CASE STUDY:

Choosing the Right Location

The site selection process ranks near the top of the most monumental decisions a corporation makes over its lifetime. Location ... incentives ... workforce ... there can be dozens of considerations - all unique to each individual company.

Find out the critical factors which led automotive supplier JAC Products to open a new manufacturing facility in Northwest Ohio.
Situation

As customer demand in the automotive industry moves more toward SUVs and CUVs, JAC Products has positioned itself to capitalize through its extensive and diverse product line of exterior and interior trim products. Consumers are asking for more space in their vehicles, including cargo storage and roof racks. With its innovation and engineering capabilities to support that demand, JAC Products is experiencing significant business growth requiring the company to seek additional manufacturing and assembly capacity.

“We could not afford to wait for a building to be constructed from the ground up - the spec building in Napoleon fit our needs.”
- Dennis Kirby, Chief Financial Officer, JAC Products

Spec Building

Representatives from JAC Products were very clear they preferred near-immediate start-up. Sites in competing regions were ready for move in, so in order to contend, Northwest Ohio needed available “product” right away. The city of Napoleon in Henry County had a 200,000 square-foot recently constructed spec building which met the needs of the customer, allowing for rapid kick off.

Companies know constructing a new building can take anywhere from 6-18 months. And moving into an existing facility is never perfect, often requiring structural modifications. In Northwest Ohio, communities have implemented aggressive initiatives to build new product - Spec Buildings - which means they are ready for move in and can be easily customized for specific business needs.

Over the past 18 months, more than a dozen spec buildings have gone up across the region, including the one in Napoleon. Spec buildings also provide companies:

- RISK MITIGATION
- SPEED TO MARKET
- REDUCTION OF DEVELOPMENT COSTS

62% OF BUSINESSES CONSIDERING A NEW LOCATION REQUEST A SITE WITH AN EXISTING BUILDING
JAC Products is a Tier I automotive supplier recognized as a world-class inventor, designer and manufacturer of essential utility systems and functional exterior trim products. Its primary product lines include premier roof rack products, cargo management systems and step rails/running boards.

The company has won multiple performance and quality awards from leading automotive companies including Toyota, Honda and Subaru. It was also selected among Crain’s Detroit Business’s Most Innovative Companies.

“This is an exciting time for JAC Products and this expansion marks a huge milestone for our Company, our employees and our customers.”
- Stuart McRobbie, Chief Operating Officer, JAC Products

In an effort to provide turnkey solutions for aftermarket accessories compatible with its products, the company established a partnership with Yakima. Yakima is recognized as industry leaders in the design and manufacturing of cargo management accessories.

Under the Hood

- Founded in 1967
- 1,700+ employees
- 15 global locations
- Four manufacturing sites in North America
- 500 vehicle lines across 4 continents
- Napoleon site is the first new facility for company in North America in 30 years
Proximity to Market

From the beginning of the site selection process, JAC Products determined a need to locate the new facility in the northern part of the country near its customer and supplier base. In addition to Ohio, locations in Indiana, Michigan, Kentucky and Pennsylvania were considered.

The company discovered the Northwest Ohio region is located just 45 miles from Detroit and within a day's drive of half the U.S. and Canadian industrial markets. Northwest Ohio is often recognized as a central point in the North American automotive market. And with that, Napoleon ultimately won out because of its proximity in the marketplace, as well as a strong labor pool.

“We needed to be close to a major highway intersection because of the importance of getting to customers and suppliers. Napoleon fits right in the logistics center to the majority of those suppliers.”

- Dennis Kirby, Chief Financial Officer, JAC Products

Transportation Assets

Along with the right geographic location, JAC Products needed immediate access to major highways in order to get its product out and delivered to customers in an expedient manner. The Toledo region has every available mode of transportation and distribution to meet the global needs of business. JAC Products recognized this during the site selection process, highlighting the fact that three of the country’s most traveled interstates cross through the Toledo region. The regional rail network is also crucial and has been named one of the top 5 rail hubs in the country.

OHIO IS THE LEADING PRODUCER AND SUPPLIER OF KEY AUTOMOTIVE COMPONENTS AND RAW MATERIALS FOR THE AUTOMOTIVE INDUSTRY
"The RGP and JobsOhio helped us understand the market, the dynamics and the quality of employees who we’ve been able to hire. For any new opportunities, businesses need to seriously consider Northwest Ohio."

- Dennis Kirby, Chief Financial Officer, JAC Products

Collaboration

Knowing it needed to move quickly with its site search, JAC Products was relying on local and state officials to address their immediate needs. In Northwest Ohio, the economic development community understands speed to market – business interests are always first and foremost. The company would come to discover the region’s strong collaboration among all the partners working on behalf of JAC Products, and they cited that partnership with practitioners as instrumental in pulling the deal together. They said the ED groups helped maneuver through red tape, work through documentation and effectively manage the incentive package.

Workforce

Without a reliable workforce, no other asset or regional attribute matters much in the site search. In such a globally competitive industry, JAC Products knew a productive workforce was imperative to its success. The Northwest Ohio workforce has long been recognized as one of the best and most productive in North America. More than 45,000 people are employed in the regional automotive industry, and within a 45-mile radius of Napoleon, employers can find a workforce of 550,000. The company referenced Northwest Ohio’s historically acclaimed work ethic and employee loyalty as significant reasons for locating to Napoleon, expressing their early fortunes in hiring people with a “can do” attitude.

IN OHIO, AUTO COMPANIES CAN EFFICIENTLY DELIVER TO MORE THAN 72% OF CURRENT NORTH AMERICAN AUTO ASSEMBLY PLANTS WITHIN ONE DAY’S DRIVE

To learn more about JAC Products’ location to Northwest Ohio, contact the Regional Growth Partnership