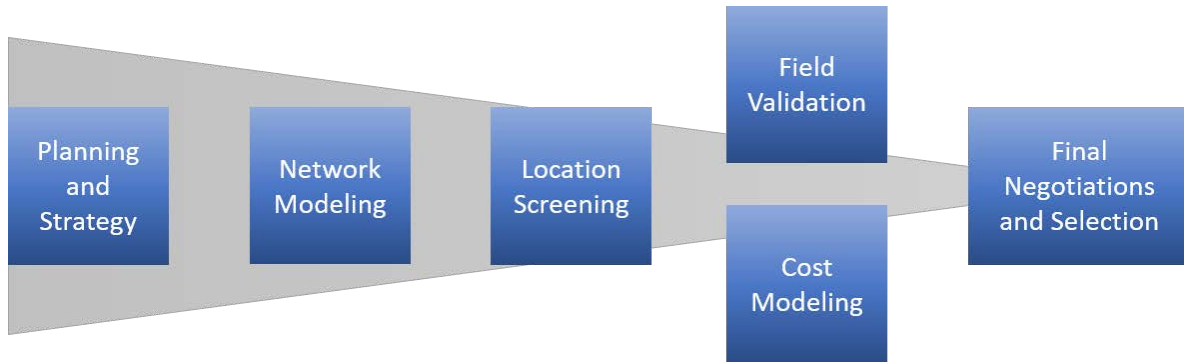


Most larger companies construct a robust site selection process that applies analytic discipline to business goals as illustrated in the schematic diagram below.



Understanding the steps in the site selection process can facilitate a transportation agency's ability to constructively inform decision-makers in a way that helps align actions with goals and priorities.

Typical Site Selection Steps

- **Planning and Strategy** - Firms usually start the site selection process by revisiting the **goals and business context** for their location needs. This includes addressing business questions including, but not limited to, future business forecasts, an overall workforce strategy, and tradeoffs between optimizing cost and reducing time to market. The answers to these questions provide the general planning framework for the organization, form the basis for the facility plan, and illuminate any changes needed to a supply chain and/or distribution system.
- **Network Modeling** - **Time to market** and **overall logistics costs** drive many, if not most, facility location decisions, particularly for those facilities with significant freight movement. As a result, the first stage for locating a facility of almost any form examines the interplay between location and logistics costs. Firms employ models that run through a variety of scenarios to assess the sensitivity of the optimal network to issues such as freight volume, population growth, customer change, sourcing, operations costs, and fuel costs.
- **Location Screening** - The site selection process usually considers **non-transportation factors** such as workforce, regulatory environment, utilities, and the cost of real estate. A **weighting system** is used to test how each of the candidate communities or sites match the firm's needs.
- **Field and Site Analysis** - The firm's site selection team **visits the finalist communities** and further evaluates specific sites or facilities as well as the objective data on workforce and other issues. The team may also seek the **assistance of local or economic development officials**.
- **Cost Modeling** - A firm may use a **full financial analysis** of the various location and network scenarios to evaluate the financial merits and feasibility of each option, including comparisons of the current state, a defined base case, alternative scenarios, or all of these.
- **Negotiations and Final Selection** - After the above steps are complete, the site selection team re-assembles the corporate stakeholders to present recommendations. These may include options for securing **incentives** from local or state governments.

