



# EXPERTS IN CORPORATE EXPANSION

Advisory | Analytics | Consulting | Events | Lead Generation | Trade | PR & Marketing | Publishing | FDI Training | Association Management

## Site Selection 101

- Understanding Site Selectors
- The Site Selection Process
- Investment Attraction Opportunities

# 1 | What is a Site Selector?



## What is a Site Selector?

- Site Selectors help companies make location decisions.
- They advise on matters of workforce, regulation, business environment, cost, economic networks, real estate, logistics, legal, tax, quality of life, and other locationally relevant matters.

# Who is a Site Selector?

Site Selectors can be.....

Traditional  
"Site Selectors"

Management  
Consultants

Tax  
Consultants

Real Estate  
Brokers/Consultants

Engineers

Attorneys

Supply Chain  
Consultants

Corporate  
Management





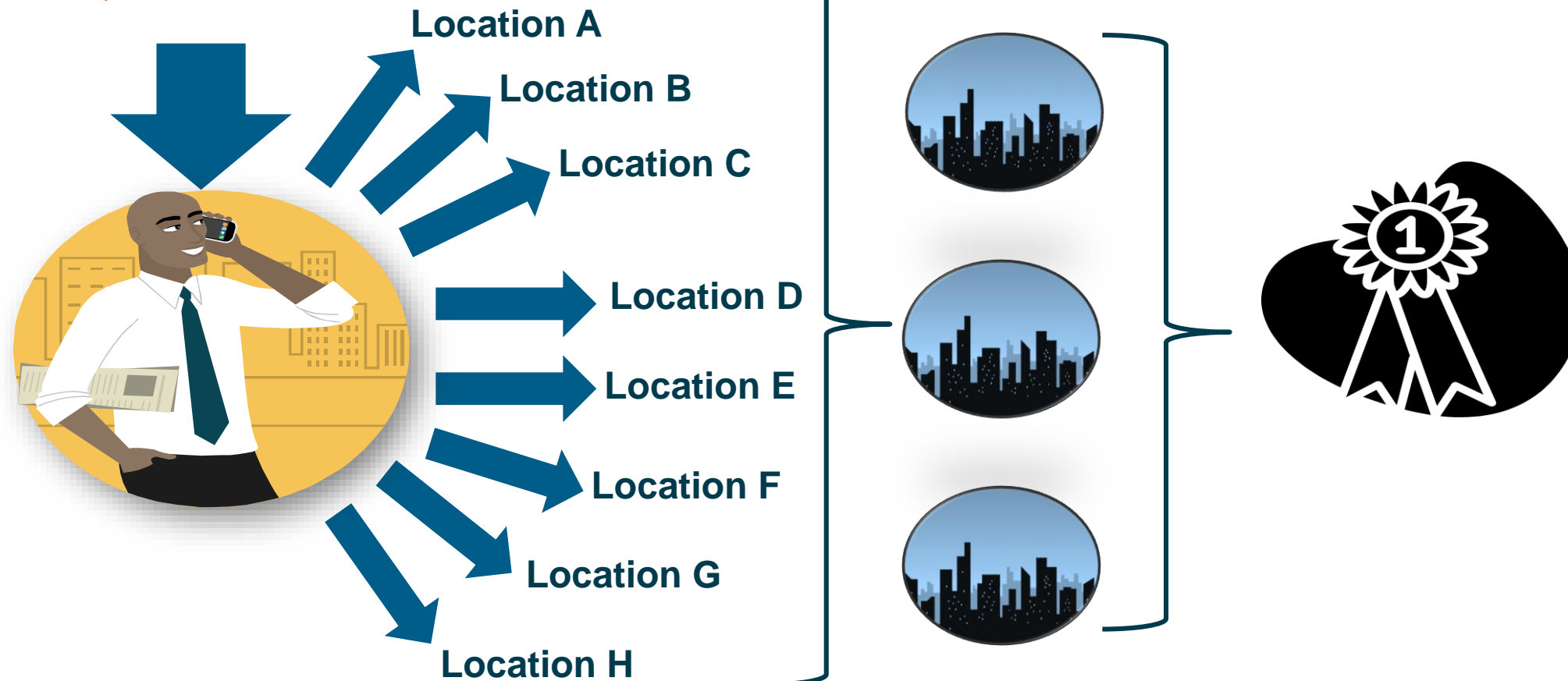
## 2 | The Site Selection Process

# Corporate site selection process

## 1990 investment decision making process

- + Site visits
- + Journals
- + Newspapers
- + Brochures
- + Trade Shows

SIX MONTHS



# Corporate site selection process

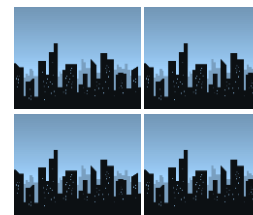
## 2019 investment decision making process

85% of initial search = Internet



EIGHT WEEKS

Detailed info



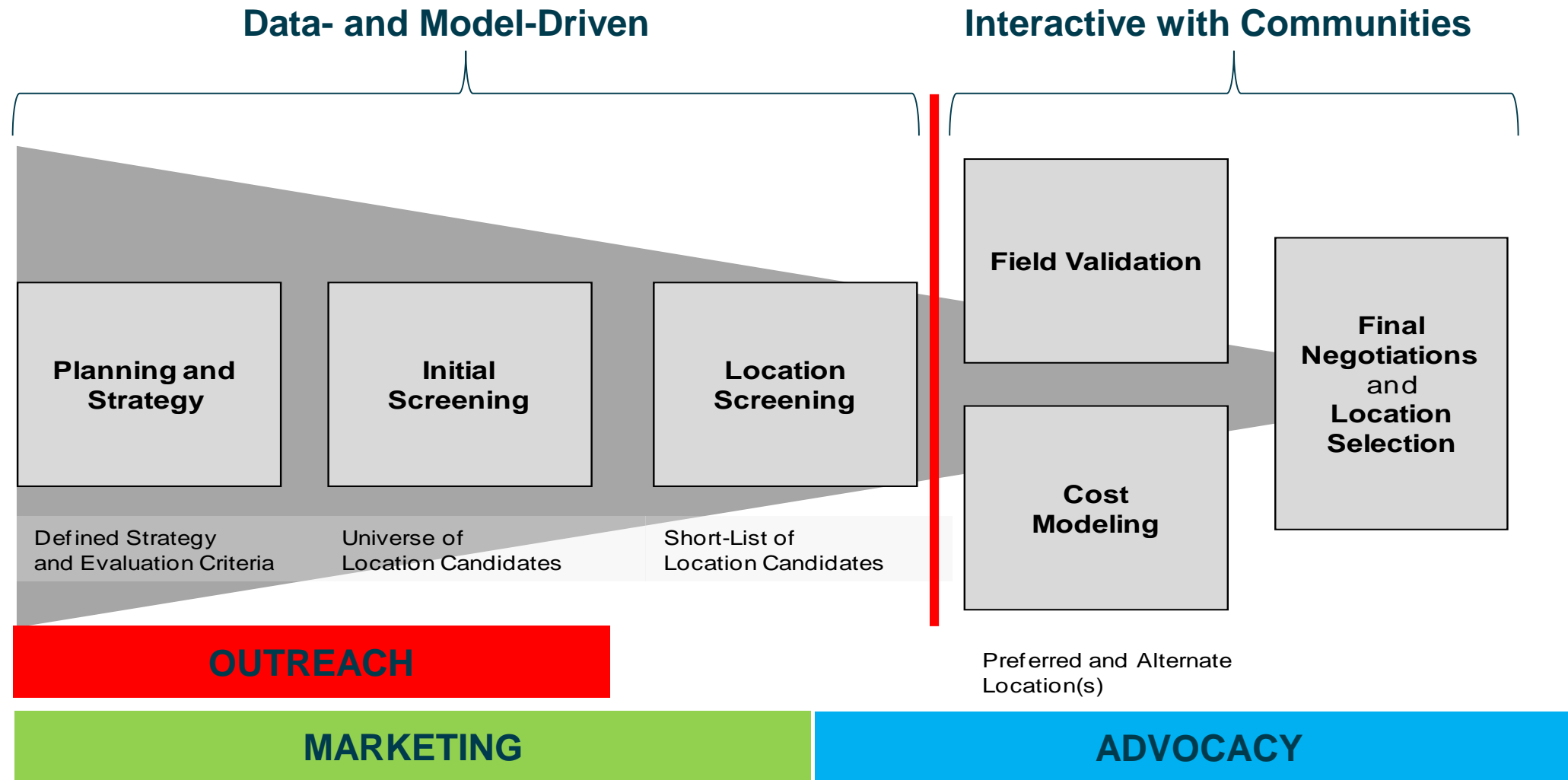
Services





# The Site Selection Process

*It's important to note that **most** of the process is performed before the community is ever aware there's a project.*



## Corporate site selection process

# More than the Sum of the Parts

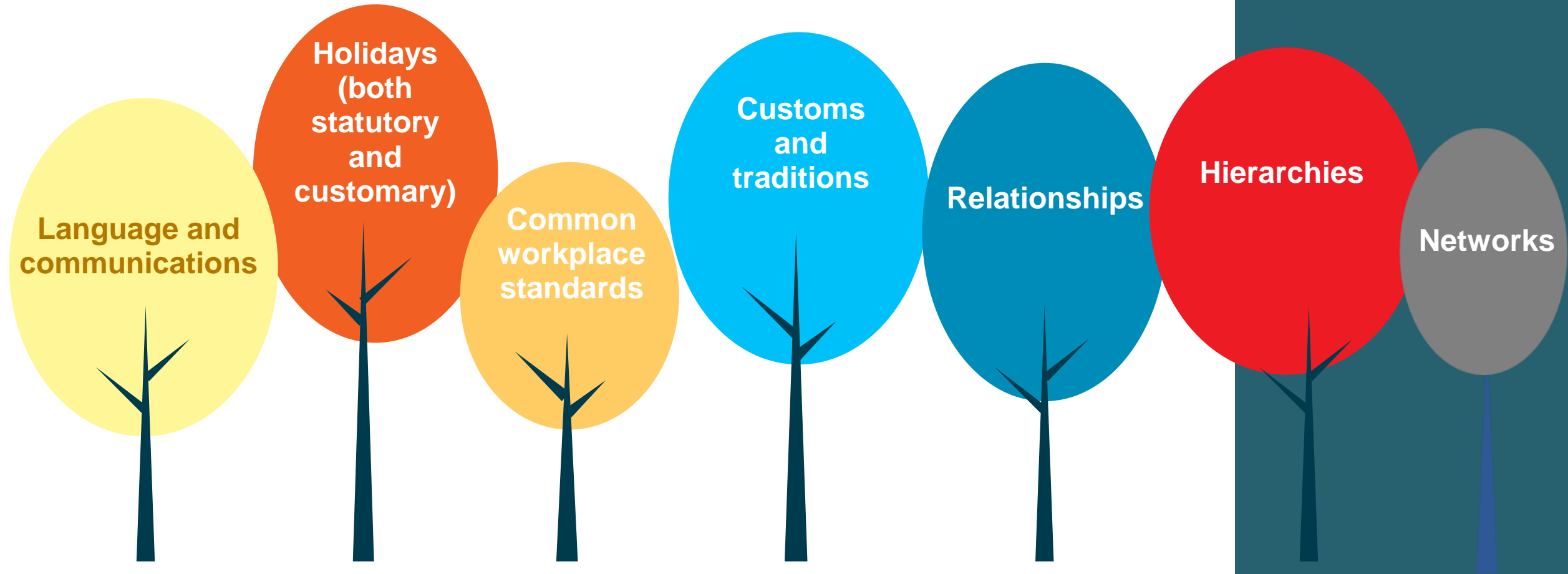
## Qualitative research



Especially in FDI assignments, Site Selection Consultants have the role of explaining the real impact of the data, explaining the story behind the numbers

Qualitative research that which explains context, culture, and other human factors allows companies to better understand what it will be like to operate in the new environment

# Common Factors



## Potential Obstacles

Unreasonable deadlines

Unresponsive  
EDO's

Incomplete  
data

Changing  
directives

Shortages of  
resources



Indecisive management

*All represent opportunities for  
EDO's as they interact*

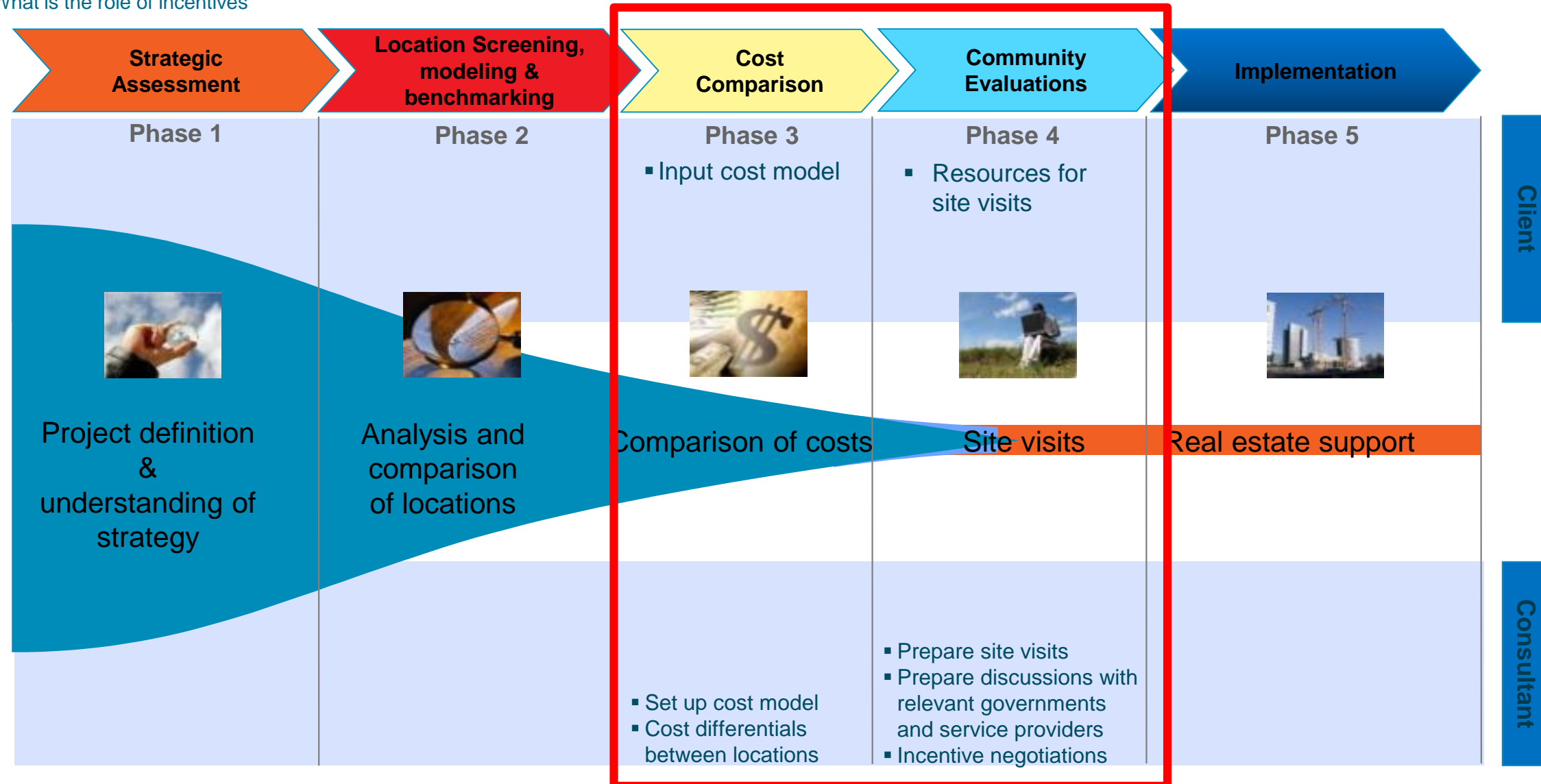
# 3 | A few words on incentives



# Corporate site selection process

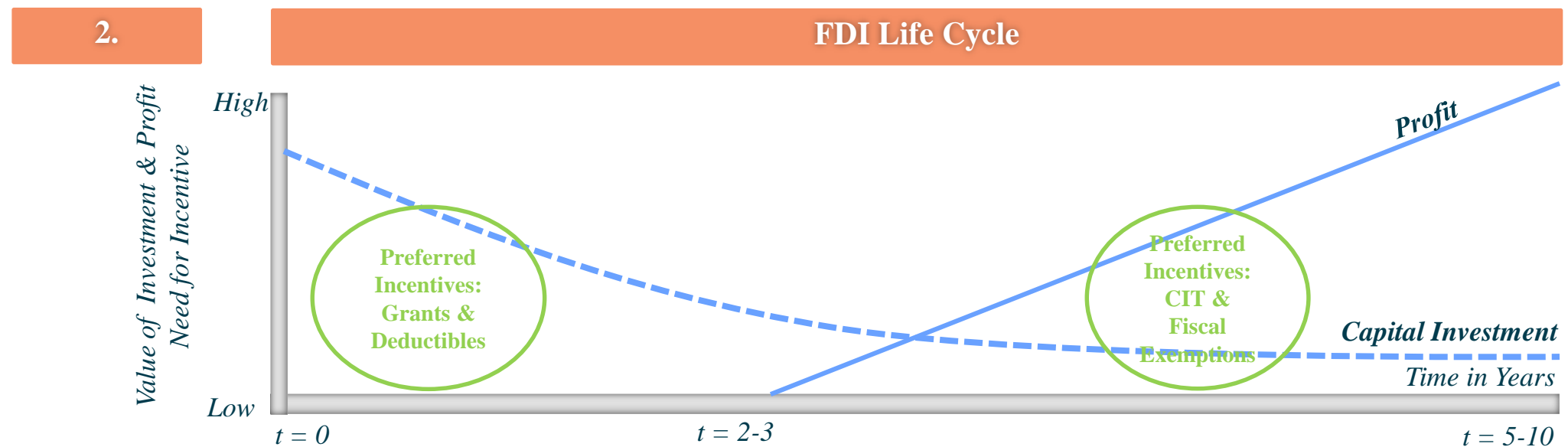
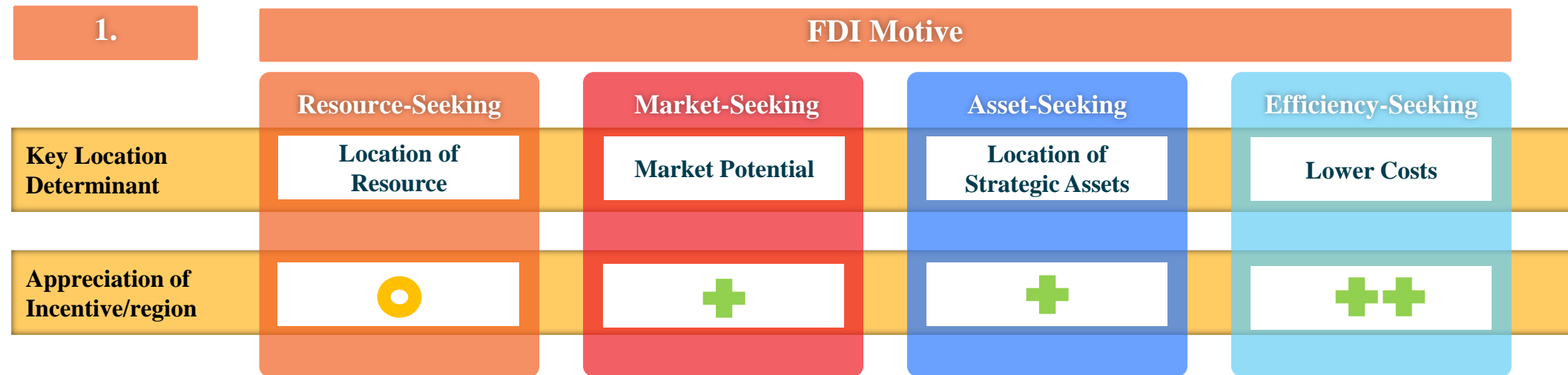
Incentives play a role in differentiating finalists and in helping to form a relationship between public and private sector

What is the role of incentives



# Corporate site selection process

## Incentives strategy - Examples



## What is the role of Incentives?

### Incentives Can't



Turn a bad location into a good one



Address considerable disconnections between location and business needs



Create an industry cluster where it doesn't already want to exist



Ensure a long-term connection between business and country or region

### Incentives Can



Create partnerships which benefit both society and company



Create partnerships which benefit both society and company



Fix small regulatory and tax problems



Create a sense of a country's or region's willingness to work with business



# Getting creative with incentives



## Corporate site selection process

### Incentives strategy

#### Maximizes return on investment through:

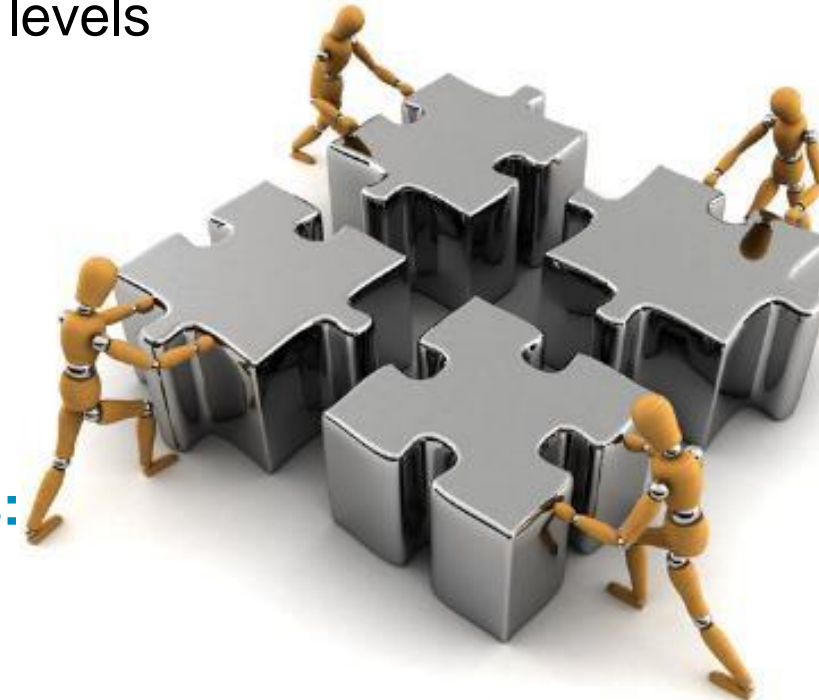
- + Earlier revenue generation through accelerated start up
- + Cost optimization; and
- + Maintained or Improved quality/service levels

#### Achieves 'best deal' with:

- + Financial grants and incentives
- + VAT
- + Taxation and Transfer Pricing issues

#### Provides an objective decision process:

- + Independent and transparent
- + Based on "Best Practices"
- + Best use of dedicated resources, tools and time





# 4 | Adapt and Prepare

# Adapting to a Changing World

How do we match community strengths and goals to the needs of business?



## Common Pitfalls

**Shaky relationships with private sector**

**Wishful thinking**

**Unresponsiveness**

**Shortages of resources**

**Regulatory and institutional unreadiness**

**Lack of community consensus**

**Address ALL before reaching out to the marketplace**



# Reverse Engineering the Site Selection Process

Understand the link between community attributes and business needs

## Investment Strategy Assessment

- Determine investor goals and resources
- Determine key stakeholders
- Catalog site characteristics
- Determine market and catalog regional attributes
- Examine existing regional and local economic base
- Establish initial strategic parameters

## Market Analysis

- Collect published and proprietary data on key criteria
- Construct weighting and ranking model to test development candidates under prime and alternative scenarios
- Combine screening results with industry knowledge to understand market dynamics
- Identify initial target industry candidates

## Industry Targeting

- Determine existing industry base
- Understand key dynamics for selected industries
- Examine availability of key inputs
- Look for key vendors and partners
- Determine existing reality and perception of benefits and obstacles in the site and region

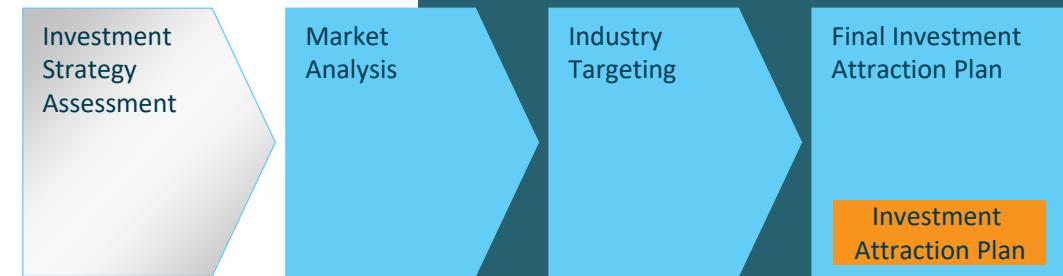
## Final Investment Attraction Plan

- Complete remediation plan as required
- Develop incentive plan if required
- Develop key marketing targets and customized message and tactics for each
- Develop deal structure(s)



**Investment Attraction Plan**

## Define the Problem



### First: Understand and define Goals and Resources

- What does the community want to achieve? What are its development goals
- Which community groups and resources will participate in investor attraction?
- What resources can the community or region bring to bear on the process?
- How will the plan be implemented? How will it be made sustainable?

# Look at Relative Strengths & Weaknesses

General Demographics and Labor Force Dynamics

Economic Base and Regional Partners

Availability of Skills and Talent

Education Resources

Transportation and Logistics

Utility and Infrastructure Advantages

Overall Cost Base

Real Estate Availability, Suitability and Cost

Business Environment, Taxation, and Incentives

Quality of Life



- An honest, objective and complete assessment of the community's strengths, weaknesses, and goals
- Provides the assessment of the available parts for constructing sustainable business relationships
- Identifies area for competitive improvement



# Identify Likely Suspects



## What is the match between Community and Target Investors?

- What is the existing regional base for the industry, and what are the dynamics
- What are the greatest pressures and opportunities facing the industry
- What typically forces changes in any of these companies' real estate and asset strategies
- Which industry players are either facing now or will be facing a key decision threshold in the near future
- What are the roadblocks keeping these companies from changing to meet new business demands

# Tell the Story

## First: Build competitive advantage

- Develop partnerships between public agencies and private companies
- Build training programs for specific skills or a particular labor class
- Install key infrastructure
- Provide environmental remediation for key properties
- Address legal, permitting and regulatory challenges at the site level
- Address tax, permitting, and regulatory issues at a community or regional level
- Provide funds for base financing
- Develop tailored deal structures to meet the needs of specific users and investors

## Second: Spread the word



## First Steps

- Understand Your Community
- Organize and Prepare
- Engage the Current Corporate Base
- Build Regional Strength
- Build Relationships Among Government, Business, Education, and Economic Development
- Develop a Coherent External Image Supporting Economic Development
- Actively Reach Out
- Be Creative



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