

W8 topic

Business, Management



Importance of location planning strategies Importance of location planning strategies It is imperative for businesses or organizations to locate appropriate locations to conduct its services. This can only be achieved through the development of an effective location planning strategy. Location planning strategies have a lot significance as is elucidated in this paper. According to Meredith and Shafer (2013), establishing location planning strategies for any business is important as the location of a business is one of the factors that determine the costs of products, value of the business, and also determines the demand of products and services being offered by the business.

Creating effective strategies geared towards the identification of an appropriate location for is business is important as it will help minimize incurred expenditures in terms of transport costs. Locating a business near a market and in areas where business expansion can easily be done is important for a business. Business or industries ought to be situated in locations where raw materials and labor are readily available (Waters, 2003). This can only be achieved through designing and implementing proper location planning strategies.

There are other factors such as political situation of a particular region or country, as well as social and economic issues that affect business. Economic factors may include economic activities such as agriculture (Waters, 2003). Subsequently, considering the economic and social nature of the target population is of significance as it directly contributes to the success of the business. Regions with political instability ought to be avoided at all costs. Location planning strategies helps business owners identify these issues and

hence enable them to make informed decisions. There are areas where business owners may enjoy tax cuts or benefits from the government and location planning helps business owners identify such areas. For instance, opening a business in rural areas may have additional benefits in terms of costs of production and tax cuts by the government (Bryson, 2011).

References

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