

CHOOSING A LOCATION FOR A MANUFACTURING FACILITY

**Why Companies Should Use
a Site Selection Consultant**

THIS IS A GOOD IDEA, RIGHT?

Or is it? There are risks involved

- ▶ What's the justification?
- ▶ Cost reduction?
- ▶ Consolidation?
- ▶ New product?
- ▶ Market penetration?



THIS IS SERIOUS STUFF

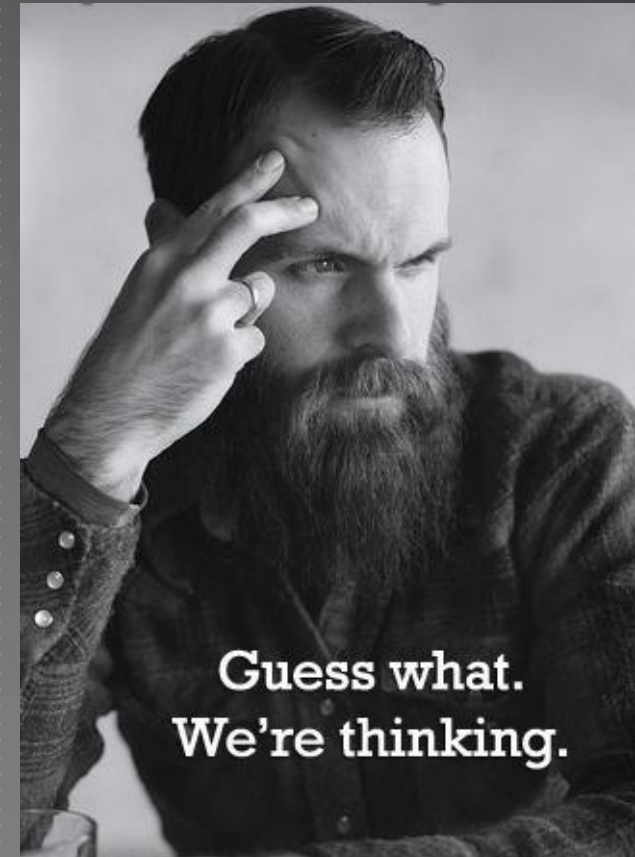
- ▶ A wrong move can prove disastrous
- ▶ A substantial investment in time and money
- ▶ If you are going to do it, do it right



WHAT ARE YOUR OPTIONS?

- ▶ Expand/modernize existing facility
- ▶ Expand locally
- ▶ Expand out of region
- ▶ Expand off-shore
- ▶ Move all operations to new area

If everybody is thinking alike,
then someone is not thinking



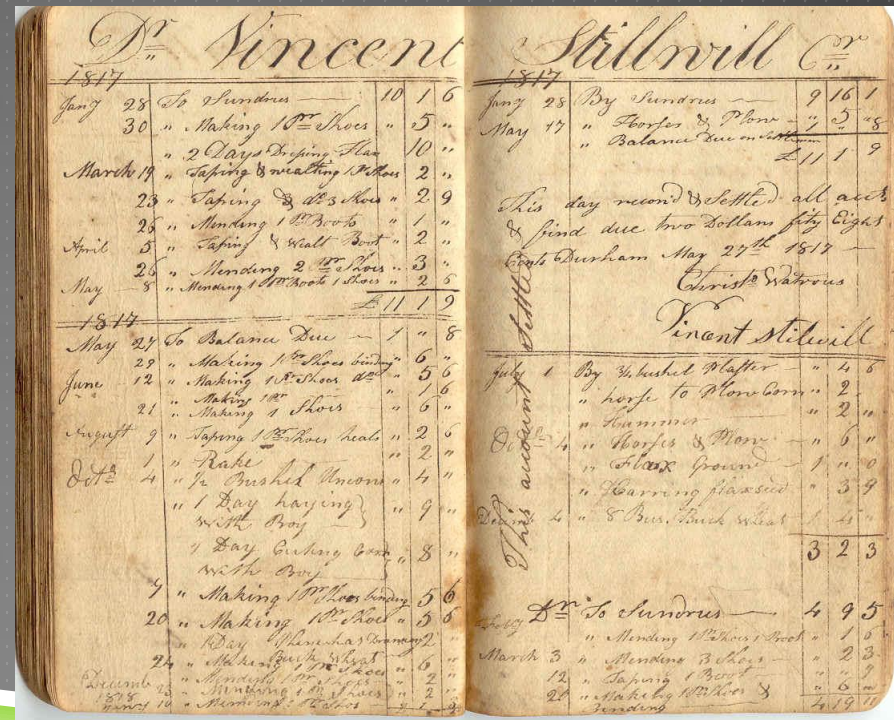
KNOW WHAT YOU NEED

- ▶ It means establishing a long detailed list of criteria
- ▶ Difference between wants and absolute needs
- ▶ Set goals
- ▶ Define function
- ▶ Above all, get organized



AND DON'T FORGET THIS

- ▶ Relocation costs for existing equipment
- ▶ Procurement costs for new equipment
- ▶ Relocation costs for key personnel
- ▶ Recruiting, hiring and training costs for new personnel
- ▶ Inventory buildup costs
- ▶ Real estate costs
- ▶ Design/engineering costs
- ▶ Site prep costs
- ▶ Construction costs
- ▶ Financing



CHOOSE A STRUCTURE

How you go about this could determine your success

- ▶ Standing committee
- ▶ Special project team
- ▶ Facility planning or real estate department
- ▶ Assigned operations manager/senior executive



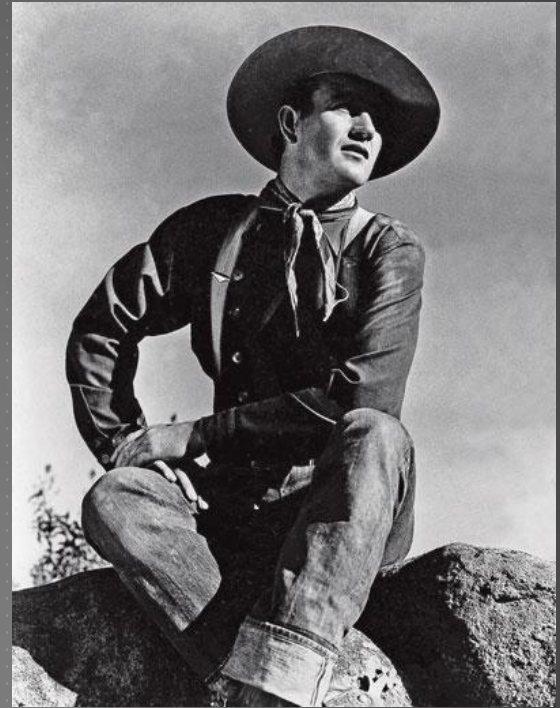
COULD A CONSULTANT BE THE ANSWER?

Answer: What a absolutely brilliant question.



THE GOOD CONSULTANT

- ▶ Save you time and money
- ▶ Mitigate risk
- ▶ Understand the many factors involved
- ▶ Identify optimal locations
- ▶ Negotiate an incentives package
- ▶ Serve as a liaison to that future place



WHY NOT ME?

Can't my company do this alone?

Answer: Yes, but probably not very well.



WHY IS THAT?

- ▶ If a senior exec is intimately involved in one site search in his or her entire career , he or she is the exception
- ▶ When you are not experienced at doing something, chances are you won't be good at it.
- ▶ Many factors (too many to list here) involved to do it right.
- ▶ You don't know what you don't know.
- ▶ (But you do hold the key.)



OK, HERE IS A SNEAK PREVIEW

Here's a few factors to chew on:

- ▶ Labor pool, skill sets, prevailing wages
- ▶ Logistics and transportation infrastructure
- ▶ Tax Bite
- ▶ Utilities and cost of energy
- ▶ Permitting and regulatory climate
- ▶ Quality of Life
- ▶ And on and on and on.

Conclusion: Pie are round, cake are square

$$I = 8.5 \times 10^{-9} \text{ cm}^{-2} \text{ sec}^{-1} \text{ sr}^{-1}$$

$$R = \pi \left(\frac{3\pi}{180} \right)^2 = 8.613 \times 10^{-3} \text{ sr}$$

$$M = \pi \left(\frac{.26\pi}{180} \right)^2 = 6.47 \times 10^{-5} \text{ sr}$$

$$A_{AM} = 3 \times 10^3 \text{ cm}^2$$

$$A_{Ics} = 10^{10} \text{ cm}^2$$

$$T = 3.154 \times 10^7 \text{ sec}^1 \text{ yr}^{-1}$$

$$P = .17534$$

$$\mu_{\text{exp}} = I_{\mu} \cdot A \cdot T \cdot R \cdot P = 1.21 \times 10^5 \text{ events}$$

$$\mu_{\text{block}} = \mu_{\text{exp}} \left(\frac{M}{R} \right) = 959 \text{ events / yr}$$

$$S_{AM} = \frac{\mu_{\text{block}}}{\sqrt{\mu_{\text{exp}}}} = 2.75\sigma \text{ in 64 days}$$

$$A_R = \sqrt{\frac{A_{Ics}}{A_{AM}}} = \sqrt{33.33} = 5.7735$$

$$S_{Ics} = 2.75\sigma \text{ in 11 days}$$

LISTEN UP, YOU ECONOMIC DEVELOPERS

- ▶ Leverage your strengths
- ▶ Address your weaknesses
- ▶ Turn to existing industry
- ▶ Be a problem solver
- ▶ Develop real estate product



BR&E OPENS DOORS

- ▶ Existing employers provide industry intelligence
- ▶ Insight into your HR capabilities
- ▶ Can be your best ambassadors/salesmen
- ▶ Listen to them.
- ▶ Be their allies. Be their solution provider.



REMEMBER THE BOY SCOUT MOTTO



BE PREPARED

HAVE PRODUCT, WILL TRAVEL

- ▶ Without an inventory of good building and sites, your recruiting efforts will suffer
- ▶ Certified sites a growing trend
- ▶ Think up for storage
- ▶ We won't wait



RESPECT YOURSELF

Bet on your community's future

- ▶ If you don't invest in yourself, why should someone else?
- ▶ Think people – human resources, the jobs of the future
- ▶ Think infrastructure – moving people, products, ideas
- ▶ Think manufacturing. Making stuff.



WE'LL TAKE YOU THERE

We can find that right place, where the risks are fewer and the opportunities greater.

We'll take you where you need to be.

We'll take you there.

Dean Barber

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HELLO

my name is

inigo montoya
you killed my father
prepare to die

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