

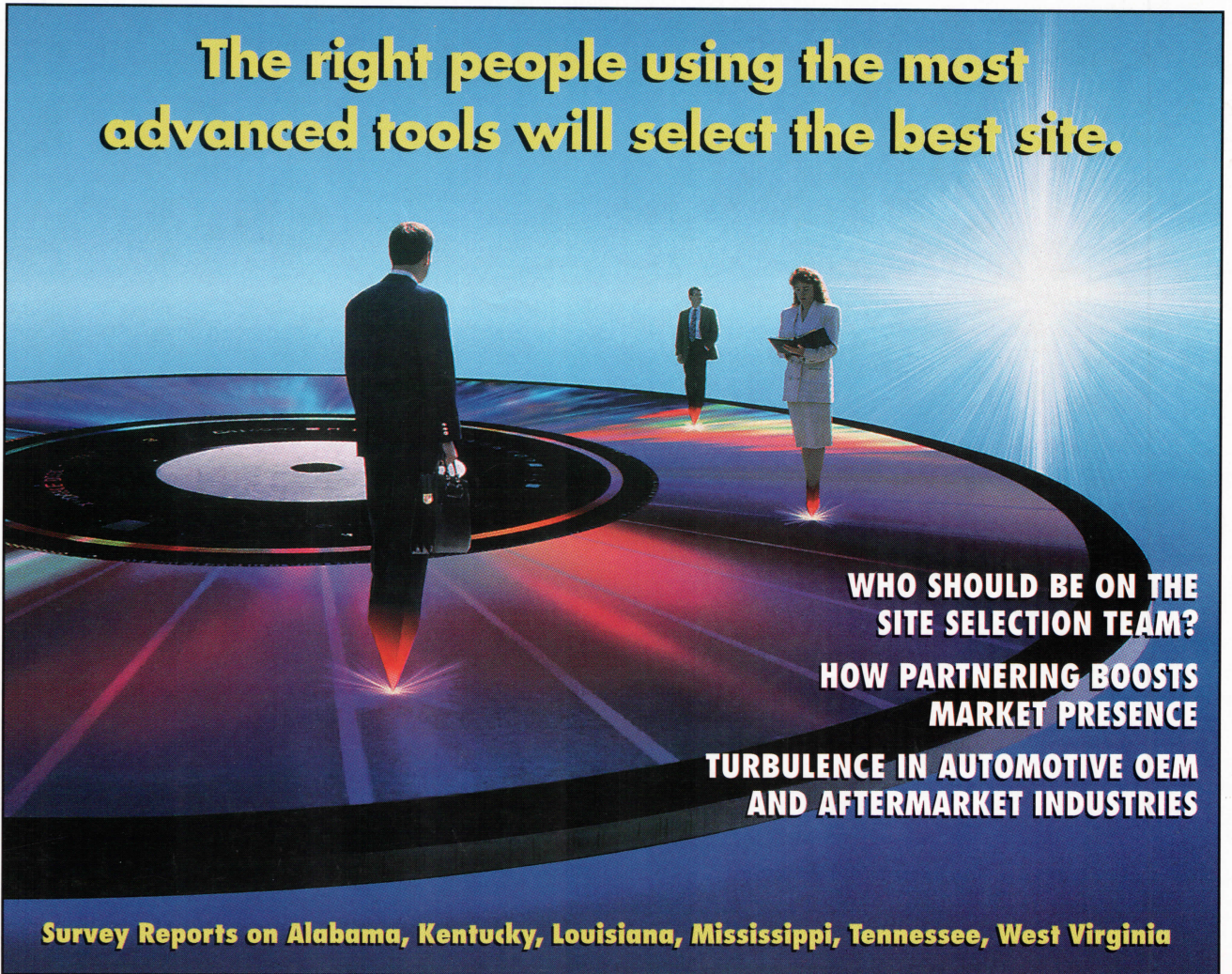
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NEW TECHNOLOGY AUGMENTS THE SITE SEARCH

Performing a site selection is hard work, but tools such as the Internet, interactive CD-ROMs, and GIS technology are making the job a little easier.

By Cynthia Scanlon

In the past, the news that a company might be relocating was often met with apprehension and concern, especially by the executives charged with the daunting task of finding an appropriate site. The assignment usually was accomplished by poring over maps, comparing locations, digesting a myriad of economic and quality-of-life statistics, running down hundreds of details, and then selecting the best site possible.

Most of this research was accomplished by digging through tons of paperwork and hoping for the best. But today, technology has grown by leaps and bounds and taken site selectors into areas they once could only dream about. With the advent of the Internet, CD-ROM technology, and a variety of powerful software packages, site selection can be undertaken on a national or global level using highly detailed information available at the touch of a button. One of the most important of these technologies is the Internet.

BENEFITS OF THE INTERNET

For many groups, mounting a site on the World Wide Web was undertaken with the desire to keep up with technology and have a visible presence. But a number of people have reported some surprising results.

"We had virtually no expectations when we started three months ago, but we have gotten some significant e-mails and telephone calls from companies as a result of our Web page," says Keith Watkins, vice president of corporate locations for the Greater Phoenix Economic Council (GPEC) in Arizona. Watkins says that with a presence on the Web, his organization is now accessible to people throughout the world at a reasonable cost in terms of both time and

money.

GPEC's Web site offers information on Phoenix and the surrounding area as well as the state of Arizona. The organization also has a separate Web site with statistical information that is regularly maintained by nearby Arizona State University. "The Internet is so efficient," Watkins says. "We don't have to trade three and four phone calls or wait for Federal Express. People now have information right at their fingertips."

James A. Schriener, director of location strategies for PHH Fantus Corporation, a division of Deloitte & Touche, has had a similar experience. "We were surprised by the number of projects we

Site selection can now be undertaken using detailed information available at the touch of a button.

landed from CEOs communicating to us via e-mail through information on the Web page," he says.

A year ago, Buzz Canup, managing principal of Fluor Daniel Consulting in Greenville, S.C., was cautious about some of the technology available to site selectors, especially where the Internet was concerned. Since then, he has revised his opinion somewhat. "I think there has been progress made in the last year, and everybody is more experienced at using the Internet," he says. Canup attributes this to people's willingness to spend more time researching the information they need as well as

improvements in Web site data.

"People who were putting data on the Net a year or two ago were being very generic, and now they are realizing through feedback that folks need more definitive information," Canup says. Still he has some caveats concerning the origination of such information. "It's unfortunate that in 1997, you can be using data that is four, five, even six years old and has been extrapolated from 1990 Census data."

SOFTWARE SOLUTIONS

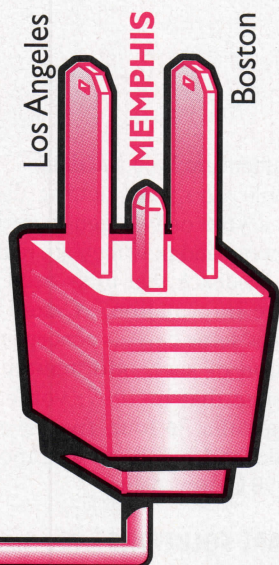
Such is not the case with TETRAD Computer Applications, Inc., a Bellingham, Wash., software company that supplies demographic software programs for site analysis and selection. One program, called *PCensus*, takes an area that a site selector chooses, usually a circled geographic area or neighborhood, and then describes the kind of people living in that area by income, age, ethnicity, and language. The company also sells software packages that provide a detailed breakdown of a specific area's consumer buying preferences to determine what the population might spend on diapers, beer, or auto batteries, to name a few categories.

The software will also break out demographics in, for example, one-, two-, and five-mile radii for businesses interested in pinning down primary, secondary, and tertiary markets.

While the software is aimed at franchise and retail businesses, any company needing specific demographic information on an area might find it useful. Companies can also use the software to match information with existing demographics of already successful sites.

Currently, the company offers data on the United States, Canada, Puerto Rico,

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and the Federation of Russia. "American companies are taking their technology with them as they expand into the global economy," says Wilson Baker, president of TETRAD. "Eventually people will be able to look at this data worldwide as it becomes available."

Another interesting site selection package is PHH Fantus Corporation's *Location Quest*, which provides information on 315 metro areas and 3,142 counties throughout the nation by comparing 900 key variables and more than three million data items. The software is updated annually by Fantus consultants using the more than 1,000 site evaluations they perform every year.

Although Kay Russell Deerin, manager for PHH Fantus in Hunt Valley, Md., is a big believer in using technology for site selection, she is also quick to admit that the new technology options and services can be confusing and even overwhelming at first.

"If they've never done it before, novices trying to do a site selection may not understand all the nuances relating to data and analysis," she says. "They need to make sure they understand the sources they are using, and that takes a level of computer literacy."

Rather than making this issue of computer literacy an obstacle, many executives in charge of site selection are opting to let trained consultants bear the burden of site and data analysis.

"*Location Quest* has helped us expedite projects when we are working with clients who don't want to learn how to use it," Deerin says. "Having someone provide your company with this service is a key factor in location analysis."

Fantus' Schriener agrees that the lack of time for learning new computer technologies is spawning tremendous work for consultants specializing in site selection. "Clients don't have the time to use their software and want consultants to use it for them," he says. Schriener estimates that Fantus' consulting work consists of 5 percent technology services and 95 percent consultancy.

GIS TECHNOLOGY

Canup foresees dramatic improvements in technology in the next 18 to 24 months in terms of how the Internet and other computer technologies will be utilized in industrial and economic development work and site location searches. He cites geographic information systems (GIS), a technology tool that allows the visual mapping of data, as one of the front runners.

"We're getting smarter and more

experienced in how to use GIS, plus there is a lot more data in software format that is now available and compatible with computerized and automated information systems," Canup says.

Like Canup, TETRAD's Baker sees that the industry is moving toward GIS at ever increasing rates. "GIS costs more than a paper map, but then it does a lot more," he says. "And improved hardware is the reason GIS software is becoming so widespread."

Schriener says the new technologies have also helped senior executives preserve the confidentiality of their relocations. "Generally the types of issues that senior executives are involved in are so confidential that oftentimes they don't want to tell their researchers what they are doing," says Schriener. "They have taken it upon themselves to look at the communities and consultants that are out there."

Schriener attributes this secrecy to executives wanting to protect their employees and the company from rumors until a firm decision has been made. "People will assume the worst, so company executives try to minimize the concerns that people have," he says. "Executives don't want careless discussions for fear that competitors will have a jump on what they are doing."

MORE THAN JUST HIGH TECH

Despite the proliferation of facts and figures available online and through software packages, Canup points out that his company also relies heavily on good old-fashioned shoe leather for final decisions. That means visiting sites in person, talking to people, and verifying facts firsthand. But technology can definitely separate the appropriate from the inappropriate sites.

"We still rely on direct interface and contact with states and cities for the detailed analyses we have to conduct, but the Internet gives quick and easy access to generic and macro information," he says. "There's nothing easier than sitting at your desk and flipping on to the Net to do some searches. Sometimes you're successful and sometimes you're not, but you've only wasted 30 minutes of your time if you're not."

For the future, Deerin sees companies continuing to move and continuing to use technology to enhance the site selection process. "People are constantly looking," Deerin says. "Depending on what point they are at in their corporate lifecycle, technology can help them evaluate whether or not they should make a move." □