

Marketing Your Community to the Site Selector World

A look at the economic development marketing arena and Cape Coral's place in it.

Ron Starner
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SITE Selection



What It Takes To Win

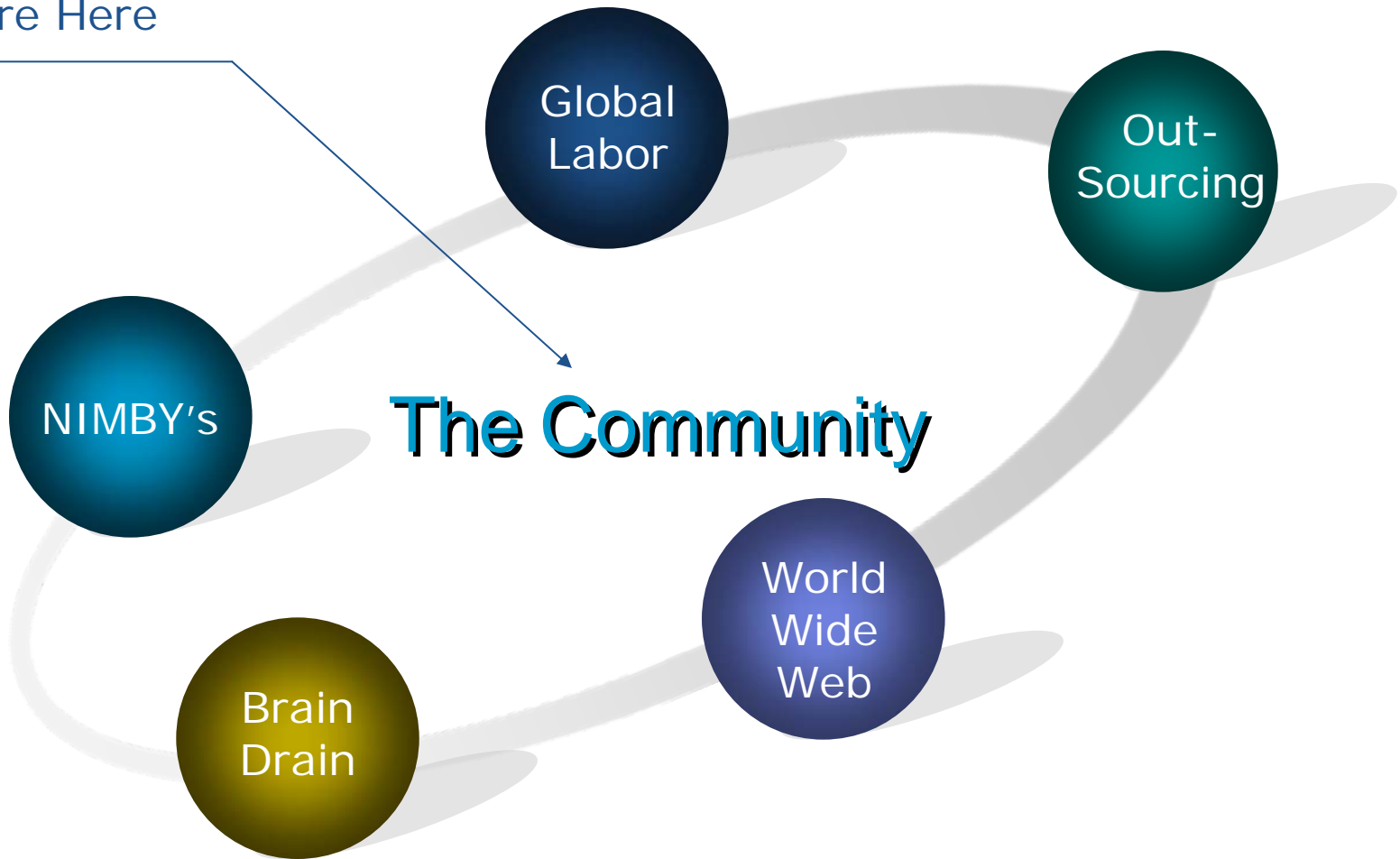
1. Understand the site selection process.

2. Create a compelling business case.

3. Reach site selectors where they are.

Why Your Job Is Tougher

You Are Here





Where Are the Jobs Going?

The South

Florida
Georgia
The Carolinas

The West

Nevada
Arizona
Texas

International

China
India
Eastern Europe



Top 10 Business Climates

Top 10 States for Business Climate

1. North Carolina
2. Georgia
3. Texas
4. Virginia
5. Alabama
6. Tennessee
7. Ohio
8. Kentucky
9. **Florida**
10. South Carolina

Source: Site Selection, November 2007



Top 10 States for Projects

Top 10 States for Projects, 2005-2007

1.	Texas	1,486
2.	Ohio	1,428
3.	Illinois	1,123
4.	North Carolina	1,019
5.	Michigan	940
6.	Tennessee	795
7.	Virginia	769
8.	New York	763
9.	Pennsylvania	674
10.	Florida	642

Source: Conway New Plant Report



Reader Demographics Survey

Key Findings of Site Selection Reader Demographics Survey, 237 respondents, conducted July 1-4:

- 44 percent expanded in past 3 years.
- 51 percent will expand in next 2 years.
- 59 percent will expand in next 5 years.
- 58 percent have projects in Canada.
- 57 percent have projects in Mexico/Central America.
- 37 percent have projects in Western Europe.
- Most active regions are Midwest, Southeast, Northeast.



Reader Demographics Survey

Key Findings of Site Selection Reader Demographics Survey, 237 respondents, conducted July 1-4:

- 55 percent are President, VP, Director, Chair or Owner.
- 29 percent select sites in multiple countries.
- 22 percent manage more than 10 million SF.
- 46 percent manage more than 1 million SF.
- 39 percent have RE portfolio of more than \$100 million.
- 51 percent have been in CRE for 11 years or more.



Marketing Leaders, USA

Total Ad Pages, June 2005-May 2008

1.	Texas	202.78
2.	California	197.16
3.	New York	193.34
4.	Florida	169.96
5.	Georgia	157.42
6.	Virginia	131.18
7.	New Jersey	130.57
8.	North Carolina	129.18
9.	Indiana	108.14
10.	Ohio	101.01

Source: The IMS Auditor



What's Most Important?

Respondents' Interest in Selected Topics

Incentives & Financial Management	3.7
Technology	3.5
Construction	3.4
Industrial & Business Parks	3.4
Logistics & Transportation	3.4

Source: Site Selection Reader Survey, Fall 2006



What's Most Important?

IAMC Executives' Ranking of Important Topics

Cost Reduction	59%
Flexible infrastructure	45%
Availability of high-quality labor	38%
Supply chain enhancement	35%
Improvement of space utilization	24%

Source: IAMC Research Roundtable, October 2006



What's Most Important?

Dmitry Dukhan, Cardinal Health:

“Once site selection main requirements are set and clear, the most important criteria items are business operating costs, labor, transportation, utilities, taxes, incentives and cost of living.”



What's Most Important?

Russell Burton, PepsiCo Global Real Estate:

“PepsiCo uses an extensive due diligence process that looks at a wide variety of factors – virtually every financial factor we can think of: labor, taxes, incentives, transportation, land costs, building costs, etc. We put together an elaborate financial analysis of everything that we can estimate.”



What Are They Looking For?

Most Useful Features of an Economic Development Agency Website

Information on available incentives	72%
Demographic information	67%
Directory of available buildings & sites	64%
List of leading local employers	47%
Comparisons with competitor locations	39%

Source: IEDC Survey, Summer 2006



Top R&D Site Criteria

The 13 Site Selection Factors Considered Most Important by Multinational R&D Firms

- Highly qualified R&D personnel.
- University faculty with special expertise.
- Tax breaks and/or direct assistance.
- Easy to negotiate ownership of IP.
- Low costs of R&D.
- Cultural, regulatory environment conducive to spinoffs.
- Easy to collaborate with universities.
- Good legal protection of IP.
- Few regulatory/research restrictions.
- R&D facility can support sales to new customers.
- Market has high-growth potential.
- Support production for export.
- Prerequisite for access to local market.

Source: Emory-Georgia Tech Study, December 2005



What Would You Change?

What Corporate Executives Would Change About Their Home Territory

Build a better work force	32.0%
Invest more in education	18.0%
Lower overall tax burden	14.5%
Provide more incentives	14.5%
Invest more in transportation	12.0%
Remove red tape and delays	9.0%

Source: SiteNet Poll, Summer 2006



Top High-Tech Site Criteria

Most Important Site Criteria For High-Tech Companies

Access to venture capital	1st
University R&D; R&D spending	2nd
Abundance of highly skilled labor	3rd
Clustering of similar companies	4th
Access to reliable power	5th
Quality of life	6th

Source: American Electronics Association



Where They Turn for Information

Top 5 Location Information Tools

Input from peers in my industry	1st
Economic development agency Web sites	2nd
Site selection consultants	3rd
Phone calls to economic developers	4th
Industry publications for editorial content	5th

Source: Site Selection Reader Survey, Fall 2006



What is Quality Growth?

The True Measure of Economic Strength

“Economic strength is ... the long-term tendency for an area to consistently grow in both size and quality. Growth in size depends upon the amount of money flowing into the area. Growth in quality depends upon the wage level of the primary industries.”

Source: Dr. William Fruth, founder of POLICOM Corp.



What is Quality Growth?

Characteristics of Primary Industries

- They sell goods or services outside the metro area.
- They import money into the area.
- Location influences operating costs and profits.
- Their market is not local.
- They do not have to be in an area to sell their product.
- They will move when it is unprofitable to be in an area.

Source: Dr. William Fruth, founder of POLICOM Corp.



Economic Strength Ranking

Top 10 MSA's in the U.S., 2008

1. Charlotte, NC
2. Washington, DC
3. San Diego, CA
4. Nashville, TN
5. Sacramento, CA
6. Phoenix, AZ
7. Dallas-Fort Worth, TX
8. Houston, TX
9. Salt Lake City, UT
10. Las Vegas, NV
- 51. Cape Coral-Fort Myers, FL**

Source: Dr. William Fruth, founder of POLICOM Corp.



How to Reach Site Selectors

Consensus Top Choices of Site Selectors

1. Face-to-face visits (at their office and yours).
2. Email that is focused, direct and fact-filled.
3. Articles and ads in targeted site selection publications.
4. Networking at events that attract CRE executives.
5. Familiarization tours.

Source: Interviews with Site Consultants and CRE Executives, July 2008



How to Reach Site Selectors

A Corporate Executive's View

“I would say by email and make sure they make personal contact with the brokerage and consulting industries. Whenever we are looking for a site, we usually ask these groups to prepare the data and then we make the decision based upon the needs of the business. Also, having a dynamic and easy-to-navigate Web page helps.”

-- Jim Winter, Manager of Corporate Real Estate, Alcoa Inc.



How to Reach Site Selectors

Advice on Advertising

“Consultants absolutely do read the magazine, and ads are noted. However, I find that the most effective ads are newsy rather than traditional advertising – for example, announcing that a company will be moving to or expanding in the area, tooting your own horn about a recent ranking, etc.”

-- Tracey Hyatt Bosman of Grubb & Ellis



How to Reach Site Selectors

Advice on Advertising

“Ask a veteran industrial site marketer to name the most important single factor in the success of advertising campaigns, and he will probably say continuity of effort. Conversely, one of the most common causes of failure is inconsistent and intermittent effort. ... The marketer who builds a modest but distinct identification and maintains it constantly is usually more successful than the promoter who produces a splashy effort and then fades out of the picture for a long period.”

-- **Marketing Industrial Buildings and Sites**, 1980, by Mac Conway, founder and chairman of Conway Data Inc.



The Cape Coral Campaign

Evaluation of Cape Coral's Campaign

1. Do they understand the site selection process?
2. Have they created a compelling business case?
3. Are they reaching site selectors where they are?
4. Have they honed their message so that site selectors will notice and respond?
5. Are they practicing consistency in their campaign?



The Cape Coral Campaign

Evaluation of Cape Coral's Campaign

6. Do they respond with speed, clarity and flexibility?
7. Do they apply a comprehensive strategy?
8. Are they measuring their results?
9. Are they evaluating their campaign's effectiveness?
10. Have they determined the resources needed to effect change?

Thank You

Ron Starner
ron.starner@conway.com
770-325-3425
www.sitenet.com

SITE Selection