

WEIGHING the Intangibles

Communities that can satisfy a company's quality-of-life concerns — with regard to housing, healthcare, education, recreation, etc. — can make moving a business a pleasure.



By Marty Weil

Few people relish the thought of moving. Yet, if the new destination promised to improve quality of life, relocating might be a welcome event. While companies seldom base their site-selection decisions solely on quality-of-life issues — housing, schools, healthcare, amenities, crime — these

factors do play an increasingly important role in this decision-making process, especially for those dependent on the talents of highly educated workers.

For companies relocating a relatively high proportion of professional talent, quality-of-life issues can even make or break the deal. Quality of life will directly impact the ability of a company to entice people to move with the job; for national recruiting, it will make the difference in whether or not they can attract the best talent.

Relocation advisors, therefore, must parse the quality-of-life issue between those companies that are talent-driven, such as software firms, and those that draw labor from a more generic pool, such as assembly line workers. The importance of quality of life is directly related to the type of jobs being moved. Quality of life becomes far less important when relocating a traditional manufacturing plant, warehouse, or back office as opposed to moving a corporate headquarters, R&D facility, or IT center.

Specific Concerns

Yet even for talent-driven organizations that closely examine quality of life when considering a location, not all these factors are created equal. For instance, affordable housing and access to quality healthcare usually take precedence over lesser issues, such as cultural amenities or climate.

Other quality-of-life concerns factor strongly into the relocation decision. In today's environment of high

costs, another consideration is commuting distance. When a company identifies a metro area and a work site in the community, they judge the quality of the location based on where transferees are likely to live relative to the job site. If a transferee can't find affordable housing

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...se by, there is a good chance he or she will be unwilling to move. Another top quality-of-life concern is outdoor recreation, especially for companies that need highly specialized or cutting-edge talent. It is critical for an area to have strong outdoor recreational attributes such as mountains, lakes, and oceans. Clean air is another important consideration to attract today's sophisticated workers.

Busy Beehive

When it comes to outdoor recreation and clean air, Salt Lake City, Utah, has few peers. With 11 world-class ski resorts within a one-hour drive from Salt Lake International

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Airport, along with five national parks, six national forests, and hundreds of thousands of acres of diverse terrain, it's little wonder that Salt Lake City is ranked as a top place to live by *Outside* magazine. When a company consolidation forced Amer Sports Winter & Outdoor Americas to find a new headquarters location, it made sense that the company selected Ogden, Utah (located 40 minutes outside Salt Lake City).

"There were three "Ms" that drove us to Ogden: the mountains, the money, and the mayor," says Mike Dowse, president and general manager of Amer Sports Winter & Outdoor Americas, a subsidiary of Helsinki, Finland-based Amer Sports Corp. (The company is better known for its brand names — Rossignol, Atomic, and Salomon skis, among others.) "I'm looking out my window now, and I see the top of Snow Basin where they held the Olympic downhill and giant slalom races in 2002," Dowse notes. "There is world-class skiing 20 minutes from our office and world-class trail running and mountain bike trails within five minutes of our office... Across the street is the Ogden River with its world-class kayaking. Again, it is the whole outdoor lifestyle thing."

But the outdoor recreational activities weren't the only quality-of-life issue Dowse considered. He points out that Salt Lake International Airport offers direct flights to Paris. He also lends credence to the "affordable housing" factor. "Our staff has purchased 22 homes since we moved the company to Ogden," says Dowse. "Of those, about 16 or 17 are first-time homebuyers. A lot of our people that relocated could afford to buy homes for the first time."

During the selection process, Dowse hired an outside firm to conduct due diligence on the sites being considered. An internal task force, headed by Dowse, steered the process. He also considered Portland, Oregon, but the company weighed the merits of such factors as proximity to mountains, cost of living, lease rates, and others. In the end, Ogden won out.

Lights Much Brighter

While outdoor recreation is important to some companies, the option of working in a thriving downtown environment — which offers a lower cost of living, access to public education, and short commute times — is an important quality-of-life consideration for other companies looking to relocate.

One city known for having a robust downtown as well as an educated work force and an outstanding quality of life is Austin, Texas. It was this quality-of-life mix that made PayPal, a subsidiary of eBay, select Austin for its new base of operations, according to Terence Spielman, PayPal's senior director of global operations and product development, and general manager of the company's Austin site.

"It wasn't just one quality-of-life element that drove us to select the Austin market," says Spielman. "The area's housing, healthcare, education, and cultural amenities were important factors in our decision. Plus, Austin is a talent-rich technical market. Austin has a strong educational base, such as the University of Texas in Austin. What really drove us here was a combination of the existing tal-

ent, the continued pipeline of talent, and eBay's values. eBay is very concerned with retention of its employees and wants them to have the quality of life that they want in terms of housing costs, educational opportunity, access to the environment — a space where they can live, work, and play.”

PayPal located its offices in Austin in 2007. Key leadership at eBay, which already had a small presence in Austin prior to PayPal's move, influenced the decision; the company's leadership was pleased with their initial foray into that market. For Spielman, the key quality-of-life metrics were housing costs, crime rate, and education. Today, the company has about 200 people based in Austin, primarily the company's core payment services and customer service personnel.

“These are the core competencies we pride ourselves on, and we see Austin as having a pool of talent,” says Spielman. “Of those 200 people,

about 180 of them were selected out of this market. Twenty people relocated from San Jose and the San Francisco Bay area to Austin. The response from that group has been nothing but positive. They love how green it is, the housing market, and all the things that are available. Labeling Austin as ‘Silicon Hills’ is appropriate in their minds.”

Silicon Hills

Another technology leader that chose Austin for its quality of life is Borland Software Corp., the global leader in Open Application Lifecycle Management. “Although we moved only a small number of employees from the Bay Area to Austin, quality of life was quite important to us,” says Jonathan Schoonmaker, senior vice president of corporate services for Borland. “We wanted to make sure that we were locating to a city that would allow us to attract worthy candidates from around the United States.”

Before settling on Austin, Schoonmaker spent considerable time culling through data from the city's Chamber of Commerce. He evaluated such metrics as cost of living, education, demographics, housing costs, growth trends, infrastructure, and others. “It was especially critical for us to know there was a highly educated base to hire and recruit from, and we needed to feel confident that we could attract people to Austin if we had to go outside the area to hire.”

Borland has been in Austin for more than a year. Today, the company has approximately 200 people working in their Austin headquarters.

“I think Austin is one of the best kept secrets around,” says Schoonmaker. “He believes many people don't realize that it is a “vibrant, affordable, technology-oriented town that has a great cross-cultural feel with very diverse demographics.” It is one of those places where the quality of life makes moving a business a pleasure. **AD**

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THE CASE FOR Infrastructure Investment

Officials in many U.S. locations are beginning to see the financial rewards of long-term investment in infrastructure — including attracting new business and potentially improving the national economy.



By Mark Crawford

It can be seen everywhere as you drive across America — outdated or crumbling infrastructure. Not only is it an eyesore and sometimes dangerous to public welfare — about 75,000 bridges in the U.S. are structurally deficient, for example — it's a big negative to companies looking to relocate or expand.

The American Society of Civil Engineers estimates the United States needs to invest nearly \$2 trillion over the next five years to maintain and expand its infrastructure. "We've inherited a great 20th-century infrastructure, but it is the 21st century and our competitors — including developed regions like Europe and Japan and rising countries like China

— invest far more than we do," says Michael Lind, senior fellow at the New America Foundation and director of the American Infrastructure Initiative.

"From the site selection perspective, infrastructure is absolutely vital — it's a very tall pole in the tent," says Jim Colson, president of site selection for Angelou Economics in Austin, Texas. "To be competitive, cities must have modern infrastructure in place, or at least a very sound plan to deliver that infrastructure in a timely fashion, with all risk mitigated."

Regarding existing infrastructure, "the big question is does it have enough capacity to reliably service the client?" says Buzz Canup, managing principal for Fluor Global Location Strategies in