

TOP TAKEAWAYS

The Role of the Board in Site Selection and Talent Development

1. Talent development and management should be a board priority. Talent development strategy has many different aspects, including workforce planning, succession planning, site selection, rewards and performance management. The strategy may be supplemented by the use of technology and analytics 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.
3. Talent development strategy needs to evolve with the changing business landscape. Best practices and societal sensitivities are evolving and must be acknowledged. Embracing social causes and community investment, for example, have been successful in attracting millennials.
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.
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? (d) Business – is the corporate structure compatible with the site selection?
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. 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.

9. While the tax and regulatory environment of the state is important for site selection purposes, boards should also consider the speed at which the county and local agencies operate (e.g., issuance of permits).

10. Site transitions should be completed quickly and with confidentiality to avoid uncertainty and losing talents.

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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