

35th Annual Survey of Corporate Executives Commentary: Has the Pandemic Affected the Ranking of Site Selection Factors?

While workforce quality and costs continue to be highly ranked factors, the current operating environment has caused companies to increase their emphasis on logistics/shipping costs.

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Will the 2020 Corporate Survey provide us with insight into the needs and priorities of companies and developers, or will the effects of the pandemic and global trade tensions have created a focus on location factors relevant to a temporary business climate that most of us hope will return to a more familiar environment?

{{RELATEDLINKS}} My crystal ball is as good as the next pundit's, but in speaking with clients, in reviewing responses in the 2020 Corporate Survey, and in interpreting current events and investment trends, my view is that those organizations that have adapted to new ways of working, solving problems, and getting business done will continue to succeed in the years ahead. At the same time, there should be no doubt that we will soon return to a familiar way of doing business, perhaps with a greater appreciation of location factors that contribute to the success of the business but also the overall quality of life for employees.

The top-10 factors in the annual survey may change rankings over the years, but they remain solidly on the radar of decision-makers looking at making major investments in communities: workforce; logistics; energy; taxes and incentives. There is a distinct trend in the value placed on certain factors now compared to past years. Executives continue to rank the cost and qualification of work force highly, and this has increased steadily over the past 20 years. Operational costs like energy, construction, and taxes remain critically important, but no more so than in the 1990s.

Factors like logistics, shipping costs, IT, and quality of life made strong gains in a business environment defined by the need to offer customers safe options for buying goods and for companies to design increasingly efficient distribution models. While we have witnessed the tragedy of millions of job losses, businesses have continued to invest in the economy.

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