

Determining Right Location



It is amazing how much location can affect the success of a business. There are many things to evaluate as you choose where your business should be located, but unfortunately, there is no precise formula for determining where the best location for the success of your business will be.

As a business choosing an ideal location, some of the things that are considered are zoning, vehicle traffic flows, walk-by traffic flows, proximity to customer base,

transportation access, lease rates, complimentary businesses in the vicinity, culture of the community, and the list goes on.

Let's talk a little about location choices for various businesses and how it has worked out for them.

My first example is one I don't hesitate to identify by name. Who would have thought that a high-end steakhouse could locate in Perry, Utah clear back in 1949 and not only still be

around today, but be one of the most successful restaurants in Utah? That is the choice Maddox Ranch House made at a time when the community of Perry was primarily farm ground and a long way from a high population density.

What was right about this choice and what location considerations made for their success? One thing to remember is they started small, with just a log cabin type building built on skids so that it could be towed

away if things didn't work out. Next, remember that Hwy 89 was the primary (only) road to commute to Brigham City and Logan from points south. Finally, remember that their location was not high-rent commercial property back then. It was farm ground that added to the pristine country experience that Maddox is still famous for.

Even though Maddox cut away from standard thinking of locating next to large populations, they have become an icon in Utah. It has become a destination location and a tradition amongst families and business people. Obviously, the Maddox family has worked hard to make their location as much of their business success as their food is.

Ogden in recent years has been marketing themselves as the Outdoor Recreation Capitol of the world. This marketing effort has brought some exciting businesses to the area including Amer Sports, Descente North America, Goode Ski, Nidecker USA, Scott USA and more. I am sure there are elements of reasonable rents and good incentives that

have played into the decision of these companies to locate here, but I think we would be naïve to believe that those were the only factors involved.

I can't tell you the whole facts, but I am sure that our location on the Wasatch Front and our proximity to excellent ski resorts, trails, reservoirs, and back country played an important role in the decision. Our well-educated and hard-working population has brought more businesses to Utah than can be easily counted. Good airports and hotels become important as well as cost of living. All these manufacturers are already successful companies with relationships worldwide. Locating in Ogden was a good idea because of the nucleus and synergy that Ogden has created.

Looking at things a little differently, Brigham City lost the Flying J's headquarters to Ogden several years ago. The reason? Brigham City could not provide the communications technology that was required, primarily redundancy. Brigham City is still dealing with this issue and tied up with Utopia to try to overcome it. Ogden

recently lost a business to South Jordan. Why? Location, location, location. They wanted to be closer to their customers and be in the Salt Lake transportation corridor.

So what location is right for your business? Does it need to have the high walk-by traffic of a mall or the low rents of a more remote location? Is it good to locate close to the neighborhoods your customers live in or to be the destination location that screams atmosphere? Do you want to locate next to schools, businesses or residences? Do you need to load shipments onto train cars or do you need high-end hotels and bars for your business guests?

Every business is different and should not make a decision without considerable thought and planning. Identifying a target market and business niche are important and then doing market research to verify your assumptions is vital. You would never see a major grocery chain come into an area without knowing exactly the number of households and the buying habits of the residents. You should know the same vital

information for your business before choosing a location. You should know how your location decision affects all aspects of your business whether it is image, convenience, workforce or costs. Location can make the business, but location can also kill the business if the decision is wrong.

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