

Location and just in time:

For business-to-business (B2B) transactions, JIT systems might mean deliveries are frequently required. Often a manufacturer will insist that suppliers are located within a certain distance/ travel time from themselves.

Infrastructure:

The road, rail and communication systems that service a area are collectively known as the infrastructure. High speed broadband for example is essential for certain firms, whilst other maybe reliant upon imports and therefore need good transport links to ports and airports. Economies of concentration can sometimes occur this is where groups of similar industries locate near one another to achieve mutual benefits e.g. local college education courses



Labour:

A key consideration is the cost availability and skills of the labour force in a particular location. If an area has a local specialist such as Bristol with engineering and aeronautics, this might attract other companies in this industry.



Locating overseas can mean that costs are much lower but could you be sacrificing too much control in an attempt to cut costs.

Within the UK the cost of the labour also varies. For example, a worker from London is more expensive than a worker from the North of England.

Government influence:

Are the government offering incentives for you to locate in a certain area e.g. grants or tax breaks. They might be doing this in order to create jobs in a local area and to support the economy e.g. Nissan and Sunderland. Governments will often give permission for large scale developments and provide help with labour force recruitment and training to attract new business to an area.



Social reasons:

A firm's owners might decide that the local area offers good schooling for their children and nice housing so opt to remain there even though other areas might offer lower business costs. The owner might also wish to remain lower to their existing workforce and not want to force them to relocate to a more competitive location.