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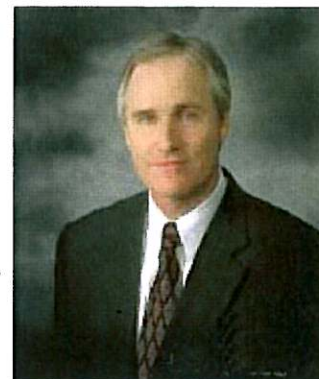
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ASK THE EXPERT

By Ed McCallum, Senior Principal, McCallum Sweeney, Inc.



Sorting Through the Same Message, Over and Over

Our new department gives you—our readers—a chance to pose challenging expansion and relocation questions to professionals with the right answers.

Q All the locations I'm considering for my expansion claim to offer the same advantages—central location, skilled and abundant labor, etc. What tests can I apply to narrow down my options?
—Anonymous reader

The Expert Says: If I had a nickel for every time I heard a community claim to be the best possible location on the planet, McCallum Sweeney would be running the business out of the Cayman Islands. I hear this statement constantly from aspiring communities hoping to land the big one, or even the small one. Remember, the sole purpose of an economic development entity, aside from being an information provider and project management organization, is marketing and recruitment. This is why they exist, and for this we are grateful. Gratitude aside, while we believe in their sincerity, we believe nothing else, unless it is supported by verifiable quantitative evidence. There are necessary project criteria that are both client- and project-specific. These project criteria vary considerably by location, and not every community is equal. In fact, some should not even be considered at all.

Typically, there are a few criteria that are so important that they have to be present; otherwise, the location is not viable. You know what is important to your company and the relative ranking of each factor to the other. Coming up with a list of criteria should not be too difficult—although this can be a challenge in large organizations where competing agendas conflict.

Once you have determined the critical criteria, perform a high-level screen using available third-party (or purchased) data to develop a short list of candidates. It is important to rely on information that is objective and can provide “apples to apples” comparisons as opposed to information provided by a specific location. Non-third-party data provided by a community has an inherent bias and by default makes it suspect. Keep in mind that anything and everything can be measured and reduced to a number, whether it is a discrete number or the quantification by degree of a qualitative factor. For instance, a central location means different things to different companies. To one company it may mean the total delivered cost of inbound and outbound freight. Some places are cheaper, while others are not, and this can be

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quantified in dollars and cents. To other companies, a central location may mean the number of domestic and/or international flights, or the time it takes executives to travel from point A to point B—which may have nothing to do with direct-flight availability.

Examples of discrete screens that are easy to perform would be the presence of an interstate, railroad service, workforce size, or commercial air service. Other screens, however, are not so easy to perform. For example, using a screen to find skilled labor is not as simple as it may seem.

Unfortunately, there is no single screen that accurately and comprehensively evaluates most location factors. Whether you perform a screen using basic spreadsheet techniques or use more sophisticated computer programs such as geographic information system (GIS) technology, the fundamental premise is the same. Identify the critical factors important to the organization, identify/use third-party sourced information that accurately measures a location's ability to meet the criteria, perform the necessary evaluations to plug into a screening model, and select the final short list based on this process. Seems simple? Nothing could be further from the truth.

Do you have a relocation or expansion question for the experts at McCallum Sweeney? Submit your question below. The experts at McCallum Sweeney Consulting will be answering reader mail every month.

First Name:*

Last Name:*

Title:*

Company:*

E-mail:*

Would you prefer to remain anonymous? Yes No

Your question:

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