



**Welcome to
Business Attraction**



Business Attraction 101

Why do companies consider new locations?

TACTICAL

Capacity Constraints
Cost Containment
Lease Expiration
Talent Development
Tight Labor Markets
Union Issues
Changing Product Mix



STRATEGIC

Consolidation
Merger/Acquisition
Market Access/Dynamics
Business Re-engineering
Reposition Corporate Culture/Image
Leadership Issues

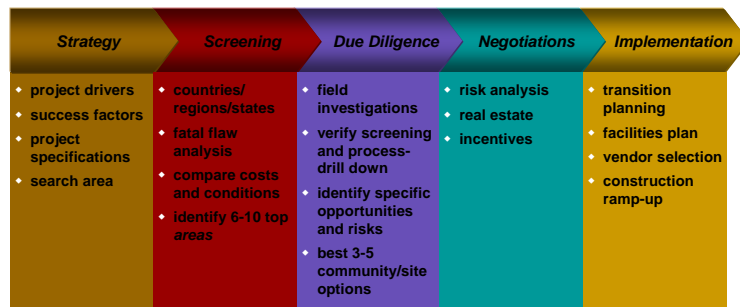
Deloitte.

Location decisions can be very troublesome for companies...

- Long-term and significant allocation of major capital and human resources
- Occur infrequently — internal skills are rare or rusty
- Huge commitment of resources over a short period of time
- High degree of uncertainty and risk
- Emotionally charged and politically sensitive

Deloitte.

Typical Site Selection Process



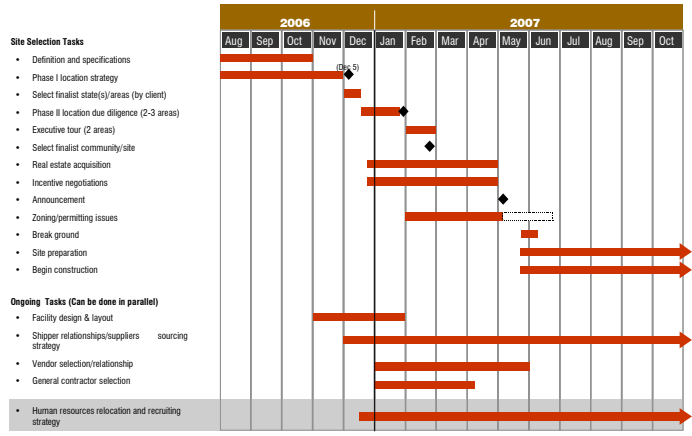
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Factors that are most critical to a corporate global location decision

1. Access to customers
2. Stable social/political environment
3. Ease of doing business
4. Reliability/quality of other utilities
5. Ability to hire tech professionals
6. Ability to hire management staff
7. Level of corruption
8. Cost of labor
9. Ability to hire skilled laborers
10. Crime & safety
11. National taxes
12. Cost of utilities
13. Roads
14. Avail/quality - university/tech training
15. Local taxes
16. Access to raw materials
17. Available land – all services in place
18. Air service
19. Labor relations/unionization
20. Access to suppliers
21. Preferential trade agreements
22. Available building/space – all services
23. Cost of shipping (freight cost)
24. Labor regulations
25. Cost of real estate
26. Access to finance
27. Ports
28. Healthcare
29. Ability to hire general laborers
30. Availability of grants/incentives

Deloitte.

The location selection process generally takes 6-8 months for large projects



Typical Location Criteria: Manufacturing Projects

	Critical	Important
Cost	<ul style="list-style-type: none"> Labor Freight Power Gas/Fuel (processors) 	<ul style="list-style-type: none"> Real estate Taxes Incentives Other Utility costs
Conditions	<ul style="list-style-type: none"> Skilled labor supply/talent pool Labor quality Labor relations Market access (suppliers & customers) Real estate quality and availability Utility capacity/quality 	<ul style="list-style-type: none"> Transportation infrastructure/service Semi-/unskilled labor pool Industrial training Regulations Quality of Life

Typical Location Criteria: Distribution Center Projects

	Critical	Important
Cost	<ul style="list-style-type: none"> • Labor • Freight (inbound, outbound) • Real Estate 	<ul style="list-style-type: none"> ← Taxes (property, inventory) • Incentives
Conditions	<ul style="list-style-type: none"> • Semi-/unskilled labor pool • Highway access • Market access (suppliers & customers) • Real estate quality and availability 	<ul style="list-style-type: none"> • Transportation services • Water pressure (mega-DC) • Labor relations • Industrial training • Regulations

Typical Location Criteria: Shared Service and Call Center Projects


	Critical	Important
Cost	<ul style="list-style-type: none"> • Labor costs • Real estate costs 	<ul style="list-style-type: none"> • Corporate Taxes • Telecom ← Incentives (call centers)
Conditions	<ul style="list-style-type: none"> • Labor availability • Labor quality • Telecom infrastructure • Real estate availability 	<ul style="list-style-type: none"> • Quality of life • Training • Management labor pool • Business services ← Labor regulations ← Air service • Power service

Typical Location Criteria: Technology Projects

	Critical	Important
Cost		<ul style="list-style-type: none"> ← Labor (labor intensive) • Logistics • Real estate • Utilities (Power-California) ← Taxes ← Incentives
Conditions	<ul style="list-style-type: none"> • Technical skilled labor pool • Quality of life • Labor quality • Training • University presence • Real estate quality • Power & telecom capacity/quality 	<ul style="list-style-type: none"> • Transportation access ← Technical support services • Semi-/unskilled labor ← Air service

Typical Location Criteria: Headquarters Projects

	Critical	Important
Cost		<ul style="list-style-type: none"> • Real estate (Class A) • Corporate Taxes • Incentives • Personal Taxes
Conditions	<ul style="list-style-type: none"> • Quality of life • Image (area, site) • Professional/technical labor supply • Real estate quality • Air service (global reach) • Quality of local education • Telecommunications 	<ul style="list-style-type: none"> • Climate ← Higher education/University • Training • Business services • Lodging and restaurants ← Access to customers • Diversity



Who are
the other players?

Consultants/Site Selectors

- A wide range of companies have specialized site selection practices:
 - The Big 4: Deloitte Consulting - Fantus, KPMG, E&Y, PWC
 - Engineering and construction firms: Fluor Daniel, Lockwood Greene
 - Large real estate brokerage firms: JLL, Grubb & Ellis, CB Richard Ellis, Staubach
 - The boutiques:
 - smaller, specialized companies of 1-5 experienced consultants
 - spin-offs of the other firms and ex-ED professionals
 - Assorted others: general management consulting, HR consulting, logistics consulting, architecture firms, etc.

A grayscale photograph of a hand holding a football. A semi-transparent brown rectangular box with a fine grid pattern is overlaid on the center of the image. The text 'The Play Book' is written in a serif font inside this box.

The Play Book

What are Leading Economic Development Agencies Doing to Stay Competitive?

- Understand the “Hooks” that attract business investment
- Develop an Economic Development Strategy:
Vision – Reality – Mission
- Market wisely
- Get prepared on all fronts
 - Data/information, sites, training, incentives, infrastructure
- Focus on meaningful targets
- Build coalitions to help in the effort
- Be organized and industry-knowledgeable

80% of the initial site selection process is now being done on the Internet

Source: David T. Ginn, President & CEO,
Charleston Regional Development Alliance

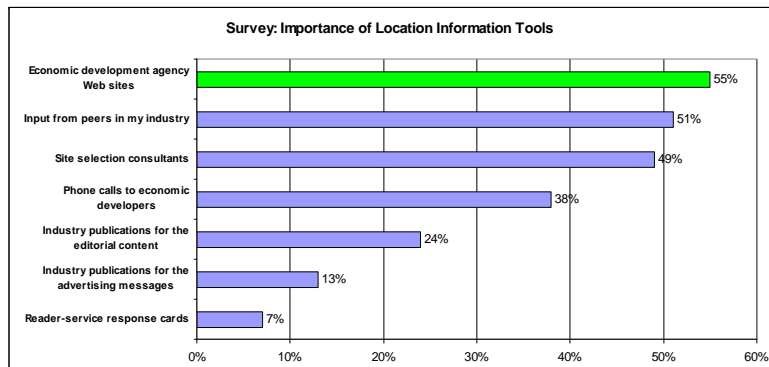


From Bob Ady...



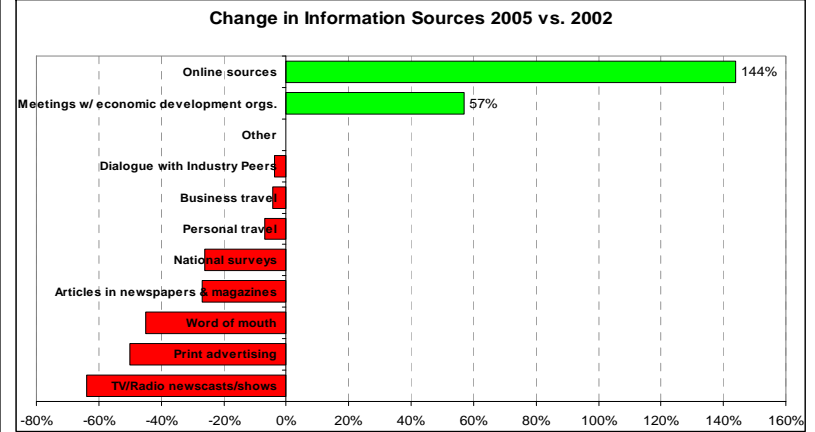
- “In the past five or six years, the dynamics of the site selection industry have changed more than the previous 40 years combined. What’s driving such change? Simply put, the availability of information through the Internet.”
- “The site selection consultant uses the information from a community’s web site and other online sources. If a community doesn’t have a website, the website cannot easily be found or it doesn’t have the right type of information, the consultant moves on to other communities that have the information he or she needs.”

Importance of Location Information Tools



Source: Site Selection Magazine Real-time Survey Results to 10/26/06
Responses with a rank of 4+ on a scale from 1 to 5

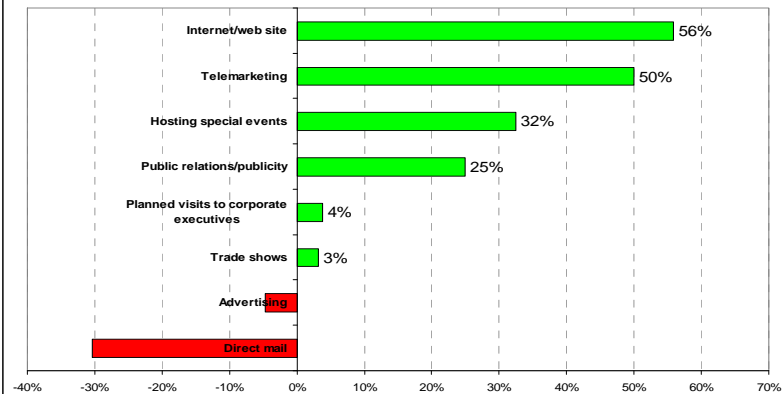
Valued Sources of Information



Source: 2005 Development Councillors International Survey

Corporate leaders considering a new location

Change in Marketing Techniques Effectiveness 2005 vs. 2002



Source: 2005 Development Councillors International Survey

“If they (site selectors) can’t find good information on your web site – forget about it – you’re eliminated. You have to have a stand-alone web site and not hide information hoping they will call you, because they don’t have the time.”

Dennis Donovan
Senior Managing Partner
The Wadley-Donovan Group
August 3, 2001

The
WADLEY-DONOVAN
GROUP





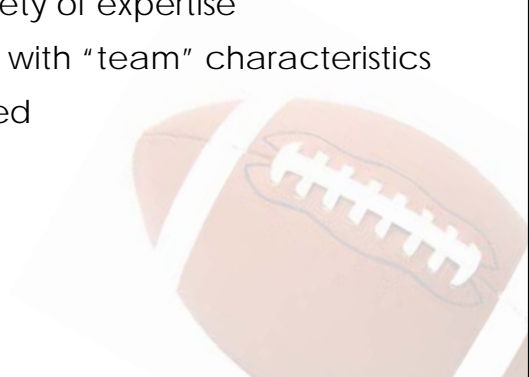
The Starting Line-up:

Who Should Be On Your Team?

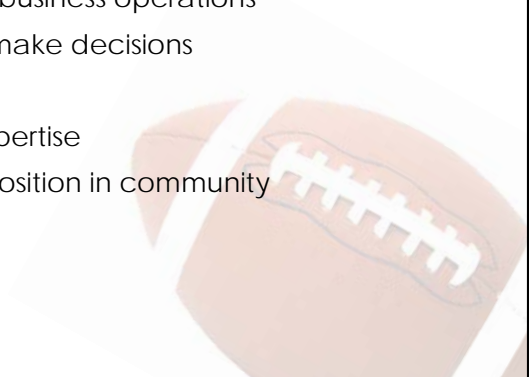
The ED Team

- Serves as “initial contact point” for inquiries
- Prepares advance materials
- Obtains basic data on prospect project and business needs
- Assesses potential impact; develops package and strategy to offer
- Determines who will meet with prospect; handles arrangements

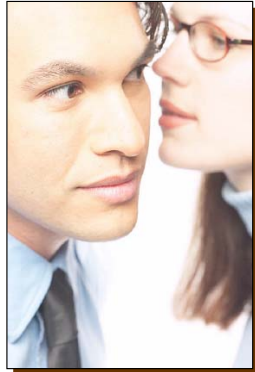
Form Your Team

- Wide variety of expertise
 - Members with “team” characteristics
 - Committed
 - Available
- 

Necessary Team Characteristics

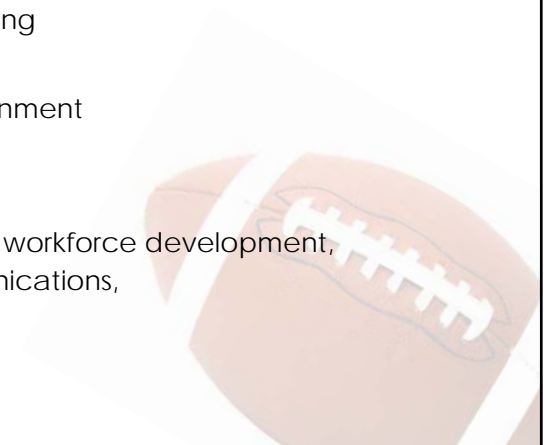
- Ability to listen
 - Understands business operations
 - Authority to make decisions
 - Meeting skills
 - Technical expertise
 - Leadership position in community
 - Diversity
 - And...
- 

**The
ability to
keep a
secret!**



Areas of Expertise

- Manufacturing
- Education
- Local government
- Finance
- Utilities
- Healthcare, workforce development, telecommunications, logistics, ...

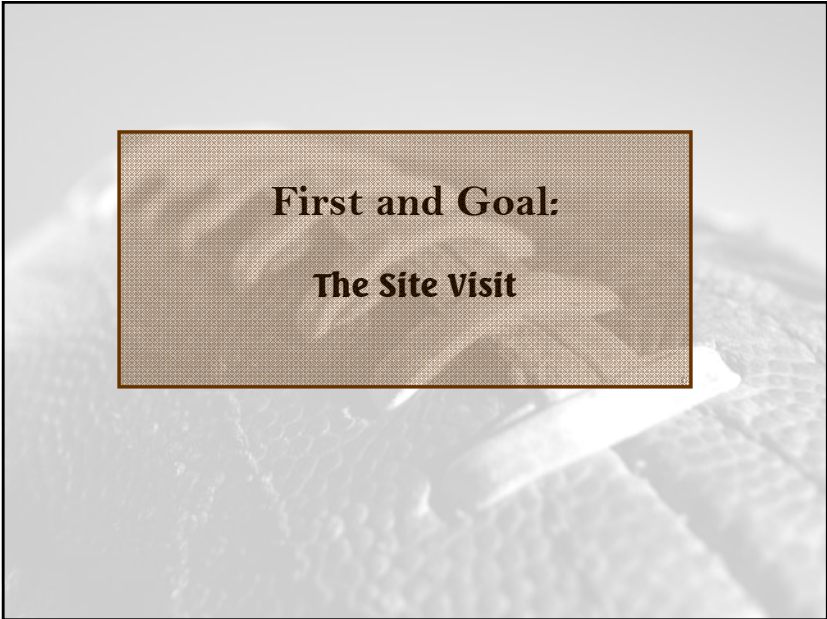


Potential Presentation Attendees

- **CEO/President/VP** → Conceptual
- **Site Advisors** → Further Career through quality of Search, Fees
- **Economic Buyer/CFO** → Budget
- **Dept. Head/Mgr.** → Operational effects
- **HR Manager** → Ease of transition, personal and family needs
- **Gatekeeper/Decision maker** → Coordinates and informs

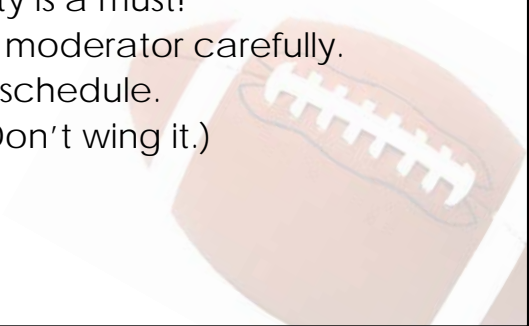
Keys to successful teamwork

- Clear goals
- Commitment, time and skills
- Community consensus
- Absence of self-interest
- Nonpolitical agendas
- Adequate \$\$ resources
- Realistic expectations



**First and Goal:
The Site Visit**

Planning the Visit

- Know your audience – to whom are you presenting?
 - Confidentiality is a must!
 - Choose your moderator carefully.
 - Stay on time schedule.
 - PRACTICE! (Don't wing it.)
- 

Can you solve their problems? (Know your prospect)

- Meet the company's needs?

AND

- Meet the needs of the site selector?

The Madden Agenda

- The Company presents first
- Listen 80% of the time
- Ask probing questions
- First things first (Almost always site/building or labor)
- Document with facts, charts, handouts
- Finish with quality of life


The Community/Site Tour

- Visit site first - - show from best angle
- Plan route to show off community resources
- Plan for *two* guides - - one drives; other talks
- Provide map of the tour route
- Find ways to differentiate your community from others

Additional Agenda Items

- Tailor remaining items to fit the prospect's specific needs
- If possible invite an existing business representative to tell their "story"
- Clearly explain all available incentives and assistance
- Finish with quality of life

The Wrap-Up

- Answer all questions - - or agree who will follow up with the information
 - Summarize with your key points
 - Thank then and send a personal thank you note immediately
- 

Post Visit Follow-up

- Send a thank you note
 - Send answers and follow-up materials
 - Follow with a phone call when possible
- 