

This month's newsletter provides your leadership team with a series of thought provoking questions to get you started on developing a practical approach to new site selection, site expansion or site consolidation. Even if you are not considering site changes for your organization in the near future, take a look at the questions since they may be useful when discussing alternative business strategies such as strategic alliances, acquisitions or business process outsourcing.

Last month's newsletter, "Be Flexible with Flex Employees", generated a lot of interest so I have supplied you with a couple of additional resources on the topic. See "Resources".

Note to AOL 9.0 users: Please add Carol_Bergeron@mail.vresp.com to your address book so you see all the great features of the newsletter.

GET IN GEAR FOR SELECTING NEW SITES

By Carol Bergeron

Each year organizations consider site expansion, new site selection or site consolidation. These organizations may expand to create presence in different geographic locations, time zones and/or to increase capacity in a cost effective way. Organizations may also consolidate sites to realize operational savings via fewer larger sites that often create greater career opportunities for employees. Regardless of the reasons for pursuing site expansion or consolidation, I encourage you to use the following questions to get you and your leadership team started in planning discussions. By the completion of the planning process your leadership team should be able to comfortably answer these questions.



Review your business strategy

Like all major business decisions, reviewing your business strategy to put site selection decisions into context will prompt you to scan the dynamic environment in which you operate and make adjustments accordingly.

1. What do you provide to customers that cannot be matched by others?
2. What must you do well in order to deliver value to customers?
3. What are your goals? How will you go about meeting them?
4. What does success look like?
5. What trends do you anticipate in the worldwide economy, political and regulatory arenas, technology and innovation, competitive marketplace and customer needs and interfaces?
6. What are the strengths, weaknesses, opportunities and threats of your organization?
7. Where do you want to create physical presence and why?

Determine implications to your workforce

Recognizing the expertise you need to execute business strategy is critical when analyzing potential locations from a workforce perspective. Understanding how effective you are at securing top talent will influence who is involved and how you go about planning for and staffing new sites.

1. What knowledge, skills, behavior and expertise does your organization need?
2. How effective is your organization at recruiting, developing and retaining employees with critical expertise?
3. What trends do you anticipate in demographics, the workforce and employee expectations?
4. What are the implications to your organization and its people related practices?
5. What has to change to meet future talent requirements?
6. Historically, how successful has your organization been in creating employee bench strength to meet dynamic business challenges?

Identify key considerations

When evaluating multiple locations it is a common practice for companies to consider: economic make-up of the area, political and social stability, ease of doing business within the governmental framework, taxes and incentives, transportation, telecommunications and the labor issues.

1. What is driving your interest in new or consolidated sites?
2. Where do you want to create physical presence and why? Is physical presence necessary?
3. Do you want to enter locations that will lower your cost of doing business?
4. Do you want to be in close proximity of customers, raw material or transportation?
5. Do you want to establish presence in a different time zone?
6. Do you want to reduce reliance on the labor markets in which you currently reside?
7. Is it possible to accomplish your goals by expanding or adjusting current sites and their functions?
8. Rather than establishing your own new site, should you consider alternative solutions such as: an acquisition, strategic alliance or outsourcing to third parties?
9. If a new site is the optimal solution, what business processes will be performed there?
10. What are the critical success factors to the new site?

Establish an approach for site selection

Many organizations will employ an approach that starts with a long list of potential locations. Through analysis the long list is reduced to a short list subject to additional selection criteria. In general, experienced companies form a site selection team that includes experts from business development, customer support, finance, operations, human resources and legal functions. When critical expertise is unavailable or does not exist in your organization then make use of third parties who possess the missing expertise. Excluding these relevant business vantage points could make the difference between success and failure.

1. What is the goal and overall approach to be used?
2. Who should be part of the analysis, site selection and implementation team(s)? What role does each contributor play?
3. What are your site selection criteria? For the long list? For the short list?
4. At the completion of specific phases, will alternative options be considered or “go/no go” decisions be made?
5. How will decisions be made? Who will make them?
6. How will conflicts get resolved?
7. What possible solutions and locations make the most sense and why?
8. What is a realistic timeline for analyzing and deciding?
9. What will the possible solutions do to your future revenue, profit and cost expectations? Run the numbers.

It will take some time for any leadership team to come to agreement on the answers to these questions. While there is no crystal ball to determine the “right” site decision, be patient, thorough and persistent in your quest for relevant information. A complete analysis upfront will provide you a foundation from which to successfully implement new sites.

To learn more about Bergeron Associates’ site selection consulting services, domestic and international, click:

www.bergeronassociates.com/talentzoneanalysis.htm

RESOURCES

Additional resources given interest generated from last month’s theme “Be Flexible with Flex Employees”:

- See flexible work arrangement survey results at www.NEHR.com, click on “Surveys” at bottom right hand corner.
- Rita Allen, of Gatti & Associates and an expert in flexible work schedules, wrote “Create and Maintain a Flexible Work Schedule”, an article posted at www.gattih.com, click on “HR Thought Leadership”.

See our 2004 Educational Workshop Schedule at www.bergeronassociates.com/calendar.htm.

Read past editions of **Bergeron Associates' Newsletters** and published articles at www.bergeronassociates.com/publications.htm

ABOUT BERGERON ASSOCIATES

Bergeron Associates designs talent strategies and solutions to help business leaders hire, develop and retain exceptional people who execute business strategy with excellence.

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