



Japan-America Society of Tennessee Public Awareness Initiative

Impact: Japanese Business Investment in Tennessee

In association with the Tennessee World Affairs Council

Verbatim Transcript

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Video Recording on the JAST YouTube Channel

Patrick Ryan [00:00:23] Hello, I'm Patrick Ryan from the World Affairs Council, and today we are talking with Lori Odom from the Nashville Area Chamber of Commerce. This is part of the Japan-America Society of Tennessee Public Awareness Program on the impact of Japanese business investment in the state of Tennessee. And we're talking with Lori, who's Senior Vice President for Economic Development and International Business at the Nashville Area Chamber. Formerly the VP for International and she also holds the title of Director of the International Business Council at the Nashville Area Chamber. Formerly at the Tennessee Department of Economic and Community Development, where she was the lead on foreign direct investment. You can find more biographical information in the details on this recording. Hello, Lori, and thanks for joining us today.

Lori Odom [00:01:14] Thanks, Pat. Glad to be here.

Patrick Ryan [00:01:17] As you know, this project is exploring the impact of Japanese investment in Tennessee, and there's probably no better person to talk to than you. You've held

positions in state government on FDI, and you're currently immersed in the Business Development and Economic Development from the Nashville Area Chamber of Commerce perspective, which is probably more focused on Middle Tennessee. But you know what's going on around the state, and we will dive into what the impact that has been statewide, but we understand that this would be a little bit more on Middle Tennessee. Thanks for being with us today. And let me start by just asking a little bit about your background. How did you come to be involved? You were raised in Tennessee, but now your vision is abroad.

Lori Odom [00:02:15] You know, Pat, I am probably like most Tennesseans. So, you know, live here, work here and had several jobs before getting into economic development. Had friends that worked at Nissan understood that was a great place to work, a good career, a good job, but didn't really understand that that was for direct investment and that that had been really a huge role of so many of our governors and our commissioners of economic development. So I got into international work through my role in economic development, which is recruiting companies to locate and operate in your state. So I worked under our Governor Bredeson and Commissioner Matt Kisber and focused on new companies into the state in the role of plastics and poultry. Those were my two sectors. And I think you've talked to my mentor, John Gregory and Leigh Wieland. John at that time decided he was going to retire out of the economic development world, and they were looking for someone to fill John's role. And I applied for that job and was lucky enough to be selected. And like I said, I had excellent mentors who helped me understand the value of foreign direct investment, that helped me understand the relationship with Japan, and really helped open my eyes to kind of the relationships that drive economic development and drive international business and how you maintain those relationships and continuity, consistency that you know - foreign direct investment and economic development in a lot of ways is a marriage. You know, you date to a certain point and then you decide you're going to solidify that union and you're going to locate into that state and then you spend a lot of time nurturing that relationship. And if that relationship isn't nurtured, those ancillary jobs don't always come. So that's kind of my role in economic development and international business - is building relationships that result in that foreign direct investment in nurturing those relationships and promoting the Nashville region is a great place to do business.

Patrick Ryan [00:04:34] Well, we've certainly heard the the R word - relationships - from talking with John Gregory and Leigh Wieland and their interviews are also in the series on the impact of the Japanese investments so people can find those on the JAST YouTube channel as well. And they provided a lot of background and context on the early days of the Japanese business connections in Tennessee. Give us just a sense of the middle years. You came into the process when these companies, primarily automotive, were well-established large companies, had a big footprint in Tennessee. But tell us a little bit about your experience in the evolution of Japanese businesses in Tennessee, where they moved from primarily automotive to to other sectors. Then we will talk a little bit more about the impact in current times, but give us a snapshot of what you learned at the OECD and in your first years at the chamber.

Lori Odom [00:05:43] Sure. I think what really stands out to me is I entered this world kind of in the early 2000s. So Nissan had been in operation for about 20 years, so there was a strong foundation in that automotive sector. Tennessee was well-known and well-regarded as an automotive state for Japanese investment. So we were already on the map in that area. But what's been fascinating for me to watch over the last kind of the next 20 years of how this all has evolved is seeing investments like NTT Data. So they're, you know, consulting technology based company Japanese owned. I mean, they are a Japanese superstar brand. Everyone in Japan knows NTT Data. And to see them, you know, two stories above us here at the chamber with an operation that services the United States in an industry completely outside of automotive. I think that's really been kind of, I think, one of those great capstone projects that kind of marks a turning point from things like automotive supply chain. You know, we've seen clean energy like in Memphis several years ago, there was a Mitsubishi Power Products announcement. So seeing these kind of evolve from automotive - also seen the spread of Japanese investment through the state. So overall, once again, those relationships really play into am I going to feel comfortable doing business there? Does this state understand the needs that Japanese companies have? You know, are they are they friendly to non-English speakers, non-native English speakers. Things like that make a big difference in that legacy, that history, that understanding - it plays out in conversations in 2022, just as it did in 1982 to 1992. Those are the things that companies really want to understand to make that investment.

Patrick Ryan [00:07:49] Now you've been heavily involved in the Japanese sector for four years. Tell us a bit about the relationship building, the back and forth. We have the Southeast U.S. Conference, which alternates between Japan and the southeast United States. But what are the kinds of things that go into from your perspective in economic development and international business? What are the things that go into relationship building?

Lori Odom [00:08:17] You know, I think most broadly something that the Japanese specifically are very good at is continuity of relationships. Americans and kind of in our industry are much more transient. We switch jobs a lot. We move from company to company. I think one thing that has helped Tennessee establish these relationships and hold on to these relationships is long term consistency of kind of a point person. So while the top might change, there's been continuity at the state level with the John Gregory. You know, the time that I was there, Leigh Wieland's been involved in this forever. So you see a lot of these faces on the Japanese side. They may move, but they're moving up within a company. So we might have worked together with them years ago with a certain company in the secretariat office that was helping organize the Southeast U.S. Japan meeting, and then they ascend through the ranks of that company. So they've been to Tennessee early in their career as part of that meeting, or they've met people from Tennessee by being engaged in Sousse Japan, or by being involved in site selection for a company early in their career that decided to locate in Tennessee. And then they come back in another role to maybe lead that company years later at the facility in Tennessee. So I think where we've been really good in kind of one of those keys is continuity and understanding the value of keeping those relationships going. And we've seen, I think, through the Southeast U.S.-Japan meeting, kind of specific to Japan, commitment from all of our governors and commissioners through Governor Alexander when this started through now to Governor Lee,

we still sit at the table and participate in the Southeast U.S. Japan meeting, and it gives us an opportunity to have economic developers from around Tennessee in Japan every other year. I can tell you when you're working with the prospect, the first thing they ask us and we'll have you ever been to Japan. So being able to have a reason to get people on the ground in Japan, to visit the parent company, to understand the culture - that does an immense amount of good. And I think that's one of the true most valuable pieces of the Southeast U.S.-Japan meeting. And just relationship building in general is you've got to have kind of - you've got to go beyond the is this just a great place for business to does this group of people understand me? Are they going to be my friend? Are they going to help me long term? And I think Tennessee's been really good at finding ways to be ambassadors and to be friends to the companies that are here.

Patrick Ryan [00:11:11] And tell us about the International Business Council and feel free to make a pitch to recruit Japanese businesses and others who might be watching this program.

Lori Odom [00:11:21] So through the International Business Council, the Chamber has had a commitment to international business since the late 90s. So we really at the National Chamber, our leadership has valued what foreign direct investment brings to the Nashville region and into the state and really put their money and their resources behind building up those relationships. You know, Pat, every year we count announced new jobs. That's kind of an economic development term. Those are the jobs that get created kind of through the economic development world. So there are other jobs like retail, you know, a hospital job that gets created that we don't touch so it doesn't get counted in those jobs. But out of the ones that kind of work their way through the economic development landscape, in our region, about 20 percent of those jobs every year are through foreign direct investment. Some years, Pat, that's as high as 40 percent. So it is a huge driver. It is both new companies that come in that want to operate in the U.S. market and locate in Nashville, as well as companies that are already here your Bridgestones, your Nissans that are adding jobs. But when you think about that, on average, 20 percent of the new jobs that get worked through the pipeline are foreign direct investment. It's a huge impact, and it is an area that, like I said, our leadership has realized that we've got a resource this. So, you know, I'm first point of contact for all the consular officials that work in our region that help build awareness of Nashville on a global stage. You know, I'm first point of contact for Nashville based companies that want to do business abroad. You know, I want anybody who's listening that might be thinking, hey, we might want to sell our product into X, Y, and Z market, call me. I can connect you to the right people. You know, my point of reference is to be kind of that jack of all trades, master of none. So inch deep mile wide. I know a lot of people and I can get you hooked up to the subject matter expert that you need to talk to be successful. So that's really what the Chamber does. Through our International Business Council, we host events, we have conversations with consular officials. We partner with organizations like the Tennessee World Affairs Council to make sure that global awareness in the global impacts are understood by both the business community and also the general public. We live in an increasingly global community, and so just having that understanding and the ability to interact with high level officials that are representing either our country or other countries is a benefit, and we want to help promote that type of knowledge in our community. We also have an International Business Council Advisory Board, and that group is about 30

industry leaders and they include - we've been lucky that our Consulate General of Japan has allowed the consul general to sit on that board since the consulate moved here in 2008, and that's been a great opportunity for our business community to interact and better understand and build a personal relationship with the consulate, and for the consulate to also better understand the needs of Nashville's international business community. So that's really been a win-win for us, and really the location of the consulate - we can't underestimate the impact that that has on the expat community that's here just on I think the way Nashville is viewed as is really an important city, an important location for Japanese investment. If the Japanese government wants to have a consulate here. So you know, that's all kind of a big piece of what I do with the Chamber through the International Business Council in my everyday work.

Patrick Ryan [00:15:32] And I know you also work closely with the Japan-American Society Tennessee, and they provide services to expats and also the cultural interaction and other projects and programs to enhance the bilateral relationship. Well, that's a great overview of the context and structure of how these things work. But let's talk about impact. I know you look at Middle Tennessee and you probably have some numbers about jobs and capital investment and those kinds of things. But let's peel back the onion a little bit and talk about what does the Japanese investment, you know, the early investment, the major manufacturing, the automotive, but now you just talked about places NTT Data, international companies that are coming to Nashville and changing the skyline of downtown and other areas around Tennessee. But if you were talking to, you know, you grew up in Florida and that's what -

Lori Odom [00:16:37] You got to get that right. Smithville.

Patrick Ryan [00:16:39] Smithville, I'm sorry. Smithville, Tennessee. So you can appreciate what happens in a community around the state when investment comes to an area that's hungry for economic development. So it was, you know, case studies, anecdotes, numbers, whatever you would like to share with Tennesseans and others about the impact of Japanese business.

Lori Odom [00:17:08] You know, Pat, I'll tell you just the initial impact. There are over 22,000 middle Tennesseans. And when I say Middle Tennessee, we actually served as kind of a smaller area of Middle Tennessee. We serve kind of the 10 counties that surround Nashville. There are 22,000 people that are employed because a Japanese owned company decided to make an investment in Tennessee. So they're working in over 70 different companies. So when you think about just that, there are 22,000 people whose livelihoods are connected directly to Japanese investment in a 10 county region. I mean, that's a major impact. You mentioned Smithville. When you look at the map of Japanese investment across the state, I mean, I think there's maybe two or three counties in Tennessee out of all of our 95 counties that don't have Japanese investment. Smithville has a Japanese auto manufacturer that's located there. So they are invested all across Tennessee. So there's this economic connection that is undeniable. And when I talk about 22,000 jobs to put some context once again for kind of or 10 county service area, if you add up, it's at least the next kind of four countries that are invested here. They're still not anywhere close to 22,000. So Japan is - it is such a large investor. I mean, it just - the

others are further behind in where Japan is. We have a longer legacy, but just a lot more jobs and a lot more capital investment that's here through Japan than any other country.

Patrick Ryan [00:19:08] So this is this is on the ground prosperity for Tennesseans by virtue of the work that has been done in the past, starting back with Governor Alexander and extending through all the governors and all the commissioners at Tennessee ECD, and all of the international people at the Chambers around the state. It's in fact what is the source of prosperity for thousands of Tennesseans and 22,000 in Middle Tennessee, but many more across the state. So that helps us understand the impact. Now let's talk briefly about where we are, where we're going. You probably have charts and whiteboards and all kinds of things with names of companies and who's coming to visit and who you're pitching and - what's the outlook? We are intensive in automotive, but you said that there are other sectors that are moving in. Tell us briefly about your vision of the future, the possibilities for new Japanese investment and what we can expect to see on the horizon. We know there's a big boom in Nashville here, but statewide we have fertile ground for more investment.

Lori Odom [00:20:32] You know, I think you're going to continue to see reinvestment in a lot of the companies that are here. As our market continues to grow and as supply chains look to become closer to where they ultimately land up I think you'll see some of our legacy companies and long term companies looking at that and possibly adding jobs in the future. You know, I really can't say enough about how exciting it is from truly a Nashville perspective to see the NTT Data announcement, to see, you know, Bridgestone and their corporate headquarters located here. To see Mitsubishi Motor works moving their corporate headquarters to the Nashville region from California. And I think, you know, ultimately, I think, you know, Japan has been a long term legacy investor in the United States. So my kind of thought leaning forward on this is you're going to see maybe from Japan, some of the more corporate operations, some of the newer industries that have not invested. And I think we're going to see what we see for domestic companies, the Mitsubishi's of the world that have been in California, that have been in New York, that have been in higher cost markets. I think we're going to see those evaluating where they are and locating some of their jobs or if not their entire operations into the South and into the Nashville region specifically.

Patrick Ryan [00:22:05] Well, that's a promising outlook, and we look forward to seeing some of those moves and investments continue. We've been talking with Lori Odom. She is the Senior Vice President for Economic Development and International Business at the Nashville Area Chamber of Commerce, and she also heads the International Business Council. Lori, any final thoughts on the impact of Japanese businesses in Tennessee, what it means to the state and what's going on in your role?

Lori Odom [00:22:39] You know, Pat, I think in closing, I would just like to say from an international perspective no country has made an impact on Tennessee's economic future like Japan has made over the last 40 years. So that investment, that friendship, that cultural connection, all of that is just so hard to measure. I know we talk about 73 companies, 22,000

jobs, but just the indirect impacts and how this has completely changed our economy. It just is hard to put into words.

Patrick Ryan [00:23:27] Well, you did have no difficulty in putting those into words in the last 20 minutes or so. That was a great background context on where we've come from and where we're going and the National Area Chamber of Commerce role and all this. And we thank you again. We're talking with Lori Odom. She is Senior Vice President for Economic Development and International Business at the Nashville Area Chamber of Commerce. And as she mentioned, if you're interested in doing business in Tennessee, call Lori Odom and look in our details for her contact information, and I'm sure she will be glad to connect you to business opportunities in Middle Tennessee and help build your future. Lori, thank you so much.

Lori Odom [00:24:16] Thank you, Pat.