

# LOCATION



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- The location of a business is where it is situated e.g. in Central London, Silicon Valley, etc. Where to locate a business is a crucial decision because this will have an important impact on profits. Typically businesses will seek locations that maximise revenues and minimise costs.

High revenue - Low cost = High profit.

# LOCATION

When deciding our location we have to take into account these points:

1. CLOSE TO TE CUSTOMERS

2. TRANSPORT LINKS

3. SKILLS AND COST

4. GOVERNMENT

5. OTHERS:.....  
.....  
.....  
.....

# CLOSE TO THE CUSTOMERS



- The nearness of the market and the cost of delivering the goods are likely to be important factors.

# TRANSPORT LINKS



- Transport is an important factor supporting access to markets. Modern companies also need to locate where they have access to excellent information technology links.

# SKILLS AND COST

- **Availability of appropriately skilled employees.**  
Some industries rely heavily on a highly skilled workforce. In contrast, other industries that require cheap labour will seek locations where there are a lot of people looking for work that are prepared to accept low wages.

# GOVERNMENT INCENTIVES



- **Government incentives** are important in reducing costs of locating in certain areas. These incentives are in effect subsidies provided by European Regional Funds (from the European Union) and by the UK government.

**With the words given below complete the following paragraph.**

Customers      Government      skill and cost      information      technology  
Transport

When deciding on a location a business will consider where its..... are. The ..... might offer some form of financial support to businesses for locating in certain areas. These are some factors that influence the location of businesses. However the ..... and..... of labour can also be a factor in deciding where to locate. Some businesses need to have access to good ..... links to deliver their products to customers. Today, the location of business is starting to matter less in some cases because of the influence of .....