

## Location Strategy

**Location matters.** We believe that a company's full potential can only be realized when its assets are optimally located. Location decisions are long-term and involve significant financial commitment and risk, which makes a sound location strategy a critical component of a company's overall business strategy.



Most organizations recognize that geography is a key driver of corporate performance. Yet **many organizations maintain ineffective and inefficient footprints** that can hamper talent attraction and retention, increase operating costs, reduce operating flexibility, overexpose them to risk, and depress shareholder value.

Additionally, **most companies lack mechanisms to effectively evaluate and react to business changes.** Some make footprint decisions at the sub-enterprise (e.g., business unit or regional) level while others allow inertia to set in, performing the same functions in the same geographies while the world changes around them

Many companies simply associate footprint decisions with real estate and miss the opportunity to optimize talent, cost, and risk solutions for each and every corporate function and asset.

By enhancing "locational awareness" and **holistically evaluating the corporate footprint** and implementing an enterprise-wide location and footprint strategy, companies can more efficiently position assets in the right place at the right time and strike a balance between market access, talent availability, risk mitigation, and cost containment.

An enterprise-wide location and footprint strategy can help companies stay several steps ahead as the business grows and expands its global reach.

### Trends and Triggers Impacting Location Decision



COVID-19 has caused companies to rethink their work from home policy and created the need to right-size their portfolio accordingly



Increasing pressure to reduce labor costs by exploiting 'labor arbitrage' opportunities



Industrial Revolution 4.0 is transforming companies across all industries into digital enterprise including: AI, Cloud, IoT, blockchain, digital supply chains, flexible consumption models, and other technologies



A market entry strategy formed by engaging with incumbent employers, universities, recruiters, government agencies, can help avoid many common pitfalls

### Site Selection and Incentives Negotiation Case Study:

**Geographic Scope:** North America  
**Size of Operation:** ~500 FTEs  
**Talent Profiles:** Product Development, Software Engineering, AI, Mechanical / Electrical / Systems Design Engineering

Deloitte helped client identify a new North American R&D hub, as a lower cost, scalable alternative to the Bay area, and negotiated a \$20M+ million incentives deal.

### Economic Impact Modeling Case Study:

**Geographic Scope:** North America  
**Size of Operations:** ~10,000 FTEs  
**Talent Profiles:** HR, Financial Services

Deloitte evaluated the economic impact that keeping client's headquarters in New York would have on New York City and New York State and the economic impact of relocating 10,000 roles outside of New York State

### Portfolio Foot Print Optimization Case Study:

**Geographic Scope:** Global  
**Size of Operation:** ~8,000 FTEs  
**Talent Profiles:** Customer Support

Following an acquisition of a large competitor company, Deloitte helped rationalize the client's global portfolio that consisted of 24 locations in 13 countries with over \$17B in annual revenue



With over 9,000 site selection projects completed since our inception in 1919, our broad experience and global team of experts enable us to advise clients through the most complex location strategy and site selection decisions

### How We Can Help





Deloitte’s Location Strategy practice helps companies across industries address some of their most complex and challenging location and footprint issues. We are objective location advisors — not brokers seeking to gain from a real estate transaction. We stay firmly focused on our clients’ priorities while developing and executing location strategies that add value and mitigate risk.

Our location professionals have worked in countries around the world, guiding multi-billion-dollar deployment investments. Our practice leaders are highly involved in industry organizations — many serving as board members of those organizations — so we keep our clients current with industry developments and trends.

Our broader team has worked in countries around the world and includes practitioners who speak multiple languages, hold industry-recognized accreditations (such as The Site Selectors Guild, AIA, CCE/A, CCIM, LEED AP, PE, and PMP), and many serve as board members for industry organizations.

We leverage the deep resources across Deloitte should in-country or other disciplines be needed, such as corporate finance, change management, risk management, supply chain, or tax. We assist companies in building the business case for location decisions, develop and execute implementation road maps, and measure effectiveness against internal expectations and industry benchmarks along the way.

### Location Strategy Service Offerings

 Find	 Deploy and Implement	 Optimize	 Measure
<b>Location Strategy and Site Selection</b> Help clients find locations that access new markets, achieve their operating cost targets, and improve access to talent	<b>Project Management / Transition Management (PMO/TMO)</b> Oversee end-to-end project and transition management delivery services to drive quality and on-time execution	<b>Footprint Optimization</b> Enable better enterprise asset deployment decisions through: <ul style="list-style-type: none"> <li>• Strategic real estate planning</li> <li>• Portfolio restructuring and cost optimization analysis</li> <li>• Implementation planning</li> <li>• M&amp;A/post-merger integration</li> </ul>	<b>Economic Impact Modeling</b> We use a proven methodology to conduct complex economic impact studies that clearly communicate the direct and indirect impacts of investing and creating jobs in a community
<b>Labor Market Analytics</b> Use proprietary tools, licensed software, and data partners to develop a deep understanding of labor supply and demand	<b>Incentives Negotiations</b> Evaluation of statutory and disciplinary incentives, and expansion and consolidation negotiations	<b>Economic Development Advisory</b> Help economic development agencies attract and retain new business to improve the local economy	<b>Social Impact Measurement Modeling</b> Analyze the impact a transaction or event has on a region’s economic output, employment, income, and other metrics tied to the UN’s Social Development Goals

### Start the conversation

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