

Fostering Entrepreneurs from the Tohoku Region Who Take on Global Challenges by Maintaining Profitability and Philanthropy



Background

Sendai City has recognised that a new drive for economic growth is required to promote the sustainable development of the regional economy as a part of reconstruction efforts after the 2011 Great East Japan Earthquake. As the core city of the region, Sendai City has worked on growth focusing on qualitative and quantitative expansion and economic measures to share economic ripple effects with other areas in Tohoku.

The city advocates “SENDAI for Startups!” as one of its strategic projects for economic measures and is designated as a special zone for social innovation as a reformation hub for the active participation and social entrepreneurship of women to work on diverse measures for supporting business startups.

Project Aims

1. Expansion of the range of business startups
2. Growth of entrepreneurs and increase of continuance rate
3. Development of growth-oriented entrepreneurs
4. Attraction of external human resources for business startups

Project Outline

■ Enlightenment/development/support of social entrepreneurship
Tohoku social innovation network hub establishment project

This project enhances the opportunities for social entrepreneurship through lectures by social entrepreneurs and also provides individual intensive support for social entrepreneurs selected from the Tohoku region. It holds an achievement presentation

session to promote the business plans to investors and other parties.

■ Sendai City Entrepreneur Support Centre Assista

In order to improve the incentives for business startups and increase the continuation rate thereafter, the Centre provides individual consultation with experienced advisors and various seminars on the knowledge necessary for business startups and hosts events to make connections between entrepreneurs.



Individual consultations at Assista

■ Development of fast-growing venture/core entrepreneurs

•TOHOKU GROWTH Accelerator

This project enlists entrepreneurs who are willing to grow, provides support for business growth such as lectures on business creation and individual consultation with senior business operators, business startup support specialists and investors, and hosts an achievement presentation session with the participation of investors, major companies and the press.



One of the initiative's events

■ Promotion of attraction of foreign human resources for business startups

Startup Visa

For foreign nationals who launch a business in Sendai City, the eligibility requirements for the Business Manager status of residence are relaxed under certain conditions in order to reduce business startup risk.

Strengths and Innovations

■ Enlightenment/development/support of social entrepreneurship

○ A program is carried out to strengthen individuals' will to contribute to society, to clarify the path to the goal, and to enhance the prospect to reach the goal under the support of mentors.

○ An event is held to share information through presentation and discussion on how and with what kind of motivation social entrepreneurs active overseas as well as in Japan got started, as well as what kind of social challenges they have faced and resolved and by what means.

■ Sendai City Entrepreneur Support Centre Assista

○ The Centre has improved support for business startups by women such as providing female counsellors and a childcare service on the occasion of seminars and other events.

○ It provides friendly, polite, and hand-in-hand support even for small businesses.

○ It focuses on the soft support such as individual consultation rather than hard support such as subsidies and office rentals.

■ Development of fast-growing venture/core entrepreneurs

○ The first broad acceleration program (covering Sendai City and all the prefectures in the Tohoku region) in Japan is implemented for the purpose of giving a boost to business startup activities and the foundation of SMEs in the whole Tohoku region.

○ This aims to expand business, raise funds, and create jobs.

■ Promotion of attraction of foreign human resources for business startups

○ The National Strategic Special Zone scheme (Startup Visa) is utilised for the purpose of strengthening the international competitiveness of industries and expanding employment.

○ The utilisation of the Startup Visa system is promoted by sending administrative scriveners and translators to foreign nationals who wish to launch a business in Sendai City.

Results of the Project

Through these efforts, the rate of new business creation became the highest in Japan in 2014 (based on the Economic Census for Business Frame). The following are the results of each effort.

■ Sendai City Entrepreneur Support Centre Assista

Number of new businesses:

113 from April 2016 to March 2017

115 from April 2017 to March 2018

*About 4.5-fold increase compared to before the establishment of Assista

■ Development of fast-growing venture/core entrepreneurs

Number of developed teams in 2017: 15 teams

Amount of funds raised: About 123.5 million yen (as of 31 October, 2018)

Number of developed teams in 2018: six teams

■ Enlightenment/development/support of social entrepreneurship

Number of developed teams in 2017: 12 teams

377 participants in 11 social entrepreneurship events

Number of developed teams in 2018: 12 teams

■ Promotion of attraction of foreign human resources for business startups

Number of applications for Startup Visa in 2017: 2

Problems and Responses

◆ Development of business plans/entrepreneurs for which investors can have an appetite for investment.

◆ Attraction of human resources working in Tokyo.

◆ Overseas promotion

Future Developments

Revitalising activities related to business startups in the whole Tohoku region, and creating businesses that maintain both profitability and philanthropy

while resolving social and regional challenges.

Reference URL

Startup Visa (English):

<http://www.city.sendai.jp/kikakushien/jigyosha/kezai/jigyosho/joho/startupvisa-english.html>

Contact

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Definitions of Technical Terms, etc.

Special zone for social innovation:

A locally-created special zone scheme in Sendai City that aims to support social entrepreneurs and to promote the active participation of women.

TOHOKU GROWTH Accelerator:

A short and intensive business support program (acceleration program) for entrepreneurs throughout the whole Tohoku region who are willing to grow.

Tohoku social innovation network hub:

An ecosystem that continually produces human resources contributing to the social innovation in different areas in Tohoku, including Sendai City.

Startup Visa:

A status of residence specially authorised for foreign entrepreneurs on the basis of certain requirements by the Business Startup Program for Foreign Nationals as a program of the National Strategic Special Zone.