

# Worcester's Business Climate

## The Site Selector's Perspective

THE RESEARCH BUREAU CONFERENCE

December 11, 2009

## What is Site Selection?

Are we selecting a site,....

....Or a home for a business



*How Do Companies (or Consultants)  
Make Location Decisions?*

## What is Site Selection?

The following business situations can trigger a need for a new site:

- Real Estate event (Lease Termination)
- Expansion
- Market Entry
- Mergers, and Acquisitions
- Consolidation
- Realignment
- Business Process Change
- Market Change
- Cost Reduction



## What are Companies Looking For?

Labor Skills, Talent

Labor and Operating Costs

Partners, Customers and Vendors

Transportation and Access

Utilities and Other Infrastructure

Real Estate and Facilities

Business Environment, Taxation, and Incentives

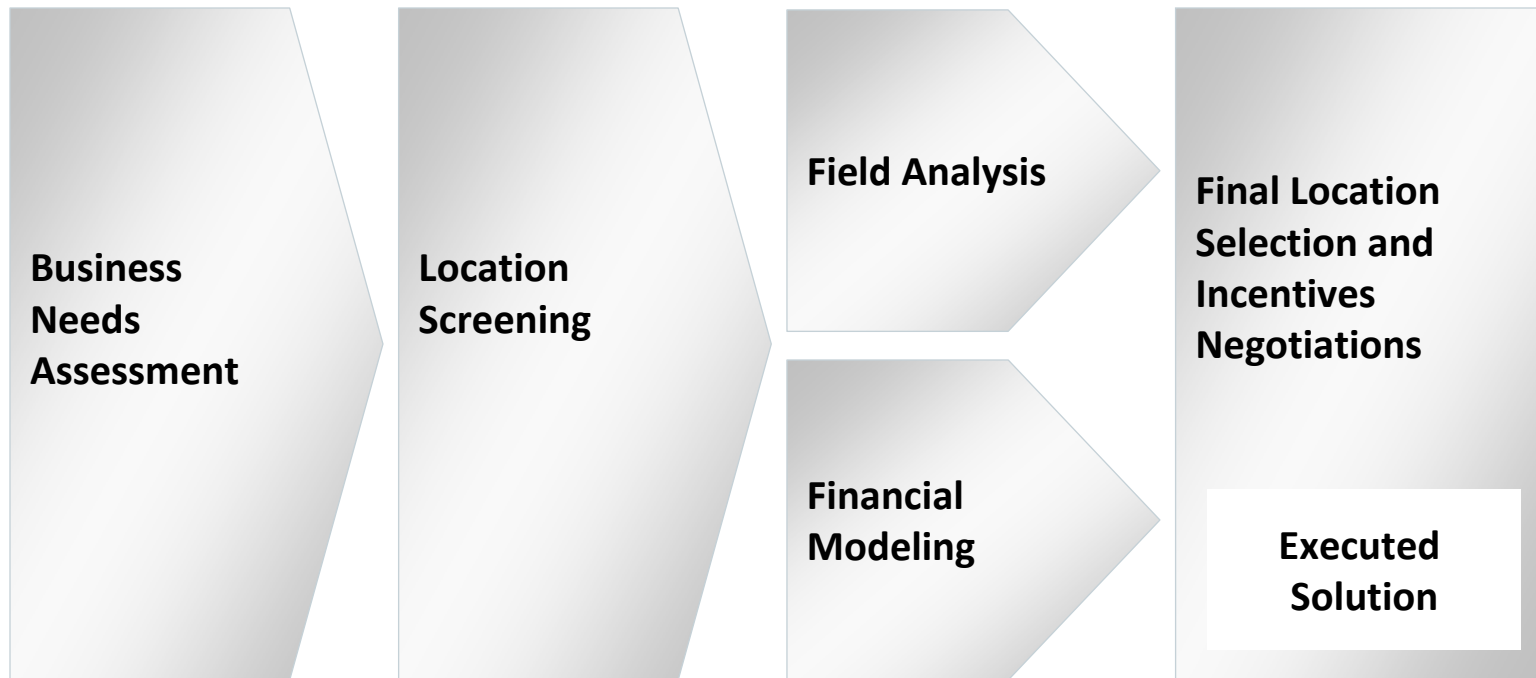
Quality of Life

- All play some role
- Specific importance depends on the use



## A Business-Based Process

The Location Process allows companies to define their business needs and then narrow the list of candidates based upon best-fit. A business-based methodology matches companies to locations that will meet their needs for the long-term.



**NOTE:** Community probably not aware of project until Field Analysis!

## Worcester's Advantages

### Massachusetts Advantages:

- High Innovation, High Talent
- Transportation Infrastructure
- Tax Structure (Mixed)
- Economic Vitality

### Worcester Advantages:

- Housing Costs
- Diversity
- Big-City Amenities with Small-City Connectedness
- Manufacturing Infrastructure
- Healthcare Institutions
- Higher Education
- Transportation(?)

## ...And now for the Bad News

### **Worcester-specific concerns:**

- Split tax rate
- Accessibility
- Labor Flexibility
- Permitting Process
- Economic Vitality

### **Massachusetts:**

Massachusetts cited as third least Favorable Business Climate (behind California and New Jersey)

“Among those who named Massachusetts as having the least favorable business climate and provided a reason, the factors mentioned most frequently are:

- Tax climate (44%)
- High costs overall (38%)
- **Government, specifically regulations, politics, or permitting (35%)”**

Source: DCI Survey of Corporate Executives, 2005



## Perceived Strengths and Liabilities

Strengths	Weaknesses
<ul style="list-style-type: none"><li>▪ <b>Quality of Life</b></li><li>▪ <b>Access to Trained Workforce</b></li><li>▪ <b>Air, Rail, and Road Connections (with additional development)</b></li><li>▪ <b>Strong Education and Industrial Institutions</b></li><li>▪ <b>Cultural Amenities</b></li><li>▪ <b>Robust Regional Strengths</b></li></ul>	<ul style="list-style-type: none"><li>▪ <b>Operating Costs (depending on competitor base)</b></li><li>▪ <b>Inequalities in Tax Structure</b></li><li>▪ <b>Perception as Business Unfriendly</b></li><li>▪ <b>Perception of Disconnection Among State/Local Agencies and Institutions</b></li><li>▪ <b>Lack of Clear External Identity</b></li></ul>



## Community First Steps

- Understand Your Community
- Organize and Prepare
- Engage the Current Corporate Base
- Build Regional Strength
- Build Relationships Between Government, Business, Education, and Economic Development
- Develop a Coherent External Image Supporting Economic Development
- Actively Reach Out (Ambassador Programs)
- Be Creative

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*THANK YOU VERY MUCH*



*Location Strategies for Business and Economic Development*