

TODAY'S BIG THREE

Japanese Plants Keep Foot on Accelerator

By Rebecca Patrick

Indiana is the only state that is home to a trio of Japanese auto assembly plants. Ironically, each came to the state approximately a decade apart.

Subaru started production in 1989. Toyota followed suit nine years later, and the first Honda rolled off the line in 2008.

Indiana's lure: a workforce skilled in manufacturing, a central location with convenient access to markets, a favorable tax climate and an existing automotive supplier base.

As the companies continue to see record growth, each is focused on quality, safety, being environmentally conscious and giving back to their local communities.

Honda Manufacturing of Indiana (HMIN) – Greensburg

In only a decade, the cumulative production at HMIN is more than 1.8 million vehicles. The employee count stands at 2,500 – up from the original 1,000 – with most coming from Decatur County and Indianapolis.

“We’ve invested over a billion dollars in the plant, with the ability to produce 250,000 cars a year,” offers Tim Myers, HMIN senior vice president.

The daily uptick has gone from 400 vehicles to now 1,000, including the CRV, in the compact SUV category, and the Civic sedan.

This past May, a third automobile joined the lineup.

“We added production of the 2019 Honda Insight (compact car) – it’s only produced here at this point,” Myers notes. “It helps to increase our product diversity and speaks to our associates really having grown and gained the skills and confidence to build a great product.

“Typically, someone else would start production and we would follow, but I think the real testament to our team is we were selected as the first global maker of the new Insight.”

The hybrid electric vehicle factors largely into the automaker’s overall plans.

“Honda Motors has announced that by 2030 roughly two-thirds of our sales will be electrified. So, for Indiana to produce the Honda Insight is a great step in that direction to help fulfill that strategy,” Myers surmises.

“We’re the most environmentally efficient auto plant in North America. With that background and then us producing the Insight, it really created a lot of pride and joy for our associates to continue our leadership with the environment.”

Being a good corporate citizen is paramount for Honda as well.

“We did this very early on and have maintained a strong position of community involvement and to date we have invested a little more



Recognition: 10-year Honda Manufacturing of Indiana (HMIN) associates are acknowledged at the plant’s milestone celebration on October 9. Indiana Secretary of Commerce Jim Schellinger presents a commemorative plaque from Gov. Eric Holcomb to HMIN President Isao Matsuzaki.

than \$4 million in grants, sponsorships and in-kind donations to non-profit organizations,” Myers elaborates.

“Our associates have volunteered thousands of hours with many different organizations across the state. We donated 8,000 school supply items to non-profit groups in Decatur and Marion counties. We participated in the Decatur County United Fund campaign, as well as blood drives and food drives.”

Likewise, Honda Indiana has placed a premium on educating the future workforce – to benefit the company and further local prosperity.

“Another thing that’s really important for us is the involvement with local schools for STEM (science, technology, engineering, math) programs,” Myers stresses. “We are really trying to create that environment of manufacturing as a career ... with the focus on advanced manufacturing.”

HMIN has also concentrated on supporting the broader Hoosier economy.

“We have 64 suppliers throughout Indiana and the average spend with those companies is around \$2.2 billion,” Myers discloses.

“Overall, it’s a very business-friendly environment. The state and local communities make great partners for us!”

Toyota Motor Manufacturing Indiana (TMMI) – Princeton

As TMMI celebrates 20 years in operation, it can boast of making more than five million vehicles. In 2017, the output “represented nearly 21% of Toyota’s total vehicle production in North America,” shares Millie Marshall, TMMI president.

“To put our growth in context, TMMI started with one product – the Tundra – and one line. Today, our operation has grown from one product to three, and our workforce has expanded to over 5,000.” Another 3,000 enter the facilities every day in the form of contractors, service providers, etc.

Additionally, Marshall conveys that a Center for Automotive Research study says “TMMI is responsible for 1 in every 100 Hoosier jobs, with over 27,000 jobs dedicated to Toyota in the state of Indiana (including dealers, suppliers and spinoff jobs).”

As noted, the Princeton plant was originally built to assemble the Tundra, the first North American full-size truck from a Japanese automaker. The Sequoia full-size SUV and Sienna minivan were added a few years later. In 2008, Tundra production shifted to San Antonio to make way for the Indiana facility to produce the Highlander, a midsize crossover SUV also available as a hybrid.

Marshall emphasizes the importance of



The Highlander is one of three vehicles produced at the Toyota Motor Manufacturing Indiana (TMMI) plant. Millie Marshall (bottom right) joined Toyota in 1991 and was named TMMI president in January 2017.

the Hoosier facility to Toyota. “TMMI is the only plant to build the Highlander, Sequoia, and Sienna, and in 2017, our plant was Toyota’s second-highest vehicle producer in the U.S. Furthermore, TMMI is a global export hub for these products.” Toyota has invested \$4.3 billion into the Gibson County facility.

Recently, TMMI received the Indiana Governor’s Award for Environmental Excellence for five years of continuous environmental improvement (2012-2017). For the fourth time, the company was recognized as one of America’s Top 100 Healthiest Workplaces. Earlier this year, the plant brought home the Bronze Plant Award in the 2018 J.D. Power U.S. Initial Quality Study.

“Awards like this are a direct reflection of our team members – and that is what makes me most proud,” Marshall begins. “In addition to building great products, including a record production high in 2017, our team members donate thousands of hours to local communities each year. They are just as committed to building up our communities as they are to building great vehicles.

“We have donated over \$26 million to our region since breaking ground in 1996 and our team members have volunteered over 250,000 hours in the past 20 years.”

What’s on the horizon at TMMI has Marshall equally enthusiastic.

“As part of a recent \$600 million investment in Toyota Indiana to modernize

our plant and introduce Toyota New Global Architecture (TNGA), we are excitedly working toward incorporating new TNGA technology and advancements into our products.

“These advancements will provide even more customer excitement with our products, as well as continued enhancement in our already great safety performance, driving experience and overall appeal.”

Subaru of Indiana Automotive (SIA) – Lafayette

Lifetime production at SIA – the only Subaru manufacturing plant outside of Japan – is approaching six million vehicles.

Several billion dollars has been invested here, including “\$1.4 billion in the past five years alone to expand production capacity and prepare for production of the Subaru Impreza (compact car) and Subaru Ascent (SUV),” says Tom Easterday, SIA senior executive vice president, secretary and chief legal officer.

“That investment led to the creation of over 2,000 new jobs at SIA since 2016.”

Total employment now stands at over 5,600 – making SIA the largest private employer and taxpayer in Tippecanoe County.

According to Easterday, the Center for Automotive Research estimates that “SIA has an economic multiplier of 11.4, meaning that 11.4 jobs are created in Indiana’s economy for every job created at SIA. So, the added employment at SIA also means growth for our suppliers, vendors and other businesses across Indiana.”

As for the vital sales component, SIA has enjoyed quite the climb and impact.

“Over 60% of all Subaru sales worldwide are in the U.S., and over 50% of all Subarus sold in the U.S. are built at SIA in Indiana,” Easterday states.

“Subaru’s market share in the U.S. has grown from 1.2% to 4.3% over the last 10 years, and SIA’s production volume has tripled over that period.”

That growing consumer demand is reflected in a recent distinction: Subaru ranked No. 1 among all automakers in the 2018 American Customer Satisfaction Index released in late August.

Looking ahead, the Outback (sports utility wagon), which was “born” in Lafayette, and the Legacy (midsize sedan) are scheduled for a full model change in 2019.

Next year – the 30th anniversary of production – will also see total annual volume surpass 400,000 units for the first time.

On the charitable front, SIA and its

associates are just as impressive.

A United Way campaign raises more than a half million dollars annually. There are walks for Alzheimer’s and breast cancer, as well as the Holiday of Hope drive that donates hundreds of items to homeless shelters, veterans’ organizations and animal shelters.

An on-site Purdue branch campus for manufacturing-related certificates and degrees helps with retention and elevates the current workforce. Associates who receive a grade of C or better have their tuition paid for by SIA.

Easterday lists environmental stewardship – SIA is zero landfill – and safety as other points of pride.

“SIA has been the leader in safety in the auto industry for at least the past six years. We’ve had an OSHA incident frequency of under 1.0; the average for the industry is typically over 5.0. That’s because of the focus our associates have on safety and the programs and initiatives we’ve developed and implemented.”



The main plant at Subaru of Indiana Automotive has grown from 2.8 million square feet to over 4 million square feet. Several other facilities also have been added to the site, including centers for training and reception, child development, health and wellness, and recreation.

RESOURCES: Honda Manufacturing of Indiana at www.indiana.honda.com; Toyota Motor Manufacturing Indiana at www.toyota.com/usa/; Subaru of Indiana Automotive at www.subaru-sia.com