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The location factor and its influence over setting up a business by [Andy Cena](#)

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Two factors that can make or break a business are its cash flows and its location. When setting up a business, the cash flows can be augmented in the course of regular operations. However, a business may find itself fighting a losing battle if it were to get its location wrong.

Retail businesses are a prime example of this. Most retail shops are located on the high street or in areas where the shopper density is likely to be high. This is due to their reliance on foot-falls for the continuance of the business. A variant of this is those that are exhibited by local street side businesses. Usually operating under the fast-food category or knick-knack and curio stalls, these local businesses rely heavily on their location for their business volumes. Trans-locate them to another location and you might as well be sounding the death knell for them.

Those in the services sector do have a certain amount of leeway in the location. But this is true only for businesses that fall in a narrow category. For example, a dine-in restaurant that is sited at the other part of town, far away from the main residential districts will be hard-pressed to remain afloat. On the other hand, a home-delivery restaurant operation may find it convenient to operate from a relatively distant location if the economic conditions permit them to match consumer expectations while running on reduced costs. Thus, businesses that offer personalized services such as barber shops, salons, supermarkets, etc. must more often than not be located within easy reach of their consumers.

Operations that function on a larger scale or have an industrialized output have sometimes the most flexibility in terms of their location. Strip malls, large supermarkets, industrial goods production and sales outfits all are usually found to be located in specially designated industrial parks and other such areas. Considering that industrial land solutions are getting rather common, it has become necessary to sift through the options to choose the one that is best for you.

Key Points to consider when choosing a location for your business are:

- * Setup & Operational Costs: The lower the better
- * Taxation Policies: Look for low taxes or places that have a zero tax-policy
- * Infrastructure & Business Support: Quality, completeness and conducive environment works best
- * Accessibility: Check for accessibility to major international and local captive markets
- * Connectivity: Locations close to an airport, sea-port or major highway would take preference
- * Flexibility: Go for locations with positive governance policies that encourage and not hinder operations

There are plenty of locations vying for your attention but only a select few that can be counted among the best. So choose wisely and choose well.

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