

IN PERSPECTIVE

Each issue of *Catalyst* includes a national expert contributing new ideas about economic development issues.

Speaking the Language of Business Prospects

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HOW TO TELL YOUR STORY SO IT MATTERS

By Paul Hampton



Business attraction is not about luck and it is not a reactive activity. In order to position your location for success, it is critical for economic development entities to proactively develop a message that speaks to the process and needs of your business prospects. To do this, you must understand how companies make location decisions, and take steps to align the presentation of your community with the criteria of target sectors.

How do companies make location decisions?

The location screening process is based on a set of defined criteria tied to one of two things:

- project specific business goals driving the expansion, relocation, or consolidation, and
- operational requirements common to the industry sector.

Project-specific goals, for example proximity to a deep water port with access to South America, can rarely be anticipated. But, every economic development entity should be aware of the standard criteria of their target industries. For example, food manufacturers will almost always demand access to large quantities of clean water, robust electric utility access, and access to a national distribution network. If you understand the location needs of your target industries, you can tell the story of your location in the same language, and with the same data, potential prospects use to make decisions.

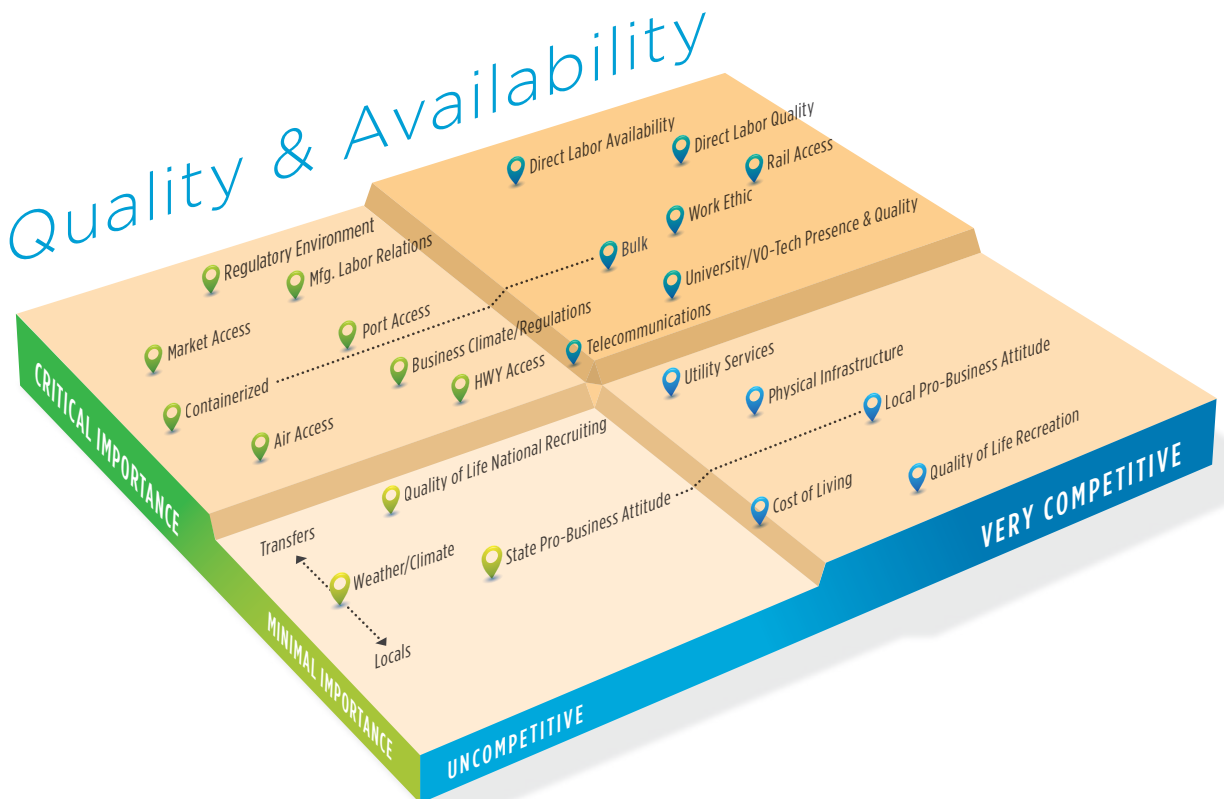
How to tell your story

To position your region to capture business prospect interest and investment, it is important you be prepared to highlight the assets which align with their site-selection process. There are four key components in preparing your region to effectively tell its story.



Know your strengths

The first step in developing an effective story is an honest assessment of business environment assets and weaknesses. This is best done through an asset-mapping exercise, where variables about business costs and conditions are arrayed based on local competitiveness and business importance. At the conclusion of the asset-mapping process, you should be able to make an educated decision about target industry sectors based on how your assets align with their location criteria.



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Know your competition

With your assets defined and your targets selected, you must identify key competing locations. For example, if you are targeting food manufacturing, it may be wise to examine the strengths of the Cleveland, Ohio region and northwest Arkansas. After you understand the business case of your competition, you can tailor your data and story to mitigate challenges your location might possess in comparison.



Respond to the needs of your target

Concise, specific, and relevant data is your best weapon in convincing a prospect to locate in your area. With the information developed during components one and two, you should be prepared to respond to any data request quickly and with information that speaks directly to the location criteria of the prospect. This will put you in a favorable position as both timeliness and targeted information indicate a high level of preparedness, a soft factor that can sway the decision making process.



Remove risk

Businesses today are more risk averse than ever. The presence of significant uncontrollable risk including national debt crises, inflationary worries, regulatory uncertainty, and consumer confidence, has increased the importance of mitigating controllable risk. A location that can eliminate all risk within their control including site preparation, governmental agreements, permitting, and infrastructure improvements, can significantly strengthen their business case. Examine opportunities to remove risk at a few key sites and be prepared to come to the table with a solution that has already addressed the questions the prospect is going to ask.

Integrating these four components into your business attraction strategy will not only improve your ability to provide quality responses to prospects, but they will also help your organization market to the appropriate targets. By knowing what you are good at and what your targets look for, your marketing efforts will become more strategic, fruitful, and efficient. ✨

As managing director with Newmark Knight Frank Global Corporate Services, **Paul Hampton** specializes in corporate location optimization and economic development strategy. His areas of expertise include site selection, economic geography, target industry recruitment and growth strategy, and economic cluster analysis. Mr. Hampton works with private companies, governmental entities, and economic development organizations of various sizes to help them identify key assets and develop strategy to promote sustainable economic growth.