

Inducing Continuous Innovations

TAMA Association

By Hideto OKAZAKI

TAMA Association: Track Record

The Technology Advanced Metropolitan Area Association (TAMA Association) marked its 10th anniversary in fiscal 2007 (through March 2008). Founded in April 1998, the organization was originally a voluntary body, but it obtained the status of a corporate juridical person in April 2001.

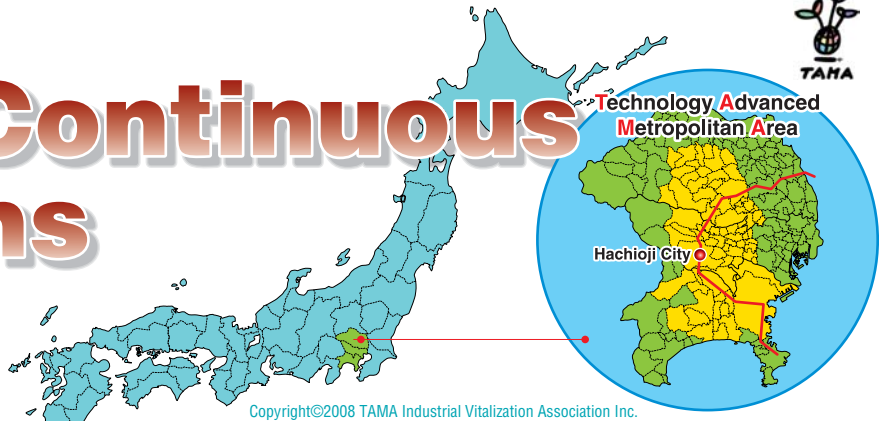
The TAMA Association operates mainly in the so-called wide-area Tama region, which comprises parts of Tokyo and of two adjacent prefectures – the southwestern part of Saitama Prefecture along two national highways, Route 16 and the Ken'odo beltway, the Tama area of Tokyo and the central area of Kanagawa Prefecture.

This region hosts research centers and plants of large companies, mainly in the fields of electronic and electrical machinery, transport equipment, and precision and measuring instruments. There is also a large cluster of “product development-type small and medium enterprises (SMEs),” including venture companies spun off from big businesses, and these SMEs boast advanced product design capabilities. There is another cluster of SMEs of “basic technology types,” which possess advanced process technologies. The region has 80 universities, of which 38 specialize in science and engineering. Hence, in terms of intellect, it is also a region with high potential.

In order to accelerate innovations in the region, it is important to create an innovation platform, or an environment in which the region's leading SMEs are able to create new companies or businesses on a continuous basis. For this purpose, coordination is necessary to promote research and development for high value-added products in cooperation with universities (industry-academia alliance) and with large companies on an equal footing (partnership between businesses), with the region's stronger SMEs acting as the axis. The TAMA Association was founded to play the central role in such a coordinator function. To supplement the activities of the association, TAMA-TLO Co., a joint stock company, was founded in July 2000 to transfer research seeds from the local universities to SMEs in the region.

The activities of the TAMA Association served as a model for an industrial cluster plan launched by the Ministry of Economy, Trade and Industry in 2001. The concept of the plan is to 1) create a network among businesses, universities, governments and financial institutions to serve as a platform for effectively inducing “fusion” of various resources (i.e. technologies, human resources, markets and businesses), which are keys to continuous innovations; 2) build various systems necessary for the promotion of innovative creations and 3) set priorities and take necessary measures in order to make a qualitative changeover of regional industrial clusters.

Activities conducted by the TAMA Association in response to the above plan are broken down into the following five-year periods: 1) The first five years were dedicated to building networks within the



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region; 2) the second five years were for the promotion of cooperation and partnership utilizing these networks; and 3) the next five years will be for building brand-name recognition of the TAMA business cluster with an eye to the manufacture of environmentally friendly products. The following are some of the association's activities that have created a large number of new businesses and led to numerous innovations.

Association Networks

The membership of the TAMA Association comprises approximately 320 manufacturing companies with advanced technological and design capabilities or process technologies. In addition, there are 40 universities, 10 financial institutions, 21 local governments, 37 commerce and industry groups and other organizations supporting innovations. In all, it is a cluster comprising some 620 organizations and individuals.

At the same time, 140 experts, including consulting engineers and SME diagnosis specialists, are registered as TAMA coordinators to support the creation of new businesses and the development of new technologies by manufacturing companies. They provide appropriate coordination services in response to various management problems facing SMEs.

For partnership projects between SMEs and financial institutions, universities and major companies participating in the clusters, the association's secretariat has a system to provide coordination services as necessary.

Association Services

The TAMA Association supports innovative creations by providing its members with assistance services in the following six areas: 1) Information networks, 2) promotion of cooperation in R&D between businesses and universities, 3) events and programs, 4) creation of new businesses, 5) development of marketing channels and overseas operations, and 6) securing and fostering human resources. What follows is a summary of some of these services.

Support for industry-university cooperation in R&D

The association supports R&D in many ways to promote cooperation between businesses and universities in R&D leading to the former group's entry into new lines of business or to the creation of new industries in the region. These services are provided in tandem with TAMA-TLO, ranging from the drafting of plans for R&D to support for the creation of a framework for joint research, competitive fund-raising, and process control for development projects. The association's “Product and Technological Partnership Square” project, launched in 2006, seeks to achieve technological matching of big businesses and SMEs possessing high technological capabilities (*Photo 1*). This ser-



A scene from the “Product and Technological Partnership Square” event organized in 2008 to match member SMEs of the TAMA Association and major companies.

vice is designed to create and discover innovation-generating new research themes on a continuing basis.

Support for new business creations

The association provides continuous support to companies and individuals aiming to enter a new field of business or establish a new company for the commercialization of superior technologies or ideas. Such support ranges from formulating business plans to assisting the development of presentation skills to acquire business partners and helping fund-raising and cultivating sales channels.

Securing & fostering human resources

The association helps corporations in finding young persons who will shoulder future technological and development capabilities. For example, it frequently creates venues for exchanges between corporations and university students and makes it possible for both parties to know each other well through long-term internships. In addition to providing support for creating human resource strategies or planning human resource development, the association holds seminars for nurturing business successors by inviting former presidents of big businesses. Through these activities, the association supports “human resource development” and “organizational development” conducive to innovations.

Aid for market exploration & overseas operations

In order to promote “manufacturing that meets market needs,” the association coordinates sales channels with the help of experts who have networks of contacts in marketing channels. It also helps the formulation of marketing strategies or creating intra-company systems geared to promoting sales. To cultivate new markets for the region’s technologies and products, it is also trying to increase their value-added through cooperation or partnership with overseas corporations. To date, it has carried out exchanges with companies in Italy, South Korea, the United States and China (Photo 2).

An Example of TAMA-induced Innovation

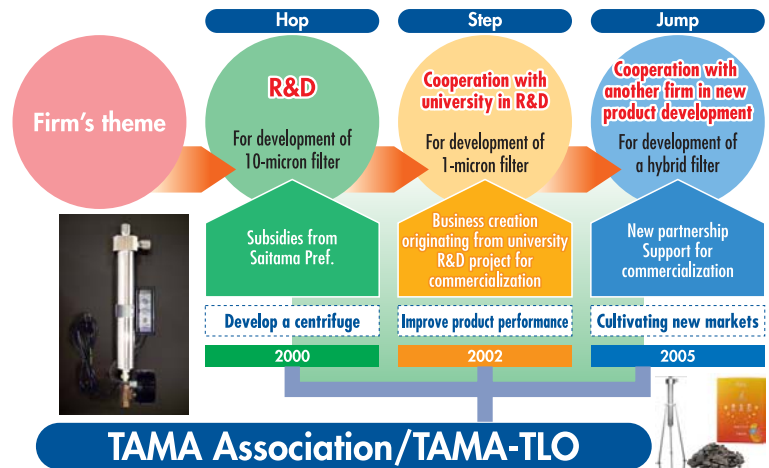
The following is an example of successful innovation supported by TAMA. A company, identified only as “I” here, was a subcontractor, whose core technology was precision cutting and processing. With continuous support from the TAMA Association and TAMA-TLO, and in cooperation with universities and other businesses, it has successfully developed filters for shavings from precision cutting and processing. They were put on the market under the name “Elementless Filters.” Before, the I company felt vulnerability and worry as a firm



A TAMA Association delegation makes a pitch for its member SMEs during a presentation in 2004 at the Chamber of Commerce and Industry of Vicenza, Veneto, Italy.

CHART

An example of TAMA-induced innovation



Source : TAMA Association

that did not sell products under its own brand name. However, when it came up with the lineup of “Elementless Filters” meeting customer needs for various degrees of precision, products of middle-level precision found markets among major automakers and others. The secret to success in this case was that the company used the capability of universities to meet needs that it felt existed. Today, sales of “Elementless Filters” far exceed those of products the company makes as a subcontractor, bringing in a stable flow of profits. (Chart)

Conclusion

New businesses or innovations cannot be created overnight. For creative innovations, it is important to closely watch the activities of SMEs with growth potential at all times and provide timely support. This is not an activity that attracts a great deal of attention. Rather, it is made possible only by accurately understanding the needs of companies (TAMA’s clients), putting many businesses together and trying various sets of cooperation among different parties. It requires an accumulation of quiet, but steady, support.

For the future, TAMA plans to make it possible for willing SMEs in the TAMA cluster to go beyond cooperation within the cluster and work with strong businesses, universities, governments and financial institutions in other clusters in Japan and the world. It hopes that they will find hints to new innovations from such opportunities and induce innovations on a continuous basis. **JIS**

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