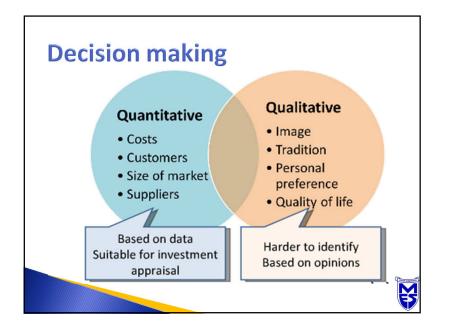
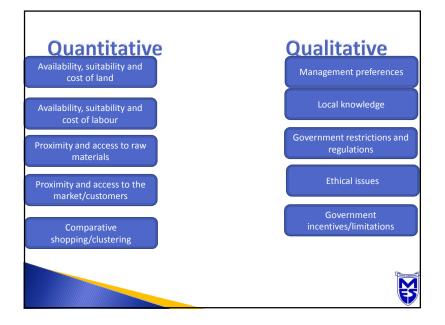


Supply-v-Demand Factors

Labour costs	Customer convenience
Land & building costs	Labour skills
Energy costs	Site suitability
Transport costs	Image
Community factors	Expansion potential





Benefits of a good location

- Competitive unit costs through a combination of a productive and efficiency labour supply, acceptable location overheads and cost-effective access to inputs (raw materials, components etc)
- Optimal revenue opportunities customer service is not inconvenienced through the choice of location
- An acceptable rate of return on investment all business projects compete for scare cash resources; a business location decision is no different
- Sufficient production capacity to meet demand and future flexibility in capacity management decisions

B

 Access to a labour force which enables the business to achieve the objectives of its workforce planning

Costs of Relocation

- Recruiting and training staff in the new location
- Duplicated property costs e.g. remaining periods on the original lease + upfront payments on a new lease
- Costs of physical transfer moving production equipment, transferring stocks, lost revenues

B