

Finding A Great Location

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Understanding what the perfect location is for your type of business is only the beginning of the process. Now it's time to go out and find it.

Your ideal location depends on the type of business you'll be operating. If you're providing services or your business doesn't require high traffic, then an office, warehouse or even your home may be the perfect site. However, if you're going to be running a restaurant or retail business, it's likely that locations with visibility and high traffic are what you'll be looking for. As you begin to look at specific sites, there are several types you'll likely become familiar with:

✓ **Malls.** We've all been there. Large, usually enclosed shopping centers containing a mix of different types of businesses, malls are terrific, as they usually service a large area or market and are accessible from major thoroughfares. Malls are natural traffic draws, and the good ones can attract a large number of potential customers to your business. But all that traffic usually comes with a high price. In addition to rent, you'll likely be required to pay for common fees such as area maintenance, association dues and mall advertising, among other charges.

✓ **Shopping areas.** These serve the community, such as a downtown area that benefits from local office workers or residents. In some cities, these shopping areas also draw tourists or folks who live in the suburbs and are attracted to the areas because of entertainment. But shopping areas can be expensive retail areas and often lack sufficient parking for customers. Keep in mind, if most of the traffic comes from office workers, the business hours may be compressed into lunchtime and immediately after work. Unless there are other draws or residents in the area, weekends may not be as busy as at other locations.

✓ **Neighborhood centers.** These are usually anchored by supermarkets, drug stores or other large retailers and benefit from the variety of other merchants in the center. They draw from the local community and are the type most retailers and restaurateurs look for. While the larger regional centers can have signage and other restrictions, most neighborhood centers offer few of the barriers often found in mall locations.

✓ **Strip centers.** These are smaller versions of neighborhood centers, usually with three or more stores but without the anchor of a large grocer or drug store.

Most experienced franchisors provide their franchisees with the criteria to help them begin their search and will provide them with an area in which to look for locations. An experienced real estate broker can be invaluable in helping you find locations that meet your franchisor's criteria. Even where "for rent" signs are not apparent, a good real estate broker will know of locations soon to be vacant and will have relationships with landlords that can prove beneficial. Using the criteria you obtained from your franchisor (we discussed this in last month's article), a real estate broker can help you determine areas in your market to begin your search.

If you're going it alone, your local chamber of commerce, city engineers, police department and transportation department can provide you with low-cost information on demographics, traffic counts, pedestrian traffic, areas under development and other business drivers in your community. To determine where future development will be occurring, visit with the folks at city hall, real estate developers and real estate brokers as well as the zoning and planning boards. Merchants and suppliers in the area are also a resource to give you a sense of where business is growing.

Get a list of your franchise system's locations already open or under development in your area. You should also determine where the competition is operating. By plotting those locations on a map, you can begin to localize your search. Check out the types of centers in which others in your industry are prospering and determine centers in the area with a similar profile.

Drive through the markets to determine if the customers you're seeking are coming to the sites you're investigating. If your business targets children, drive through the neighborhood and look for schools and playgrounds. If you need teenagers, check out the number of bicycles in the center after school or on weekends. If it's a more seasoned customer you want to attract, watch the traffic at the center. Do they match the profile you need? Are there merchants in the center that serve the same customer base you need to attract? Chat with the other merchants in the center to confirm your findings.

The process of locating the right site is time-consuming. Plan on visiting the centers you're evaluating on different days of the week and during different hours of the day. That way, you can assess the traffic counts to expect. It doesn't pay to cut corners in evaluating a site; hopefully you'll be there for a long time. If the right site is not available immediately, talk to your franchisor for either additional assistance or for an extension on the amount of time they've provided you to find a location. If nothing is available, consider asking for a change in market rather than simply accepting a second-rate location.

By understanding the criteria for your type of business and conducting the required research, you can enhance your chances of finding the perfect site.