

Kate McEnroe

CONSULTING

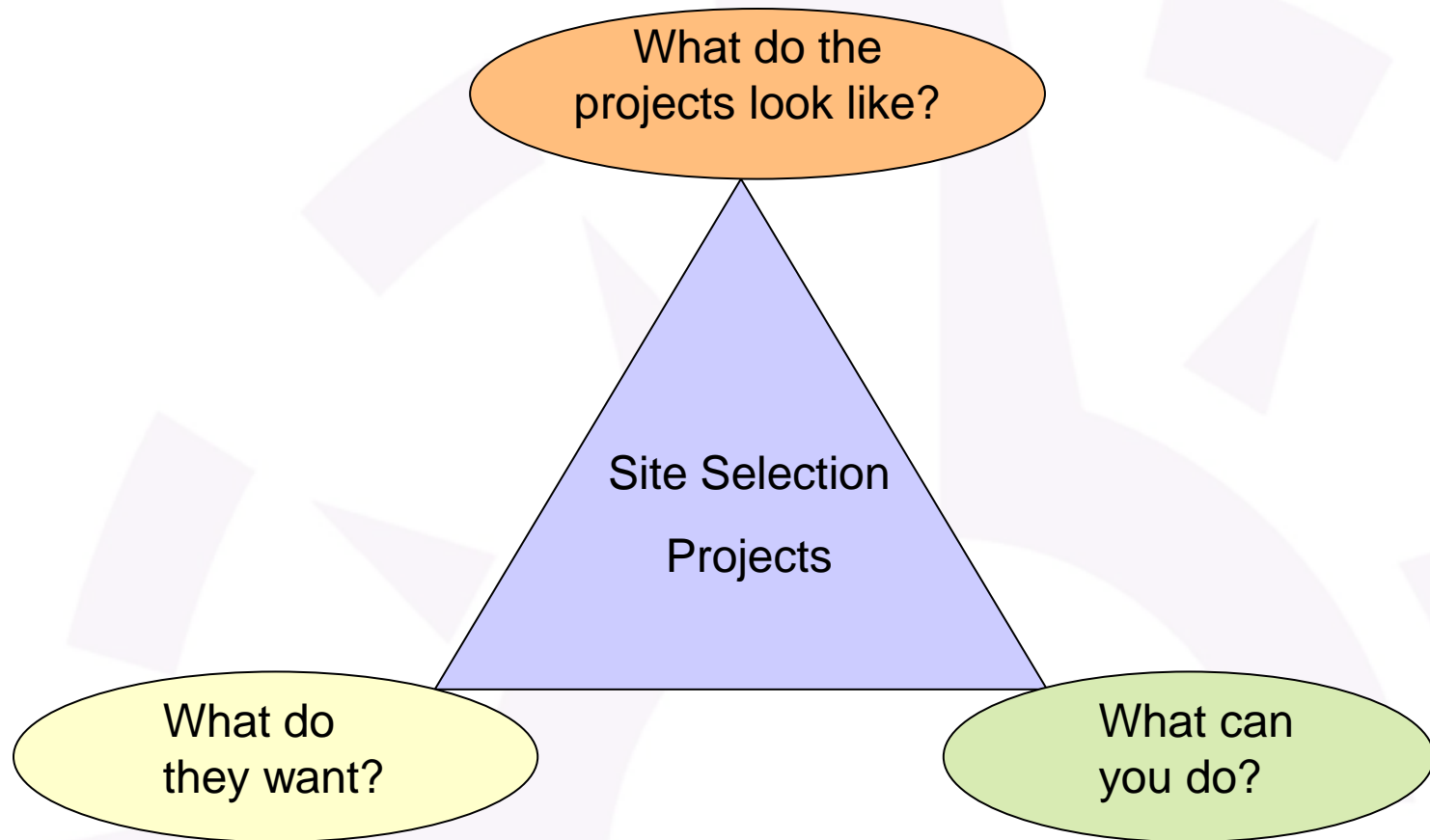
Site Selection

Indiana Economic Development Course

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Today's Agenda



Should You Bother with Recruiting?

- Conway Data's New Plant Database:
 - 2008 announced projects about 10% below 2007
 - 2009 running on a par with 2008
- Many communities report strong prospect activity
- Recruiting/retention/expansion projects are not easy to distinguish from one another

Projects are initiated to

- Optimize Capacity
- Reconfigure Capacity
- Add Capacity
- Satisfy Client Demand
- Reduce Costs
- Address Labor Issues

What's New

- Consolidation projects
- Return to winner/loser decisions
- Bio and alternative energy: more talk than projects
- Broad range of intermediaries
- Little face to face contact
- Quick analysis, slow decision making
- On-shoring

Who is looking?

- Existing businesses
 - Locally controlled
 - Controlled elsewhere
- Expanding and relocating companies
- Merging and shrinking companies
- Decision Influencers
 - Consultants
 - Media

What do they want? (Product)

PROOF

- Talent pool and talent pipeline
- Ready-to-go infrastructure
- Competitive costs
- Access

What do they want? (Process)

- Single point of contact – probably regional
- Web-based information
- Quick response
- Stable political, tax, regulatory process
- To be treated like a customer

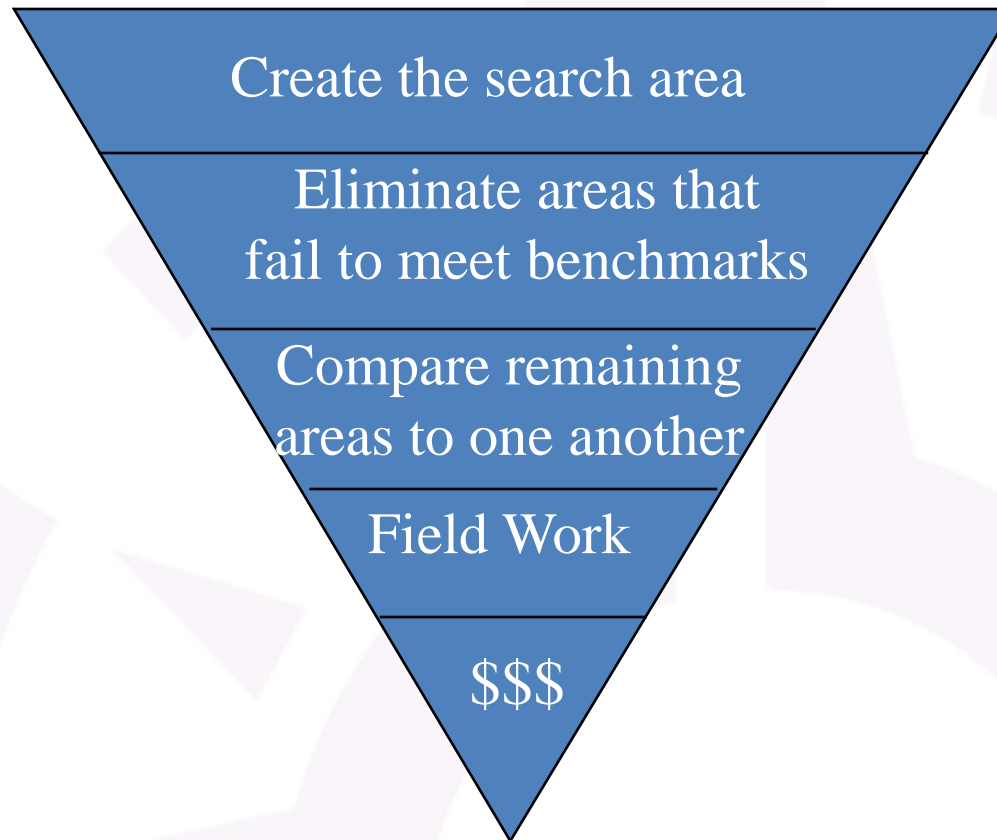
How do they decide if you have “it”?

- Many decisions are made at arm’s length
- Expertise and process varies
- Many intermediaries are developing metrics and formulas to screen out communities
- Reputations travel and linger – for better or for worse

Withholding is a bad strategy

- Many projects are not controlled by consultants
- Consultants have an obligation to find information even if you make it difficult for them
- Corporate users don't have to look any farther than their first resource

The Way I Work



Initial Unit of Analysis

Metro/Micropolitan Area

County

typically not

State

City

Common Search Area Definitions

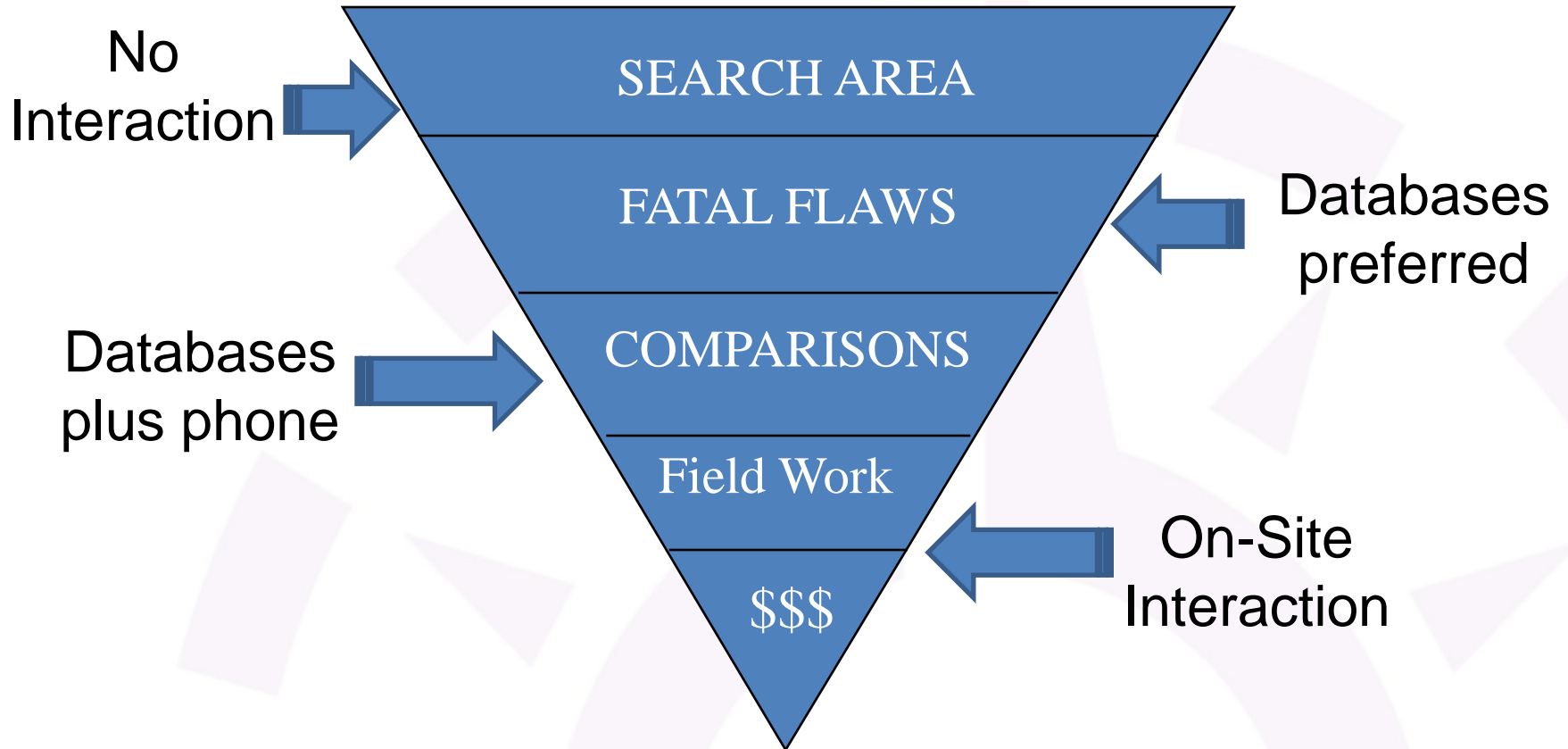
- Time Zones
- Logistics Radius
- Community Size
- Cities with Existing Operations
- Specialty sites and buildings

What is a Screening Study?

A PROCESS OF ELIMINATION

designed to identify a short list of options for
detailed research

Limited Interaction



Fatal Flaw Possibilities

- Sites/Building Availability
 - “Dirt First” projects
 - Tend to be for mega-projects or infrastructure sensitive projects
 - “Building First” projects
 - Size, ceiling height, road/rail/port, water/sewer/gas minimum requirement

Fatal Flaw Possibilities

- Other projects, other fatal flaws (lots of them!)
 - Size Benchmarks
 - Cost Benchmarks
 - Avoidance Factors (competition, regulation, etc.)
 - Access Factors
 - Proprietary metrics

Comparative Factor Possibilities

- Same factors, tighter standards
- Refined and expanded cost comparisons
- Qualitative Factors

What information is used?

Frequent Searchers

- In-House GIS
- In-House Databases
 - Demographics
 - Power Costs
 - Real Estate Costs
- On-Line Third Party Data
- On-Line Site & Building Databases
- On-Line State, Region, Community Web Sites
- RFP Responses

What information is used?

Occasional Searchers

- Government Data
- Perception, Rumor, Assumption
- Public Access GIS
- RFP Responses
- *MAYBE:*
 - On-Line Third Party Data
 - On-Line Site & Building Databases
 - On-Line State, Region, Community Web Sites

About RFPs

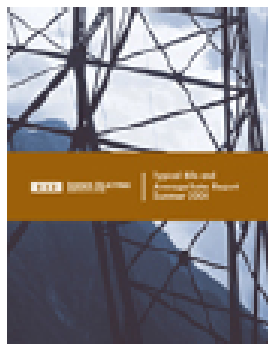
- Designed to save consultants/company's time, not your time
- Used when researchers have limited internal resources
- Used when other external sources are of questionable validity and accuracy
- Used to generate apples-to-apples data
- Used to demonstrate thoroughness to clients

Demographic Data Source Examples

- EASI Analytic Software – The Right Site
- Woods and Poole
- Claritas
- Zoomprospector.com
- EMSI – Economic Modeling Specialists
- What about Census, BLS?

Third Party Data – Electric Rates

Typical Bills and Average Rates Report - Summer 2008



Electric Company Members:

book or PDF \$75.00

book with CD containing Excel files: \$95.00

PDF with Excel files (downloaded): \$95.00

CD with Excel files ONLY: \$75.00 (does NOT contain a PDF of the book - it is Excel files ONLY)

Corporate Site License for Member Electric Companies Only (downloaded): \$1,530.00

Associate Members:

book or PDF \$75.00

book with CD containing Excel files: \$95.00

PDF with Excel files (downloaded): \$95.00

CD with Excel files ONLY: \$75.00 (does NOT contain a PDF of the book - it is Excel files ONLY)

Labor Cost Data Examples

- Bureau of Labor Statistics
- Salary.com
- Economic Research Institute

Existing Employer Data

- Community Profiles (usually bad)
- Databases (always incomplete)
 - D&B Marketplace
 - Harris Directory
- When all else fails, call economic development agency

Education Institution Information

- Directories (Peterson's)
- Rating Surveys (US News, Carnegie)
- State, regional, local on-line community profiles
- When all else fails, call economic development agency

Incentive Program Information

- Magazine Directories
- State, Regional, Local Web sites
- When all else fails, call economic development agency

Word of Warning

GIS and Sites & Buildings Systems

- Garbage in/garbage out
- Dated information
- Poor search parameters
- Inability to see “close calls”

Weighting, Rating, Scoring

	Screening Analysis			
	Weighting	Community 1	Community 2	Community 3
Labor Cost	40%	10	8	5
Rental Rate	10%	3	7	10
Labor Availability	50%	8	6	5
SCORE		8.3	7.7	5.5

	Screening Analysis		
	Community 1	Community 2	Community 3
Labor Availability	●	●	○
Operating Costs	●	○	●
Site	●	●	○
Overall Rating	●	●	●

	Screening Analysis		
	Community 1	Community 2	Community 3
Labor Supply	Preferred	Preferred	Acceptable
Labor Demand	Marginal	Acceptable	Preferred
Labor Cost	Acceptable	Marginal	Acceptable
Overall Labor Rating	Marginal	Acceptable	Preferred

Field Work - Typical Issues

- What do employers say about the labor force?
- Are existing buildings workable?
- Are the local service providers responsive and sophisticated?
- Are incentive programs applicable, is administration efficient, are “strings attached” reasonable?
- What is the impact of quality of life?

ALL Relative to the Competition

Add Value

Be Disruptive

Surprise Me

Add Value

Better information

Capacity Building

Capacity Building

- Wider variety of sites and buildings
- Talent/population recruitment
- Infrastructure expansions
- Regional cooperation

Better Information - What

- Employer Detail
- Testimonials
- Anecdotes
- Incentive Calculation Detail

Better Information- Where

- Web sites
- Newsletters – preferably hard copy
- Announcements
- Personal Meetings

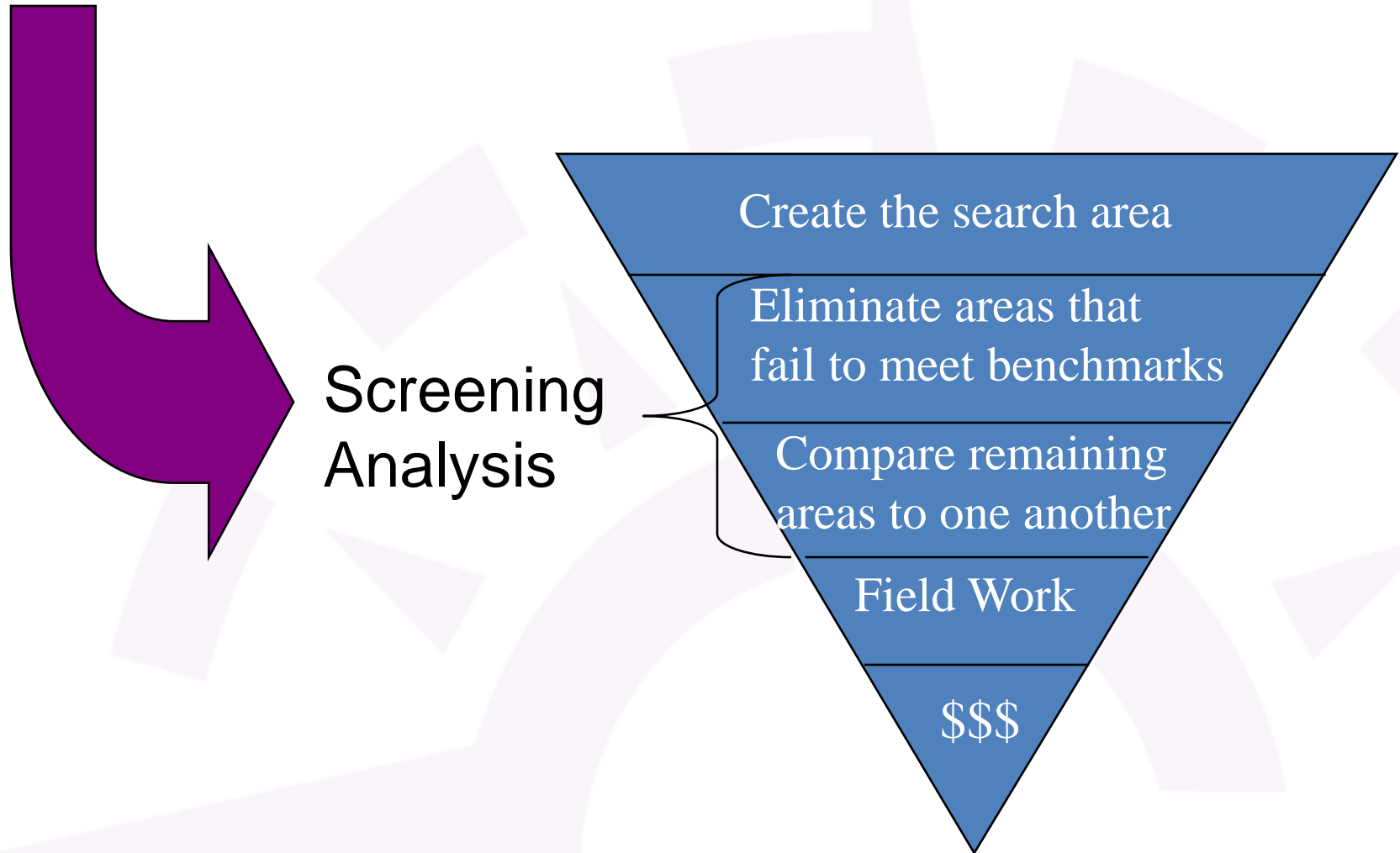
Better Information - When

- On the Web – Continuously
- In Print – As Information Changes
- In Person – Once or Twice a Year

Be Disruptive



Interfere with the Invisible Process



What's the point?

Get to them with information before
there is a project at stake

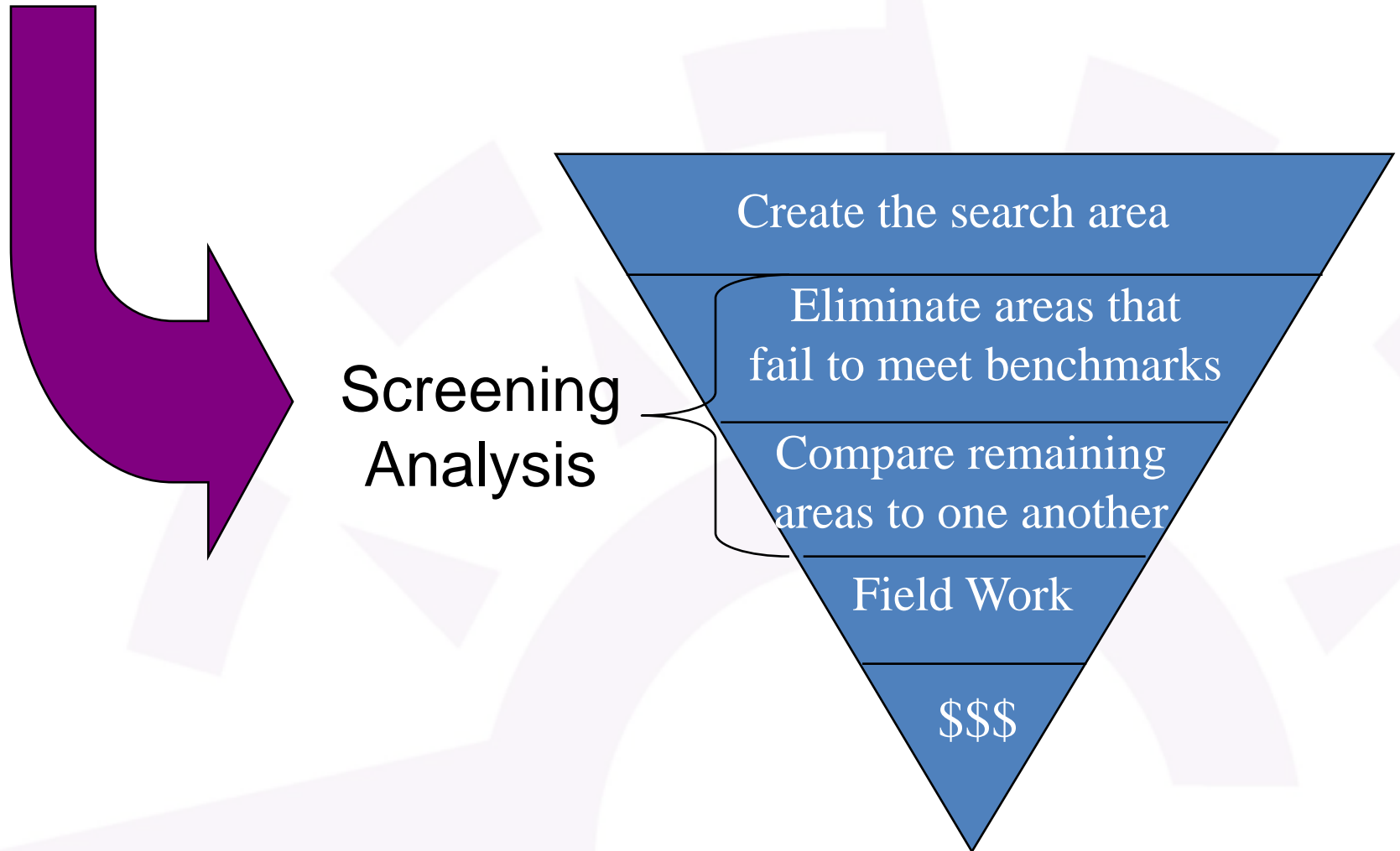
(That Means Marketing & Promotion)

Invisible Hurdles to Overcome

- Small Population
- Low Unemployment
- Low Education Attainment
- Saturated with competition
- High Costs

Surprise Me

Stories Interfere with the Invisible Process

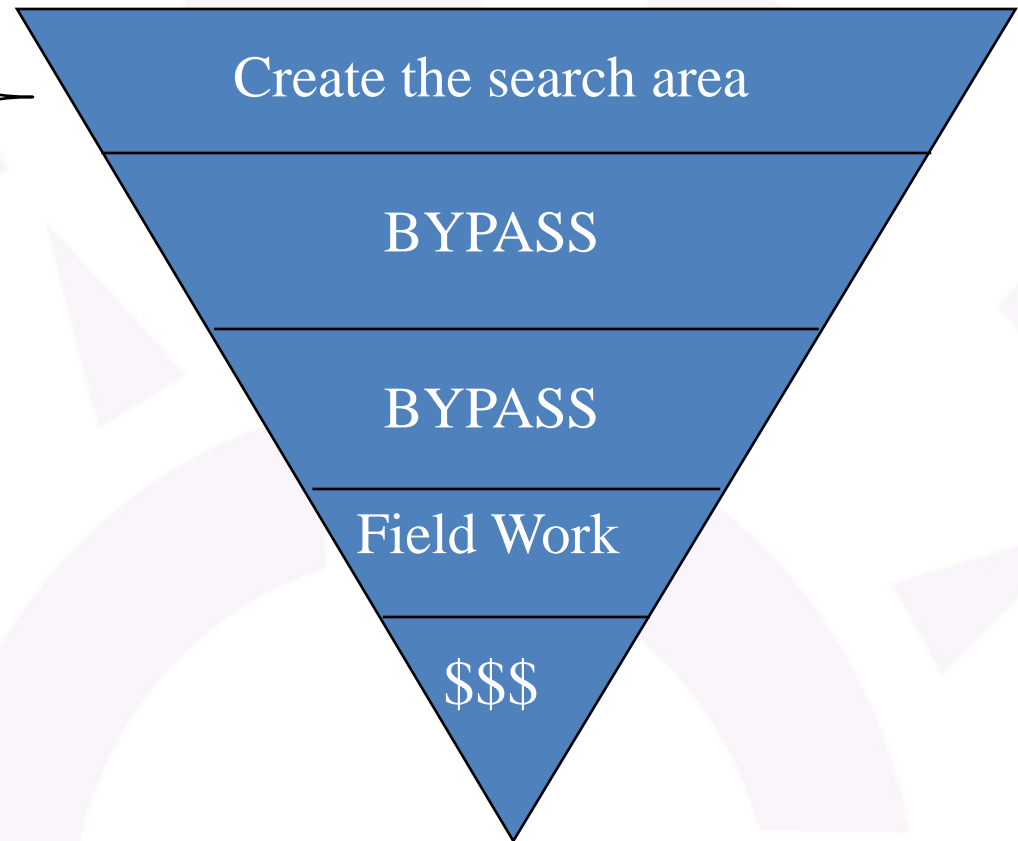


I've heard this before:

- Biotech/life sciences/biosciences/alternative energy
- Underemployment studies
- People will drive long distances
- Great rural quality of life
- We have land
- We'd love to have you

How can the process be circumvented?

- Relationships
- Referrals
- References



**Make Yourself
One of
The Places We'll Remember**