



Ten Critical Factors Driving Location Decisions for Companies

The top site selection factors from Area Development's Corporate Survey reflect the concerns that most businesses have when reviewing potential site locations. The number one factor driving future location decisions is the cost of labor. While many of our clients also deem this as their number one factor for choosing a specific state or municipality, many also deem factors number two thru ten just as important.

Our process of analyzing locations and selecting sites is similar from project to project. However, each of our clients has specific requirements that are reflected in the choice and weighting of the criteria used to evaluate facility locations. Labor costs should be analyzed as a part of other operating costs such as tax rates, utility costs, transportation costs, and real estate costs when selecting a site.

Top 10 Factors Driving Location Decision for Companies:

1. Keeping the Cost of Labor in Check
2. The Road to Profitability ... Location, Location, Location
3. Workers Who Have the "Right Stuff"... Need for Highly Skilled and Qualified Workers
4. "Connected" Locations Support Innovative Companies
5. Costs of a New vs. Existing Facility
6. Powering Up While Keeping Costs Down

7. Keeping Government's Hand Out of the Company Coffers
8. Existing Facilities Satisfy Demand for a Quick Project Turn-Around
9. Making a Dent in the Tax Bill with Exemptions
10. Union Activity Can Be a Deal Breaker

Incentives should never be the major driver of a location decision. Yet, incentives can play a decisive role in tipping the scales between locations that otherwise fulfill all requirements. If you have any questions regarding economic incentives, please contact McGuire Sponsel to discuss a particular client opportunity.

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– Douglass Dalton
Principal
McGuire Sponsel

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