

State wins good name abroad

Japanese like to do business in Oregon

By STEVE JENNING
of The Oregonian staff

Working with patience and deliberation, and more than a little street smarts, Oregon has established a rock-solid reputation among Japanese industrialists as a good place to do business, according to an executive for a leading corporate consulting firm.

"People have asked me whether you should continue your recruitment effort," said Marcellus L. Henderson, executive vice president of the Fantus Co.

"And I tell them yes, by all means," he said. "It makes sense because people in Japan think of the state of Oregon as doing things the right way."

In Portland this week to speak to the Sunset Corridor Association, Henderson said the time, effort and money spent in wooing Japanese plant investment has paid off for the state. He suggested that Oregon continue those efforts, sharpening its already acknowledged skills at drawing new plant developments, in particular plant developments by Japanese investors.

"We see a continuing and accelerating growth in Japanese involvement in the U.S. economy," said the executive for the New Jersey-based consulting firm.

Fantus advises both U.S. and foreign companies on strategic issues including plant site selection. Henderson's firm in the last year has represented heavyweight corporations including Sony, Fujitsu, Mitsubishi and Toyota.

He said that "when you talk of investments in the U.S. by foreign countries, you're pretty much talking about the Japanese, the French, the Germans and to some extent the Scandinavians." The Japanese, given their expanding economy and interest in U.S. markets, should be the No. 1 target of U.S. economic development officials, he added.

"The competition for these plant investments is very stiff," said Henderson during a Thursday interview. "There are only a limited number of new (Japanese) plant investments every year, maybe 100 in the U.S., and they are limited to a relatively small



MARCELLUS L. HENDERSON
Competition is stiff

number of locales."

For public and private economic development groups attempting to capture those investments, "the level of your homework and your professionalism has to be constantly improving," Henderson said.

And if a given development at a specific site "doesn't make economic sense, then you won't win anyway," he added.

Oregon has gained an edge, he said, through a number of factors:

- The state's regional and cultural opportunities, and its climate, are very attractive to Japanese industrialists. "Quality of life issues are very, very important to them," Henderson said.

- Over the years, Oregon's high-technology industrial base has grown in a way that complements business strategies of some Japanese high-tech manufacturers: The state's recruiters have parlayed those similarities into some important plant siting wins.

- Oregon land, water and energy are still "cheap" buys in comparison with some other high-tech industry hotspots, notably California's Silicon Valley.

- A handful of prestigious Japa-

nese manufacturers, including Sharp, Fujitsu and Epson, already have built plants in the Portland-area, which encourages other Japanese companies considering a U.S. factory investment.

Henderson said Oregon's success in no small measure was due to a well-aimed recruiting strategy that earmarked businesses most likely to invest in the state, given Oregon's attributes and the individual company's product and marketing bent.

He also lauded the state's person-to-person approach on foreign trade missions in which Gov. Vic Atiyeh and other public and private officials sought out Japanese industrial leaders.

Finally, he said the state's investment in a Tokyo trade office should pay off in developing new leads and information.

"A lot of money is being wasted by scattergun approaches," Henderson said, referring to recruitment plans by other states that do not consider vital facts, such as specific needs of individual companies.

But Henderson described some Oregon efforts as wrong-headed, in particular recent attempts to win the General Motors Co.'s Saturn automobile plant and the planned, multibillion-dollar supercollider atomic research laboratory to be built, in part, with federal funding.

In the case of the auto plant, Oregon neither was close enough to big markets nor did it have the industrial/technological base to land the plant. Similarly, he contended, it does not have the political clout, the academic standing or the economic base to gain the supercollider.

"You've got to target those industries that complement your base," Henderson said.

At the same time, state efforts should stress Oregon's unique attributes. "It's a crowded field over there," Henderson said. "You've got to work to differentiate yourselves."

Finally, home-grown hospitality, "letting them know that they are welcome as well as needed," is important to foreign investors, he said. "Don't let up on that. They need continuing signals."