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Top 10 Things to Do with Top 10 Lists

How companies decide where to move.

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There's no shortage of city rankings available to companies that might want to pull up stakes. In the aggregate they provide an almost dizzying amount of information that might influence expansion or relocation plans. Want to know which U.S. city is the least expensive, or the most tax-friendly to corporations, or creates the most jobs, or even which one is likely to make you richest? There's a list for all those metrics, and more. Heed the rankings and you could land in San Juan, Puerto Rico; Saginaw, Mich.; Provo, Utah; or Plano, Tex.

But does anyone actually base a critical location decision on such lists? Some experts answer with a resounding yes. "We know that site selectors read these studies and make decisions on where to start looking based on them," says Jason Perry, executive director of the Utah Governor's Office of Economic Development. He credits recent decisions by Procter & Gamble, Sephora, and Duncan Aviation to open Utah facilities at least in part to Utah cities' favorable rankings on lists by the Milken Institute and the Beacon Hill Institute, among others.

Site Selection Group founder and president King White, however, characterizes the lists as "fairly pointless," since "what's important to a call center is totally different from what a manufacturer or distribution center might need." The lists also usually fail to get geographically specific enough, he argues, because they look at broad metropolitan areas rather than breaking down the data by sub-areas. The corporate-location consultant says such lists are "more PR-related than anything else," although his firm soon plans to release its own city rankings, in part to correct some of the flaws he sees in other reports.

In truth, many CFOs choose locations based on factors that such lists just can't capture. Mark Shamber, CFO of United Natural Foods, plans to move corporate headquarters from Dayville, Conn., to Providence, R.I. The \$3.4 billion distributor of organic foods is outgrowing its current distribution center in Dayville and will soon need to expand into the space now occupied by its headquarters. Why Providence? Shamber's priorities were to find an existing building with expansion possibilities that could handle a move within nine months, was near a major airport, and that kept his employees' commute times reasonable. "I can tell you 100 percent we didn't factor any of those [rankings] in to the decision," he says.

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