

AUTO PILOT

Industry Council Fuels Indiana's Car Industry

By Matt Ottinger

Despite its economic woes, Indiana's northern neighbor still holds the distinction as America's top automobile producer. The Hoosier state, however, has climbed to No. 2 behind Michigan when it comes to gross domestic product (GDP).



Cummins is one of Indiana's top drivers in the auto industry as engines from its Columbus Midrange Engine Plant are used all over the world. The company is heavily involved in the Indiana Automotive Council in order to develop the most educated workforce possible.

Indiana's auto industry enjoys a \$15 billion annual economic impact, according to the Bureau of Economic Analysis. In fact, the Center for Automotive Research reports that Indiana was responsible for more than 1.1 million of the 11.1 million light vehicles produced in the United States in 2013 – or approximately 10%.

These numbers are encouraging considering the Great Recession put a major dent in production. The state's auto GDP plummeted from \$14.8 billion in 2007 to \$4.9 billion in 2009 – dropping by nearly two-thirds.

While recession-proofing the industry would be a tall order, the Indiana Economic Development Corporation (IEDC) and Conexus Indiana developed the Indiana Automotive Council (IAC) in 2011 in an effort to achieve its full potential. The council is made up of executives from auto manufacturers and suppliers of all sizes, with over 30 companies coalescing to assess different aspects of the industry.

“(Gov. Mitch Daniels and the IEDC) believed very strongly that the only way to help it was if the industry came together and told them how to,” relays Matthew Conrad of Conexus, who serves as IAC director. “They connected with Conexus because we had done this for the logistics industry (as well as Indiana's defense sector). The state initially funded the effort for two years. The state is still a supporter, but the industry has stepped up to support it, as has higher ed – and there are other organizations as well.”

Steering 'will'

The IAC is focused on enhancing several critical areas of the industry. These include growing Indiana's automotive innovation pipeline, strengthening the state's supply chain and perhaps the most critical – closing the skills gap and developing a qualified workforce.

A study released in September by Indiana State University revealed the state lost 25% of its manufacturing jobs during the Great Recession. Furthermore, researchers concluded that manufacturing “remains the backbone of Indiana's economy” and identified the automotive industry as the largest traded cluster in the state's rural counties, providing nearly 38,000 jobs.

“The problem we're experiencing most recently is getting enough young people interested in making the auto industry a career,” relays Tom Easterday, IAC chairman and executive vice president of Subaru of Indiana Automotive (SIA). “There are a lot of programs to inform students that manufacturing is not the old Rust Belt image they may have. It involves a lot of technology and very clean and safe workplaces.”

He asserts the annual rise in demand is creating a serious need for more skilled workers.

“We are now looking at a lot of retirements for the people who have been at SIA since the beginning (1989), and we may face a shortage of critical skills – particularly robotic and technology skills, maintenance skills and other parts of the workforce,” Easterday says.

Stan Woszczyński, IAC board member and vice president of global supply chain and manufacturing at Cummins, adds that innovation has created new challenges for engine technicians and other industry professionals.

“I've been in manufacturing for 34 years now, and I can remember the days of the past,” he recalls. “There's a big difference now; in the past 20 to 25 years, we were looking for laborers. Today, we're looking for technicians – people with a great work ethic who are strong technologically.”

From the mechanically controlled engines of yesteryear to fully electronic engines today, the components that it takes to construct them are more complex. Woszczyński explains that's why training and education are paramount, noting that Cummins is involved in enhancing STEM (science, technology, engineering and math) curriculum.

“We have some neat examples locally: In Columbus, we've worked with other industries, the community and schools to create the



Subaru of Indiana Automotive in Lafayette has experienced tremendous growth in its 25-year history. It hopes a collective effort will help it and other Hoosier companies fill jobs being vacated by skilled employees who are nearing retirement.

Advanced Manufacturing Center of Excellence,” he conveys. “It has both classrooms and laboratories where people can be trained in different skills, like electronics, welding, heat treating or HVAC. We use it in our apprenticeship program; other companies use it to train workers and individuals use it to enhance their skills.”

The IAC also recently implemented a higher education plan – modeled after one already in place at Toyota.

“(Toyota) has developed a national program that they have in five locations, one of which they launched here with Vincennes University (VU). It’s a work-study program where students are in school three days a week, and work with Toyota two days a week ...” Conrad elaborates. “We’ve taken that model and deployed it statewide, partnering with (VU) and Ivy Tech Community College, and bringing in the auto companies in partnership with one or both of those schools.”

He says students get real hands-on experience, as opposed to simply learning theoretically in a classroom.

“It’s a two-year program and it just began,” Conrad clarifies. “We believe it will have a tremendous impact on the industry, although it’s not just automotive specific. There are a lot of advanced manufacturing companies and health care companies that need these positions as well, so we hope this will significantly impact other industries.”

New models

At the K-12 level, the IAC helps facilitate several programs designed to enhance the education process. They include:

- **Hire Technology** – an advanced manufacturing logistics curriculum created by Conexus Indiana in conjunction with industry experts. Conexus raised \$1.2 million to build the program that it offers for free to high schools in Indiana. Hire Technology has experienced 800% growth since it began two years ago.
- **Project Lead the Way** – a curriculum deployed in middle and high schools. The national organization is headquartered in Indianapolis. (The program was featured in the March-April 2012 *BizVoice*®.)
- **First Robotic** – a competition that helps develop automation and robotics skills. Auto companies are engaged with local schools both financially and by providing engineers and support for the teams as they work through challenges.
- **Dream It. Do It.** – an advanced manufacturing and logistics awareness program that is part of a national campaign. Conexus is the lead for its Indiana operation.

“The (IAC) said these are the four things we want to support, and the companies went back to their communities and asked their school districts to embrace them, because that’s where their workforce is going to come from,” Conrad points out. “Dozens of schools

have signed up for these programs because of IAC companies explaining how important they are.”

Driving home the message

Promoting Indiana’s manufacturing competence, and adaptability to new technologies, beyond state borders is also an IAC focus. Members believe it’s time the state tooted its own horn, so to speak. Efforts to increase recognition include promoting the industry’s environmental stewardship, developing an Indiana Automotive Directory, creating an annual event and generating more earned media.

“For years, Michigan has been considered the heart of the automotive industry, but people forget it was Elwood Haynes driving the first gasoline-powered car on Pumpkinvine Pike in Kokomo on July 4, 1894 that really started the industry,” Easterday imparts.

He adds that in the past, Indiana has fallen short in promoting its automotive legacy to the world – a shortcoming he hopes the IAC will help remedy.

“By doing that and being innovative with regard to creating the workforce of the future and creating centers of excellence, we can become a true leader in not only the production of vehicles, but in the design and innovation of the vehicles of the future,” he concludes.

RESOURCES: Matthew Conrad, Indiana Automotive Council, at www.inautocouncil.com | Tom Easterday, Subaru of Indiana Automotive, at www.subaru-sia.com | Stan Woszczyński, Cummins, at www.cummins.com