

## Teacher guide

### Location decisions - Enterprise

#### Where does the lesson fit?

This session would fit in an Operations module to introduce the factors that firms take into account when deciding on the location of their operations.



**Suggested resources & activities** related to location decisions and Enterprise:

- Full Enterprise case study
- Location decisions PowerPoint
- Investment decision making lesson resources
- Enterprise crossword
- Enterprise word search
- Enterprise quiz

#### Suggested timings for the session

5 mins	Starter e.g. Enterprise word search
5 mins	Use the Location Decisions PowerPoint to discuss the topic
5 mins	Read the case study
10 mins	Answer the questions
30 mins	Task – researching a suitable local location for a new Enterprise branch
5 mins	What have you learned?

#### Answers to questions

1. List the different factors that firms have to take into account when making location decisions.

Factors include:

- Closeness to customers
- Cost and availability of labour
- Cost and availability of land
- Local infrastructure
- Transport links
- Access to raw materials
- Local amenities
- Environmental factors



## **THE TIMES 100**

### **BUSINESS CASE STUDIES**

2. Describe how a good location can also help to promote the Enterprise brand. If the branch is clearly visible, the signage used by the firm can promote the brand.
3. Explain the benefits of getting the right location for a business.  
The right location can help firms to create competitive advantage by:
  - Increasing the number of customers
  - Improving efficiency of operations
  - Generating more profits
4. Analyse whether 'closeness to customers' is the most important location factor for firms.  
On the one hand...
  - Some service providers like Enterprise, must be close to their customers because of the nature of their operations. For Enterprise, they aim to be within a 6 minute drive time from their customers.
  - If it is not convenient for customers to get to businesses, such as high street stores, then these firms are likely to experience diminished sales.However, other firms do not have to be near to the customers. For example...
  - Manufacturing firms may prefer to be near raw materials or good transport links.
  - The climate will be the most important factor for producers of tropical fruit.
  - Some firms keep costs down by finding cheaper land or premises. They may make it easier for customers to come to them by providing large car parks and locating near main roads e.g. retail parks, out-of-town supermarkets.
  - The increasing use of technology and the internet makes some firms more 'footloose'.

### **What have you learned?**

Expected learning would include:

- The importance of getting the right location:
  - gaining more customers
  - improving efficiency
  - generating greater profits
  - gaining competitive advantage
- Factors affecting location of business include:
  - Closeness to customers
  - Cost and availability of labour
  - Cost and availability of land
  - Local infrastructure
  - Transport links
  - Access to raw materials
  - Local amenities
  - Environmental factors