

**TOP TAKEAWAYS**

**The Role of the Board in Site Selection and Talent Development**

**1. Talent development and management should be a board priority, as important as financial and safety metrics.**

Talent development strategy has many different aspects, including workforce planning, site selection, rewards and performance management. The strategy needs to work effectively with all related and dependent systems and processes.

**2. Talent development strategy needs to complement the specific needs, mission and culture of the company.**

It is the role of the board to assess the current level of sophistication with respect to talent and articulate and reinforce the appropriate strategy consistently. Talent development approach adopted by tech companies, for example, may be disastrous for a manufacturing company.

**3. Talent development strategy needs to evolve with the changing business landscape.**

Best practices and societal sensitivities are evolving and must be acknowledged. Paternity leave, for example, which has received a lot of recent attention would not have been on the table 10 or 15 years ago.

**4. In addition to planning for CEO succession, board should also be monitoring the talent pipeline.**

Understanding millennials, for example, is important to improve fit, retention and professional development. Boards should take an active role in mentoring and sponsoring high potential talent. Barclays and Lockheed Martin, for example, have developed pilot programs for developing executives by serving on outside boards, while working closely with the board as mentors.

**5. Considerations in making site location decisions should align with talent strategy.**

The lack of a strong talent pool should be a deal breaker. Education and training resources should be strong to support talent pool.

**6. Economic health of target locations should not be overlooked during due diligence.**

Special attention should be given to zoning, tax and other regulatory factors, which may have an impact on business success.

**7. Key considerations of site selection include:**

- (a) Labor – how do operating conditions compare to the list of alternatives?
- (b) Incentives – how far will state/local municipalities reach to attract the project?
- (c) Real estate and infrastructure – will sites meet the company's unique technical requirements?

8. **Business and economic incentives should be understood up-front as part the site selection and project analysis due diligence phase.**

Incentives and location advisory can determine if a project can be viable from a cost, HR or business service perspective. Typically 10% to 30% of overall project capex can be mitigated with incentives benefits. Savings often exceed 50% when positioned and negotiated properly. Types of incentives include cash grants, income tax credits, forgivable loans, land and building concessions, job training reimbursements, property tax abatements, sales tax credits, infrastructure costs, etc.

**For more information**

For more information on The Role of the Board in Site Selection and Talent Development, please feel free to contact the moderator directly:

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