

7 DARE 2 LOCATE Your Business

WHERE to start? You've selected, named and formed your business; written your business plan and budget; and found funding. Now, what kind of space do you need to operate your business? Will you have customers visiting your business? Are zoning laws a part of the equation? Do you want to buy or lease? What about expansion?

One of your most significant start-up costs will be setting up your business location and the time it takes to find the ideal space.

And, once you've found the right location, you still need to negotiate the price, any improvements, and contract terms.

What do you need for your specific business type?

- Retail** – Location, location, location! It means everything. Make it easy for potential customers and current clients to get to your business.
- Restaurant** – Not only is your location incredibly important, but the capacity of your restaurant generally determines your parking availability and walk-in traffic.
- Office** – Where you conduct business and/or meet with clients. Typically, this is used for service-based businesses.
- Construction** – A yard or warehouse-type space for equipment, staging and supplies as well as general office activities.
- Warehouse + Office** – For receiving shipments, packaging, inventory, shipping, and office activities.
- Manufacturing + Office** – For building or assembly of products, inventory, packaging, receiving, shipping, and office activities.

Growing Pains – If your business plan forecasts rapid growth, find space that allows for expansion at a pre-negotiated price. Some landlords have been known to “stick-it to” tenants who are in desperate need of more space. Therefore, remember to always have a “Plan B” ready for alternative locations or to help you add leverage during negotiations.

Retail



If your business requires a storefront to attract customers (as a primary part of your marketing efforts) and conduct in-store sales, then use the following guidelines to locate your business where you'll get the most activity. Retail space is by far the most expensive space you can rent, but it's where you make your money! And, good store layout for POS and POP (point of sale and point of purchase) is mandatory to maximize sales.

Location, Location, Location

These are the three most critical factors of your retail sales success and why you want your business conveniently located for your customers. There are reasons why restaurants and convenience stores are located near high customer traffic since they require a storefront and signs to attract new customers and to service their current clientele. They also need easy access and ample parking. Their rent/lease may not be cheap, but without a good location, their business won't have a chance to survive.

Your Business Location

If your business relies on foot/drive-by traffic for customers, then locate:

- On a busy street**, preferably a corner.
- Where there is **good signage** to attract new customers.

- In a neighborhood** that complements your type of business (i.e., not down by the docks, surrounded by fisheries if you do floral arrangements).
- Near complimentary (not competitive) businesses** (i.e., if you do wheel alignments, locate near a tire dealer that does not).
- With **ample parking** to accommodate your customers.
- Close to your home** (within 20 minutes) – you don't want to spend precious time commuting. You've got a business to run!

Restaurant



You need everything a retail business needs and more.

How many times have you seen restaurant after

restaurant fail in the same location? If you're thinking

of locating your restaurant where others have failed, you must

ask yourself: *Why will my restaurant succeed in this location*

when the previous restaurants failed?

Give walk-in customers a chance to try your food by situating your business adjacent to retailers with complementary products or services:

- Movie theater
- Shopping
- Entertainment

Construction



Here's the good news: you won't need expensive retail or store-front space to operate your business. You can locate your operation in warehouse space, which is the least expensive rental property you can find. You'll need a small office to manage your paperwork and then space (maybe even a yard/parking lot) for any equipment, trucks, prep/staging area and personnel. Make sure you pre-negotiate for space you may need for future growth.

Business Office



Your business does NOT require a storefront to attract walk-in traffic. Most of your business is conducted by appointment. You may require a small conference room to meet with customers. Even though they're "pricey" per square foot, executive-type suites offer receptionists, various amenities (electric and custodial), and access to conference rooms are often included in the rent. Figure on a space allowance of 200 sq. ft. per person. This computes to a 10'x12' office plus some common shared space (hallways, coffee room).

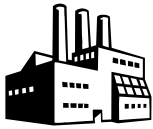
Warehouse



You inventory products that you receive, possibly assemble, package and ship. Yet, you still conduct office activities and handle lots of paperwork

taking customer orders and doing your bookkeeping. You rarely, if ever, meet customers at your business location. Your needs are well defined by the amount of storage space you need. Generally, this is one of the least expensive types of space to lease. Calculate the square footage you require based on size of materials, staging areas, tiered storage systems and any automation you put in place.

Manufacturing



Your primary business is building or assembling products. You normally inventory parts and do packing, shipping and receiving. Much like warehouse facilities, you still conduct office activities including bookkeeping, and possibly take customer orders. A manufacturing facility also comes with certain EPA guidelines and restrictions for handling of materials, any waste/by-products and disposal procedures. *Don't underestimate the impact this could have on your business!*



Go to www.Dare2Now.com for a list of companies who specialize in helping small businesses rent or lease space. Most of them have scalable service packages to meet your budgetary requirements.

EVERYTHING YOU NEED

ResourCenter

at

www.Dare2Now.com

Rent/Lease



Many building owners/leasing companies will assist in getting you into your new business location. Here's a valuable checklist to help!

- Find a leasing company/owner that WANTS to work with you** (the more desperate to rent, the better). Know the market availability *before* you start looking. This will better equip you to favorably position your business and financial needs to potential landlords.
- Ask the lessor to explain their pricing** and then compare their lease to others in the area.
- Appropriately size your needs** and don't be oversold by a great location that's twice the space you need. You'll add extra stress by always trying to play catch-up to meet your monthly payments
- Find out what happened to the previous tenants** (ie, if it was a restaurant and you're planning on opening a restaurant – why did it fail?).
- Conduct your own price comparisons** with similar rentals to make sure you're getting a fair deal.
- Meet with current renters in the same complex** (or nearby) to see what their experience has been with customer traffic, parking, the owner/leasing company, security, and public nuisance problems.

- Make sure your promotions** (grand opening banners, balloons, music) won't be hampered by your new lease agreement or local ordinances.
- Negotiate leasehold improvements** that may include: signage, paint, carpet, electrical, walls, vents, air conditioning, or bathrooms. This can be the "skin" the landlord puts up, or the costs can be rolled into your monthly lease payments and paid for over time.
- Other Benefits** you can ask/probe your landlord about and throw into the negotiations, *before you sign*, can include Internet service, cable, electricity, water and other utilities.
- Budget your rent/lease payments** to ensure your continued business life and base it on conservative sales estimates.
- Try to negotiate graduated payments** with your landlord to ease any start-up or cash flow needs you might have.
- Have a lawyer** scrutinize your lease to make sure you won't be committing to anything that will put you or your business at risk.
- Utilities/Services** can be critical to the running of your business, not only their cost, but also their availability. Make sure you have easy access (your landlord probably doesn't want to hire a contractor to put something new in for you) to any of the following you might need for your business:
 - Electrical (with enough power to handle your needs)
 - Phone lines

- Cable or DSL for Internet
- Cable for TV (if needed)
- Water (if needed)
- Gas (if needed)
- Drainage (if needed)
- Trash disposal
- Custodial/cleaning

NEXT STEP:
ORGANIZE Your Business

EVERYTHING YOU NEED

ResourCenter

at

www.Dare2Now.com

“In the business world, the rear view mirror is always clearer than the windshield.”

WARREN BUFFETT