IBDC Amasses Foreign Business Investments

David Hendricks, Express-News columnist

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A Guadalajara, Mexico, company called Nekutli has long supplied U.S. companies with raw-food materials, including agave nectar for Dr Pepper and other ingredients used by General Mills Inc. and Kellogg Co.

Nekutli now wants to sell its own finished food products, including ice creams and chocolates, in the United States. Who did the company partners select to assist its U.S. expansion?

The International Business Development Center, operated by the Free Trade Alliance San Antonio.

"We saw a lot of support in San Antonio," said Rogelio Garcia T., one of four Nekutli partners. The alliance "went to Guadalajara and gave a presentation. We came to a training seminar here. We liked what we saw. The think we can accelerate our entry process from here."

Nekutli is one of 163 foreign companies — all but a handful of which are from Mexico — that have come through the IBDC since its 1999 start. At least 60 of those companies remain active in the U.S. market.

No fewer than 10 Mexican companies signed contracts with the alliance during the last quarter of 2011. These businesses are involved in construction materials, a restaurant franchise, kitchen furniture, carwash products, employee leasing, software, security protection for executives, cellphones and others.

The IBDC now has 31 foreign companies under contract for its specialized business incubator services. Recent non-Mexican clients have come from Guatemala, Chile, Spain and France.

The IBDC was founded as increasing numbers of Mexican trade delegations visited San Antonio in the 1990s. The federally supported University of Texas at San Antonio's Institute for Economic Development provides similar services.

Free Trade Alliance members Cacheaux, Cavazos & Newton, Gardner Law and FosterQuan are among the numerous professional services companies that have assisted the foreign businesses in the IBDC.

"It is one of the benefits of membership, to have access to IBDC clients," said IBDC Director of Business Development Rogelio Garcia, no relation to the Nekutli partner.

Four alliance staffers are assigned to the IBDC. Garcia and Raul Rodriguez travel often to recruit potential U.S. business investors.

Garcia and Rodriguez are focused this year on a newly branded presentation, "Invest Grow Prosper: A U.S. Investment Seminar," that will be delivered throughout Mexico.

Citing Mexico's high level of organized crime violence, Garcia said, "It's always a factor, but what we've seen from companies are business decisions. They are looking at expanding to the United States, not shutting down anything in Mexico."

Once foreign firms sign with the IBDC, staffers Carlos Jarquin and Deanna Hilderbrand perform the contracted services, including marketing assistance and Internet sites.

The IBDC's economic impact so far, counting foreign investments and sales, is \$11.5 million for the 31 companies now under contract and \$16.99 million for those that have graduated from the program.

The 60 IBDC clients still in business have created more than 150 jobs for U.S. workers, many in San Antonio. The value of the IBDC and similar services go beyond that. San Antonio would be a subpar international city without assistance to foreign companies.

dhendricks@express-news.net

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