



## ITRA Global London Symposium 'Doing Business in the Americas'

# The Winning Strategies

BY CARRIE HOLSTEAD, 2012 CHAIRMAN OF THE BOARD,  
ITRA GLOBAL; PRESIDENT & CEO,  
ITRA GLOBAL/CARRIE S. HOLSTEAD REAL ESTATE  
CONSULTANTS, INC. PITTSBURGH, PENNSYLVANIA USA

**Our recent international conference in London brought together top corporate professionals with global operations and economic development executives from government agencies throughout the Americas.**

Two expert panels provided lively and insightful discussions which created a roadmap for any company seeking to expand or relocate in the Americas. Below we highlight the top winning strategies:

### **Strategy #1: Site Selection Criteria That Matter Most**

The annual "Top 10 Pro-Business States" study is a valued resource to those choosing a site in the U.S. Every company uses it differently based on their own unique selection criteria and specific needs of their company. Common factors in the first phase of the site selection process often include a skilled labor force, proximity to suppliers and customers, infrastructure to support the business, taxes, quality of life, and cost of living.

The economic development panelists attending our conference indicated that foreign companies tend to gravitate to where other companies from the same country are located. Also some companies may have an aversion to unionization and therefore filter out non-right-to-work states, oftentimes not realizing that a right-to-work state



does not prevent a company from starting a union. As such, companies are cautioned that too much is riding on a location decision to make it based solely on a single factor.

As the expression goes, "Incentives make a good site better, but they don't make a bad site good." It is with this in mind that a good site selection process identifies the top two or three sites before starting discussions about government incentives. Interestingly, companies including incentives as a discussion point at the beginning of the site selection process are commonly red-flagged as having little commitment to relocating, may be viewed as using the process only as leverage with their current location, and

are thus not regarded as seriously as companies that do not focus first and foremost on incentives.

### **Strategy #2: Take Advantage of the Rebounding U.S. Market in 2013**

While the U.S. has the largest economy in the world, it has, like many countries, dealt with economic challenges over

the past few years. More recently, it has gone through a reemergence, and our panelists talked about how the U.S. is now being perceived as the new safe haven for European investment. One panelist referred to a recent meeting between the Council of American States in Europe and the U.S. Embassy that discussed the reawakening of the U.S. market in 2012.

To demonstrate the point in the meeting, a respected embassy member actually pointed to an *Economist* Magazine cover with a picture of Uncle Sam on the front and a caption below that read “The Comeback Kid.” As further evidence of the reemergence, the panel reported that companies which had previously put U.S. projects on hold to focus their expansion efforts in the emerging markets of Asia, India, and China are now proceeding with U.S. projects, as are a larger number of other European companies with new expansion projects planned for the U.S.

### **Strategy #3: What’s Hot in Latin America**

Our panelists shared insights on countries throughout Latin America, including Brazil, which has reported the sixth largest economy in the world with the highest GDP per capita and the largest population below 30 years of age. Additionally, a recent study by McKinsey projects that Sao Paulo, Brazil’s consumer sales will increase more than any other city in the world between 2010 and 2020.

By comparison, Colombia, which has the fourth largest economy in Latin America, was considered a failed state in 2000. It is now reportedly the land of business opportunity as evidenced by its GDP growing five-fold in the last 20 years and becoming number two in foreign direct investment, as well as producing nearly one million barrels of oil a day. Colombia has also entered into free trade agreements with the U.S. and more recently with the EU. Moreover, Mexico reports the largest network of free trade

agreements in the world. Half of their 100 million people have a good income while effectively working to close the income gap between rich and poor.

### **Strategy #4: A Game Plan for Canada**

Canada is consistently ranked among the top four countries worldwide as a superior business location for companies. It also has healthcare costs that are about half that of the U.S., and 61 percent of its population has completed post-secondary education, far exceeding that of most developed countries and nearly double that of France and Germany. Its two largest cities, Toronto and Ontario, rank in the top 15 for quality of life in North America. Ontario, which represents 39 percent of Canada’s population, has a GDP larger than most European countries and is forecasted by *The Economist* to grow between two and two and one half percent for the next three years. Equally impressive, Ontario reduced its corporate tax rate seven percent over the last two years.

### **Strategy #5: The Key Ingredient for Success**

Our corporate and economic development panelists concurred on the single most important piece of advice they had for companies seeking a new location. In economic development terms, “We see a noticeable difference between companies that go through the site selection process themselves and ones that enlist an advisor to go through the process.” In corporate terms, “Connect with the best local talent you can find because there is no way you can parachute in and go through the site selection process alone.”

*This article appeared in the Spring 2013 Issue of ITRA Global’s Newsletter, Corporate Real Estate Strategies.*