

BACKGROUND ON BUSINESS

Stay Or Go?

Questions Business Owners Should Ask ㊦

(NAPSA)—The phrase “location, location, location” doesn’t just apply to real estate. In fact, analysts say choosing a location—or deciding whether to stay in one spot or move on—is one of the most important decisions business owners face.

Take the case of the iconic Buck Knives company. Several years ago, its owner, C.J. Buck faced mounting electricity and labor costs at his family-owned manufacturing plant in the Southwest. His expenses forced him to consider one of the toughest decisions a business owner can make: Should we stay or should we go?

For him, the answer was found in the northern Idaho town of Post Falls. The 107-year-old company moved in 2004, bringing 60 employees with it. Since relocating, it has benefited from the lower overall cost of doing business in the Northwestern state. For the employees who moved, there’s also the added benefit of a 30 percent lower cost of living.

Planning and research are the keys to a successful relocation. In the current economic climate, business owners have to take a tough look at the bottom line. Here are some factors to keep in mind:

Before A Move

1. Is the location of my business preventing it from being as successful as it can be?

2. What effect will a change in location have on the business’ distribution process? Will deliveries

be disrupted? Will costs to my business or customers rise?

3. What impact will the move have on my business’ employees? If they can’t make the move, will it be easy to hire and train new employees?

4. Does the business’ current location contribute to its competitive edge?

Potential Benefits

1. Moving could reduce business costs. Power rates, workers’ compensation and tax obligations may pencil out better in a different state.

2. The stability of the state you choose may affect the services you provide—especially if there’s a favorable corporate tax environment.

3. A move can bring you closer to other businesses that can contribute to the success of your own. Suppliers, customers and innovators tend to cluster by industry, providing support through economic downturns.

4. A move to another location could provide business incentives that reward expansion or increased productivity.

For Buck Knives, the move has made doing business easier and more efficient. “The attractive cost reductions plus a chance to coordinate product development and manufacturing in one location made our move to Idaho the right decision,” says Buck.

To learn more, visit www.commerce.idaho.gov.