

# **Choosing the Right Location and Layout**



# Choosing a Location

- The right region of the country
- The right state in the region
- The right city in the state
- The right site in the city



# Choosing the Region: Sources of Information

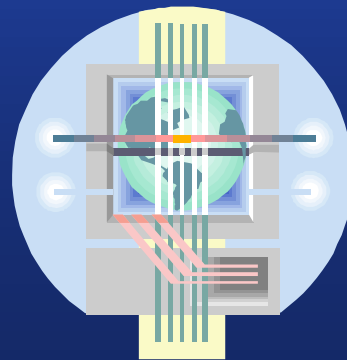
- Census data
- World Wide Web
  - ◆ <http://www.census.gov/>
  - ◆ <http://govinfo.kerr.orst.edu/>
- *Survey of Buying Power*
- *Editor and Publisher Market Guide*

# Choosing the Region: Sources of Information

- *The American Marketplace:  
Demographics and Spending Patterns*
- *Rand McNally's Commercial Atlas and  
Marketing Guide*
- *Zip Code Atlas and Market Planner*

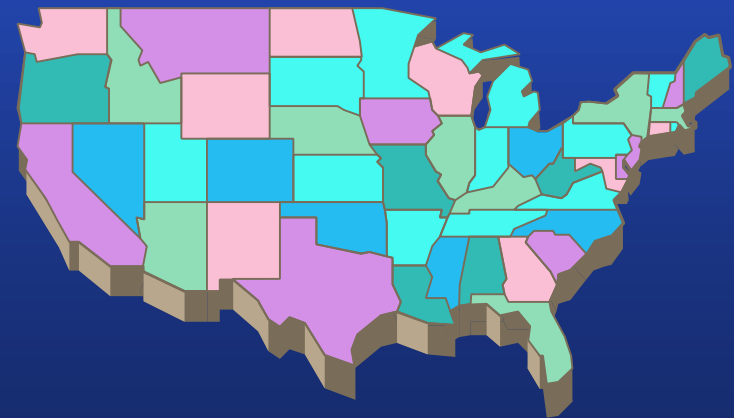
# Geographic Information Systems (GIS)

- Computerized programs combining map-drawing with database management capability.
- Search through virtually *any* database and then plot the results on a map.
- Visual display reveals otherwise hidden trends.



# Choosing the State

- Proximity to markets
- Proximity to raw materials
- Wage rates
- Labor supply needs
- Business climate
- Tax rates
- Internet access



# Choosing the City

- Population trends
- Competition
- Clustering
- Compatibility with community
- Local laws and regulations
- Transportation networks
- Police and fire protection
- Cost of utilities and public services
- Quality of life



# Retail and Service Location Considerations

- Trade area size
  - ◆ Retail compatibility
  - ◆ Degree of competition
  - ◆ Index of retail saturation (IRS)
  - ◆ Transportation network
  - ◆ Physical, racial, or emotional barriers
  - ◆ Political barriers



# Retail and Service Location Considerations

(continued)

- Customer traffic
- Adequate parking
- Reputation
- Room for expansion
- Visibility



# Retail and Service Location Options

- Central Business Districts (CBDs)
- Neighborhood locations
- Shopping centers and malls
  - ◆ Neighborhood shopping centers
  - ◆ Community shopping centers
  - ◆ Regional shopping centers
  - ◆ Power centers



# Shopping Centers and Malls

- **Neighborhood Shopping Centers**
  - ◆ 3 to 12 Stores; anchor is supermarket or drugstore
- **Community Shopping Centers**
  - ◆ 12 to 50 stores; anchor is department or variety store
- **Regional Shopping Malls**
  - ◆ 50 to 100 stores; anchor is one or more major department stores
- **Power Centers**
  - ◆ Combines drawing power of a mall with convenience of neighborhood shopping center

# **Retail and Service Location Options**

(continued)

- **Near competitors**
- **Outlying areas**
- **Home-based businesses**

# Manufacturing Locations

- Foreign trade zones
- Empowerment zones
- Business incubators



# Business Incubators

- Organizations that combine low-cost, flexible rental space with a multitude of support services for their small business residents.
- More than 900 in operation across the U.S., and a new one opening, on average, every week.
- They work!! Firms that “graduate” from incubators have a success rate of 87%.
- Average incubator houses 20 businesses employing 55 people.

# Layout: External Factors

- Adequate size to accommodate business needs.
- Create the proper image or “personality” for the business in the customer’s eyes.
- Entrances must *invite* customers to come in.

# **Layout: External Factors**

(continued)

- **Create effective window displays and change them often; they can be powerful sales tools.**
- **Must comply with Americans with Disabilities Act.**
- **Pay attention to the business sign, the most direct method of reaching potential customers.**

# A Business Sign

- Tells potential customers who you are and what you're selling.
- Must comply with local sign ordinances.
- Should be visible, simple, and clear.
- Should be changed periodically to avoid becoming part of the background.
- Should be legible both day and night.
- Must be maintained properly.

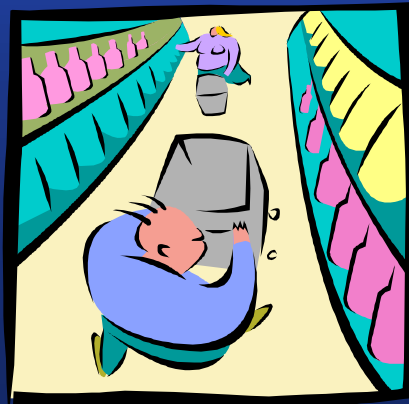
# Building Interiors

- *Ergonomics* is an integral part of any design.
- Proper layout and design pays off in higher productivity, efficiency, or sales.
- Proper lighting is measured by what is ideal for the job being done.
- Careful selection of colors can create the desired impressions among customers and employees.
- Appealing to *all* of the customer's senses can boost sales.

# Three Layout Patterns

## ■ Grid

- ◆ Rectangular with parallel aisles; formal; controls traffic flow; uses selling space efficiently
- ◆ Supermarkets and self-service discount stores



# Three Layout Patterns

## ■ Free-Form

- ◆ Free-flowing; informal; creates “friendly” environment; flexible
- ◆ Small specialty shops

# Three Layout Patterns

## ■ Boutique

- ◆ Divides store into a series of individual shopping areas, each with its own theme; unique shopping environment
- ◆ Small department stores

# Layout Guidelines

- Know your customers' buying habits and plan your layout accordingly.
- Display merchandise as attractively as your budget will allow.
- Display complementary items together.
- Recognize the value of floor space; never waste valuable selling space with nonselling functions.

# **Factors to Consider in Manufacturing Layouts**

- **Type of product**
- **Type of production process**
- **Ergonomic considerations**
- **Economic considerations**
- **Space availability within the facility**

# Manufacturing Layouts

- Product layout
- Process layout
- Fixed position layout
- Functional layout

