



SCOTT BRAND

IN THE DRIVER'S SEAT

By Rebecca Patrick

Scott Brand didn't just witness the birth of Subaru of Indiana Automotive (SIA) – he helped build it from the ground up. Joining the Lafayette-based plant in 1989, before a single vehicle had rolled off the line, Brand has spent decades in key leadership roles across various divisions, helping steer the company through growth, a quality-first mindset and innovation.

Now, as president and COO, he's making history again – becoming the first non-Japanese executive to lead the facility and oversee its 6,500-strong workforce.

Under his watch, SIA celebrated a landmark achievement in June: the production of its six millionth vehicle, the now-retired Legacy sedan – the same model that launched the plant's success story more than 35 years ago. Today, the two SIA assembly lines deliver the popular Ascent, Crosstrek and Forester models. The latter switching locations with the Outback, which is now a Japan product.

With a current daily output of 1,500 vehicles, Brand emphasizes the customer-first philosophy that has served SIA well: "Build it like you were going to buy it."

In this conversation with *BizVoice*[®], Brand – who is also the new Indiana Chamber board chairman – reflects on his roots and rise, the evolution of SIA, what he's embracing as its leader and the new opportunities that lie ahead.

***BizVoice:* Let's start with your background – your upbringing through early career ...**

Scott Brand: "I grew up in Lawrence, Indiana. My dad was a mechanical engineer and an executive of a small manufacturing company. He always had a lot of interest in cars, boats, motorcycles – a variety of motorized transportation. So, I grew up in a household where it was commonplace to be working on something or modifying or improving something, and I got the bug from him.

"I went to Purdue for a mechanical engineering technology degree. ... I got a job at a small company that did aftermarket parts for (the) automotive (industry), and then translated that short experience into running a small packaging manufacturing operation in Fountain Square (in Indianapolis) for a couple years, where I really cut my teeth on direct operations management and supervision.

"(When I got the job at SIA), I was able to take a lot of the lessons and knowledge I had about automotive and my interest in cars and translate that into some really strong relationships with the folks in the organization that were responsible for manufacturing and assembly of our vehicles." (He was appointed to a department manager in 1994 and was on his way.)

***BV:* You are the first American to lead SIA (effective April 2024). What does this achievement mean to you personally and what's the significance for SIA as a whole?**

SB: "It's hugely significant to me and I think to the organization as well, because in the first 34 years of my career, we always had a Japanese president/CEO that was dispatched from the parent company. That role typically was a three- to four-year assignment, and those were highly capable, very professional individuals that were dispatched into that role. To be given the opportunity to take the president and

COO role at SIA really meant that our American leadership team had matured to the point where the executive leadership in Japan felt comfortable with giving a significant title and role to a local executive member. I don't take that lightly because it really speaks to their confidence in our leadership capabilities. I feel honored to be the one that was able to move into that role first, but I also feel a very strong sense of responsibility that we need to sustain that presidential presence in SIA because local leadership is critically important to the success of the business, and we need to make sure that we sustain local leadership in top level positions in perpetuity."

BV: How do you approach your dual roles that afford you the big picture look while being more hands on?

SB: "I start my day looking at the overnight reports and information that comes out of the second shift production folks to understand how their night went. . . . But it's interesting that sometimes the perception is that this guy sits up in the office and he has no idea what we do here. He makes these decisions, or he leads or guides people to make these decisions based on information in a vacuum. And that's just simply not the case. I was out on the factory floor this morning for about an hour talking to associates and trying to encourage that open communication. I need to hear from them personally, (to learn) what are the challenges, what are the things that are affecting them. So then, I'm making



Brand doesn't have his retirement fully planned out yet. He says he's prioritizing his son graduating college first and enjoying the here and now with SIA.

decisions based on real world information, not just a report that was provided to me by someone else in the organization."

BV: What are some of the key elements of your leadership philosophy?

SB: "I really value listening. I think everybody has an opportunity to contribute, and if we listen to the challenges they're having or the ideas that they have to solve those challenges, we (improve and) get a couple

things. One, we get that engagement, which is critically important. Then we also may discover where talent lies that we otherwise wouldn't have found. So, I wanted to make sure that people were heard and that when people were heard that we had the opportunity to identify where their skills and contributions would come from. I pretty much deployed that all the way through as the executive leader here in the plant. . . . As people are promoted and given bigger and more consequential



SIA – led by Brand (center) – recently celebrated the 6 millionth vehicle built at the plant; it was the last Subaru Legacy to be made. Brand, a Legacy driver himself, says he likely will migrate over to a Forester Hybrid "to gain personal awareness and knowledge of how a hybrid performs."

opportunities in the operation, we find out how they're able to manage challenges in different facets of the business, whether it's managing their people, managing relationships with suppliers or managing investment and forward planning decisions. We want to encourage that. The best way to encourage it is by giving people the opportunities to lead those things on their own.

"Japanese business culture has a consensus mindset where you bring people into the meeting, you discuss it thoroughly and aggressively, and then you reach a consensus. Once that consensus has reached, everybody gets behind it. We've tried to deploy some of that here in the plant, but Americans think a little bit differently and want the opportunity to make decisions and to lead. So, we've had to hybridize that mindset and set up an arrangement where, yes, we do want to meet, we do want to take all of the facts and the information and digest them, but at the same time, we need somebody to step up and make a decision."

BV: You're building on something that's been very successful. What have you tried to bring out and better enhance at SIA?

SB: "We've got all these data points that we collect in the factory from suppliers, from our engineering and technical folks. The key is how do we use the data that's available to us, make it understandable and have it provide opportunities to make decisions faster. For instance, we want to know when a piece of equipment is starting to deviate from its correct performance. The sooner we understand that the faster we can react to it, take corrective action and return it to an optimum state. The data is usually available to tell us. The trick is getting the data into a form where we can mine that out and the right person can see the evolving abnormality and address it before it becomes a bigger problem. We need to look at that all through our business."

BV: From a production standpoint, what's new with SIA?

SB: "We just launched production of the (compact crossover) Forester SUV (in October), and then in February (we will) for the hybrid (version). We are in close discussions with Subaru portfolio planning in Japan, trying to position the plant to be flexible enough to adapt to whatever the market is going to require, because we know that probably for the next three, three and a half years, the sale of internal combustion engine vehicles is going to be pretty consistent. It's going to be probably the majority of the



Brand takes great pride that Subaru has loyalty numbers "envied by most of the industry." He cites the combination of quality, safety and recognizing the lifestyle of customers as the reason why.

market, but we need to be prepared if there's a change in the federal government and the White House, and we would return to more of a focus on greenhouse gas and emissions. We want to be positioned to be able to produce products that meet those governmental expectations while still providing products that the customers want."

BV: How would you characterize the current business environment and how is SIA adapting?

SB: "It's certainly very dynamic right now. The tariffs have inflicted some new challenges on us. That's causing us to really assess what our global parts supply and supply chain strategy is because we need to adapt to these additional costs. ... Subaru only makes about a total of a million vehicles globally every year (compared to multi-millions for the top auto manufacturers). Our president in Japan, Mr. (Atsushi) Osaki, has talked about really managing our business for incremental growth to get up to about 1.2 million vehicles globally. If that growth comes in North America – and we are able to get up from our current roughly 675,000 vehicles sold in the United States to about 800,000 in the United States – we are going to have to have products that introduce that growth as well as a footprint that can support that growth."

"To do that, we have to have suppliers that are capable, but we also have to look at the economies of scale for parts manufacturing for some of our suppliers. ... In the United States for the vehicles that are assembled here, sometimes the economies make the most sense to produce the parts in Japan and

import them. But with a 15% tariff structure (as of September with Japan), then you start to need to reassess all of that so that you're able to make decisions that are the most cost effective. We're actively involved in conversations around that right now, and that is really going to consume a lot of our resources in the near term to understand how our portfolio, our manufacturing footprint and our supply base are all aligned to optimize the cost structure."

BV: When you have free time, what are your passions – what do you like to do?

SB: "My family is my number one focus. My wife Jessica and I have three kids (two daughters in the early stages of their careers and a son at the University of Indianapolis). A real passion for me is IndyCar racing. I am a lifelong fan ... and find it to be just fascinating."

"My wife's family has had a farm in upstate New York – about five miles from Vermont and more New England (in feel) – for about 100 years. We currently own the farm and intend to retire there. It's beautiful. We have enough land that we're somewhat insulated by where our property is. So, (now) we spend time in the summer just working on renovations and updating the property. It's a farmhouse that was built in 1868, so you can imagine."

"We try to spend as much time as we can up there because the topography, the climate – there's just a lot (of cultural and outdoor activities) to do. We're not too far from Saratoga Springs and near the Adirondack Mountains. We love it and are really looking forward to spending more time up there once my career in auto manufacturing comes to an end." ■