


How to Choose a Business Location: 8 Factors to Consider

A business location shouldn't be chosen on a whim. Our tips can help you identify a location for your new business.



Choosing a business location is not something that can be done on a whim—it's a crucial step in starting a business. First things first, the business location you choose will depend on the type of business you operate. Business parks, shopping malls, strip malls, professional buildings, and others are all designed to meet the specific needs of various businesses. If you're expanding from online-only to online



and brick-and-mortar, for example, your needs will be much different than if you're an accountant looking to grow your firm and bring in new clients.

A business location strategy takes planning and research and a willingness to thoroughly vet all of your options. With these helpful tips, you can identify the best place to locate your expanding business.

1. Decide on a business location type

Here are five common types of business locations, but more creative options, like co-working spaces, are popping up all the time. Be on alert for these and other location types that would meet your specific needs.

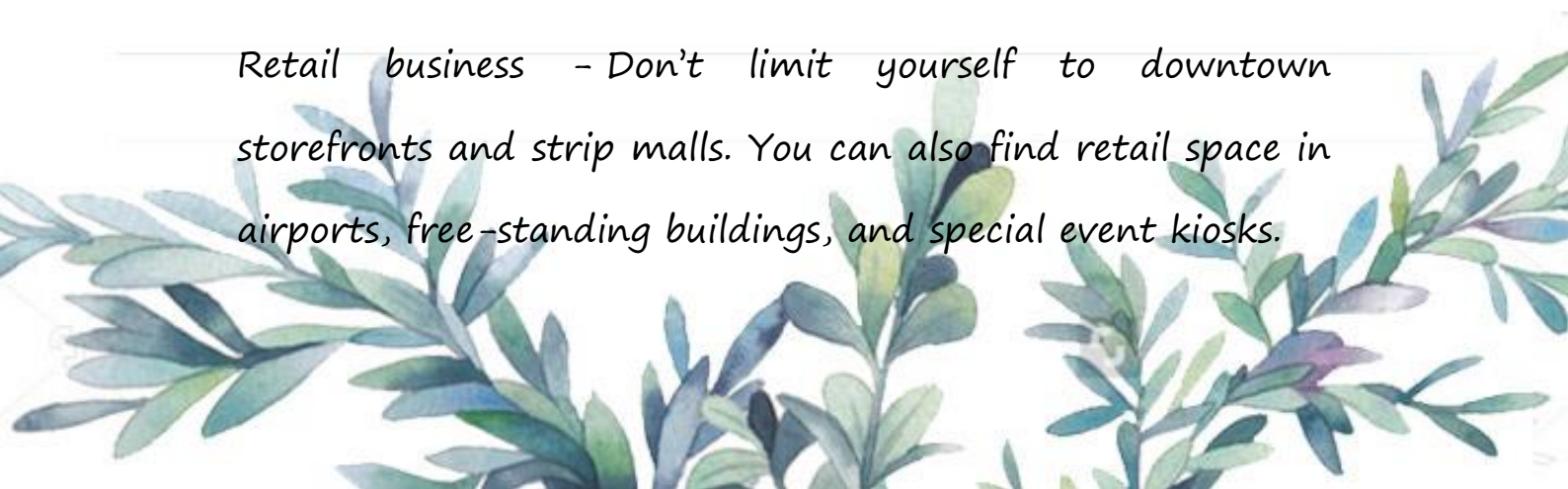
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Home-based business - If you work from home but need more space, you might consider moving to a new home or adding on to your existing home to create the office space you need.

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Retail business - Don't limit yourself to downtown storefronts and strip malls. You can also find retail space in airports, free-standing buildings, and special event kiosks.





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Mobile business - It used to be that the only businesses that moved around were circuses and festival vendors. But today with mobile card readers, your restaurant can add a roaming food truck location and your used book store can open a new pop-up shop near the beach.

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Commercial business space - Commercial business spaces offer flexibility for even more growth down the road, but are typically best for businesses that don't rely on heavy consumer traffic.

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Industrial site - If you operate a manufacturing or distribution business, you'll have special needs and will likely have limited choices when it comes to opening a new location. Industrial sites are needed for companies that require large amounts of warehousing space, for companies that need access to major transportation routes, or for companies that





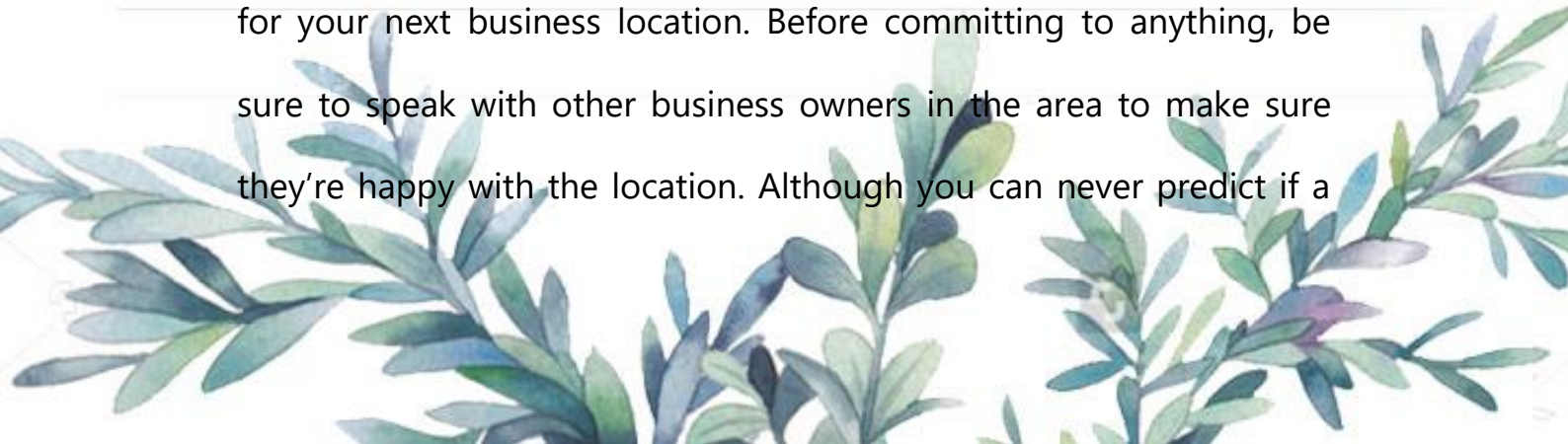
may produce pollutants as part of the manufacturing process.


- In almost every case, where you can locate your business will be dictated by local zoning ordinances in your community. Don't sign on the dotted line until you're sure it's legal for you to operate your business in your desired location.

2. Make sure the business location is within your budget

Of course, one of your major priorities will be finding a location that fits within your company's budget. However, that's not all you need to examine when it comes to money. There often other location-specific costs to consider beyond the purchase price or monthly rent. Almost every location has different hidden costs that you need to account for: taxes, renovations, utility upgrades, minimum wage requirements, and economic incentives. Even mobile businesses need to consider the cost of permits and vehicle licensing when choosing a new business location.

Considering all the above will help you make a well-educated choice for your next business location. Before committing to anything, be sure to speak with other business owners in the area to make sure they're happy with the location. Although you can never predict if a





new location will be successful, you can do as much research as possible beforehand to ensure it is the best available fit for your growing business.

3. Consider your brand

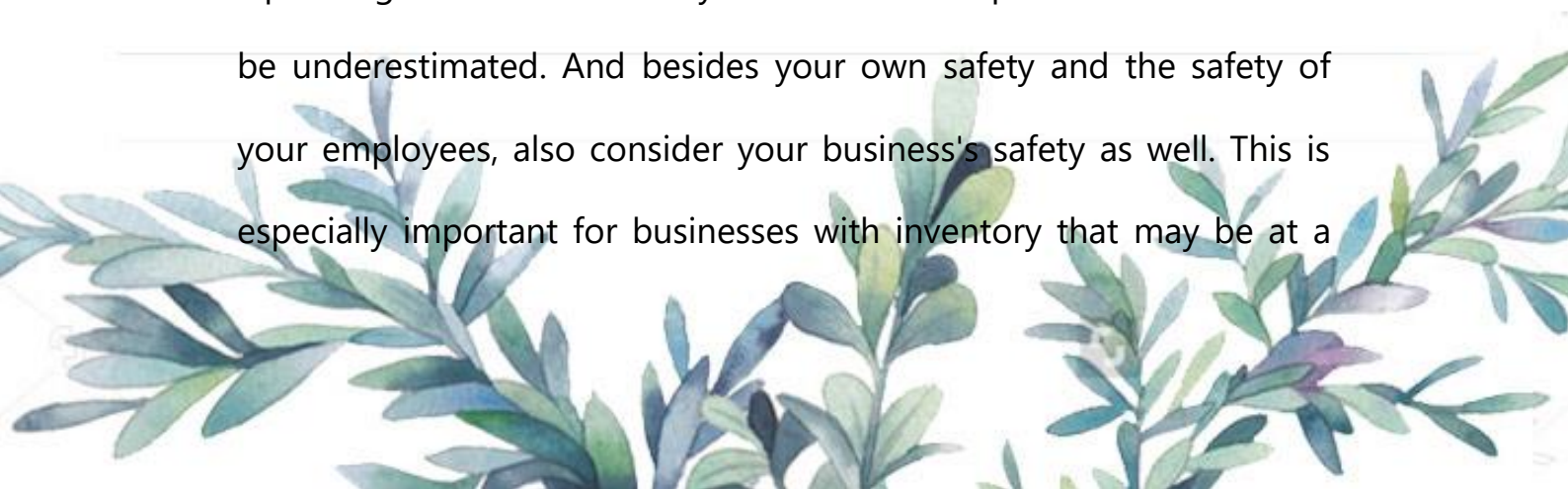
Keep your brand in mind when developing your business location strategy and looking at options. For instance, you probably wouldn't want to plant your new office supply location right in the middle of a high-end, boutique shopping district. Likewise, an upscale restaurant might not fare so well in the middle of a college town or rural area, where customers are used to spending less money on cuisine.

4. Think about vendors and suppliers

You'll need to secure a location that makes it easy for you to connect with your vendors and suppliers; otherwise, you might experience significant delays or run into frequent issues with inventory levels. When considering your options, ask yourself which location site makes it easier and cheaper for you to get the raw goods you need to operate.

5. Find a safe location

Operating a business where you feel safe and protected should not be underestimated. And besides your own safety and the safety of your employees, also consider your business's safety as well. This is especially important for businesses with inventory that may be at a





higher risk for burglary and theft or if you'll frequently be running your business alone at night.

6. Go where there is demand

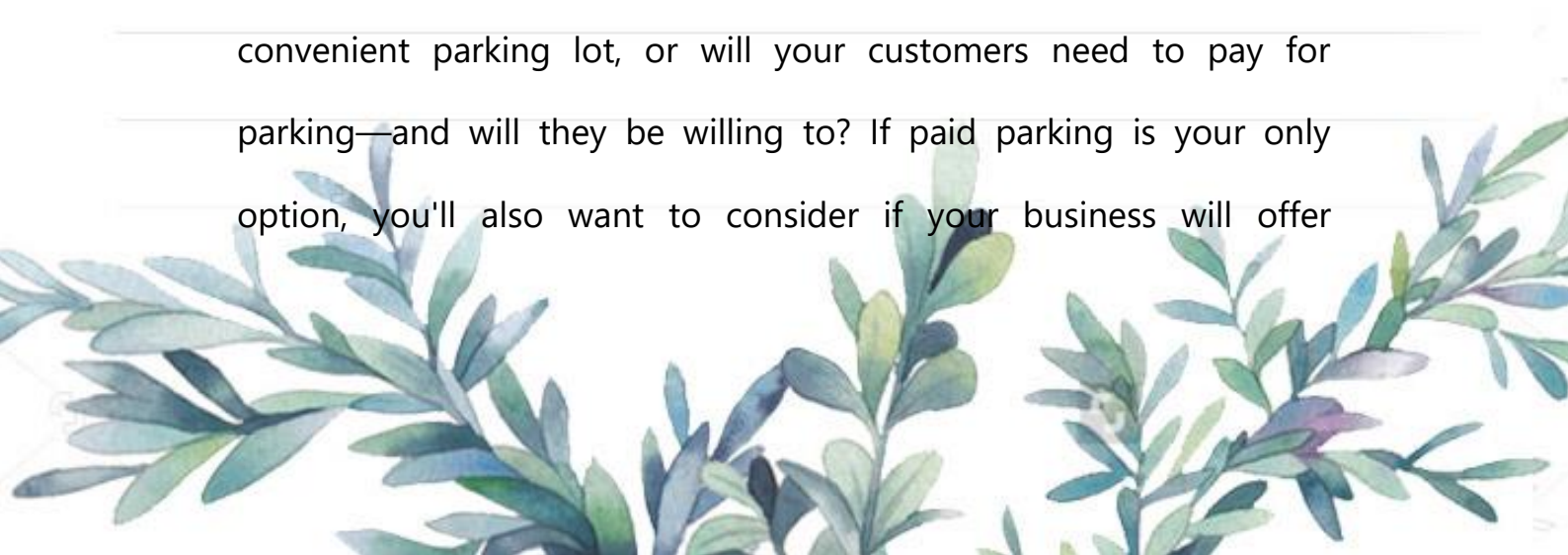
Ideally, you want to secure a business location that's not saturated by your competition. Look for areas where your product or service is in high demand or where your competition is fairly low. If at all possible, you'll want to expand to a location where the other businesses on the block are complementary, to ensure your business fits into the local market.

7. Think about recruiting efforts

If you'll be hiring employees and managers for your business, you'll want to make sure you open in an area where there's good access to public transportation or where potential employees will be attracted. Finding high-quality employees is crucial to your business success, so plan your location around where employees want to work.

8. Look for sites with parking options

No matter how attractive your business is, sufficient parking should be a key consideration. Does your business location have a convenient parking lot, or will your customers need to pay for parking—and will they be willing to? If paid parking is your only option, you'll also want to consider if your business will offer





validation. And don't forget about your employees here—they'll also need somewhere to park.

The bottom line

There are several business location factors to consider, from pricing and availability to parking and market appeal. Choosing the best location for your business is crucial to your overall success, so it's important to do the necessary research before committing to a location. Be sure to think about your location not only as a business owner, but also from the point of view of an employee and potential customer. A well-informed business location strategy will ensure you find the best place to set up shop and open your doors for business.

