



# Building a Business Case

To differentiate from other regions, prepare a *Business Case* that is focused on promoting the assets and value proposition that your community or region offers to specific target audiences. Most areas promote their community, features, and programs. While these are important, a **Business Case** promotes the assets that will contribute to improving a company's bottom-line success. A Business Case offers a clear, compelling argument for ***why a business should consider your community rather than any other place.***

Economic development marketing is typically focused on businesses or representatives who make facility location decisions for new locations or expansions of medium to large corporations. Location options are abundant, so the "location decision process" is more often about *eliminating* than finding the *right* location. Some economic development organizations are more-ready than others and this can make the difference in a final decision. Your challenge is to get on their radar screen before a company is even thinking about a new or expansion location and to stay in the mix through final negotiations as highlighted in the graphic below.

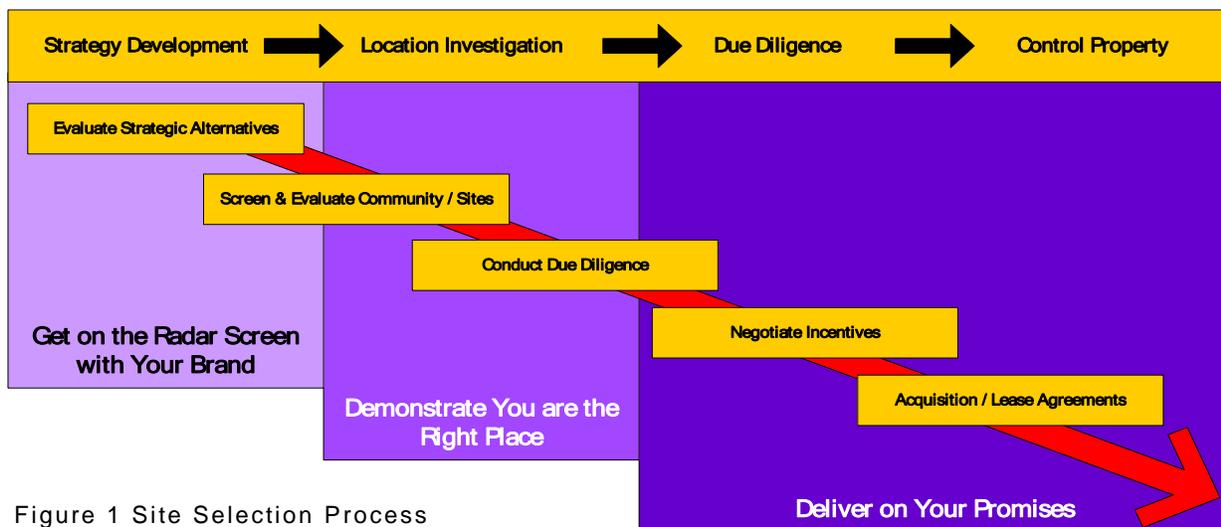


Figure 1 Site Selection Process

Whether dealing with a corporate location consultant or an owner-operator, the above graphic depicts the typical steps in the location decision process. The extent of each step is dependent on the complexity of the project, time and the decision-maker.

For location (site) consultants and Corporate Real Estate Executives (CRE), the time cycle for finding and siting a company has shortened considerably over the past few years because "time to market" is faster. Often the information requested is needed in two days to one week, which pushes economic developers to have critical information readily available and current. The full decision process may be 18 to 36 months, depending on the company and the market. An 18- to 36-month cycle is typical for an owner-

operator relocating a facility. Local company expansions are often on a shorter timeline and they typically look at alternative locations.

To build a compelling business case and differentiate yourself from competitors, conduct some industry intelligence to understand the companies' needs that drive the business case i.e., *How can we best meet the needs, challenges and objectives of xyz industry clusters? Can we differentiate ourselves from everyone else by excelling in meeting those needs?* The Business Case then drives the marketing and messages to the specific industry.

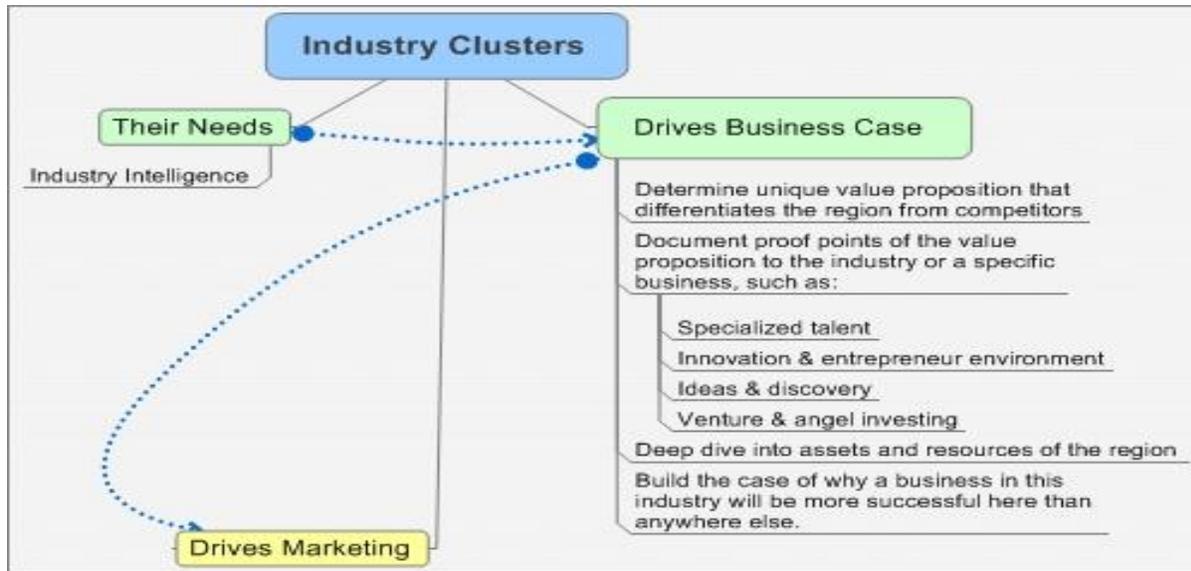


Figure 2 Industry Factors Drive the Business Case

## Building a Business Case – Step by Step

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### Step 1 — Industry Intelligence

Conduct research to gain an understanding of specific industry sector needs. Potential sources for information include:

- First Research ([www.firstresearch.com](http://www.firstresearch.com)) - synthesizes hundreds of sources into an easy to digest format to quickly understand a prospect's or client's business issues
- Industry journals and news articles
- Industry tradeshows, conferences, and networking events
- Interviews with local businesses in the industry sector or industry associations
- Site consultants, brokers, developers and industry consultants

### Step 2 — Research Unique Assets

Armed with clear understanding of the industry's near-term and long-term needs, begin to define your unique assets. Outline the assets to consider. Drill down into what is unique, new and differentiates your community from others. Focus your research in the following areas:

- Innovation and research resources (universities, research centers, patents, tech transfer)
- Collaborations and industry associations of value to your businesses that are occurring in your community and throughout the state and nation
- Special industry-specific programs
- Relevant rankings of accomplishments in industry sector

### Step 3 — Location Factors

Organize relevant location factors for the specific industry needs.

- Company: list of your existing employers in this industry
- Location: show your location and market access; demonstrate location advantages; focus on your proximity to relevant markets and suppliers
- Labor Shed: availability of specific skill sets that will support the industry; wages for entry level and experienced; industry-specific training programs; productivity measurements; union activity
- Real Estate: business parks including infrastructure; specialty facilities
- Access to Resources: suppliers, funding
- Business Climate: factors that make it easier for this industry to do business in your area
- Cost: a customized analysis for typical industry operations
- Incentives: a simple overview of relevant and industry-specific programs; case studies that illustrate the benefits and potential savings

#### **Step 4 — Feature Companies**

Gather information on industry leaders in your area, including:

- What they manufacture
- Innovations and patents
- Rankings
- Websites

#### **Step 5 — Fast Facts**

Summarize key differentiation proof points – what sets your community apart.

#### **Step 6 — Value Proposition**

Based on the outcomes of your research:

- **Background:** prove your understanding of the industry by describing it, the sub-sectors, and specific needs
- **Market Overview:** describe the industry sector in your community
- **Value Proposition:** articulate the thesis of why this industry can be successful in your community with facts and resources supporting the statement (proof points)

#### **Step 7 — Review**

Review the Business Case to ensure proof points are aligned and support the industry-specific value proposition.

- Does the research support the value proposition?
- Do the value proposition and proof points differentiate your community from the competition and answer the question “why is your community the location of choice”?
- If the answer is “no” to either question, dig deeper into your research, re-phrase your value proposition and/or develop a strategy to enhance your assets.

#### **Step 8 — Continue to Build the Business Case**

Your Business Case(s) should evolve over time, maintain the accuracy and timeliness of your Business Case.

- Engage partners to ensure that new programs, services, announcements, discoveries are added to the Business Case as they happened
- Post findings from reports that are relative to this industry
- Post articles on local businesses
- Create news pitches or press releases on businesses featured, expansions, new discoveries, new programs, new services – how the industry is changing the world; this will continue to support the message that your community is a leader in the industry
- Meet with partners and local industry at least once a year to update the Business Case data
- Develop one or two case studies on local firms within the industry cluster
- Post new information to your website
- Use an up-to-date industry profile or case studies as part of direct mail

## Using the Business Case in Target Marketing

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After you have completed the research, there are several options for using the Business Case in your target marketing.

### **Business Case Brochure**

A fact-based, straight-forward presentation of your value proposition and the most compelling evidence to support it. Emphasis on the market overview, value proposition, unique assets, fast facts and feature companies.

### **One-Page Business Case**

Can be used as an insert to your brochure or as a direct mail piece.

### **Website**

Prepare webpage for each industry sector that provides a more comprehensive Business Case than the brochure or the one-pager. Highlight background, market overview, value proposition, unique assets, fast facts, feature companies with links to relevant location factors (data points, maps, etc.). Your website is a tool for presenting extensive information in a clear manner with the use of links and downloads.

### **Case Studies**

Prepare case studies on feature companies for website and print (direct mail campaigns).

### **Competitive Proposals**

The industry intelligence you collect through your research and supporting evidence that makes your business case should be integrated into customized client proposals.

## Tips for Economic Development Case Studies

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The content will vary somewhat, depending on whether the company is a recent relocation or a homegrown success story. Local factors and the nature of the business also impact the direction of the story.

**1. Company History.** Find the interesting fact about the company and focus on that, providing just enough background to give context. This might include:

- ✓ Their product and claim to fame.
- ✓ Interesting facts about their products or production process or employees (e.g., number of patents, the first widget to do XX, founded by two Nobel prize winners).
- ✓ Any key turning points in the business (e.g., bought out, bought back, market changed and they changed with it, Oprah mentioned their product and sales quadrupled).
- ✓ How long in business.
- ✓ How they have grown (in terms of sales, number of products, number of markets, market share).
- ✓ Interesting third-party endorsements (e.g., they were voted one of nation's best employers by a well-known magazine).
- ✓ If they relocated to the area, when and why (see local factors below).
- ✓ Photo of product, or management pictured with product, or production facility (or possibly their building, but that usually isn't as exciting).
- ✓ Company URL.

**2. Local Factors Contributing to Success** (preferably include a quote or two from the company). Describe the one or two factors that most impact the business. These might include:

- ✓ Quality and availability of employees with the right skills (what skills, is there an example?).
- ✓ Synergy with other companies in the area (how do they work together, do they have a formal organization or partnership?).
- ✓ Partnerships with universities or other local institutions (what program, how does it work).
- ✓ Access to markets and/or raw materials (where, what materials).
- ✓ Lower operating costs (in what aspect--salaries, real estate, taxes, utilities?).
- ✓ Cooperation from local officials (be specific--e.g., "They put together a package that saved us \$40,000" "They fast-tracked the project, and it took only XX days from plans to completion." "When it looked like the project would fall through because of XX, John Doe stepped in and XX."



### 3. Stay Away From...

- ✓ Number of jobs created--although job growth can be used as evidence of success over time (this is for a business audience, not ED).
- ✓ Listing the many government agencies that had some small role in locating the company (this is more about the business, less about the site location process).
- ✓ Generalities and unnecessary verbiage (e.g., Wasted words: "Widget Inc. found success when they moved to Smallville." Better: "When Widget Inc. moved to Smallville, they reduced their overhead by 10% and doubled their capacity.").
- ✓ "Grip & Grin" photos (handshakes with local officials).

