

4. *Convenience as regards employees.* Does the city contain the class of employees required, or can such employees commute conveniently from nearby points? Are the living conditions, rents, schools, churches and social facilities such that the right kind of employees can be induced to settle in the city? If the city or industry is strongly unionized, are the leaders radical or enlightened? Will there be probabilities of labor troubles? Is there such competition for the services of such employees that wages are too high?

5. *Convenience as regards suppliers.* Can the city be reached conveniently by the salesmen from firms that furnish the raw materials and supplies needed, and are the hotel facilities adequate? In other words, can the company choose from all possible sources of supplies, or must it depend on the few hardy souls who make the stop-off in spite of inconveniences, while others pass it up?

6. *Convenience as regards competitors.* Are the offices of competing firms located in the same city? If so, does that mean greater attraction of customers, cooperation to secure better buying power, cheaper freight rates, more skilled labor, or does it mean competition of a nature that is detrimental? If the latter, are there indications of better conditions coming?

7. *Convenience as regards transportation and communication.* Is the freight transportation to and within the city good so that both receiving and shipping of goods are facilitated? Does the city get speedy and frequent mail service to important points, and locally? Does the city have convenient telephone, telegram and ticker service?

8. *Convenience as regards financing and banking facilities.* Are the banking facilities of the best—substantial, able and willing to extend the necessary credit? Are local checks acceptable at par where the firm's accounts are paid? Can capital for the enterprise be secured locally? Is the city dependent upon one or two main industries or occupations, so that it is subject to occasional periods of violent depressions that would affect the company adversely?

9. *Psychological effect of location.* Is the reputation of the city such that location in it adds prestige in the eyes of customers, employees, creditors and the public generally? Is it in good repute among the supply houses for transportation, adjustment of claims and other respects likely to make them anxious to do business with companies located there? What will

be the reaction of competitors to that location? Is the credit of the city and of the other enterprises in it good with the banks, so that location there will not prove a handicap to the raising of capital or negotiating short term loans? What is the political situation, as regards the honesty and ability of the public officials?

10. *Cost.* Finally, what will be the approximate rental or cost of a building within a certain city? How soon will a building become obsolete? Are real estate values in the city increasing or decreasing? Does the city offer any inducements such as exemption from taxes, free land and so forth, to attract new industries?

When these questions have all been considered, the facts brought out will probably result in the selection of a different city than if decision is based on the head of the concern's having been brought up in a certain town, or on some other purely personal consideration.

In What Part of the City?

The foregoing analysis having determined tentatively the city in which the enterprise or office should be located, the next decision to make is the part of the city to select. Or it may be that more than one location is to be chosen if the study shows that separation of office from factory or separation of departments is desirable. Some of the same criteria apply:

1. *Requirements of the work to be performed.* Contacts are of prime importance. Contact with customers may require an expensive downtown location for some departments while other departments may have no outside contact at all. Usually the former consideration results in the choice of a downtown location for the entire office, although study of the contacts between departments may show that some of them can be readily placed in less expensive quarters. The other considerations of space, light and freedom from noise might also show the less central location to be the more desirable for certain departments. Consequently, it must not be assumed that only one office can be located in a city if the study shows entirely different requirements for different parts of the work.

2. *Fire Protection.* On the fire maps of the cities kept by the fire insurance companies, certain districts are marked as being bad fire risks because of the narrowness of streets, type of construction of the buildings, lack of water pressure, distance from fire

station or other reasons. Such considerations should be borne in mind from the point of view of risk and rate of insurance.

3. *Convenience as regards customers.* If customers come to the office it must be in a part of the city near where they are, or within easy distance. The customers of a large metropolitan bank are downtown business men. Such a bank could never hope to keep them as customers if located anywhere else but in the business district. If customers do not come to the company, this consideration is naturally of no importance.

4. *Convenience as regards employees.* Employees go to the office from residential districts. Convenience to them, therefore, is entirely different from convenience to customers. One of the obstacles in the way of the business development just north of the Chicago River is the lack of transportation for persons living south or west of the Loop. The character of the available restaurants in a district is also a factor, although in many cases any lack in this respect can be met by the company's starting its own restaurant or cafeteria. A third factor in attracting desirable employees is nearness to the shopping district, beauty parlors, etc. Employees need some time for shopping and when the shopping district is near they can do their shopping without having to ask for time off. In the event of night work, is the district safe for women employees? Convenience of parking space for automobiles is still another factor.

5. *Convenience as regards suppliers.* Convenience of access to the source of supplies is desirable for the better selection possible and for speed in getting deliveries.

6. *Convenience as regards competitors.* Along with other old ideas which are being discarded is that of avoidance of one's competitors. Instead, companies in the same line of business are gathering into districts and rubbing elbows. The financial district, the department store district, and so forth, bear witness to the acceptance of the newer idea that all will benefit if brought closer together.

7. *Convenience as regards allied lines.* For some businesses it is a distinct advantage to be located in the same district as other lines serving the same customers.

8. *Convenience as regards transportation, communications and other facilities.* Should incoming or outgoing shipments be necessary in the conduct of the business, attention should be paid to the railroad facilities in the district, location of freight stations,

express service available, and the condition of the streets as regards paving, congestion and so forth. Finally, the frequency of mail collection and delivery, nearness of telegraph offices, banks, ticker service and the like should be ascertained.

9. *Psychological effect of location.* Certain districts or streets acquire certain reputations. A stock brokerage house seeks an address on Wall Street in New York or La Salle Street in Chicago because of the impression of financial stability such an address lends. Or a district or street may have an unsavory reputation, and any company locating there is judged as being of the same nature. Frequently also, companies are compelled to move because the character of the district they were in has changed since they first located there. The effect on prospects, customers, employees, suppliers, banks and the general public of the district must therefore be weighed.

10. *Cost.* The line of demarcation between districts is sometimes so distinct that land on one side of a street is worth double that on the other. This will, of course, be one of the big factors in determining location. And with this should be considered the probable future growth of the city both as to its extent and direction.

When considerations such as these form the basis for decision, many companies that feel they must be in the heart of the business district will realize the price they are paying and the sacrifices they are making to gratify their vanity.

On What Site or in What Building?

About this time it becomes pertinent to ask also: Shall we rent, buy a building, or build one? If the last, shall we buy or lease the site, build a building for our own needs only, or plan to have other tenants? Twenty years ago it was considered excellent business to build a building of the monument type, in the heart of the city, capable of housing a large number of other tenants. Today, although many companies are still doing this, others are beginning to question whether or not the game is worth the candle. Some are building in smaller towns or in outlying districts where land is cheaper, and are providing only for their own needs. Others are building on land leased for from twenty to forty years on the assumption that at the end of that time the building will be obsolete and should be replaced, or the character of the neighborhood may be so changed that an entirely new location is desirable.