

# Corporate Perspective on Baltic Sea Region as an Investment Location

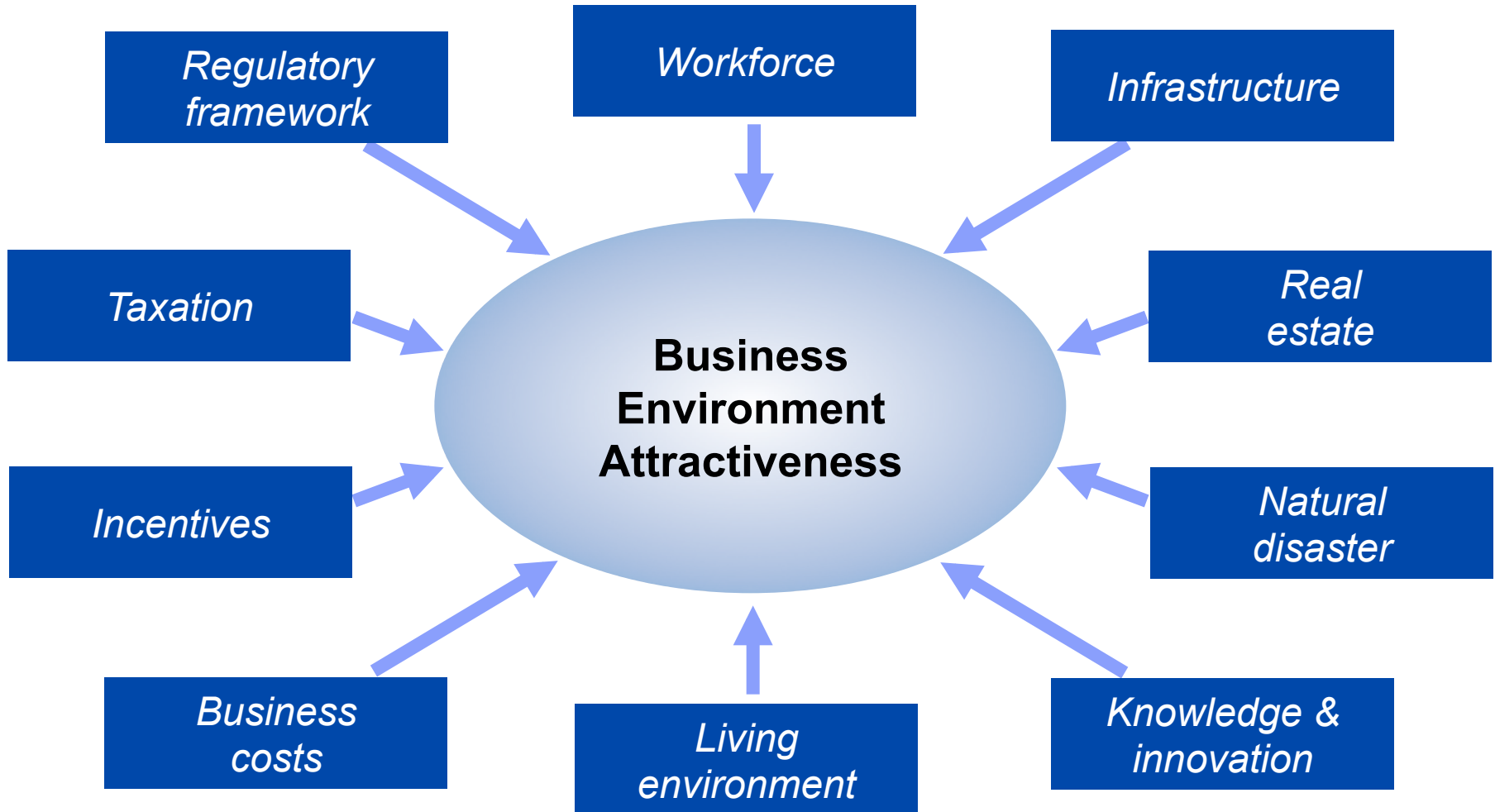
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# Typical process in location selection follows a stepwise de-selection approach



Location selection is a multi-dimensional process. Many factors are involved, which vary by industry, business function, company, ...



## Key investment drivers and observations for Baltic Sea Region

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- Market
  - BSR not one homogeneous consumer market
  - Companies focus on countries within BSR or wider European environment
  
- Resources
  - Natural resources: selected countries only
  - Human resources: not one coherent region, but clusters with common skill sets
  
- Efficiency
  - Strong variation between mature economies and transition economies

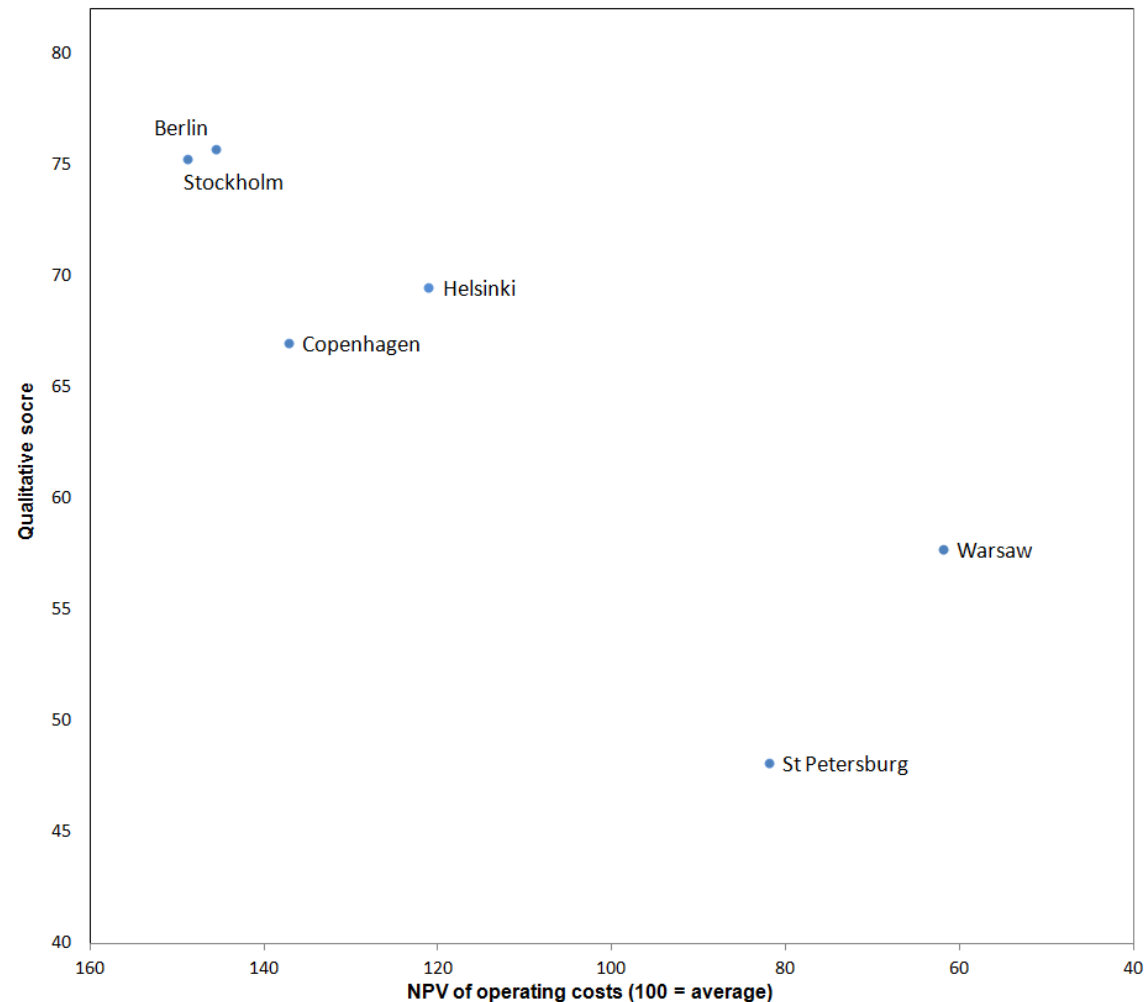
## Implications for Baltic Sea Region proposition as investment location

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- There is **not one single location proposition** for the BSR;  
Various different propositions exist for individual or groups of countries
- From a market perspective (consumers, labour), the **Baltic Sea is more often considered a barrier** than a uniting and integrating element
- Companies will only consider those BSR countries whose proposition matches with their strategic needs
- **Location propositions vary** by sector, business function, market focus, etc.
- BSR countries/cities need to understand what their individual proposition is, based on corporate location requirements
- For some companies there may be **complementary propositions within the BSR** for different business functions (e.g. HQ vs back office)

## Example: propositions for high end Software Development

- Location propositions can often be expressed as a **'value for money'** offer: quality versus cost
- **Quality** of locations is determined by corporate specific requirements
- **Cost** is based on market driven cost factors
- Locations within BSR offer **different cost-quality propositions** for investors



## Final observations

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- **New investors**, with little awareness of BSR:
  - Unlikely to look at BSR in isolation
  - Will either look at single locations within BSR or at wider European environment
  - Will therefore find little value in a pan-BSR IPA organisation
  
- **Companies with presence** in and better awareness of BSR:
  - May see complementary location propositions within BSR
  - May consequently see benefit in locating complementary functions within BSR
  - Will therefore find value in common marketing initiatives focused on similarities in location propositions

Thank you!

**Plant Location International (PLI)**

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Global Location Trends report can be downloaded at [www.ibm.com/gbs/pli](http://www.ibm.com/gbs/pli)