



**BUSINESS LEADER
OF THE YEAR**

REACHING FOR THE STARS

Easterday Leads SIA to New Heights

By **Rebecca Patrick**

"It was a choice between an astronaut, a lawyer or a priest," Tom Easterday fondly recalls of what he wanted to be when he grew up.

"I had an astronaut helmet and would sleep in the closet on occasion and act like I was one of the Gemini or Mercury astronauts. Then I would be watching *Perry Mason* and imitating him (in the courtroom). And we had a vestment to put on, and flattened out bread and served communion at home."



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Tom Easterday is proud of the milestones achieved at SIA and has been there from the beginning, before the first car (pictured) was produced.

While he ultimately chose the legal profession and has gone on to great achievements – particularly at his employer of nearly 30 years, Subaru of Indiana Automotive (SIA) – and earned much respect, it’s easy to envision the contemplative and sharp Easterday having succeeded at any of the three.

Dan Evans, the recently retired head of Indiana University Health, has known Easterday for 35 years. He puts it this way: “Tom’s leadership extends beyond his mere job. And, in my opinion, that’s a sign of the ultimate leadership, which is wisdom. Tom has wisdom and applies it.”

Early influences

A lifelong Hoosier, Easterday was born in Hammond and lived in Munster until age seven when his father’s job took the family to Seymour, where he graduated high school.

His father, originally a chemist, went into sales and marketing with Amoco Corporation, where he worked for 35 years. His mother was a teacher who actually taught him in the fourth grade at St. Ambrose Catholic School.

“I had to do my homework every day and make sure everything was turned in on time. I was in trouble if I wasn’t the model student,” Easterday laughs.

“I had two older sisters and an older brother so there was a lot of inter-competition and fun.”

There was also a great deal of political talk and activities. Easterday attended his first Republican state convention in 1964 when he was just eight years old. His family also lived

two blocks from future Indiana Gov. Edgar Whitcomb and was involved in his campaign. (Later in life, Easterday worked on a few campaigns and was the Boone County Republican Party chairman.)

Easterday was planning on majoring in political science at Indiana University in Bloomington until his father made a compelling case for something else.

“He said, ‘No, you need to major in business. If I’m going to pay for it, you’re going to major in business,’” Easterday recalls with a smile. “So, I did – in business management and administration – and then from there went to IU School of Law in Indianapolis and graduated in 1981.” Down the road in his career, Easterday would be glad his father had been so insistent.

Climb to the top

While still in law school, Easterday interned in the U.S. Attorney’s Office and even got to argue a case before the Seventh Circuit Court of Appeals – a feather in the cap for any lawyer.

He spent six years in private practice at Lawrence, Carter, Gresk, Leerkamp & Walsh in Indianapolis; the first two he was also a public defender for the Marion County criminal courts.

“I did that while I was doing a lot of other types of cases like business law and insurance defense law. That got me a lot of trial experience – both in bench trials and jury trials,” Easterday notes.

A lifelong love of politics and policy intersected professionally when he also took

on the role of chief counsel for the state Senate from 1983-1986.

“I really enjoyed seeing (firsthand) how policy becomes law. There’s a lot of hard work put in by a lot of people, including legislators, to make it go in the right direction,” Easterday remarks.

Then he was on to overseeing litigation for the Mayflower Group and working with attorneys across the country and in other nations. He was there three years when he learned from a colleague that SIA (which was preparing to begin production as Subaru-Isuzu Automotive in the fall of 1989) was looking to hire a chief counsel; he was intrigued.

“I thought it would be a great, new cultural experience. I had not been exposed to the Japanese culture. Number two, I thought it would be interesting to start a legal department, a compliance department fresh,” he offers. “You don’t often get the opportunity to make sure things are done the right way from the beginning. I thought that would be a challenging opportunity.”

When told final candidates had already been selected for the SIA position, he talked his way into an interview.

“I’m not one to take no very easily so I said, ‘Do you have any candidates from Indiana in the final four?’ (The head of HR) said, ‘No; is that important?’ So I explained to him why that was important from not only a political background but from understanding Indiana law and regulations, which allowed me to interweave what my background was. He finally said, ‘Well, why don’t you come up and we’ll have a talk.’ ” And the rest is history.

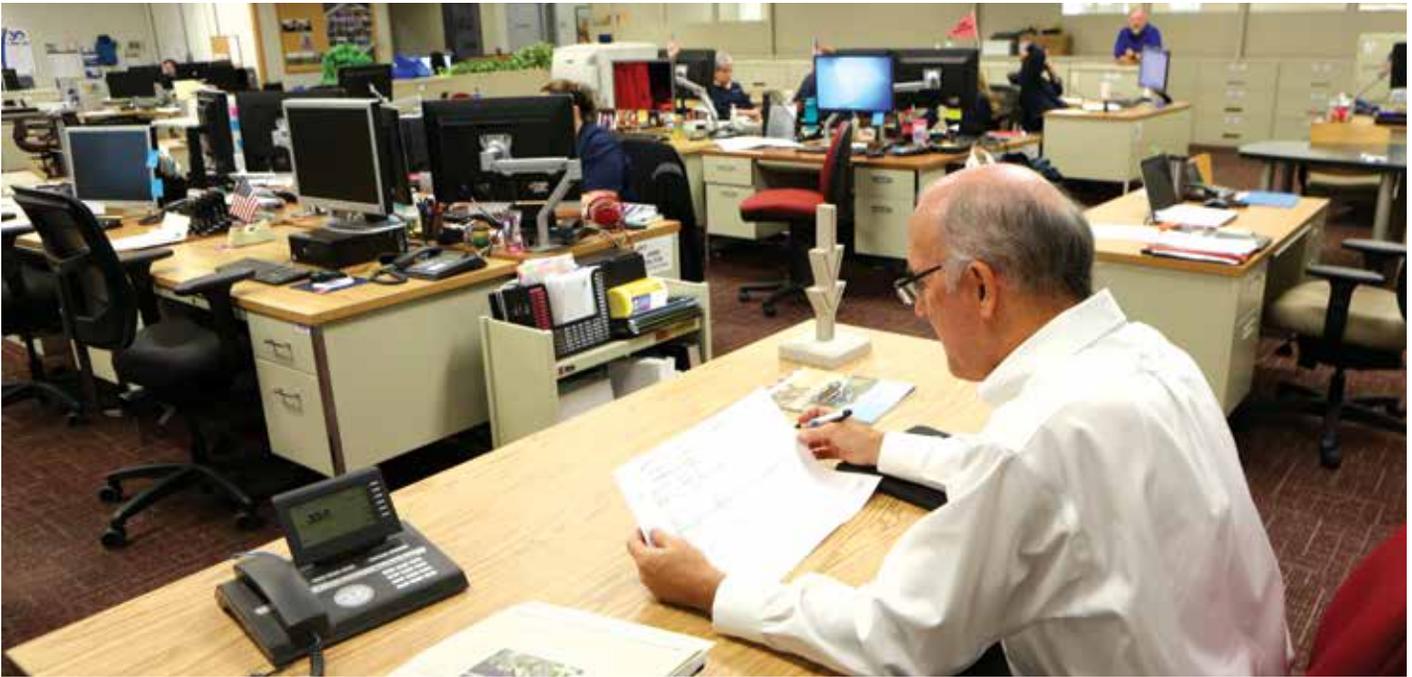
Growing with SIA

Easterday has been with the company since July 31, 1989. For the last two decades, he’s been the top American employee. He holds the titles of senior executive vice president, secretary and chief legal officer.

When a top Subaru Corporation official called from Japan to relay his promotion news and started listing all the various areas Easterday was now in charge of, his immediate thought was ‘Don’t worry, you have a business degree. You can do this ... and thank you, Dad!’ ”

His rise carried with it much responsibility, especially since the SIA facility is so significant to its parent company.

“SIA is the only Subaru manufacturing plant outside of Japan (where there are two plants). The reason that SIA is so important is that 60% of all Subaru sales worldwide are in the U.S. market,” Easterday notes. “So, the United States market is more critical to Subaru than any other automaker as a



Being accessible and creating the feel of a small town are part of Easterday's vision that's fostered a great spirit of teamwork at SIA.

percentage of sales.”

The two production lines at SIA currently manufacture the Outback, Legacy, Impreza and Ascent (beginning next year).

His favorite is the Outback. “It was born here (at SIA) and they very cleverly called it the first sport utility wagon; it was the first crossover vehicle in the U.S market. I’ve driven a lot of them over the years. I’m very fortunate; I get to drive either the pilot or one of the early production models.”

Easterday makes a point of saying that he has never built one car – the associates have. “We have great associates who put in a lot of hard work and are dedicated; they do a tremendous job.”

He has cheered milestones such as the two millionth Outback and five millionth vehicle produced (last December) and witnessed the plant grow to nearly 6,000 employees – 2,000 added in only the last four years.

“As a company, we try to pride ourselves on quality, safety and environmental stewardship. Over the years, the great quality the associates have built into our vehicles has enabled us to grow our market share tremendously,” he declares.

“Sales of the Outback, only built here at SIA, have quadrupled in the last 10 years. We have the best safety record in the industry. I’m very proud of what our associates have been able to do with that.

“Environmental stewardship is probably what we are best known for – the fact that we were the first automotive plant in the United States to be zero landfill. If you went to Starbucks this morning and threw your cup away, you put more into a landfill than our company has for the last 13 years.”

The transformation to become zero landfill is a story SIA and Easterday have gladly shared, going to numerous conferences and seminars in this country and beyond “in hopes that others can (accomplish it) too. Not only to improve the environment, but their bottom line.”

Japanese ways

From the beginning, Easterday readily embraced various aspects of the Japanese culture. One example is consensus decision-making.

“It’s a slower process but you reach a decision that’s been

thoroughly investigated, reviewed and all the possibilities have been considered,” he explains.

Another is “quality in everything we do. It’s having a proper management system in place where you are continually applying the best practices and then improving on those best practices.

“Initially you always pick off the low hanging fruit, but if you don’t keep pruning it with the management systems in place, things are going to grow back.”

Perhaps the most important Japanese principle is following the Kaizen, which means continuous improvement and is the basis for lean manufacturing as adapted by Dr. W. Edwards Deming.

“As a corollary to that you sometimes reap other benefits, such as cost savings ... but with a real focus on improving quality. That’s probably been the overriding thing that I think I’ve learned over the years from the Japanese,” Easterday concludes.

And he’s been eager to share that knowledge, according to Evans.



The first-ever American built Impreza rolled off the SIA assembly line last fall – a big event for both the Lafayette plant and its parent company in Japan.

“We (IU Health) took our entire senior executive staff – maybe 20 people – to Subaru, toured the plant and watched lean (manufacturing) in action. And then had an interactive presentation with Tom about the applicability of lean in health care,” he began.

“Tom was able to translate literally the techniques used in manufacturing as they would be used in health care delivery, which is a whole lot different than manufacturing a car. But he was able to explain it in terms that have led IU Health to be terrifically successful in lean, and Tom is the main reason for that in my opinion.”

Leadership initiative and inspiration

Easterday brought open communication policies to SIA and tries to make the plant feel like a small town. Each person wears a Subaru shirt with their first name on it. The Annual Associates Appreciation Day draws 10,000 employees and family members.

“We have a great spirit of teamwork here at SIA, and I think the communications that we do are an important part of that. I have an open office. At any point of time, I may have someone come over to my desk. If it’s important to them for that moment, it’s important to me,” Easterday emphasizes.

The line of communication to the top starts on day one with associate orientation.

“I meet with every new associate coming to SIA. At a lot of companies, executive officers either don’t get the opportunity to or aren’t able to, for whatever reason, take the time to meet with every associate,” he states. “I feel fortunate that I’m able to do that and build that personal relationship. Regardless of how big we are (or get), I feel that is important.”

Easterday also regularly walks the plant floor to talk to associates, while Tuesdays are for an officer roundtable meeting with a unique twist.

“We randomly select (via computer) an associate from each of the eight largest sections at SIA. ... We sit down and the associates can ask us anything they want,” Easterday says. “We do that for the first and second shifts. It’s very good for open communication and it helps us learn what’s going on at SIA. And it also helps us get out information we think is important.”

Associates can also call in anonymously with questions. Hot topics are often addressed in the company’s biweekly newsletter, where Easterday pens a column for each issue.

Though ever reluctant to pat himself on the back, Easterday does admit, “Those open communications systems are some of the things I’m most proud of.”

Indiana Chamber President Kevin Brinegar believes Easterday should be and has seen the effects of that relationship building at SIA.

“I’ve been to that facility several times. And when you walk around with Tom, you pick up how admired he is, how well respected he is and how well liked he is by the associates there.”

And there are countless reasons for that reaction, including the Purdue Polytechnic Institute. Easterday was instrumental in Purdue establishing the branch campus on-site nearly a decade ago. Associates can earn



Easterday is all about internal communication – whether it’s addressing those on the plant floor, welcoming new associates or talking to colleagues around the office.

manufacturing-related certificates and associate, bachelor or master's degrees. Those who receive a grade of C or better have their tuition paid for by SIA.

"Purdue sends us the bill directly. . . . It's really been great for the associates," Easterday remarks.

Like any successful leader, he has learned from others along the way.

"People like Andre Lacy (LDI), Mike Wells (REI Real Estate Services), Jim Morris (Pacers Sports and Entertainment), Dan Evans – they have inspired me not only with their outstanding work they've done with their respective companies and organizations but the amount of community involvement that they've had and the positive impact they've made to the state as a whole," Easterday offers.

"And certainly, there are a number of others over the years. Mike Smith when I was at Mayflower; he's done a great job with the Ivy Tech Scholars program. . . . My term as chairman of the board for the Indiana Chamber (in 2015) let me interact with a lot of people who inspired me.

"I look up to all of them and admire what they've done and certainly tried to emulate (that) in my work here at SIA."

Returning the gesture, Lacy calls Easterday "such a champion" and believes "Indiana is very fortunate to have him" at the helm of one of the state's major employers.

Evans praises Easterday as "an excellent communicator, especially on complex subjects. And he's able to convince with clarity the proper course of action in almost any situation."

Brinegar, who also worked with Easterday in the Indiana Senate, concurs.

"He sets the tone. He is so thoughtful and insightful. I've seen him in board meetings and group settings where he lets the debate go on, but then when Tom speaks, people really listen. And far more often than not, they do what he suggests and recommends."

What matters most

Easterday also continues to leave his mark on SIA and the state through a wide variety of volunteer endeavors.

"I feel it's important for any company to not just have a positive impact by virtue of what they do for their employees or their respective companies or the products they produce or (their) services, but it's also important that they have a positive impact on their community, state and country if possible," he asserts.

Gary Lehman, retired chairman of the board of Oerlikon Fairfield, has seen Easterday's impact in Lafayette and says, "It's rare that you will get somebody in a leadership position of such a dominant employer like Subaru who truly wants to be a part of the community."



Giving back is part of the SIA fabric woven by Easterday. The annual Subaru Color 5K – where a playful spray greets participants – benefits Special Olympics Indiana, and employees join together to assist at the local Food Finders Food Bank.



Lehman credits Easterday for setting the example for his associates. "When you go out, you will see SIA employees helping with all types of philanthropic organizations – their participation in United Way is huge."

Easterday also remains an active Indiana Chamber committee member. He's on the national Boy Scouts Council and regularly takes part in SIA-organized charity efforts, including spending time at the local Food Finders Food Bank.

He and his wife, Deb, coach various sports for the Special Olympics of Boone County (they reside in Zionsville) and cheer on the participants, including their son.

That goes to Easterday's real passion: spending time with family – including two children and three grandsons.

"I love to play with the grandsons and

they like to play sports. They will come over and say, 'Grandpa, let's have a sports-a-thon.' They say we're going to play football, basketball, soccer, golf and run – all of them. They are a lot of fun," he beams.

At the end of our conversation, he circles back to his time at SIA to offer this lasting reflection.

"The personal recognitions are nice, but without the associates a lot of the accomplishments here wouldn't happen."

As emotion starts filling his voice, Easterday pauses then concludes, "What I remember most are the associates' accomplishments and our milestones. The launch of a new vehicle and looking out at the associates at how proud they are and the great sense of accomplishment – seeing *that* on their faces."