



## **Engage – Serve – Represent**

### **Retail Recruitment Notes**

Local businesses are often more efficient on a square-foot basis than larger operations. Although there are economies of scale (i.e., so that larger size means lower unit costs), there are also diseconomies of scale, which cause unit costs to rise with size. The appropriate size for any given business is based on a balance between those two forces. There is no magic formula that reveals the optimal size for every business.

Neighborhood-based economic development is key to a strong, local economy and a high quality of life in our community. Revitalization efforts focused on commercial corridors means new jobs, businesses and investment for neighborhoods that need it.

Should small business owners be encouraged to buy their own building? Favorable financing and appreciation potential are strong investment lures, but owning instead of renting comes with a unique set of consequences. The sump pump just went out. It's a 96-year-old building. Instead of calling the landlord, you now call yourself. Also, businesses must take special care that the buildings they buy contain adequate space for any physical growth. It is not as flexible as leasing. Owners who are also landlords swing a double-edged sword. Managing tenants can drain the property's value.

On the pro side, small businesses that own and occupy their sites lock in some financial security that is otherwise unavailable. In a strong real estate market, a failing building owner can cut his losses or save his company by tapping real estate value. There's also value in the physical shelter. You don't have to continually look over your shoulder playing "What if?" Retail, for example, is often site-specific. Retailers spend money and energy developing clientele. If you relocate too much, you lose your customers.

Don't buy or lease until you know your business will work there:

- Parking
- Zoning
- Facilities / Operations / Building Deficiencies

Get a Professional Assessment.

Know the strength of your community. Develop brand identity and implement brand with a step-by-step plan. What we have to do is uniquely define our commercial corridors and then successfully and continuously deliver the brand to the business community and the public.