How to Host a Business Prospect

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This morning’s talk

• About McCallum Sweeney
• Who are your prospects?
• How do they find you?
• The site selection process
• The visit
• Closing thoughts
McCallum Sweeney Consulting

- MSC was established in July 2000 by Ed McCallum & Mark Sweeney
- MSC specializes in site selection and incentive negotiation services
- MSC brings 75+ years of combined senior staff location consulting experience to our clients worldwide
- MSC has announced over $6 billion in investment and 20,000+ jobs
- MSC has certified 134 sites nationwide with 88 in the certification phase
Who are your prospects?
### Who are your prospects?

#### A lesson in location theory…

<table>
<thead>
<tr>
<th>Basic (Traded) Industries</th>
<th>Nonbasic (Local) Industries</th>
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<tbody>
<tr>
<td>Produce goods and services for export – bring new money from outside</td>
<td>Produce goods and services for the local population only – move money around</td>
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<td>Examples: mining and energy, manufacturing, data centers</td>
<td>Examples: retail, health services, utilities, government services</td>
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<tr>
<td>But also… tourism, retirement communities, universities, telecommuters</td>
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</table>

Source: McCallum Sweeney
Who are your prospects?

Come home to MONTANA (and bring your job with you)

Top National Companies for Telecommuting

**Dell**
Dell offers multiple opportunities for flexible work. Employee work options include flexible, remote work, job sharing, part-time work, and compressed workweeks.

**IBM**
IBM has offered flexible employment arrangements in the past in the form of international or U.S.-based telecommuting positions.

**About.com**
About.com provides employment opportunities for freelance writers that want the ability to work a flexible schedule from their home office anywhere in the United States.

**Adobe**
Adobe offers several opportunities for employment for both part-time and telecommute work arrangements.

**General Electric**
GE often has positions available allowing for full-time and part-time schedules, and telecommuting options.

**3M**
3M supports remote work, often offering various flexible employment opportunities such as full and part-time telecommuting jobs.

**Oracle**
Oracle is a global company with over 100,000 employees. They are committed to fostering a culture of excellence and innovation, and often offer positions that are telecommute-compatible, including hundreds right here in Montana.

**Aetna**
Aetna is very supportive of employees that want to work from home; currently more than 43% of their employees telecommute.

**American Express**
American Express is an equal opportunity employer, and they employ people in countless locations.
Who are your prospects?

• Profit Driven
  – Investment for purpose of return

• Deadline Driven
  – Both the site selection and the project

• Competitive
  – Multiple location options

• Comprehensive
  – Complex decision involving most functional areas

• Risk Averse
How do they find you?

Typical Project Lead Source

- Existing Industry Expansion
- Direct Contact
- Local Website
- State partner
- Consultant
How do they find you?

Out-of-State Recruitment Prospects

Number of valid prospects
- FY2010: 20
- FY2011: 29
- FY2012: 33
- FY2013: 34
- FY2014: 48

Number of prospects that ended in a successful project
- FY2010: 3
- FY2011: 4
- FY2012: 3
- FY2013: 2
- FY2014: 3

Number of prospects that are still considering the State of Wyoming
- FY2010: 11
- FY2011: 17
- FY2012: 16
- FY2013: 0
- FY2014: 30

Source: WBC Client Management System and the Business & Industry Division
The Site Selection Process
Competitive Site Selection Screening Process

1. Define Search Region - Center-of-Market Analysis
2. Regional Screening based on Project Criteria
3. RFP & Proposal Screening
4. Property Visits / Comparative Assessment
5. Negotiations / Financial Modeling
6. Risk Analysis

Location Selection
# Competitive Site Selection Process

<table>
<thead>
<tr>
<th>Planning Phase</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
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</thead>
<tbody>
<tr>
<td>• Conception</td>
<td>• Alignment/Criteria</td>
<td>• Community Visits</td>
<td>• Negotiations</td>
<td>• Prepare MOU</td>
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<tr>
<td>• Feasibility</td>
<td>• Regional Analysis</td>
<td>• Location Evaluation</td>
<td>• Evaluation</td>
<td>• Real Estate Transaction</td>
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<tr>
<td>• Investment Decision</td>
<td>• Areas of Interest</td>
<td>• Comparative Analysis</td>
<td>• Site Due Diligence</td>
<td>• Public Announcement</td>
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<td></td>
<td>• Request for Proposal and/or Web Research</td>
<td>• Finalist Locations</td>
<td>• Internal Selection of Preferred Location</td>
<td>• Incentive Capture Support</td>
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<tr>
<td></td>
<td>• Candidate Locations</td>
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Competitive Site Selection Process

- Strategic Planning - Growth/Location
- Center of Market Analyses
- Regional Definition
- Competition Analysis

- Pro-Forma Analysis
- Breakeven Analysis
- Recurring and Nonrecurring Cost Comparisons
- Optimization Studies
- Sensitivity Analysis
- Project Financing
- Alternatives
- Risk Analysis

- Topographic Surveys
- Environmental Conditions
- Boundary Surveys
- Zoning Status/Modification
- Access and Site Planning
- Permitting

- Infrastructure Suitability
- Project Scheduling Sensitivity
- Support Services Assessment
- Expandability/Flexibility Determinations

- Work Ethic/Labor Climate Assessments
- Competitive Wage Surveys
- Productivity Assessments
- Qualitative Evaluations
- Training Resources
- Demographic Survey
- Legal Environment

- Product Distribution Evaluation
- Raw Material Identification
- Comparative Transportation Cost Analysis
- Multi-Model Scenario Studies

- Real Estate Negotiations
- Incentive Negotiations
- Site Acquisition
- Purchase Options

- Livability, Quality of Life Assessment
- Factor Weighting and Ranking
- Market Assessment
- Engineering/Construction/Cost Comparisons
The Visit: Getting Prepared
The Visit: Getting Prepared

THE PROJECT
THE SCHEDULE
THE PARTICIPANTS
THE COMMUNITY OVERVIEW
THE TOUR
THE INTERVIEWS
The Visit: Getting Prepared

THE PROJECT
THE SCHEDULE
THE PARTICIPANTS
THE COMMUNITY OVERVIEW
THE TOUR
THE INTERVIEWS

Who is visiting?
Why are they visiting?
What do they do?
What are they interested in doing in your community?
The Visit: Getting Prepared

THE PROJECT

THE SCHEDULE

THE PARTICIPANTS

THE COMMUNITY OVERVIEW

THE TOUR

THE INTERVIEWS

What is the objective of the visit?

How much time do they have available?

Where are they coming from / going to?

Are they staying overnight?

Do they have a vehicle?
THE PROJECT
THE SCHEDULE
THE PARTICIPANTS
THE COMMUNITY OVERVIEW
THE TOUR
THE INTERVIEWS

Who should be in the room?
What is their role?
What should they know in advance?
What should they say?
What is the dress code?
The Visit: Getting Prepared

THE PROJECT
THE SCHEDULE
THE PARTICIPANTS
THE COMMUNITY OVERVIEW
THE TOUR
THE INTERVIEWS

What does the company want to know?
What is important for the company to know?
The Visit: Getting Prepared

THE PROJECT
THE SCHEDULE
THE PARTICIPANTS
THE COMMUNITY OVERVIEW
THE TOUR
THE INTERVIEWS

What does the company want to see?
What is important for the company to see?
Who will be willing to talk to the company about doing business in your community?

Do you know what they will say?
• Consultant or Broker led visit
  – Large number of jobs and big capital investment
  – Highly vetted – targeted concerns
• Company led visit
  – Usually the CEO, usually little experience with site selection
• Local start-up visit
  – In need of capital, mentorship, in-kind assistance
• Local business retention / expansion visit
  – Absolutely most important prospect
  – Listen and deliver
Elements of a Project

- Project type (i.e. transportation equipment manufacturing)
- Search area (i.e. West Central United States)
- Capital investment
- Number of jobs
- Utility requirements
- Project schedule
- Area of interest within the state/region
- Deadlines / estimated operational date
- Confidentiality
- Key location criteria
- Minimum requirements
Requested Documentation

- Location map
- Site boundary map
- Covenants and Restrictions
- USGS quadrangle map
- Zoning ordinance
- Transportation infrastructure
- Utility location
- Letters of commitment for service
- Studies (Phase I ESA, wetlands delineation, etc.)
- FEMA floodplain map
• Establish a primary point of contact
• Schedule a call in advance to coordinate the visit and ask questions and provide a draft schedule for approval
• Respect the allotted time the company has in the community
• Coordinate transportation
• Allot time for the prospect to make personal calls/check emails
• Be nimble!
• All participants must have a purpose – responding to the specific concerns addressed by the prospect – no loiterers!
• Who:
  – Decision makers, those with the authority to negotiate the deal (sometimes that means board members, but not always)
  – Economic development team
    • Utility providers
    • Training/workforce services, college/university representatives
  – Community leaders and public officials
    • Represent community and government
    • “Managed” access to prospect
  – Industry leaders
• Confidentiality must be respected
• Provide a list of participants to visitors
• Professionalism encompasses:
  – Meeting location
  – Attire
  – Presentation of information
  – Materials/takeaways

• Cut the B.S. – “don’t say great”

• Tailor responses

• Identify strengths, address concerns

• If you do not have an answer to a question, don’t guess
• Coordinate a tour that responds to the purpose of the visit
  – Sites, infrastructure
  – Operating Conditions
    • Labor, education/training, utilities, taxes
  – Living Conditions (quality of life)
    • Housing, medical services, education, leadership
    • Appearance, congestion, culture & recreation
• Do a “dry run”
• Transportation and seating arrangements
The most important, useful, and trusted source of information about doing business in your community are your existing employers

- Labor availability
- Labor quality
- Availability of business services
- Quality of life
- Quality/responsiveness of local government services

Establish a list of employers who will participate in interviews and prepare them.

A key component of your business retention/expansion program is developing relationships with your existing employers and being responsive to their needs
Remember This!

- Know your product
- Establish your team (and JV squad, too)
- Create letter and map templates
- Aim to reduce risks: **Cost & Schedule**
- Prepare quality, critical and accurate information
- Check your work (spelling, errors, unanswered questions)
- Operate in a project environment
  - deadline driven
  - customer focused
  - competitive
site selectors are data gatherers

“Data! Data! Data! I can’t make bricks without clay!”
— Sir Arthur Conan Doyle
economic developers must illuminate the data

“Not everything that can be counted counts, and not everything that counts can be counted.”

— Albert Einstein, Physicist
Thank you!

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