

# The YEBDC Small Business Information Column

by Sue Gingerich, Business Advisor

## Choose the Right Location: "You Get What You Pay For"

When starting a new business one of the major decisions is choosing the best location for it. Today we have more choices than ever; downtown core, industrial and commercial parks, malls, and of course being based at home. So which is the right location for your business? Some of it depends on the type of business you have. Also, some of it will depend on your financial resources. Listed below are some of the key areas to consider when choosing a location:

### Primary Location Considerations:

1. Where are your competitors located? What impact will they have on your location choice? Sometimes it is better to be located next to your competition so customers can comparison shop. However, if you feel you have the largest selection, service, and the best prices a remote location can work!
2. Costs---, One location might have; cheaper monthly rent, but that doesn't make it a better value. Consider the additional cost of advertising, promotions, and signs that you will have to implement or install in a less visible location. Don't forget to consider other additional costs; taxes will still likely be higher in a commercial or retail location than they may be from upgrading your home, utility costs and upgrades for some utilities. For example in your home you may need to install a second phone line. What will the cost of this additional line be?
3. Leasehold improvement costs. What is the cost of renovating each site to suit your business needs?
4. Parking---, how much is available? Is parking free? If you are selling bulky items that weigh a lot, customers will need to park very close, or you will have to provide carry out. If home-based, it may mean upgrades to your driveway.
5. Accessibility---, how easy is it to get parked? get off the highway? get in the door? Consider those who have physical limitations that might want to shop at your place of business.
6. Zoning---What can and can't you do in each location? (Noise, signs, and waste are all considerations in zoning bylaws.)
7. Image---Which location gives your business the image you are looking for?
8. Separation of work and personal life. Consider what it will be like if you locate your business in your home? What will it be like having to work away from home each day?
9. Space requirements, for inventory, assembly, display, meeting with clients, etc. etc.
10. Traffic counts. If you rely on walk-in traffic do a traffic count at each location BEFORE you move in!

#### History of A Location: (Past, present, and future)

- Consider all the businesses that have been in this location in the past. Why have they left?
- Date of last improvements by the landlord?
- What will you be responsible for, what will the landlord pay for?
- What major improvements or upgrades are planned for the near future? Market Consideration:
  - Trading population of this region
  - Primary Market size
  - Secondary Market size
  - Consumer spending confidence
  - Other industries that will affect the economy of your industry Other Considerations:
    - Insurance costs
    - Proximity to suppliers, transportation

Try to do a pro and con list for each of the above areas. You may try weighting some areas more heavily. For example image might be much more important to your assessment than separation of work and personal life. In some locations an additional option may be available—a business incubator. The offices of an incubator share many of the more expensive pieces of equipment like, phone systems including voice mail, fax machines, and photocopiers. They may even share a central reception area. This option can greatly reduce location cost, but at the same time provides a much higher level of professionalism.

Don't settle for the cheapest location, just because that is all you think you can afford, it may backfire on you. You know the old saying... "You get what you pay for!"

If you have a small business and have a question or problem that you think The YEBDC could help you with please call or write to: The Yellowed East Business Development Corporation, Box 249, Sangudo, Alberta, T0E 2A0  
1-800-556-0328 or 1-780-785-2900, e mail: [yebdc@yebdc.ab.ca](mailto:yebdc@yebdc.ab.ca), or access our Website at: [www.yebdc.ab.ca](http://www.yebdc.ab.ca)

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