

Two groups join forces on analysis

Daily Reflector, The (Greenville, NC) - Saturday, January 31, 2015

There could be more to the auto industry's support network than meets the eye in eastern North Carolina, and two organizations will take a closer look in 2015 at its growth potential.

NCEast Alliance, a regional **economic development** agency serving eastern North Carolina, and the UNC Frank Hawkins Kenan Institute of Private Enterprise's N.C. Growth will conduct an analysis of the motor vehicle assembly and parts manufacturing cluster in 35 counties stretching from Durham to the coast, Alliance president and CEO John Chaffee said this week.

"It is extremely important that we gain a better understanding of this important economic cluster," Chaffee said. "Companies look for others like them with a similar labor force, knowledge base and supply chain. It gives them a sense of whether they can be comfortable establishing or expanding their industry here in our region."

The cluster analysis project will include identification and definition of the region's motor vehicle assembly and parts manufacturing cluster; construction of a value chain diagram that links existing local companies involved in the same supply chain; analysis to determine employment trends, growth trends and relative concentration of the linked industries; and gap analysis to determine what segments of the cluster are missing from the local region and where further development should occur, Chaffee said. Understanding a region's cluster groups and identifying and expanding their resources adds to the marketing value for attracting other similar businesses to a region, he said.

The region is characterized by the presence of several vehicle assembly plants such as NACCO Materials Handling Group in Greenville, Crown Equipment in Kinston, and VT Hackney truck bodies in Washington, N.C.

Several automotive suppliers, particularly Japanese companies, such as Greenville's ASMO, which produces windshield wiper and radiator motors and parts, Tarboro's Keihin and Wilson's Bridgestone are direct suppliers to North American automotive assembly plants.

"There also is another supply chain that help support those manufacturers with parts," Chaffee said. "Then you get a much better image of the extent of the supply chain that supports all these industries. Understanding all these companies that might otherwise be off the radar, we can identify gaps and find a company or an entrepreneur that can move in and produce a part and fill a need."

Combined, cluster companies employ several thousand workers with the potential for significant job growth, Chaffee said.

Eastern North Carolina has many assets to support cluster growth, Chaffee said, including the East Carolina University College of Engineering and Technology, the 1,200-acre CSX Select Kingsboro MegaSite in Edgecombe County, and the N.C. Center for Automotive Research near Rocky Mount.

"We look at how we can connect these points and assets with appropriate infrastructure," Chaffee said. "A community might not be able to accommodate a big water user, but they can think about what kinds of suppliers they can fit into sites that can accommodate small

companies. It's important for us to map out that inventory of properties and small industrial parks to find opportunities for them to be developed as well."

Workforce development will play a major role in the analysis the Alliance and Kenan will perform, Chaffee said.

"It's become clear to us that all these STEM-related (science, technology, engineering and math) jobs are going to be in demand, and we now have a good idea of what that demand is going to be," he said. "You have to engage your partners in each county and let them know that there will be employment opportunities that will require collaboration because they will cross county lines."

The first phase of the project should be complete by May 2015, Chaffee said. The region then will convene a group of individuals to guide the development of strategies and actions to grow the cluster, he said. The team includes Brent Lane, director of the Center for Competitive Economies at the Kenan Institute; Mark Angolia of ECU's technology systems department; and Fumihiko Kawasaki of Tokyo, an **economic development** analyst with NCGrowth.

The project will be funded through a combination of federal grants and matching funds from NCGrowth.

"They came to the table with talent and funding, and we brought some matching funds as well, and connections, like experts from ECU with special knowledge and background," Chaffee said.

The Alliance will engage local economic developers and cluster companies in the process to insure the accuracy of the data, Chaffee said.

The project with NCEast combines the three components of the Kenan Institute's mission: **economic development**, entrepreneurship and global competitiveness, according to Mark Little, the Kenan Institute's interim executive director.

The NCEast Alliance provides eastern region community capacity building and assists companies with site location and expansion evaluations. For more information on the NCEast Alliance, visit www.nceast.org.

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Record Number: 020115NCEastStudy
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