**A2 Business Studies: Location**

**Toyota Plant - Burnaston, Derby**

When Toyota was looking for a site in Europe, there were a number of items on its shopping list.

* A good local market
* Enough space. Its site is 235 hectares - that's about 235 football pitches.
* Enough people with the right skills to make modern cars - it has 3,166 employees to press body panels, weld, paint, mould plastic and assemble the cars.
* Good communications. If you make 150,000 cars a year, you want to be able to get them to the market quickly and easily. As 80% of the cars are exported, taking them to the port is a critical part of the process.

**Why Derby?**

Because it met the requirements Toyota had drawn up for its new site.

The UK is a good place to sell cars and Derby is at its heart.

It had the space available and Derby has a long history of engineering so there were plenty of people with the right skills.

There were also businesses which could provide all the services that an enormous car company would need.

Derby has easy access to the M1 and M42. There are good railway links too.

***Just think...***

***What would a business you know be looking for if it were searching for a new site?***

**Should we stay or should we go?**

Toyota was looking for a location to open a new factory. Other businesses might need to consider moving.

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For some it might not be necessary.

Some businesses stay in one place for generations. Others are constantly on the lookout for another location which suits their needs better.

At weekends in city centres, you often see office furniture and crates of papers being loaded into enormous removal vans. Another business is on the move.

**Why stay?**

Toyota would find it hard to move because of the investment in the plant, which is vast.

It cost £700m when it was built 12 years ago. To rebuild would be even more expensive and disruptive. Most businesses with expensive equipment will be in the same position. Much heavy industry stays put.

The skilled local workforce would be hard to find elsewhere. Any business which needs people with specialist skills will think twice about moving.

**Network**

Training people is very expensive so you don't want to lose them by moving. In some areas the local colleges and universities have specialist courses which support the industry. The businesses that supply services and products to Toyota are established in the area.

Many big businesses have a whole network of smaller businesses that help them and depend on them.

If a business moves, it has to re-establish the network. Moving will be very unpopular with the locals because all these businesses will lose their markets - as well as the job losses from the factory itself.

A business that provides services to its customers will not want to move away from its customers.

***Just think...***

***Should the business you know about stay where it is?***

***Can you think of other businesses which would find it hard to move?***

**Why go?**

A growing business might need new premises. It can be hard for a city centre business to find a bigger factory in the middle of town where there might not be much space.An office-based business can find it easier to move because the same sort of facilities are available everywhere.

Businesses often take their key workers with specialist skills with them and recruit new people, from the local area, to other jobs.

**Government grants**

The Met Office did this when it moved to Exeter - you might remember the programme last year. A business can be attracted to an area where the government gives grants to new businesses which move in.

Areas with high unemployment around the country have been chosen for such help in order to create jobs. They are known as Development Areas.

***Just think...***

***Should the business you know about move to a new area if it outgrows its current space?***