

**BARTRAM & COCHRAN**

National Real Estate Consultants

**The Game Has Changed ...**  
***Has Your Game Plan?***

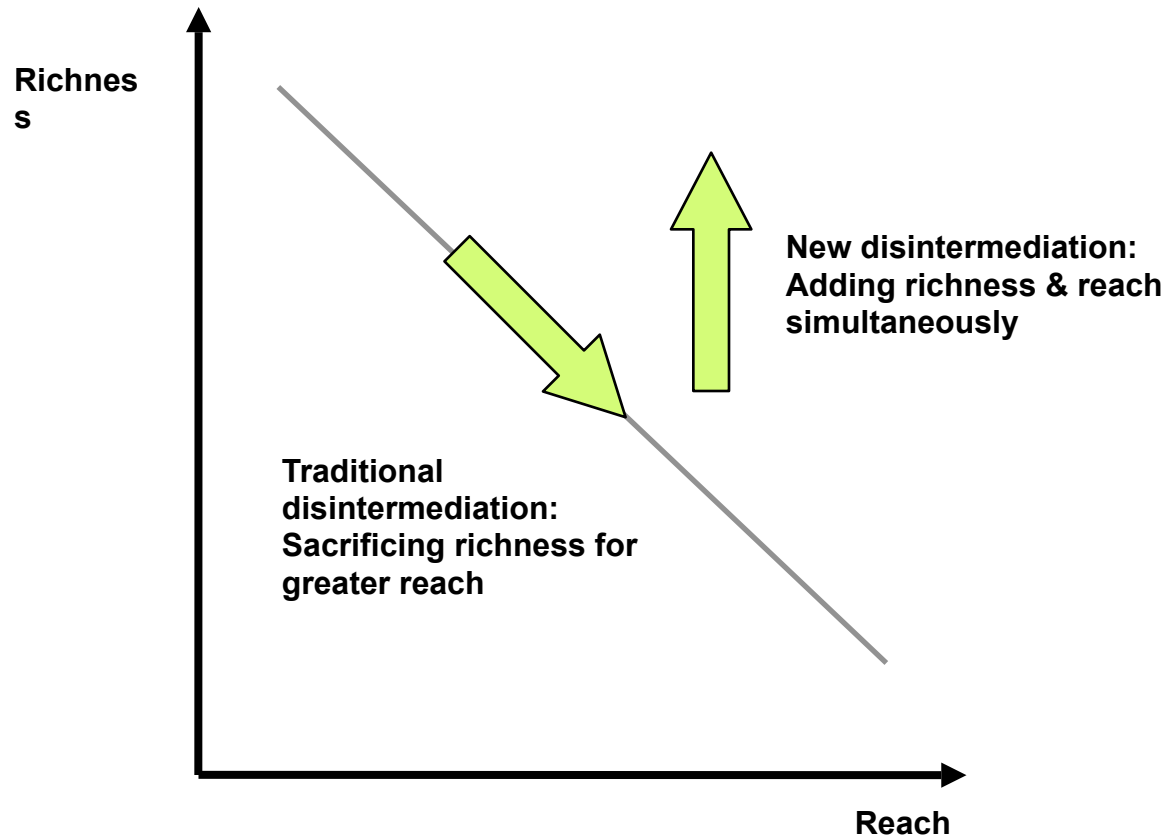
**Peter Holland, CRE, FRICS**

# The Current Situation Poses Significant Threats... *And Opportunities to Those Who Exploit Environment*

	Issue	Opportunity for EDCs
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Disintermediation</li> <li>• Information transparency</li> <li>• “Anytime/anywhere” work</li> <li>• Switching costs / loyalty declining</li> </ul>	<ul style="list-style-type: none"> <li>• A two-way street</li> <li>• Accelerated information transfer</li> <li>• Track industries, companies</li> <li>• Track competitors</li> </ul>
<b>Globalization</b>	<ul style="list-style-type: none"> <li>• Portfolio space needs</li> <li>• Offshoring / nearshoring strategies</li> <li>• Space becomes a fungible good</li> </ul>	<ul style="list-style-type: none"> <li>• Attract international industries</li> <li>• Data center, call center, IT backup</li> <li>• Distance has been “defeated”</li> </ul>
<b>Economic Environment</b>	<ul style="list-style-type: none"> <li>• Unprecedented uncertainty</li> <li>• Oil price shocks</li> <li>• Changing labor markets</li> </ul>	<ul style="list-style-type: none"> <li>• New technologies</li> <li>• Transportation network advantages</li> <li>• Rise of human capital, creative class</li> <li>• “Shovel ready” or spec space</li> </ul>
<b>Demographics/ Cultural Factors</b>	<ul style="list-style-type: none"> <li>• “Creative class” emergence</li> <li>• Economic factors creating need for new work models</li> </ul>	<ul style="list-style-type: none"> <li>• Data now available to formulate solutions</li> <li>• Actionable tactics and strategies can be implemented</li> </ul>

# Disintermediation and Information Goods

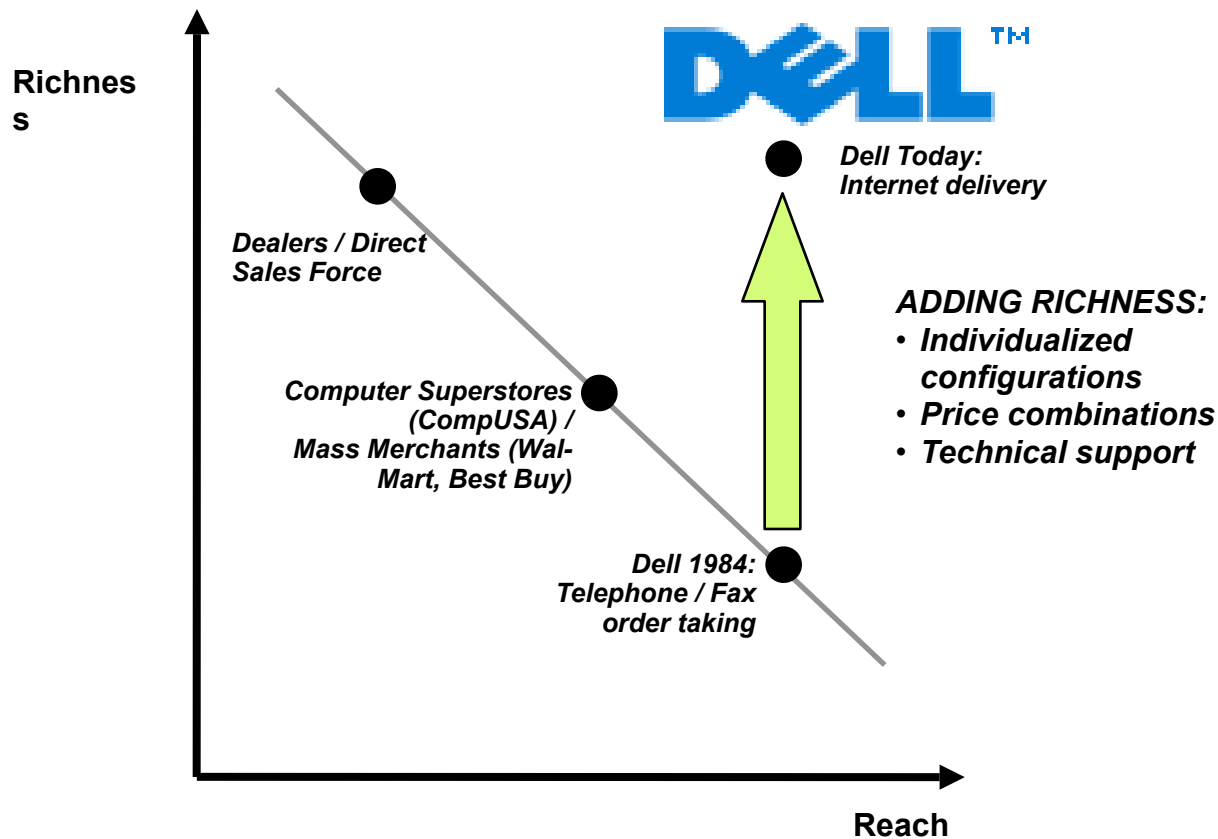
## *A Primer On Information Economics*



Source: Evans & Wurster, *Blown to Bits*

# Disintermediation and Information Economics

## *Example: Computer Retailing*

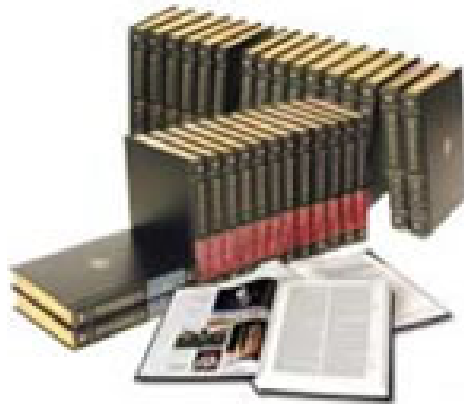


Source: Evans & Wurster, *Blown to Bits*

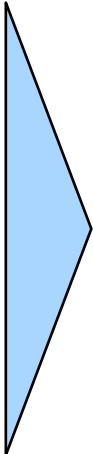
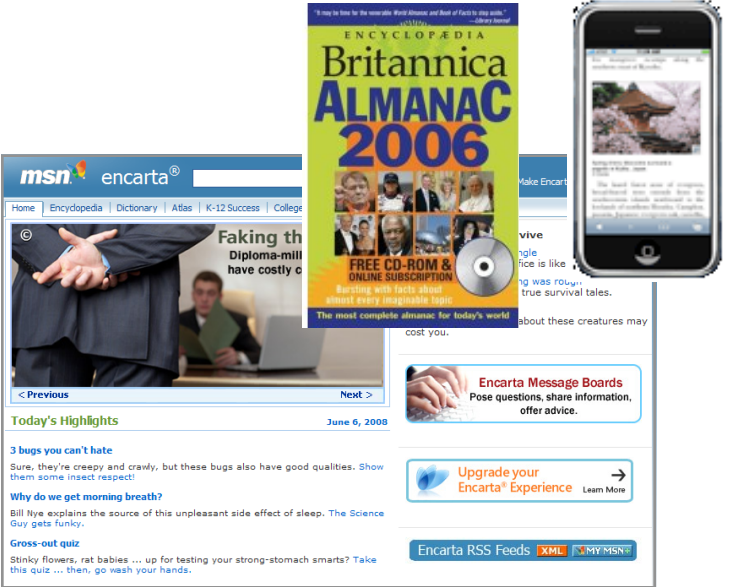
# Information Economics: A Business Model Blown Up

## *Encyclopedia Britannica example*

Past State



Current State



***Distribution Model:***

**Sales force**

**Web browser, software**

***Economics:***

**\$1,500  
+**

**Free / minimal fee-based**

# Examples of Successful New Economy Companies

## Their Value Proposition

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amazon.com

- Unlimited selection; category expansion
- Value add – recommendation capability

 Apple®

- Transforming digital music distribution (iTunes)

 Expedia®

- Aggregation of reservation system data
- Booking / trip planning tools

LinkedIn®

- Business social networking
- Web-enabled network effects

 monster  
The world's leading career network.

- Web-enabled business model destroys traditional offline job search model

eBay

- Bringing efficiencies to inefficient markets through technology

# Characteristics of the New Economy Companies

- **Displaced traditional “bricks & mortar”, face-to-face transactions**
- **Increased transparency**
- **Increased speed**
- **Lowered costs**
- **Increased choice**
- **New business models possible**
  - **E.g., LinkedIn, Web 2.0, social networking**
- **Disintermediated traditional channels**
  - **Tower Records is closed while iTunes has sold over 4 billion songs since 2001**

# Who Do I Need To Reach?

	<b>Rationale</b>	<b>Representative Firms</b>
<b>Professional site selection firms</b>	Represent 1/3 of all engagements	Wadley-Donovan, Biggins, Lacy, Shapiro & Co., Boyette Levy, Bartram & Cochran
<b>General business consultancies</b>	Often first point of contact for corporate RE strategy function	McKinsey, Deloitte, Ernst & Young
<b>Traditional brokers</b>	Global / national networks of brokers and data	Colliers, Knight Frank, DTZ
<b>Consolidated service providers</b>	Global networks, service offerings around site selection	Johnson Controls, JLL, CBRE, Grubb & Ellis
<b>End User CRE departments</b>	Sophisticated CRE departments may be initial vetting group	United Technologies, CapitalOne, Fidelity

# EDC's Need to Emulate Successful New Economy Companies

Your buyer is *empowered*

- Timing
- Price
- Transparency
- Immediacy
- Choice

Don't *LAMENT* change



*EXPLOIT IT!!*

# What Matters to Corporations?

In a word . . . *Talent*

. . . drives economic growth

- Skills
- Availability
- Cost

# What Matters to Corporations?

But, *talent* also now includes. . .

- Education
- Experience
- Creativity
- Intelligence
- Entrepreneurial “spirit”
- Innovativeness
- Tolerance

# What Drives Creation of Human Capital?

**Great universities**

**(Glaeser)**

**Quality of life**

**(Glaeser, Shapiro, Clark)**

**Tolerance and openness to diversity**

**(Florida)**

# Most Recent Conclusions

- ① **Human capital and the creative class play *different roles***
  - The creative class drives wages
  - Human capital drives income and wealth
  
- ② ***Certain occupations* drive regional development**
  - Computer science
  - Engineering
  - Management and business
  - Finance
  - Arts & entertainment

# What Can You Do?

- **Understand your community's human capital and “creative class” characteristics**
- **Use the IEDC template (sample attached), but also use direct or proxy data to support a broader definition of “talent”**
- **Forge linkages with educational institutions, arts organizations, diversity organizations**
- **See what other cities and towns have done**
  - **Examples attached**

# **Some Effective Sites**

## ***Cities and Towns***

### **Municipality**

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**Longview, TX**

**Quad Cities**

**Atlanta, GA**

**Atlanta, TX**

**Pittsburgh, PA**

### **Web Site**

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**LongviewUSA.com**

**QuadCities.org**

**MetroAtlantaChamber.org**

**AtlantaTexas.com**

**AlleghenyConference.org**

# Other States and Utilities

## States (are generally weak)

**Illinois**

**[Commerce.state.il.us/DCEO](http://Commerce.state.il.us/DCEO)**

**Missouri**

**[DED.mo.gov](http://DED.mo.gov) or [ShowMe.org](http://ShowMe.org)**

**South Carolina**

**[Sc.gov/Portal/category/EconomicDevelopment](http://Sc.gov/Portal/category/EconomicDevelopment)**

**Kentucky**

**[ThinkKentucky.com](http://ThinkKentucky.com)**

## Utilities

**American Electric Power**

**[AEPED.com](http://AEPED.com)**

**PP&L**

**[PPLElectric.com](http://PPLElectric.com)**

**Entergy**

**[Entergy.com](http://Entergy.com)**

# Implications for EDCs

## *The Game Has Changed ... Keep Up or Get Left Behind*

### Information Transparency

- Current, complete & accurate Web-based data
- Get on the right lists – Conway Data, IEDC, IAMC, your state
- Use SIOR, CoreNet Global, ExpoRéal, MIPIM
- Proactively target your market, position your locale
- “Data” does *not* convey your locale’s “geographic brand essence”

### “Best in class” Web presence

- Easy to find
- Easy to navigate
- Full contact info with name & phone
- “Save and compare” functionality
- Foreign language translation versions of website
- Is clear what geography it represents – town, county, state, region
- Avoid confusion of multiple jurisdictions

***It's still about the marketing – BUT – you have less control now over your message and branding due to disintermediation***

# APPENDIX

# IEDC Data Template

A11		Total Usable/Subdividable Acres					
A		B	C	D	E	F	G
1	<b>TABLE 25</b>						
2	<b>USE A SEPARATE SHEET FOR METRO &amp; COUNTY</b>						
3	<b>EXISTING INDUSTRIAL SITE PROFILE</b>						
4	Identity	Name	Street	City	County	State	Zip
5	Building						
6	Owner/Broker						
7	Company						
8	Contact						
9	Zoning Classification						
10	Acreage						
11	Total Usable/Subdividable Acres						
12	# of Adjacent Acres for Expansion						
13	Soil Type						
14	Soil Load Bearing Capacity (lbs. Per Sq. In.)						
15	Topography						
16	Elevation (Mean Ft. Above Sea Level)						
17	Water table (Ft. Below Ground)						
18	100 Year Floodplain (Yes or No)						
19	% of Site in Wetlands						
20	Phase One Environment Audit Complete (Yes or No)						
21	Selling Price Per Acre						
22	<b>Transportation</b>						
23	Highway Linkage						
24	Name						
25	2 or 4 Lane						
26	Miles from Site						
27	Internal Site Access						
28	Type of Mass Transit service Provided						
29	Nearest Mass Transit Stop to Site						
30	Rail Service (if applicable)						
31	Carrier						
32	Main or Branch Line						
33	Spur Yes or No, if No: Distance to Rail Line						
34	Barge Facilities at Site if Applicable						
35	Name of River, Lake, etc.						
36	Channel Depth						
37	Turning Basin						
38	Storage Capabilities						
39	<b>Water</b>						
40	Provider						
41	Water Main						
42	Size						

**Over 1,200 standardized data elements for comparison**

# Conway Data's *Development Alliance* website



THE SITE SELECTORS' PORTAL FOR COMMUNITY INFORMATION

SiteNet | Site Selection magazine | Development Alliance | IEDC | Conway Data | IAMC | Property Marketplace | Directories | Contact Us



**NEWS & RESEARCH**  
Daily Industry News  
Site Selection Online  
Foreign Direct Investment  
Network (FDI.net)  
Document Archives

**THE DA USER'S GUIDE**  
Who We Are  
Contact Us

**IEDC**  
IEDC Online  
About IEDC  
Resource Center  
Education

**CONWAY DATA, INC.**  
About Conway Data  
SiteNet  
Site Selection Online  
Location Assistance

## HOW TO FIND THE BEST LOCATION FOR YOUR BUSINESS

**Community Demographics** – detailed state, county, micropolitan and metropolitan statistical data for companies seeking new business locations.



**International Guide** – Find maps, government and economic information and contacts for area development agencies from Afghanistan to Zimbabwe.

**Business Parks Directory** – listings of business parks with prepared sites for sale or lease in the United States, Canada, and Mexico.

**Property Marketplace** – listing of properties for sale or lease in the U.S., Canada and Mexico.

**Economic Developers** – Site Selection magazine's guide to area economic development agencies.

**Service Provider Directory** – Site Selection magazine's first annual directory of web-based real estate services.

**Utilities Guide** – Site Selection magazine's guide to utility economic developers in the U.S.

**IEDN Criteria-based Search** – use up to 19 criteria to find and compare countries throughout the U.S.

**U.S. Legislative Climates 200** – from Alabama through Wyoming. Includes state contact information.

**Doing Business Database** – World Bank's tool for evaluating the impacts on business and property rights protection of regulatory schemes in 175 countries.

**FDI.net** – MIGA's unique web portal that offers free, on-demand country analysis and information on all things related to foreign direct investment in 175 countries.



**Demographic data**

**Property database**

**Service Providers**

**County-level search**

**Legislative environment**

**Example of the power and value of a data aggregation business model – “one stop shopping” for site selection**

# Penton Media's *ExpansionManagement.com*



Helping Companies Evaluate Future Locations



SEARCH

DIRECTORY
  ARTICLES
  BOTH

Hot Topics & Opinions
Research Studies
Press Releases

- About Us >
- EM Magazine >
- Relocation Toolkit >
- State Spotlights >
- International Spotlights >
- Industry Spotlights >
- Expansion/Relocation >
- Our Publications >
- News Briefs >
- Media & Advertising >
- Conferences & Events >
- For Economic Developers Only >
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• Celgene Corp. • Novo Nordisk • Elusys Therapeutics, Inc. • Johnson & Johnson •

The company we keep, keeps getting better.

→ ROLLOVER TO SEE WHY THE STATE OF NEW JERSEY

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CLICK HERE FOR EM'S RELOCATION TOOL KIT

*Expansion Management* strives to educate its readers, most of whom run companies with fewer than 500 employees, about how best to evaluate and compare various communities and sites throughout the country and around the world in order to determine which will best enhance their long-term business requirements.

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