



Choose Plant Sites Selectively

Manufacturers need to stay focused on the basics when considering a new site. (McCallum Sweeney Consulting, Inc)



By [Jonathan Katz](#)

May 1, 2008 -- How about Hawaii or sunny Florida for a new manufacturing site? You could have beach access nearby, ocean breezes and probably a great watering hole to drink pina colodas after a rough day at the office. Tempting as it is to set up shop based on livability standards, such locations may not be ideal for manufacturing operations. It's one example of a mistake manufacturers make when considering a new plant location,

says Ed McCallum, senior principal at McCallum Sweeney Consulting, a site selection firm based in Greenville, S.C.

"Quality of life is important, but it has little effect on the bottom-line profitability of the facility unless there's a lot of talent required," McCallum says.

Instead, manufacturers should focus more on factors such as the demographics of the region, what types of industry already exist in the area and the talent pool, according to McCallum. Skills shortages are afflicting many industries and states, meaning manufacturers should examine the strength of local technical schools, community colleges and even high schools to determine whether they have work or apprenticeship programs in place.

Also look at the region's infrastructure and how readily available it is for your needs, whether it's logistical capabilities or facilities. "What we tell communities is if you're going to have recruiting strategies [to attract manufacturers], have your sites ready, so when a manufacturer comes they don't have to wait six or seven months for you to get infrastructure ready," says McCallum.

Remember, municipalities and regions are vying for your business. Compare a state's tax burden to others and ask for training and infrastructure assistance. State and city governments tend to be more cooperative when they know an investment is for the common good of the region. At the same time, manufacturers shouldn't weigh incentives too heavily because they won't overcome a location that doesn't fit their needs, McCallum says.

Another major error companies make during the site-selection process is lack of preparation. Once a site is determined, McCallum suggests manufacturers work backwards from their scheduled plant start-up date during the planning stages. This means starting with the expected construction time, then adding to that design hours and the required time to obtain necessary permits.

"Time is money, particularly if you have a new product innovation," McCallum says.



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