

CoreNet Economic Development Award

Economic Development Corporation of Wayne County

Sanyo Foreign Auto Parts Incubator

How were the goals and objectives of the program or tool clearly defined?

Wayne County realized we were in a position to lose more and more jobs, especially good paying jobs, over the course of the next several years. The goals of the incubator are simple:

- Create good paying jobs.
- Increase the assessed valuation of the county through new investment.

We accomplish these goals through the following objectives:

- ✓ Market the incubator to potential Japanese prospects through trade shows and overseas missions.
- ✓ Identify and promote appropriate incentives from both the county and the state.
- ✓ Assist Sanyo in performing tasks that are necessary to gain a new client.

What was innovative about the program or the tool?

Certainly the incubator concept is not new. But the Sanyo Foreign Auto Parts Incubator is unique in the state of Indiana. The incubator's uniqueness stems from the collaboration of a private entity and a public entity. The EDC of Wayne County is the public entity that provides incentive packages for the new companies. Sanyo, the private entity, provides space, technical support for the new companies, and contacts with Japanese prospects. Wayne County realizes benefits from increased investment and job creation. Sanyo realizes benefits in utilization of space otherwise left empty and a new way to increase revenue with that empty space. This program is also innovative in that it provides an avenue for foreign companies to set up a presence in the U.S. with assistance in navigating the many barriers associated with such an endeavor. Sanyo does more than just offer space. They provide experience in doing business in the U.S. as a foreign company and assistance in helping company officials using the incubator to feel comfortable within the community. Otherwise, these companies may have continued to supply their product from Japan. According to Hiromi Hemuki, director of the East Asian office of the Indiana Department of Commerce, the incubator is groundbreaking for Indiana economic development. "Mr. Nakai's idea is unique and very good. No other community does such campaigns."

How Impactful Were the Results?

Within the first year of the incubator's development two new companies have located in Wayne County. The largest of the companies, Howa USA, a Japanese textile supplier to the automotive industry, created 50 new jobs and represents a \$5.2 million investment for the county. Yamaguchi Manufacturing USA has a logistics and distribution operation in the incubator. There are also two other Japanese companies giving serious consideration to using the incubator to gain a foothold in the United States.

How Were the Results Measured?

The results are measured by simple standards. New companies locating in the incubator represent new investment for the community. New companies also bring the opportunity for new jobs. Another standard, though not as salient as jobs and investment, is the increase in the number of automotive part manufacturers in our area which leads to the creation of an automotive cluster. The hope is that the more developed the cluster becomes the more it will lead to the attraction of more new companies and the strengthening of the existing businesses in our community.