

The Site Selectors Speak Their Minds

A Panel of Site Selectors Offers Candid Answers to IEDC Conference Attendee Questions

By Katie Burns, IEDC

Site selectors: They're the people every economic developer wants to impress. In what appears to be a popular new IEDC tradition, a dozen site selection consultants sat down on the last day of the annual conference last month and answered attendee questions about just what does and does not impress them.

A lot of the questions dealt with basic marketing, of course, but others dealt with more specific matters such as the importance of rail access and health care. Judging by the comments the site selectors had, economic developers are getting a bit savvier about catching attention, but they still have a lot to learn. And, alas, some still haven't heeded advice that has been given previously.

The matter of medium

The good news is that most communities appear to have received the often-repeated message about not sending videos. Dean Foote, CECD, senior project manager for economic development real estate services with Carter & Burgess, made a joke about naughty consultants being forced to sit in a room and watch community videos. "But we're making progress," he added. "No one sends me videos anymore, which is a really good thing."

The same advice applies to CD-ROMs. For one thing, as John Rhodes, president of Mohr, Stahl & Boyer noted, CDs often contain viruses, despite the best efforts of the economic development organization (EDO) to keep them clean. Rhodes said he doesn't even look at them. Moreover, as Kate McEnroe of McEnroe Consulting pointed out, CDs and videos alike simply aren't good investments for an economic development organization (EDO) to make. "The reason we want you to know this is because we know how much money you invest in these sorts of things," she said.

Large packets of information weren't all that popular, either. Rhodes explained that stacks of information on available buildings did nothing for him unless he was in a particular building at the moment. That kind of information ought to be sent to brokers, not site selection consultants. Nor did he care for large packets with just a little information – specifically, large boxes sent via express delivery that contain lots of air and, said Rhodes with just the slightest amount of irritation, "a little brochure that's *clever*."

"That may be wasteful."

Most of the consultants expressed a strong preference for electronic media. Foote and others noted that even though they might delete a community's e-letter soon after it arrived, a well-executed e-mail letter with sufficiently intriguing information could

prompt him to check out the sender's Web site. And all of the speakers stressed that a good Web site was indeed a community's most important business recruitment tool. (More on that in a moment.)

Not that there weren't differences of opinion among the participants. McEnroe said she liked to use e-mail for conversations about projects, but unsolicited marketing pieces were likely to be deleted unread. Print newsletters or brochures, on the other hand, could be stuffed into a briefcase and read on an airplane. Jerry Szatan of Szatan and Associates added that while he generally liked getting e-letters, he preferred to get 100-page studies via snail mail.

Jeanette Goldsmith, a principal with McCallum Sweeney Consulting, added that for her, face time often made the strongest impression on her. "The communities and the states that take time to come and do the call and actually sit down with us for an hour and talk to us face to face have more luck reaching me," she said. Rhodes spoke favorably of community familiarization trips in which representatives from towns throughout a major metro area sat down with him over the course of a couple of days and explained who they were. He also warned that such affairs would be too expensive for smaller, more isolated communities, and he added that anyone arranging such a trip should leave the golf outing off the agenda. "Golf outings are only good for golfers, and I don't have four hours," he said.

General message: Site selectors are individuals with individual likes and dislikes, so use a multi-tiered marketing strategy. Just be careful not to waste money on media and programs that most site selectors tend to ignore.

Web pages they'll want to read

It's been stated at previous IEDC conferences and in *Economic Development Now* that a well-thought-out Web page is a crucial business attraction tool. (See "[Snaring Site Selectors in Your Web](#)," *ED Now*, Jan. 15, 2002.) Judging by the comments at this most recent conference, some communities still need do a better job of thinking like a time-pressed site selector.

As Robert Ady of Ady International stressed, there are three things EDOs need to keep in mind when designing their Web sites: speed, ease of navigation and useful data. On the issue of speed, remember that a consultant may be working from a laptop via a hotel room's phone line. "The one thing I don't want to see when I open up the home page is to see dancing bubbles or guys fishing and stuff like that that takes 20 minutes to download," Ady said.

Keep the basics in mind. Szatan said with a note of exasperation that EDOs need to put their phone numbers on the site – on *every* page, in a spot that's easy to find. "Inevitably, when the project comes up, it's going to have wrinkles that have not been anticipated by whoever put the Web site together," he said. "I'll need to confirm things and so on. So

make it easy to find you.” That means a name and phone number. “Not ‘info@so-and-so,’ Szatan added. “Forget it.”

Here’s another basic: a map. Foote advised putting a simple map on the front page with major highways and proximities to other locations. “Don’t assume we know where you are,” he said.

Also make it easy to figure out where the data will be. As Ady pointed out, a consultant may have trouble determining whether the data he needs will be on the city’s site, the chamber of commerce site, or somewhere else. And that’s all the more important if your organization has an unusual name, because the search engine may not turn your group’s name up if a site selector types in, say, “Springfield Economic Development Corp.” and you call yourselves the TGIF Council. Make sure there are easy-to-find links from every other site they might check, and that you have meta-tags such as “commerce” or “economic development” that will get search engines to recognize you.

Roal Spee of IBM Consulting Services suggested including names and contact information for individual staffers who deal with specific target industries or tasks. He also recommended a news feature highlighting the latest incoming companies or expansions. “Your best-selling messages are your successes. . . .,” he said. “That attracts attention and gives recognition that other companies are investing in your region.” Moderator Karim Kahn, editor in chief of Business Facilities Magazine, added a suggestion to include press releases as well. (And we at *ED Now* agree.)

Mark Sweeney of McCallum Sweeney Consulting had some more advice on the type of data to include: “Information we can’t get anywhere else.” Don’t bother with Labor Department statistics because the Labor Department can provide that. But a list of, say, the top 10 employers is useful as is a list of any unions operating there, types of management concepts being used, local education anecdotes, local tax and incentives, and of course, site and building information.

And of course, keep it all up to date. “Many sites, when I look at them, they’re two years old, a year old,” Ady said. That doesn’t really help the site selector.

What they’d like to hear

One attendee wanted to know what questions the audience should have been asking, but wasn’t. Gene DePrez, North American practice leader for IBM Consulting Services, said he wanted to hear them asking more about business trends, and what’s going on inside companies, how it affects their decisions. Furthermore, EDOs need to be asking how those trends and practices affected the community’s industries and the clusters they were developing. “Get into the substance, and don’t worry about all those other kinds of things about packaging it,” he said.

An overarching need was for specific data on those targeted industries, and the consultants wanted to be asked about the types of information they wanted to see on

those industries. “You do hope that a lot of thought has gone into it, but if most of you asked me ‘How does our target industry list compare to everyone else’s?’, nine times out of 10, I would tell you it’s exactly the same as everyone else’s,” McEnroe said.

Rhodes built on that, explaining that while a community doesn’t necessarily have to limit itself to two or three target industries, having a portfolio of very defined industries makes a major difference, if the portfolio is backed up with solid information on the resources available to support those industries. “Everybody in this room is going after biotech. You don’t have to tell us that. ...,” he said. “But what’s going to set you apart is what your are doing about integrating all the resources of the community, whether it’s education, whether it’s the facility or whatever, to make a particular industry ring true.”

Don Schjeldahl of the Austin Co. added that he’d like to have more communities follow up on the information they sent, to be sure it answers the kinds of questions he might have. “I think too often it does fall short of what our expectations are,” he said.

And Spee wanted to hear more questions about other communities’ best practices. “There’s a lot of organizations that can learn from working with each other, either via consultant or directly working with other organizations,” he said.

The ‘i’ word

So are incentives really important? According to Schjeldahl, they’ve actually grown in importance over the last decade. Globalization has put pressure on companies to find cost efficiencies any way they can. Toward the end of a site search, once the company has whittled its list to one or two communities, a package that includes dollar-value incentives, along with training programs and other types of assistance, can help seal the deal.

The type of incentive to offer, however, may vary depending on the company’s growth stage. Startup companies, which often are working with a large net operating loss, may not derive much benefit from tax credit incentives; for a more established firm, however, credits could be attractive. Ady said that for startups, minimizing uncertainty and helping with up-front costs such as training can help. Assistance with relocation costs, which can be very steep, also are appreciated. Regarding tax credits for larger companies, Ady suggested that sometimes they looked more appealing to a company than their actual impact on the bottom line would dictate.

Some had thoughts on the incentive offer process as well. Rhodes cautioned that some small companies that were new to the incentives game might try to “shop” incentives, paying insufficient attention to the basic plusses and minuses of a community. Those aren’t the companies an EDO wants to attract. Incentives typically last for perhaps five or 10 years; the wise economic developer wants to bring in businesses that will stay longer than that because the community is a good place to operate. He also cautioned against jumping through hoops for “hot” technology companies that want to bring 500 workers to town. “You should be asking *them* questions, like ‘Well, how long are you going to

survive?’ ‘Will this community allow you to get to the next stage of technology?’” he explained. If the company only has one product, it may disappear after 18 months, leaving you with an empty building.

McEnroe added, however, that sometimes, a company that seems to be shopping incentives may have already done a lot of preliminary research online. “Don’t misunderstand the process,” she said. “Don’t think that because they call and ask about incentives first, that’s all they care about. It may just be the point in the process they’ve reached before they pick up the phone.”

Reaching out abroad

One attendee wanted to know more about attracting companies from other countries. Spee, who specializes in Europe, Asia and the Middle East, told him to keep in mind that companies from other countries may not be as familiar with North American communities as domestic firms are. The solution requires working across jurisdictional lines. “If you’re thinking of overseas marketing, don’t try to do it on your own as a small community, but really work together and present yourselves as a homogenous region,” he said.

Learning about the idiosyncrasies of the particular company can help as well. Samuel Lee, senior manager for KPMG Strategic Relocation and Expansion Services, noted that many Japanese companies try to penetrate the U.S. market via joint ventures, so tracking the companies with which they form those ventures can help you identify opportunities.

And make a point of keeping the company executives’ comfort level in mind. McEnroe recalled being in a room some 10 years ago with people from a community that was trying to position itself as a real comer in the Latin American market. “There was nothing but Caucasian men in the room,” she said. It’s times like that when an ability to demonstrate your community’s comfort with diversity makes a difference. Try looking beyond the “usual suspects,” such as the city council member and the bank president, and digging more deeply into your community’s pool of potential representatives.

Of rail lines and health care

A few attendees were concerned about assets or challenges specific to their regions. One asked about the current appetite for rail access. Szatan said it could be important for some projects, but what really mattered was access to intermodal facilities, especially for distribution and other heavy shipping. These don’t have to be right in the community itself; having a large intermodal facility 50 to 150 miles away could still benefit an area.

Schjeldahl, whose company works with a lot of manufacturers, noted that “hours of service rules” proposed for the trucking industry could make truck shipments more expensive. Rail, meanwhile, has improved its service, and while his clients weren’t necessarily desperate for rail access at the moment, they did like to have it as an option for the future.

Sweeney noted that for many heavy industries, rail access was a “must.” “If you have rail, you have a scarce resource. If you have dual rail service sites, you have a crown jewel resource,” he said. But the key word was “access” – he recalled one rural community that had two rail lines, but no points at which to access them. Communities that have rail need to work with the rail companies and others to make sure such access sites are available.

Another attendee noted that he rarely heard questions from site selectors regarding health care, yet existing companies in his area seem to worry about it a great deal. Did health care costs matter?

DePrez said health care might be more commonly part of a company’s national benefits package, making local variations less of an issue. Health care may matter more from a qualitative standpoint – the availability of care and its quality, the types of health care systems operating. “Those often come up as more of a ‘quality of life’ issue, but a very key issue for many companies as they’re making decisions,” he said. He did note that health care costs sometimes arise in cross-border decisions, such as choosing between a U.S. site and one in Canada, which offers government-run health care services.

Lee, and Michael Henderson of Cushman and Wakefield, noted that health care costs often seemed to be buried under workers’ compensation or other labor costs. But if a prospect asks about it, it should be highlighted.

Creative thinking

One attendee asked for advice on creative ways to make one’s community stand out on a list of look-alikes. One thing the consultants apparently didn’t see often enough was cooperation. Foote noted its importance for a region: “Put the swords away and work with your neighbors. It helps us sort through a project.”

Rhodes spoke of his happy surprise when a community simply gets the fundamentals right. That means having all the key players – the utility, the president of the college that would provide training, the mayor, and other leaders – in the room and having them show that “they’ve talked to each other more than once before.” And McEnroe added that bringing in executives from companies that already operate in the community can help a prospect get a real sense of the area’s business environment.

Lee spoke of having flexible statutes and regulations, to allow quick responses to a business’ needs. Henderson recalled a recent project in which a community looked at underutilized real estate and persuaded a local firm that no longer used its manufacturing plant there to sell that plant. “A site that hadn’t been entered into the databases for us for the project we were doing suddenly became a top contender,” he said.

Don’t be afraid to ask

Finally, the consultants admitted that they don't always follow up with "also-ran" communities – but that doesn't mean they aren't willing to answer questions about how to improve one's future chances. Of course, many site selection consultants are bound by confidentiality agreements, which make it harder for them to answer questions. But Spee noted that IBM had developed a process under which the company communicates with prospective communities at certain milestones in the site selection process, even if it sometimes consists of a "sorry, no decision yet."

But he, and the others, encouraged the group to seek out feedback.