baseline is going to be is providing energy systems; they’re generally going to have to have a device with them, have a battery, some electronics, a generator.

“It takes advantage of all the tradition of portable power generation, which is on your car. The generator on your vehicle is adequate to power your house. There are more cars than there are houses in the country. By definition, there is more electric power on the road than on the electric grid. People think if it’s on a car, it must be something else. When we talk about an energy policy for the state, we want to take advantage of what we have here. Not only do we have one of the largest reservoirs of coal, and a huge opportunity with corn production, but we clearly have one of the largest gatherings of engineers who understand energy production. All the engineers who worked here in the battery business, when Delphi eventually exited the battery business,



An 8.1 liter General Motors engine, modified to run on natural gas, generates power for many of the operations at the Flagship Enterprise Center.

most of those resources stayed here.

“We think our energy is going to power electrical systems. What you have is mobile power plants. The current generation of the hybrid vehicle runs as much off the gasoline engine as the battery, maybe more. The next generation probably will be a plug-in hybrid. You’ve got a good battery and can plug it in. You will be able to run at least your morning commute off the battery and maybe half the commute home (before switching to the traditional fuel system). So, at the end you’ll run maybe 25% on fuel and 75% on the battery.”

BV: What do you see as the mission, the role of the Flagship Energy Systems Center?

TS: “One of the things that motivated me to go ahead and step up to the Energy Systems Center was that we had had real companies with real business plans that needed nurturing. That would be Altairnano, iPower, XADS.

“We’re going to be requesting some 21st Century grant support and prove (Altairnano advances in lithium batteries) in a military spec environment. The fact that we have a real company to serve as a role model is one of the reasons I took this on.

“I think one thing is to make sure and put the flag out so people know we’ve got this capability and tell this story. We’ve got an excellent incubator process in place. If you get inside this process, we’ll help you emerge on the other side as a freestanding business – if you’ve got a good plan. What we want to do is take advantage of the natural resource to say, ‘OK let’s build some business around that natural resource.’ Eighty years ago it would have been something built with natural gas. Today, one of those natural resources is that incredible reservoir of engineering talent.”

BV: Years down the road, is this going to be the next chapter in Anderson’s history?

TS: “I’m a believer in regionalism. We use Anderson and Indianapolis interchangeably. The folks who did all this (battery) work commuted between here and Exit 3 (on Interstate 69) for 30 years. We had an R&D facility there, an R&D facility here. Certainly the resources and legacy of Anderson will be an important part of that. We want to give Indiana an energy triangle feel. Take Flagship, which is gathering people around this area; Purdue, which is gathering technology around the state; and Crane (Naval Surface Warfare Center), which is probably the most important test facility in the military. Inside that triangle will be the building block of a lot of the new economy.”

BV: Beyond the energy initiative, beyond the Flagship, what are some of the biggest challenges in the community?

TS: “Let’s go to the state. BioCrossroads was successful because they went through a process called asset mapping – to find out what they were good at and what assets there were to work with. The (recent) report that there were 2,000-some jobs created out of something that started six or seven years ago, that is a great thing. We’re going to have to look at these areas – including energy and defense, asset mapping, to find out what we have. It will go beyond some of the talent mapping that we need to do.

“Then we need to decide how to do BioCrossroads 2 – what will its vision be. The state needs another BioCrossroads. And we will probably be a helper in that. We’ve got a life sciences initiative; now we’ve got all this other embedded manufacturing capability. Asset mapping of these areas and what structure you need to kind of mimic BioCrossroads and create an even more sophisticated vehicle than what we have.”

INFORMATION LINK

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