



FP Weekly Checklist: Top Questions to Ask When Considering Expanding into a New Location

Insights

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Each week, FP Weekly members receive a practical and cutting-edge checklist of issues to consider, action steps to take, and goals to accomplish to ensure you remain on the top of your game when it comes to workplace relations and employment law compliance. This week we provide you a checklist of steps to consider when considering expanding your business operations into a new location.

Nuanced Process

Companies faced with increased competition often look to expanding markets and new regions as possible business opportunities to generate increased profits. For example, over the past 12 months, new electric battery and vehicle production operations alone have generated over \$30 billion in new investment and created over 30,000 new jobs across the United States. The semiconductor manufacturing industry has also announced over \$60 billion in proposed production facilities resulting in over 20,000 new high-tech jobs. Moreover, states in the South and Southeast are experiencing population booms as workers seek warmer climates and lower costs of living. Businesses often relocate to these areas to attract qualified workers and be closer to their customers.

Companies must quickly evaluate the business case for pursuing these prospects or potentially miss the opportunity. This often entails determining whether a company wants to relocate closer to a new market or customer. There are numerous factors a company needs to evaluate, and often state and local governments can provide incentives to make relocating to their area much more attractive. While each business opportunity is unique, you will need to address the following checklist items in most cases.

Labor and Employment Considerations

_____ Will there be a sufficient quantity and quality of qualified employees to support the new location?

- _____ Is there information on local occupations as rates of the applicable labor force?

- _____ What are the educational levels within the hiring pool?

- _____ What are the trends in the available workforce over the past 5 or 10 years? Is the labor pool growing or shrinking?

- _____ What are the local educational resources to help train your workforce now and into the future?

- _____ Will the local post-secondary educational institutions create or modify educational programs to meet your company's needs?

- _____ What type of regulatory environment prevails in the proposed location? This can include such areas as safety, workers' compensation, anti-discrimination, and unemployment.

- _____ What's the outlook for current and future workforce competition?

- _____ Is there an existing employer in a similar line of business or with similar business processes (e.g., IT or accounting) which might be a competitor for workers?

- _____ Are local businesses expanding or are new businesses coming into the area resulting in additional competition for workers?

Operational Considerations

- _____ Are there property tax abatements, investment tax credits, job tax credits, cash grants, etc. available in the proposed area?

- _____ Is there a minimum level of investment or job creation needed to obtain incentives?

- _____ Are there sufficient crucial suppliers within reasonable travel times?

- _____ Can you reach existing and new customers efficiently?

- _____ Are there existing buildings/offices or greenfield sites available for development?

_____ Will there need to be infrastructure improvements to meet your company's needs (airports with good connections, road or rail service, intermodals, etc.)?

_____ Will you have access to sufficient levels of gas, electricity, potable water, and emergency services to support your operations?

_____ What type of renewable energy sources are available for the site (wind, solar, etc.)?

_____ Is the proposed region desirable for workers (i.e., affordable housing, good schools, and recreational opportunities) – especially for those who might transfer from existing operations?

_____ Do the state or local governments provide incentives to address any potential operational or workforce challenges in their region?

Conclusion

We will continue to provide weekly checklists to assist employers in their workplace management and legal compliance, so make sure you are subscribed to [Fisher Phillips' Insight system](#) to keep up with the most up-to-date information. Please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney on our [Site Selection and Incentives Team](#) with any questions.

Related People



Raymond W. Perez
Of Counsel
614.453.7595
Email



John M. Polson
Chairman & Managing Partner
949.798.2130
Email

Service Focus

Site Selection and Incentives