



Ask SCORE for Business Advice

"Ask SCORE" Column Finding the Right Location Green Bay Press Gazette Sat., Sept. 19, 2009 by Tina Dettman-Bielefeldt

A few weeks ago, the topic in this column was the importance of making educated decisions rather than emotion-based choices. One of the examples was of an entrepreneur who was convinced a location was great, but never reviewed hard data that might have prevented her from making a bad selection. She never generated the needed exposure for her business and closed within a year.

Jessica Beckendorf, Associate Vice President of Economic Development for Advance, a program of the Green Bay Area Chamber of Commerce, would have been a good person to ask for advice. As part of her job, she responds to site selector and business owner inquiries. She understands the importance of using data to make choices.

"Location depends on many factors, including the type of business an entrepreneur is planning on opening," Beckendorf explained. "If an entrepreneur decides that location is crucial to the survival of their business, then they need to determine what type and amount of traffic is most important such as high traffic and/or high visibility."

In addition, Beckendorf said that entrepreneurs need to consider their target customer and where their trip may originate.

"If they don't, they run the risk of wasting a lot of money on marketing with little, if any, translation into sales. A business needs to know everything about their customer," she added.

Some of this information should include age, gender, where they live, customer needs, purchasing power, family status, lifestyle, occupation, income, core beliefs, and hobbies. Beckendorf recommends that local businesses follow the strategy of some of the large national retail chains. When she works with these prospects, most have very detailed parameters involving a certain number of people with specific income and education levels within 1, 3, or 5 miles of a certain intersection.

She continued, "This is very common among retailers. They have already done the market research necessary to know the locations in which they will prosper and will only locate if certain conditions exist. Walgreens is a classic example. They go in to each location with a good idea of how profitable they will be."

While some of this information can be obtained from the U.S. Census Bureau and other sources, Beckendorf recommends contacting local groups that offer assistance. She advised, “I think the best advice I can give is, rather than go it alone, the entrepreneur should contact an organization like Advance, SCORE, E-Hub, or the SBDC. All of these organizations can help the entrepreneur get on the right path.”

Beckendorf emphasized that demographic information is important throughout the life of the business, not only in the beginning. As trends, people, and habits change, research should be a regular process. She recommends random questionnaires, surveys, customer contact interviews, or focus groups. Next week, Beckendorf will talk about the value of the various types of information.

If you’d like to learn more about the necessity of research, contact the Green Bay Chapter of SCORE. Visit www.greenbayscore.org or call Cindy Gokey at 920-496-8930 for information.

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