



## Section 1 Guest Lecture

# Business Geography and The Location Advantage

Guest: Dr. Murray Rice

Hi, I'm Linda Peters with Esri. Today, I'd like to welcome Dr. Murray Rice. Dr. Rice is an associate professor and graduate advisor for the Department of Geography at the University of North Texas.

Dr. Rice: Hello, Linda. Thanks for having me today.

Linda: Thank you. Dr. Rice, you've been teaching geography and the application of geographic thinking to students for many years. What's the relevance of geography? Why does location matter to business?

Dr. Rice: Well, I think it comes down to a fairly simple idea, and that's that everything is located somewhere. So whether we're talking about factories or warehouses or stores or rail lines or really anything, they all have a distinctive and unique location. That really comes out in a few different ways. Just a couple of quick concepts: proximity, how close something is to something else, that's an important factor. That leads to a couple of other issues. Cost: how expensive it is to do business in a specific place, and revenues: what volume of business is it possible to do from a specific location.

Linda: That's interesting. So, what's the motivation then for a business person to do geographic analysis? What's the benefit?

Dr. Rice: Well, I think we could break that down in a couple of ways, as well. First of all, we could think about the management of risk. If you're a business, thoughtful geographic assessment of, for example, markets will help you avoid, to use a phrase,



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“putting all of your eggs in one basket.” So if you’re in multiple geographic markets, that helps you diversify your customer portfolio, and it helps you to reduce your risk. So, you need to think about that in a very thoughtful manner. So management of risk is certainly one part. Another thing is maximizing operational efficiency. Geographic analysis helps us to strategically position our operations. So if you’re thinking about a distribution network, geographic analysis will help you identify an efficient configuration of distribution centers to carry on your operations.

Linda: Why would a business person be interested in understanding how to apply location?

Dr. Rice: Well, I think there’s a few reasons for that, and one major reason is simply that location analytics represents a set of skills that really set people apart. Location analytics provides career opportunities that are interesting, and probably the big thing is that they are of true value to business. This is all rooted in the idea that location analytics provides valuable insights into operations, competitive environment in business, all of these things can’t be achieved through anything but geographic analysis of data. This is a really unique capability that people have.

Linda: That’s great. And what type of opportunity do you see for students who understand the advantage of location?

Dr. Rice: Well, there’s really a ton of opportunity. I know that I see that as my students are going out and seeking their first job after their degree here. My students end up working in a variety of settings, and a lot of it comes down to market analysis, site selection, and real estate. So some of what they’re doing is with the internal real estate departments, for example, a large chain. So working internally with—they’re one client, the business that they work for is certainly a prominent setting. But in addition to that, there’s a number of real estate brokerages, consulting firms, businesses like that that assist many businesses and many clients with location decisions. And so, that’s a part of the mix, as well. It’s really a dynamic and growing part of the business.



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So, that's kind of the setting. There's a lot of opportunity, but in addition, I guess I'd like to point out that there's some specific characteristics that historically I've found really helpful for my students as they're going out and getting jobs. Number one: having a solid foundation in geographic concepts (essentially, basic human geography coursework) is really helpful. But in addition to that, the technical side, the technical confidence in GIS skills is really important to be able to use the software. Extremely useful. Then, you put that together with the exposure to business courses, such as in real estate or marketing or management, and that just creates a powerful overall package. And if my students are also able to tie that together with internships or other real-world experience, that's powerful, and I think that'll work—that's really a recipe that'll work for any student going out there if you can tie those elements there together.

Linda: Wow, that's great, Dr. Rice. I want to thank you for your time and for sharing your thoughts on geography and business. It's truly been a pleasure.

Dr. Rice: Well, it's a pleasure for me. Thank you for the invitation.