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# BAS

The connection between  
digital skills and  
economic development  
from practice

**HANDBOOK**





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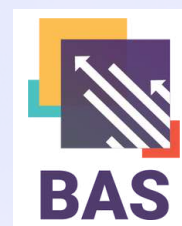
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# THE PROJECT IN SHORT



<b>ACRONYM</b>	<b>BAS</b>
<b>TITLE</b>	Developing digital business attraction skills through continuing VET at work in the local public sector
<b>FUNDING PROGRAMME</b>	ERASMUS+
<b>LENGTH</b>	2022-2024
<b>GENERAL OBJECTIVE</b>	The general objective of the BAS project is to raise the business attractiveness of the European cities through an up-skilling of staff of local authorities.
<b>SPECIFIC OBJECTIVES</b>	The specific objectives are: <ol style="list-style-type: none"><li>1. To equip managers and civil servants from Municipalities with digital competencies in the field of business attraction</li><li>2. To exchange and identify innovative experiences on business attraction strategies among municipalities in Europe</li><li>3. To develop an online training module to help managers and civil servants.</li></ol>
<b>TANGIBLE RESULTS</b>	<ol style="list-style-type: none"><li>1. Training needs mapping and analysis: a collection and analysis of the training needs of the target group.</li><li>2. Toolbox on Business Attraction Management: the toolbox will focus on how to organize and manage the Business Attraction capabilities</li><li>3. E-course on Digital Business Attraction Skill: online training path for civil servants</li></ol>
<b>OTHER PARTNERS</b>	Municipality of Orust (SE) Municipality of Imola(IT), Sweden Emilia Romagna Network – SERN (IT), CARDET (CY), Municipality of Pforzheim (DE), Tendensor (SE), Dubrovnik Development Agency DURA (HR).
<b>WEBSITE</b>	<a href="https://basproject.eu/">https://basproject.eu/</a>
<b>FACEBOOK PAGE</b>	<a href="https://www.facebook.com/bas.erasmusproject">https://www.facebook.com/bas.erasmusproject</a>





# Introduction



Welcome to the BAS Handbook. Its purpose is to provide the reader with the prerequisites for leading an effective and coordinated work in attracting and realizing business establishments.

The handbook is both for individuals who work professionally in establishment promotion and for those who work in municipal administrations that come into contact with the establishment process at one or several stages.

*The abbreviation BAS stands for Business Attraction in Small and medium Cities and is a result of the ongoing ERASMUS project with the same name. The content of the handbook will also be made available in the form of an online training course in 2024. It should be emphasized that BAS is an EU-funded project and that both the handbook and online training are intended to work in all EU countries.*

BAS is an important initiative. There has been a lack of a clear framework for municipalities' establishment promotion work in times of innovation and sustainable development. It is clear that business establishments are becoming more complex over time, and we need to involve more competencies than before to enable establishments.

Business establishments can contribute significant value to regions and municipalities, primarily in the form of employment opportunities but also through the establishing company's contribution of knowledge, international networks, and a wider range of possibilities and goods for the residents.

There is natural competition for business establishments and investments. Therefore, regions and municipalities need to clarify their specific areas of strength, develop a coordinated establishment process, and foster a business-oriented culture. The BAS Handbook is available as support in this process.

## **Per Ekman, Tendensor**

CEO of Tendensor

*Tendensor is one of seven partner organizations of the BAS Project. Per Ekman is the lead author of the handbook, and he works in close dialogue with the BAS project team.*

# The Bas model for Business Attraction

Let us first define the concept of Business Attraction. It is a long-term and coordinated effort to attract and land the businesses or investments in existing companies in the geographic area.

Furthermore, it is about giving the company the best conditions to continue to grow. Sometimes the subject is also referred to as *Investment Promotion*.

The handbook consists of six sections. The first section is called *Introduction to Business Attraction* and provides a broad overview of the subject. It introduces the different types of establishments, the desired effects and the investor's perspective. The remaining five sections follow the structure of the BAS model, which provides a good overview of the establishment process as it may need to be run to meet the challenges faced by small and medium-sized municipalities.

## The BAS model

The model provides good support both for people who work in a specialized way with Business Attraction and for those who participate in establishment work, but do so from other professions.



It should be emphasized that the establishment promotion work according to BAS needs to be carried out by several actors in collaboration. Not by a single person, a team or even a single organization. Instead, the municipal organization needs to connect to Investment Promotion Agencies (IPA) on the regional and national level. In addition, trustful relationships with the local business community need to be established.

## The importance of orchestration

Section 1b on Orchestration describes how a Business Attraction Team can serve as the hub of the establishment process. It should consist of people with knowledge of business development and with connections to all the organizational units that can make the establishment happen. The composition of the team may vary depending on the type of establishment, and it should cultivate contacts with regional and national level (IPA).

The five steps that the team needs to orchestrate correspond to the five remaining sections of the handbook:



### **Phase 1. Prepare**

A company seeks locations with good conditions for sustainable growth and which meet the company's specific needs. The municipality needs comprehensive planning that shows how entrepreneurship and business establishments contribute to sustainable development.



### **Phase 2: Attract**

The attract phase is about building relationships with the groups of companies that we have a high chance of attracting. This involves marketing and developing specific value propositions, but also being available to establishing companies and thus being well prepared for inquiries.



### **Phase 3: Win**

The win phase starts when a contact with the entrepreneur has been established. Often a prospectus needs to be developed that meets the investor's needs in detail and normally this needs to be done quickly. Experience shows that collaboratively coherent locations are able to shape the offer faster and more accurately.



### **Phase 4: Establish**

This phase starts after the rush of success after winning the battle for the investment, often in competition with other locations. The aim of the establish phase is to ensure that the establishing company's establishment is as simple and efficient as possible. The aim is to get the business up and running as soon as possible.



### **Phase 5: Grow**

Once the company is established and operating, there is good reason to support further growth. Newly established companies may have underdeveloped links with the wider business community and profitability must be demonstrated in order to keep the business going.

# Working with the handbook



The handbook is written with a specific target group in mind. These are people involved in new establishment promotion in small or medium-sized municipalities. The target group includes both those who work in the specialized field of attracting business establishment and those who come into contact with the task in other roles.

## **Online course 2024**

During the spring of 2024, the results of the BAS-project will also be made available in the form of an online course. It allows for structured learning and will include more interactive elements.



**[Link to the online course](#)**





# 12 Cases

## Aalborg (Denmark)



### About Aalborg

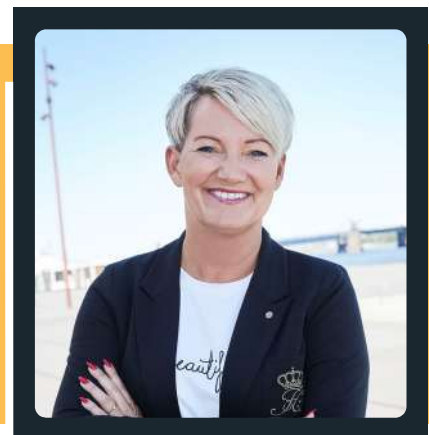
Aalborg is the capital of North Denmark and a historic city with +220.000 citizens. Visionary urban development and world-class architecture have revitalized the city's grey industrial look and reputation - bringing the proud history and traditions into the future. Today Aalborg is bursting with life, innovation and opportunities with a spectacular cultural scene and international workplaces and attractions.

### Invest in Aalborg

Invest in Aalborg is your first point of contact when you are looking to expand or relocate your business to Aalborg. Through Invest in Aalborg, you get access to prime location options and local authorities as well as contact with world-class researchers and an extensive business network. Invest in Aalborg is part of the City of Aalborg.

### Catharina Vinther Engqvist

Catharina is Head of Foreign Direct Investments, Invest in Aalborg. "Creating relations - one of my favorite things to do. Experienced in leadership, motivational speaks, sales, investment and promotion, I enjoy working with passionate people who strive to make a difference. I believe in soft values as a key selling point in a tough industry. Business strategy and development are my long time passion. At all times - dare to be."



### **1. You and your team at Invest in Aalborg have a great track record of having attracted over 200 corporate investments to Aalborg since 2015. What are the main explanations to your success?**

One of the keys to our success is the personal approach to our Investment Promotion Strategy. We try to embrace a people-first focus and build healthy business relations based on trust and synergy. That means using our personalities to navigate and find the right match for Aalborg - and go the extra mile for our partners.

This way it becomes less about what we can do, but more about who we are. And we try to use this framing in our marketing as well. We strategically focus on relationship building, and an important activity in this regard is our ambassador network. We have appointed a group of business professionals in Aalborg who share a passion for the city.

They don't participate because they must, but because they can't help it – and because we provide them with a confidential space to work in. The ambassadors assist us in making informed strategic decisions, and we gain valuable perspectives on various local and global trends.

In the ambassador network, we try to mobilize a sense of pride in our city and equip the ambassadors with compelling Aalborg stories and facts. This way, the ambassadors become living advertisements when they travel to conferences, meetings, and events around the world.

**2. Invest in Aalborg works closely with Invest in Denmark in order to attract inward investments. How do you make sure Aalborg is a competitive part of the Danish portfolio?**

We know Invest in Denmark is an important partner and we try to keep them in the loop as much as possible – making sure they look beyond the capital and towards our region. They are an important target group for our marketing and networking efforts along with the relevant companies and industries we strive to attract. We try to keep a strict focus on our unique selling points and that also entails politely rejecting some opportunities because they don't fit into our strategy. We know it matters how we turn down projects, so we focus intensely on keeping a high level of service despite the mismatch. We believe we increase the odds of these site selectors looking our way another time if we deliver a professional and respectful rejection.

We have some quite unique local factors that make Aalborg an attractive business destination, but this doesn't matter if both our target group and partners don't have Aalborg on their mind. So we have a continuous job of telling them about our city – and this is done firstly through network and systematic relationship building and second through our marketing efforts.

**3. You have said that shared values are keys to build trustful relations to investors and to stand out in the competition. What do you mean? "Birds of a feather flock together"**

At Invest in Aalborg, it's crucial for us to understand the city's future vision and the distinctive qualities Aalborg aims to be recognized for. This is all about values. We are not obligated to say yes to any company, and we do turn down projects.

Sometimes the values between Aalborg and a potential investment just don't match. And we can save everybody's time by marketing these values upfront. This way we increase the odds of a match and a healthy long-term investment in our city.

**4. Today, the average time frame for site selection from the investors side is 6-8 weeks compared to several months in the past. How does that effect your way of working?**

We have updated our online presence, so we are not too dependent on office hours. We know many site selectors, as in many other industries, do a ton of research online, so we must shine in these important "windows" of research. In general, we have scaled up our digital marketing efforts to accommodate this trend – especially on LinkedIn. Another important factor is to "gear" the organization and partner circles to be adaptable, service-minded and ready for change, so we can move fast when we spot an opportunity.

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**5. Digital marketing is becoming more important for Business Attraction, but it is hard to stand out from the crowd on the internet. How can you compete as a small or medium sized city, in such a fierce competition?**

We have a very limited budget, so we try to make every Danish Krone count. We do this by focusing on data, and by aligning our campaign efforts with the physical world - meaning that we do a promotion push with digital marketing in the area where and when we have other activities such as events, meetings, conferences etc.

**6. Catharina, you often underline that the soft values of Aalborg are important for building attractiveness for businesses. In what way?**

Our approach to everything we do is value-based with a focus on soft values such as work-life balance, family, children's rights, equality, and democracy. These are not totally unique to Aalborg, but we try to use them in our storytelling, and it resonates with many of our customers. In Scandinavia, we are at the top of these different rankings, and we have a chance to position ourselves globally if we manage to frame them the right way. We find that many global companies have an increasing desire and need to belong to a 'mindset' of responsibility, trust, and mutual good and honest relations between people. And this is a chance for Aalborg.

**7. In Aalborg, you have been investing in testbeds and other innovation hubs to attract investments and talents. What is your experience so far?**

The test sites are a great add-on to the opportunities in Aalborg. Rather than moving a giant conglomerate to our pocket-sized city, the opportunity to test a green or digital solution with the highest-ranked engineering university in Europe is a great selling point. Many successful operations here in Aalborg have begun with a smaller R&D setup and have scaled from there due to the results. And when we zoom out and include the whole region, many large-scale test facilities are available to plug and play.

The close connection between the companies, the university researchers and the test sites in Aalborg and North Denmark are helping global companies qualify the solutions, improve the foundation for innovation and increase the pace of the commercialization process.

## Odense (Denmark)



**Thank you, Lone, for sharing your views and experiences on Business Attraction. How would you describe your role at Invest in Odense?**

I'm an investment manager, working to attract companies to establish in Odense, and create growth and jobs in Odense. I'm specialising in the life science /biotech industry.

***In order to make Odense more attractive for investments, what is your strategy?***

We adhere to three core principles in our pursuit:

1. We prioritize business sectors where Odense possesses a robust stronghold and sectors presenting strategic prospects for industry reinforcement.
2. We concentrate on collaborative initiatives, particularly with corporate entities and industry clusters. This approach not only yields more impactful outcomes but also ensures the relevance of our activities to the companies we serve.
3. We seamlessly integrate the close personal involvement of Invest in Odense's business manager with the pertinent industries, while concurrently leveraging targeted digital promotion.

***Your specialisation lies in biotech and life science-related investments. From your perspective, what are the key factors in attracting such advanced businesses?***

Primarily, we must showcase our thriving ecosystem of companies and illustrate the effectiveness of the triple helix model, fostering growth in Odense. This model involves close collaboration among companies, research institutions, and public partners, including Odense Municipality and Invest in Denmark.

In the current landscape, talent recruitment plays a pivotal role. We must demonstrate how Odense and its network of companies actively support the recruitment of top-tier professionals both nationally and internationally.

Furthermore, within the MedTech sector, the University Hospital and the University have established a robust partnership, offering state-of-the-art facilities to validate commercial solutions against the specific needs of the healthcare sector.

Lastly, the announcement by Novo Nordisk regarding their intention to establish a production facility in Odense has already opened new avenues for dialogue. This development will serve as a compelling selling point across the entire value chain."

***You mentioned to me that person-to-person relations are important for Business Attraction, according to your experience. What do you mean?***

Certainly, this is a vital aspect. It involves recognizing that companies are ultimately comprised of individuals. It's about comprehending the needs, aspirations, and concerns of the person you're engaging with. It's about fostering trust in Odense's ability to provide the necessary infrastructure and resources to realise their aspirations while alleviating their uncertainties. I am committed to doing everything within my capacity to assist in this process.

Algorithms and mass communication are invaluable for promotional purposes and Invest in Odense has that focus as well and has a setup digital promotion.

However, the ultimate decision to establish a presence is made by an individual. And that individual needs to place their trust in us, or other individuals in Odense, before considering investing in the city. We can only gain that trust by building up person-based relations.

***Being well connected to Invest in Denmark has been one of your success factors. Why is that important and how do you do it?***

Our collaboration with Invest in Denmark is not only significant but also a legal requirement, as mandated by Danish business promotion laws. This partnership offers several advantages.



First and foremost, Invest in Denmark shares our focus on specific industrial sectors, which facilitates a seamless alignment of Odense's business stronghold. We maintain an ongoing dialogue with the specialized advisors in each industry to ensure coordinated initiatives. While Invest in Odense excels in leveraging our local ecosystems, Invest in Denmark's extensive global presence positions them as a formidable international outreach resource. This allows us to access a substantial portion of our leads through our partnership with Invest in Denmark. In practice, we frequently engage in cooperative efforts, ensuring synergy and mutual support on specific business cases.

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***Please, give us a short story about the QNTM Labs investment in Odense.***

Americans residing in Copenhagen, embarked on its remarkable journey in early 2020. Through their network, they connected with a special advisor from Invest in Denmark, inquiring about opportunities in the laboratory testing industry. The advisor quickly recognized Odense's strength in life sciences and shared insights with them. In March of the same year, the QNTM Labs team visited Odense. Invest in Odense played a pivotal role in this visit by showcasing the thriving ecosystem in the city. They were introduced to a distinguished scientist at the University of Southern Denmark, toured a relevant facility, and related to a key player in the local ecosystem. Following their initial visit, both Invest in Odense and Invest in Denmark maintained a close and collaborative dialogue with the founders of QNTM Labs. Eight months later, this partnership bore fruit as they secured an agreement with the university and a facility rental contract in Odense, laying the foundation for a contract laboratory specializing in pharmaceutical contract lab testing.

In 2021, QNTM Labs participated in a startup program jointly hosted by Invest in Odense and Invest in Denmark. This program proved instrumental in attracting their first international investment. Just one year later, they expanded their scope of operations to encompass broader research, drug development, and regulatory compliance services for outsourcing of these specializations from pharmaceutical companies.

By the fall of 2022, QNTM Labs achieved a Series A investment milestone, and as of 2023, their team has grown to comprise over 30 employees. They have now opened a significantly larger state-of-the-art laboratory at a new address, marking a remarkable journey of growth and success.

***What do you think are “up-and-coming” in the Business Attraction field?***

While our primary focus revolves around strengthening our existing local industries, there are specific areas that warrant a deeper exploration:

Firstly, sustainability has become a universal concern for industries, and cities are increasingly expected to prioritize it.

Although we already have notable companies in this sector, I anticipate that in the coming years, we will further elevate the importance of sustainability in our efforts.

Currently, buzzwords such as AI and QUANTUM are prevalent and are likely to continue shaping our priorities in the years ahead. Embracing these technological advancements and integrating them into our strategy will be vital to staying at the forefront of industry trends and maintaining our competitiveness.

# Nässjö (Sweden)



Nässjö has assumed the role of production and logistics center in southern Sweden and is on the top lists of best logistics hubs. In parallel, several large establishments of corporate offices and businesses in administration, education and services are underway. Nässjö's communication location simply attracts companies looking for an optimal geographical location and efficient logistics.

Behind this success lies many years of intensive and purposeful cooperation between the municipality, the local business community and regional and national actors. Collaboration is the very engine of the work, says Claes Johansson, CEO of Nässjö Näringsliv AB (NNAB).

***Nässjö is constantly showing new establishments in logistics. What is the most important thing you have done that is behind this success?***

"A couple of years ago, we achieved an important breakthrough that contributed to us actually being able to redraw the national and international map for logistics. For seven years, Nässjö Municipality and Nässjö Näringsliv ran a collaboration with Jernhusen, Nässjö Kombiterminal and the Swedish Transport Administration that led to us being able to create direct access for long train shuttles from the main line into Nässjö Kombiterminal, which today is the largest inland terminal of its kind. It can be compared to a logistical Formula 1 arrangement with extremely fast unloading and reloading between trains and trucks. The train shuttles run daily north to Luleå, west to Gothenburg and south to Duisburg in Germany."



***You have built a strong local cooperation to attract and realize company establishments. What are the keys to success in your opinion?***

"Nässjö has become known for its 'One Door Method'. And it is exactly what it sounds like: one door and one contact for the companies and organizations that want to establish themselves here. Nässjö Näringsliv is the door itself with the task of project management and business development from start to finish. We orchestrate the contacts required for each individual establishment issue: municipal administrations and companies but also from the business community.

Our 385 member companies and around 60 consultancy firms can also be involved if necessary. A single establishment can sometimes require the involvement of around 20 different actors. This makes it important that all the links in the chain do their job. Preparation is extremely important. Often, even before the first visit from an interested party, we have worked with 3-4 specialists and sometimes even brought in external expertise for various assignments. We have discovered that there is a cost-effectiveness in this, it saves time and money. This applies to both new establishments and expansion plans for companies already in Nässjö.

The work is built around a strategic plan that Nässjö municipality and Nässjö Näringsliv draw up together every year. The plan covers 50-60 different development initiatives - from development of management and infrastructure to land supply.

Management-wise, Nässjö municipality's units and Nässjö Näringsliv's developers meet every other month - we could call it the 'inner door' - to go through all the establishment cases with the aim of working towards simplicity for the customer. There may be around 20 different projects running in parallel."

***Nässjö works closely with regional, national and international actors promoting business start-ups. What are the benefits of this in your opinion?***

"Good contacts are essential for establishment work, and Nässjö has developed a large national and international network of ambassadors. For those looking to build such a network, it involves tracing the connections backward. Where do companies with establishment plans turn for help? Which service companies or various regional and national entities do they seek to connect with when considering an establishment? Based on this, one can then build communication with these actors.

Business Sweden is a good starting point and may have regional initiatives that cover your municipality. You can also contact Business Sweden directly in Stockholm to gain access to the key individuals that align with your municipality's focus or prioritized industry clusters."

***Nässjö is actively striving to position itself as an attractive production and logistics hub and is building relationships with potential investing companies. How are you doing that?***

"Being proactive is crucial. Each year, we conduct approximately 2,000 visits to our member companies and other businesses in the municipality and beyond. This means we establish significant contact points and develop collaboration with the companies.

This cooperation contributes to promoting Nässjö both nationally and internationally. Digital communication and marketing have also become important: our information is currently sent out to 2,700 key individuals who are kept informed about the initiatives being undertaken—something that also enhances the image of Nässjö as an attractive location for establishment. If we tally the communications across all channels regarding what is happening in Nässjö, we reach between 10,000 and 20,000 readers. We also actively collaborate with neighboring municipalities, Jönköping and Vaggeryd. Under the name 'Jönköping Region,' we will, over a three-year period, foster contacts and make visits in Europe, together with Jönköping University and the Jönköping International Business School. The collaboration also includes strategic development for around 30 companies, aiming to strengthen the logistics region—a program with a budget of approximately nine million kronor."

***In recent years, you have started attracting a new group of companies to Nässjö. Those who want a good geographical location to attract visitors and staff. Can you give examples? What have you done to attract this type of company?***

"The major breakthrough came when we established Region Jönköping's new train depot, which will serve regional traffic in three regions. The contract extends over 50 years, the investment amounts to 728 million kronor, and it will lead to many new jobs. But above all, it strengthens Nässjö's role as a communication hub in southern Sweden and enables commuting to and from work in an entirely new way. With a strategically important location between Sweden's three major demographic centers—Stockholm, Gothenburg, and Malmö—we have a prime position both regionally and internationally. Investors have begun to recognize Nässjö's communication advantages and investment potential, and now we are seeing a completely new trend with the establishment of regional and national competence centers in Nässjö. Right now, we have almost ten initiatives underway in this area. One example is the energy expert Omexom, which has chosen to consolidate operations for two of its regions and also establish a national training institute in Nässjö."

***Claes, you have worked for several decades in Business Attraction. What advice would you give to someone taking on the role of business promoter in a municipality for the first time?***

Our One Door method is based on 'fast and smooth service and sound advice in confidence.' Trust, in particular—that both existing companies and new establishments feel they have an engaged dialogue partner and full confidentiality—is crucial.

Start by organizing a One Door team within the municipality, build on it with external specialist companies, and include the services and roles required to engage with companies that have investment plans. Also, review the availability of premises and land based on the directions you will pursue in your growth efforts. It is extremely important to define from the start the focus areas and target groups that the municipality will work toward. From the beginning, you also need to launch your communication channels and build a network of ambassadors. Communicate your initiatives!

## Trollhättan (Sweden)



Hellma Materials is a German company specializing in the production of materials for optics and radiation detection and is leading the market within the production of calcium fluoride. A request from the company for establishment was received by the regional establishment office Position Väst, which picked up the matter via Business Sweden.



Trollhättan City created an establishment offer together with Position Väst and the property owners of the time, NEVS. Hellma's CEO had done thorough preparatory work and had a good idea about the region and Trollhättan. What Trollhättan could offer was a site with an existing factory building and land prepared for development. The investment offer covered all important sectors such as skills supply, energy, communications and similar companies (clusters) at Stallbacka where the site is located. The process went quickly from the expression of interest to the signing of the contract. Trollhättan works with establishments in several different ways and the work is adapted to the size of the investment. For larger investments, there is a national group that works together thanks to Position West being a regional partner of Business Sweden. There is also a regional group that includes the municipality, the region, the university and the energy company. Additionally, the municipality has an establishment group with, that consists for example of a planning department, a land and development department, an environmental department and a surveying department. Trollhättan works with investments based on a politically adopted establishment strategy. Digitally, Trollhättan works with Sitefinder and a map portal to market its available sites. In addition, there is an email address dedicated to establishment questions from companies. Establishments are followed up with visits and by involving the companies in the existing business community. Hellma will be part of the Bid (Business Improvement District) initiative in the Stallbacka area.

### Experiences from the establishment are

Think proactively and have a developed structure ready. It makes it easier to respond to requests no matter how big, small or complex they are.

Trollhättan has an establishment strategy that identifies which industries are interesting.

They have a sales process divided into

- Business intelligence and needs assessment
- Target connection
- Product launching

## Östersund (Sweden)



**A few words about me, Magnus:** I am 56 years old and have worked in the municipality of Östersund for 26 years, first as business manager and then as establishment manager. Already during my economics studies at Umeå University 30 years ago, I became interested in decision-making processes in connection with major business establishments and was fascinated by how small details could have a decisive impact on major decisions. It is often the municipalities' business units that are at the center of these processes and decisions. I can't imagine a more exciting job. No establishment process is the same.

**What were Synsam's motives and priorities when looking for a location for their new production and innovation center?**

Some of their more important motives were sustainability, shortening the supply chain, and owning the production in Sweden.

Initially, finding low operating costs was a high priority. It was important to find suitable existing industrial premises that they could rent.

**In your opinion, why did Östersund win the battle for the Synsam establishment?**

1. We were able to perceive, interpret, understand and prioritize the request when it first arrived. The caller/venture was anonymous and cryptic. It was not obvious to understand what it was really about.
2. We worked very actively to respond to the request, develop different premises proposals, etc. The request changed during the process, they asked for bigger and bigger requests and we needed to change and develop our solutions.
3. When the Administrative Court overturned Ockelbo's decision, we were prepared and quickly arranged a visit to Östersund, where we were able to arrange relevant meetings and visit several current premises alternatives.
4. They worked very hard during the Christmas and New Year holidays and were able to present a proposal and offer in January 2021 that was above Synsam's expectations.

**You have highlighted the importance of fast-paced cooperation to attract establishments. How does it work in Östersund?**

One advantage in Östersund is that we are a relatively small region, with a simple structure and short decision-making paths. The local and regional actors already know each other.

I am responsible for establishment and have a long background in that work. It is common knowledge that inquiries should be channelled to me early on. I have a high level of knowledge and a developed network of contacts among local and regional actors. These are contacts internally within the municipality, with other authorities and in the business community.

It is important to understand the request at an early stage, what is being sought and what the decision-making process looks like.

Based on this, it is important to identify and activate the resources needed to create the overall offer and influence the decision-making process in the right direction.

**What positive effects do you hope the Synsam establishment will have on Östersund? Could it bring further investment?**

Lots of them. The obvious is new jobs. There will also be many indirect new jobs as Synsam seeks and finds many local partners and subcontractors. The establishment is highlighted in several ways and Östersund becomes known as an attractive establishment location that is chosen in competition among many others. It becomes a pioneering example that makes it easier for others to make the same decision. Success creates success. Östersund as a business location has also become known through Synsam's own use of it in its own marketing, including TV commercials.

We believe that Synsam's production and innovation center will be a major reason for visitors to Östersund. We believe that many of Synsam's employees, customers and other stakeholders will visit the facility, which will generate positive effects for our tourism industry. We also hope to create optician training and research initiatives at Mid Sweden University in Östersund.



**In-migration** - Synsam is such an attractive employer that people are prepared to move to Östersund for employment.

**Renewal** - A new industry with a new technical know-how is added to the region. What spin-offs and follow-on investments might this entail? - It remains to be seen!

**Magnus, you have extensive experience of working with business establishments. What advice would you like to give to municipalities that want to lay the foundation for long-term and effective establishment work?**

A combination of short-term and long-term.

**Short-term:** Being constantly ready and paying attention to receive, assess and process establishment requests, leads, tips etc.

**Long-term:** Municipalities should create the right conditions for business development. For example through long-term spatial planning, with a high level of planning readiness and prepared infrastructure for business establishments. Skills supply, creating training programs, attracting talent. Building strategic networks within the region. Cultivating and nurturing relationships with decision-makers in the outside world.

**Existing industry:** The basis for the municipality's work on business is the existing business community. It is among existing businesses and their stakeholders that most opportunities for establishment and expansion are born. The municipality's business unit should have close and trusting contacts at management level among existing businesses.

**Patience:** In this business you lose most races. You have to be persistent. It may take more than one political term for an investment to become profitable.

**The Synsam establishment was very much about the proximity principle, secure supply chains and production moving home from Asia. How can European locations benefit from such developments?**

1. preparedness with planned land and/or available premises
2. developing infrastructure, communications and logistics
3. strategic skills development
4. shaping and highlighting specific offers

**You have highlighted the importance of fast-paced cooperation to attract establishments. How does it work in Östersund?**

One advantage in Östersund is that we are a relatively small region, with a simple structure and short decision-making paths. The local and regional actors already know each other. I am responsible for establishment and have a long background in that work. It is common knowledge that inquiries should be channelled to me early on. I have a high level of knowledge and a developed network of contacts among local and regional actors. These are contacts internally within the municipality, with other authorities and in the business community.

## Murex (Cyprus)



**Murex in Nicosia /business attraction - “Desired effects from investments”**

Murex, a leading tech firm in fintech and risk management, has significantly benefited Cyprus since its establishment. While the company found Cyprus attractive for its business-friendly policies, the ongoing support from Invest Cyprus ensured its smooth setup and operation.

This attraction has advantages for the people of Cyprus. Murex's rapid growth, with plans to expand from 143 to 400 employees by 2024, means more job opportunities for locals. These aren't just any jobs, but positions that come with training, skill development, and exposure to international standards.

Beyond direct employment, Murex's presence boosts other sectors in Cyprus – from housing to shopping, and from restaurants to healthcare. This kind of growth means better facilities, improved public services, and a higher standard of living for everyone.

Video promotion of Murex transfer to Nicosia, Cyprus : [https://youtu.be/4h2w\\_oDMfOU](https://youtu.be/4h2w_oDMfOU)

## MUFG (Cyprus)



**MUFG in Limassol: A Beacon of Financial Sector Success in Cyprus – “An example of Place Value Propositions under Attract”**

MUFG, a top-tier financial powerhouse, found a promising home in Limassol, further solidifying Cyprus's reputation as an attractive hub for the financial sector. Drawn to the island's reliable business landscape characterized by its progressive labor and tax laws, MUFG's decision was further cemented by the unparalleled, holistic support from Invest Cyprus in tandem with government initiatives. Rapidly growing its foothold, MUFG in Limassol flourished from a staff of 100, with aspirations to hit 500 by 2025. A strategic move involves harnessing talent from local Cypriot universities, signaling not only growth but also a vital knowledge transfer that elevates Cyprus's financial prowess. What sets Cyprus apart, as demonstrated in MUFG's experience, are initiatives like the 'family reunification package.' Such incentives, coupled with the agile Cypriot market's ability to present swift solutions, are pivotal in today's fast-paced financial world. This dynamism is further highlighted by the tech sector's growth in Cyprus, with 47 tech firms marking their presence in 2022 and a remarkable €4.1 billion contribution to the nation's GDP. In essence, MUFG's journey in Limassol is a testament to Cyprus's burgeoning appeal to global enterprises, offering a blend of support, innovation, and opportunity. Cyprus, with its strategic location and business-friendly environment, has emerged as a prime destination for financial businesses looking to establish a foothold in the region. The country offers a blend of hard incentives and soft services, designed to support and encourage the growth of these businesses. Below are highlighted main of their incentives and services:



### Hard Incentives

- An analysis of Cyprus's economic climate from the perspective of its labor and tax laws, guaranteeing a stable foundation for business.
- Offers incentives for a family reunification package in a thriving economy.

Transitioning from these tangible incentives, Cyprus also excels in offering a range of soft services. These services not only facilitate the initial setup of businesses but also ensure their sustained growth and integration into the local economy.

### Soft Services

- Holistic Support and Assistance: In conjunction with governmental affairs, Cyprus contact point offers all-encompassing support and assistance. This involves offering assistance with a range of administrative and legal procedures.
- Ongoing assistance and facilitation even after the business is established through consistent support and services.

For further Investment Promotion opportunities in Cyprus, please visit: <https://www.investcyprus.org.cy/>

## Dubrovnik (Croatia)



### Unleashing “hidden entrepreneurship”

For many years, Dubrovnik entrepreneurship has faced the challenges of diversification and development of non-tourist activities. The monoculture of tourism directed entrepreneurs to the development of exclusively tourist activities and service.

The reason is very simple: with high investment costs, tourism has by far the highest and fastest return on investment in this area. Along with all correctly classified activities, a special type of "hidden entrepreneurship" is developing in parallel. It is about private accommodation/rental that provided the local population with additional sources of income. But under the guise of private accommodation hides rentiers and literally small well-established business facilities that are tax-covered or minimally burdened.

Currently, the ratio of private and hotel accommodation is 40:60 in favour of private accommodation. In recent years, the aforementioned work has resulted in the increase of most of the existing housing stock and that under construction for tourist accommodation. The result is demographic displacement, which represents a major social problem. In addition to gentrification and high seasonality, the mentioned processes bring destinations like Dubrovnik into challenging situations in which the identity of the city, culture and life of the local population is slowly starting to be lost.

A multidisciplinary and comprehensive in-depth analysis of the situation, a proposal and an action plan are needed to create a strategy and bring order to the market of accommodation services. Strictly and precisely defined rent and private accommodation,

the introduction of a new tax policy (classes and categories) and a new categorization of facilities predict a balanced and regulated market for the provision of accommodation services.

A development model is also needed that would encourage the development of entrepreneurship and the transfer of renters to this category. The mentioned model must define the relief of this type of entrepreneurship from the financial obligations that exist at the moment, as well as numerous incentives and subsidy programs (depending on the maturity of the renter) that would encourage the transition and strengthening of this extremely important activity in tourism.

## Ravenna (Italy)



The main industrial area of Ravenna as well as the entire chemical cluster is developed around the Port, which is managed by the Port System Authority (AdSP).

Within this scheme, submarine drones are also envisaged for the acquisition of bathymetric measurements and for monitoring the submerged part of the port infrastructure.

Through a cooperation project called Open Digital Twin Port, the AdSP, in collaboration with the Municipality of Ravenna, has initiated the development of a "Digital Twin" of the Ravenna port area. The initiative, which is currently being implemented, has allowed for the creation of a digital replica of the port call, of all the works present in the soil and subsoil, from which to accurately simulate and plan many activities, including those of dredging and maintenance, and to be able to assess possible interferences, ensuring that the activities themselves are carried out in a more coordinated, safe, and fast manner.

The possibility for existing companies, but also for potential new investors, to hold in advance a whole range of information and data about the area (including data on vehicle flow and people flow) in our opinion incentivises and attracts new investments especially in the logistics and offshore sectors.

## 247TailorSteel in Langenau (Germany)



247TailorSteel invested 60 million euros in a new production facility in Langenau, which went into operation in September 2022. Approximately 250 people are to be employed there in the medium-term. The Dutch manufacturer of custom-cut metal sheets, tubes and flashings works with innovative smart technology that enables real-time offers and on-demand delivery.

Germany Trade and Invest (GTAI), the German government's organisation for foreign trade, economic development and location marketing, kicked off the nationwide search for a site for 247TailorSteel. The company's site enquiry was submitted to local authorities and cities throughout Germany. The space requirements related to an area of 30,000 m<sup>2</sup>, which was to be in the form of an equilateral square, with direct accessibility via the motorway and a skilled labour potential of 250 employees in the medium-term. Furthermore, the area was to be designated as an industrial zone due to the noise emissions that would be generated. The central contact point for investors at state level in Baden-Württemberg, Baden-Württemberg International (bw\_i), was also involved in the site search. After 17 site inspections, the decision was made in favour of Langenau, a town in the east of Baden-Württemberg with a population of approximately 16,000 which is the third largest town in the Alb-Donau district.

A quick decision-making process on the part of the municipality of Langenau meant that construction of the new production facility in Langenau could commence on 23 September 2021 and it could be put into operation in September 2022, ahead of schedule.

In the city of Langenau, a direct contact person acted as the central point of contact and coordinator for the company's relocation. The necessary stakeholders from the city of Langenau along with the company were involved in the process. The planner from 247TailorSteel was well versed in German building law, even though building law in Germany varies greatly from state to state and is often perceived as very complex by external parties. Despite archaeological finds in the area of the plot of land to be built on, which could pose a potential problem for short-term construction, 247TailorSteel, the State Office for the Protection of Monuments and the city administration were able to work together to find solutions that led to the plot of land being built on in the short term. Thanks to clear structures in the process, the open identification of problems and the search for joint solutions, the new production site was built and opened within a year. This was also achieved through prioritisation and direct communication between the stakeholders.

"247TailorSteel represents a huge gain for the location of Langenau and can be seen as a blueprint for the international settlement of a state-of-the-art company with an ambitious schedule. Thanks to the close and cooperative collaboration and communication between the company 247TailorSteel, GTAI, bw\_i and the town of Langenau, an outstanding company was able to further expand in Germany," summarises Christoph Schreijäg, the full-time deputy mayor of Langenau and alderman, who was the direct contact person for the settlement.

You can find more information at: [www.247tailorsteel.com](http://www.247tailorsteel.com)

# Brycke in Stuttgart (Germany)



Seite 5 | Wirtschaft und Stadtmarketing Pforzheim

The BRYCKE project in Stuttgart, the capital of the south-west German state of Baden-Württemberg, embodies a pioneering initiative that aims to create significant added value for companies in addition to the entire region. Through its innovative strength and strategic focus, BRYCKE manifests itself as an engine for economic development and sustainable growth. BRYCKE is located in a former retail space in the centre of Stuttgart and includes pop-up rooms, a start-up café and a so-called vision hall. In the pop-up rooms, start-ups have the opportunity to showcase themselves, present their products and network with a wide audience. BRYCKE's Start-up Café creates an inviting environment for creative minds to meet, exchange ideas and become inspired. The café has become a meeting place for entrepreneurs, freelancers and creative to meet in a relaxed atmosphere. Another highlight of BRYCKE is the so called visions hall, which offers a venue for networking and product presentations. This is where people come together to share ideas, be inspired and take part in shaping the future together. The BRYCKE project, which was launched in December 2022, currently offers around 30 founders the opportunity to present their products.

"BRYCKE is now known almost everywhere across the city, so that start-ups and creative people come and go here," says Bernhard Grieb, Head of Economic Development, who was responsible for initiating the project.

Duschbrocken GmbH, a young Stuttgart-based company specialising in the production of solid shampoo and shower gel, is also currently represented at BRYCKE. After travelling the world together in 2017, the two founders Johannes Lutz and Christoph Lung developed the first idea for Duschbrocken. With the realisation that shampoo and shower gel in liquid forms and in plastic packaging would be unfavourable for both travellers and for the environment itself, the two founders spent six months working on the recipe for the solid shower gel block. This was presented for the first time as part of a crowdfunding campaign in 2018 and gained notoriety through a TV appearance on "Die Höhle der Löwen" (German equivalent of Dragon's Den in the U.K. or Shark Tank in the U.S.A.). Together with production partners from Germany and Austria, Duschbrocken GmbH now produces and distributes the soap in a soap factory in Stuttgart.

It is clear that BRYCKE focuses on a wide range of programmes to promote companies and strengthen the regional economy.

This also includes targeted support for innovative start-ups in addition to established companies.





BRYCKE is also focused on research and development. Targeted investment in innovative technologies and cooperation between companies and research institutions creates a fertile breeding ground for new ideas and technological progress.

These synergies have the potential not only to strengthen local companies, but also to increase the competitiveness of the entire region.

Particular attention is paid to supporting start-ups and small companies. BRYCKE promotes entrepreneurship through targeted programmes that make funding sources more accessible and facilitate the exchange of expertise. This creates a vibrant start-up culture that not only revitalises the local economy, but at the same time attracts talent from the region.

Overall, the BRYCKE model project is consequently a pioneering initiative that not only strengthens the business location, but also improves the quality of life within the region. By strategically linking innovation and business development, BRYCKE is helping to position Stuttgart as a dynamic business location that is competitive in a national and international context.

You can find more information at: <https://brycke-stuttgart.de/>

## Sveta Nedelja (Croatia)



**Overview:** Sveta Nedelja, a charming town in Croatia, has established itself as an ideal destination not only for families but also for forward-thinking entrepreneurs and investors. This case study explores the town's dynamic economic landscape, strategic advantages, and the array of opportunities it offers.

**Entrepreneurial Zones and Strategic Location:** Sveta Nedelja is home to four established entrepreneurial zones, with a fifth currently under construction. These zones, including the largest in Sveta Nedelja covering 120 hectares, are strategically positioned near major highways, such as the Bregana-Zagreb-Lipovac corridor and international railway line M101. The harmonized land registers and cadastre ensure clear property legal relations, facilitating investments. Urban and spatial development plans for these zones further streamline the process for obtaining documentation necessary for rapid business premises construction.

**Infrastructure and Economic Climate:** Continual implementation of large infrastructural projects enhances the quality of life for citizens and improves traffic connections, facilitating business operations. The city co-finances interest on business loans for investments, showing a commitment to fostering economic growth. The recognition of Sveta Nedelja as an economic 'mecca' is exemplified by the presence of successful entrepreneurs, including Mate Rimac, who initiated the historic Rimac Campus project.

**Rimac Campus - A Game-Changing Investment:** Rimac Campus, with a staggering investment of 200 million euros, stands as one of the largest research and development and production complexes in Europe. Covering 200,000 m<sup>2</sup>, it includes production and research facilities, with 35% of the land dedicated to vegetation. Upon completion, the campus will house Bugatti Rimac and Rimac Technology headquarters, contributing to further development and production capacities in the automotive industry.

**Recognition and Awards:** Sveta Nedelja has gained prominence as the top city for doing business in Croatia, leading in the ease of doing business index. The town's commitment to supporting the private sector, especially small and medium-sized enterprises, was acknowledged in a survey conducted by the Voice of Entrepreneurs Association (UGP). Criteria included satisfaction with permit processes, industrial zones, export encouragement, transparency in tenders, and more.

**Economic Indicators:** The selection of the best cities is based on 14 indicators, covering aspects such as average income per inhabitant, efficiency of city administration, and investments in stimulating the economy. Sveta Nedelja's win in this year's election, announced in Zagreb on October 4, reflects its dedication to providing a business-friendly environment through clear, transparent, and well-detailed criteria.

**Conclusion:** Sveta Nedelja emerges not only as a scenic town but as a flourishing economic centre, offering a myriad of opportunities for investors and entrepreneurs. With a strategic location, progressive policies, and visionary projects like Rimac Campus, the town continues to set the standard for business excellence in Croatia.



# Introduction to Business Attraction

This first section of the handbook is intended to provide the reader with a good general orientation on the subject of Business Attraction. It provides an understanding of the role of business attraction in local economic development and shows the effects that can be achieved.

The section can therefore form the basis for a creative discussion on why Business Attraction is needed in the municipality.



## This section addresses



### Active business development

Business Attraction as one of several areas of action to develop the local conditions for a growing business community.



### Types of business establishments

Different categories of investments and business establishments that can be attracted to the site.



### Desired effects

The lasting effects that are sought from business start-ups.



### The perspective of the establishing stakeholder

Understanding the business decision-making process and the value of developing a business-oriented approach.

## Local business Development

A competitive and growing business sector is a prerequisite for a municipality to develop sustainably. Businesses generate jobs that are necessary for tax revenue for health, education and social care.

There are several ways for a municipality to increase entrepreneurship and create conditions for companies to grow and create more jobs. Attracting new businesses, Business Attraction, is just one of several possible ways.

Here are eight areas of action that together can contribute to a growing business community in the municipality.

### 1. More entrepreneurs

Increasing entrepreneurship has recently emerged as a priority for society as a whole and for regions and municipalities. If more people can realize their ideas, a number of positive effects can be achieved:

- Increased self-sufficiency and more jobs
- A wider range of offers for the customers and consumers
- Revitalizing competition in the local economy

A municipality that wants to boost its start-ups can offer networking, training, business advice and connect entrepreneurs with venture capital.

## 2. Start-ups and scale-ups

New companies with scalable and often digital business ideas are known as startups. Most start-ups fail to reach the market and therefore go under. However, some of them become fast-growing companies with an international market, which can bring significant value to the local labor market and business community. There is competition between regions for tech start-ups.

By forming incubators, science parks and innovation hubs, good conditions can be created for start-ups to reach the market with their products and become so-called scale-ups. This means growing companies with an average annual return of at least 20% over the last 3 years and with more than 10 employees (OECD).

## 3. Growth in existing business community

Creating good conditions for existing companies to grow can justifiably be said to be the most important piece of the puzzle in active business development. In many cases, it is the most resource-efficient route to growth in the business sector, compared with other areas of intervention mentioned here.

Three success factors can be identified:

- **Early signals.** It is important that the municipality has a close and trusting dialog to get early signals about development and expansion plans in companies. It can then provide support with special infrastructure solutions or by contributing to the company's increased recruitment needs.
- **High service-level.** When a company applies for a building permit, for example, efficient processing of the permit application can help to speed up the implementation of the investment.
- **Long-term spatial planning.** By continuously planning for suitable land based on the expansion needs of the existing business community, the municipality is prepared when needed.

## 4. Attracting talent to boost value creation

One of the most important resources for many companies is skilled employees. Especially in those companies where the level of required knowledge is high. Regions and municipalities that are able to attract and retain skilled workers are therefore attractive places to locate.

Successful talent attraction is based on cooperation. This involves coordinating marketing to particularly interesting occupational groups and making it easier for people moving in and accompanying them. Last but not least, ensuring that migrants are integrated socially and professionally.

## 5. Space for creativity and innovation

One strategy for developing a rich business environment is to focus not only on the business climate but also on the "people climate". A place with a creative culture and cross-border meeting places can contribute to good conditions for a wide range of businesses: creative and cultural industries and companies with a high knowledge and innovation capacity. The case study of Brycke in Stuttgart is an example of when creative environments are put in focus.



## 6. Infrastructure and accessibility

Many businesses depend on good accessibility in terms of roads, railways, air links, trains and entrance/exit routes around the company. Three groups with specific needs are manufacturing, e-commerce and trade companies (wholesalers and retailers). But also the tourism industry benefits from a good infrastructure to attract visitors.

## 7. Green transition and sustainability

The business sector is currently undergoing a major transition towards sustainable development, climate neutrality and green technology. This can mean great opportunities for municipalities that can offer green electricity and conditions for circular business models. There are good examples of places that, by taking a position on sustainable development, have attracted a long line of business establishments. Copenhagen is one example. There is an obvious risk for those municipalities that discover the green transition too late and thus cannot offer the right conditions for companies in transition.

## 8. And finally - Business Attraction

Attracting business start-ups to the municipality contributes to a wide range of positive effects, as discussed in the next section. There are good reasons to see Business Attraction as part of a well-functioning business community. And as we will see, it requires a consistent and business-oriented approach.

# Categories of investments

There are a number of different types of business investments, and they bring with them different demands on the promoter. They also have different effects on the local community.

In its strategy for growth and sustainable development, the municipality should show what a future business community should look like and prepare for the type of investments that need to be attracted.

Here we present six dimensions that can be used as a basis for overall awareness:

### 1. New establishments or investments in existing businesses?

A new establishment is defined as an external entrant wishing to set up a new business on the site. This could be a manufacturing, retail or service company.

Investments in existing businesses mean that a local company is bought by a larger group or receives capital injections from new shareholders. Sometimes a so-called expansion investment is made to increase capacity to modernize or adapt to climate change.

Attracting new establishments can sometimes be more difficult and risky than growing existing companies. Therefore, there is reason for municipalities to invest as much in developing the existing business community as in attracting new establishments.

### 2. Private or public establishments?

Private establishments operate in a fully competitive market and are mainly financed by private capital. It is natural that a private establishment is associated with high financial risk for the company behind it. Public establishments can be infrastructure (roads, railways), hospitals, military activities, government agencies or universities. In these cases, public funding is involved and establishment decisions are often taken politically. Nevertheless, much of the content of this handbook is also relevant for public establishments.



### 3. Greenfield or Brownfield?

The terms greenfield and brownfield are sometimes used to describe the difference between land use for establishments. A *greenfield* establishment involves the use of new land, which requires special consideration to be given to ecological sustainability and the establishment meets the ambitions for sustainable development in local community planning.

*Brownfield* means that an establishment is to be made on land that is already used for (often similar) business activities. In the best case, the land already has the technical conditions such as electricity, water, road connections that the new business requires. Brownfield is thus, despite the name, a good opportunity for the municipality to use existing resources and can be commercially interesting for the establishing company.

In practice, there is often a continuous effort in municipalities to prepare new business land and to renew and upgrade existing ones. A clear message in this handbook is that forward planning is a success factor for Business Attraction.

### 4. Market- or resource driven establishments?

Market-driven establishments are carried out by companies that want to have access to the customers and to the purchasing power of the location. These can be retail chains that want to sell to consumers or consultancies that want to sell to local industrial companies.

Resource-driven establishments are made because there are certain production resources in the location that the company wants to access. This may involve access to a port or other infrastructure or, in other cases, access to skilled labour. As the business sector becomes more knowledge-intensive, proximity to a university and to a large labour market becomes more important for many companies.

Both market-driven and resource-driven establishments are valuable for a municipality. But a particular focus should be on the question: what are our unique resources and qualities that allow us to attract establishments that strengthen the competitiveness of the place? This leads us to the conclusion that resource-driven establishments play a key role in smart specialization and a good local economy.

### 5. Simple or complex establishments?

Investments also differ significantly from one another in terms of complexity and size. A simple investment may involve a company finding a suitable site in the municipality on its own and starting its operations without any dialog with the municipal administration.

A large, complex business establishment can mean that the whole community is affected and can be subject to extensive planning and permit applications. Of immediate importance in Europe are the establishments of car manufacturing and production units for car batteries, which have meant radical social change for the municipalities concerned. Roads, housing and schools have had to be expanded to meet the increased needs.

### 6. Is the establishment sustainable?

Companies are now transitioning to green technologies and to ecologically and socially sustainable business. As a result, business start-ups often face stringent environmental requirements, both as a result of increasingly strict regulations and of the company's own drive to strengthen its competitiveness and image.

Locations that can offer green electricity and other conditions for sustainable operations have great opportunities to win business. Circular business models are on the rise, which means that companies can be attracted, for example, by the fact that residual products from another business can become raw materials for the incumbent.

In several places in the handbook, we return to the fact that potential business establishments must be evaluated from a sustainability perspective.

*Does the establishment meet the location's ambitions for economic, ecological and social sustainable development? Does the establishment contribute to the future economy we want to have in the location?*

## ■ Desired effects

Business start-ups can contribute significant and lasting value to regions and municipalities. The most obvious benefit is new jobs, but there are also a number of positive effects that contribute to a stronger business community and to sustainable social development.



**A municipality needs to clarify the objectives of business development in general and business attraction in particular.**

### **Direct and indirect job opportunities**

The establishment of a new company in the municipality naturally needs to recruit staff, which has a direct effect on the employment-rate in the area. If the company continues its growth journey, the recruitment needs to increase further, as discussed in the Growing section of this guide.

In addition, indirect job opportunities are created in the local companies that supply goods and services to the start-up. There is also a positive employment effect by increasing the need for public services such as preschools and schools as more people work in the municipality.

### **Innovation and competence inflow**

If the establishing company has a high level of expertise, advanced technology or an innovative business model, it is likely to make a positive contribution to the local economy. Local consultancies and technology providers will gain a new customer that is at the cutting edge and has high standards. The start-up can also strengthen smart specialisation in your region.

Innovative companies often seek expertise and talent that may not currently be available locally. This can contribute to the influx of highly skilled people and to the need for the local education system to renew its offer.

### **Strengthened capacity and broader supply**

Companies making a market-driven investment want to reach the customers and consumers of the location. For example, it could be a new chain of shops. Such establishments provide a broader supply for residents and contribute to healthy competition in the local economy.

Similarly, business-to-business companies can set up operations to get close to important customers. These can be consultancies, service companies or suppliers. They also contribute to greater choice and healthy competition among local businesses.

### **Consequential establishments**

An establishment rarely comes alone. An example of this is when major business establishments lead to a need to increase capacity throughout the surrounding business community, infrastructure and municipal services.



Even in the case of small and medium-sized establishments, there are often opportunities to attract more establishments as a complement or direct effect of the first. It happens that newly established companies actively bring existing suppliers to the new location.



**Seeking follow-on establishments is one of the most effective ways to attract new establishments. This is discussed in the following sections Attract and Establish. There is a time window associated with many establishments that is important for the municipality to take advantage of.**

### **Greater confidence in the development of the site**

As a municipality, being the first choice for an important business start-up is worth talking about. An important target group is then potential establishing companies in the same sector that we want to attract. This creates confidence that the location is competitive and can reduce the perceived risk of a potential establishment.

There is also value in communicating the establishment locally. As a resident, being able to witness that the location is attracting investment, entrepreneurs and talent contributes to positive self-esteem and confidence. It can also facilitate the recruitment of staff to the newly established company.

## **The investor's perspective**

A company establishing themselves in a new location consciously takes a number of business risks. First and foremost, setting up in a new location involves a major financial investment and often goes over budget. Another clear risk is that the establishment phase takes longer than planned and consequently delays the point in which the establishment starts generating revenue.



**It is in the interest of the municipality to:**

- **Understand the needs, values and risk situation of the establishing company.**
- **Assist the company in designing a well-functioning establishment solution.**
- **Facilitate the quickest and smoothest possible establishment.**



### **A wide variety of needs of the incumbents**

Many larger companies have specialized teams that map out new locations and plan and implement new establishments. They are often used to working with municipalities, real estate companies and other stakeholders throughout the process.

In the case of international start-ups, special agents or consultancies are often involved in site selection and in the first half of the process, the identity of the incumbent is not always officially known.

In both of the above cases, detailed information is often required on behalf of the company and the counterpart expects quick answers. It also has detailed requirements on factors such as land space, premises, electricity connections and road networks.

Smaller companies that may be setting up or expanding for the first time naturally do not have the same experience or resources at their disposal. It is therefore important that the municipality adapts its dialog and that the process is simple and understandable.



## The choice of location - reason or emotion?

For a small municipality that wants to compete for business start-ups, it is good to know that location decisions are often based on more than just rational and economic factors. Those who are able to put themselves in the company's perspective often draw the longest straw. There are several ways to gain the company's trust:

- **Good relations.** Establishing a personal and trusting relationship.
- **Quick handling.** Acting faster and being more accessible than other municipalities.
- **A well suited solution.** Being able to design a solution that meets your business needs.

We will return to the question of reason or emotion in the guide in the section on place branding in the Attract phase.

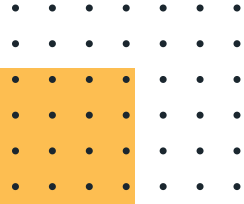
## An company oriented culture in the municipality

Leaders and teams in a municipality that wants to attract business start-ups thus need to be able to put themselves in the shoes of the establishing company. In the long term, it is about creating a business-oriented culture and communication system.

1. **Developing a culture in which the perspectives and needs of the business community are taken into account.** If there is a positive attitude towards entrepreneurship and business, there is a good chance that Business Attraction will also succeed. It all starts with good leadership. Make sure to create meeting places where entrepreneurs, politicians and municipal employees can meet.
2. **Ensuring a widespread recognition of the value of business establishments.** Even if there is a good basic view of entrepreneurship in the locality, there is not always a widespread understanding of what business establishments can contribute. A good help can be to learn from establishments in other municipalities and what values they have contributed, in terms of job opportunities and new business opportunities for existing businesses.
3. **Ensuring specific knowledge of the particular sector.** In many cases, from the point of view of businesses, there is confidence in municipalities where there is genuine knowledge of their particular sector or industry. One example is in tourism and hospitality, where it is natural for well-functioning visitor destinations to have an advantage. Similarly, a coastal municipality with a fishing industry can have a head start when it comes to the development of (other) blue industries.



# 1a. PREPARE



This section shows how a municipality can lay the foundations for successful business location in the long term. On the one hand, it is about ensuring that there is a guiding idea about the future of the place and about sustainable development. It is also about shaping competitive conditions for business and for business start-ups. Many of the broad brushstrokes are subject to political decisions. Officials contribute throughout the process by providing informed input and by finding the practical way forward in implementation.

## This section treats:



**Long-term planning**



**Access to land and facilities**



**Room for innovation**



**Talent attraction**



## Long-term planning

A municipality needs to plan long-term to achieve sustainable development for its inhabitants. By doing so, it also creates a good basis for deciding what types of business establishments are desirable. A future business community should be sustainable and based on the specific conditions of the location.

## The value of good overview planning

A well-developed land-use plan shows how land and water areas should be used in the future and how the built environment should be used, developed and preserved. In most countries, such planning is required by law and there are specific minimum requirements for what it should contain.

- There is now an increased focus on showing how the place will be developed in a socially sustainable way - that is, how the local community can create an equitable distribution of resources, offer good public health, children's perspectives and a safe living environment.
- Economic sustainability means promoting stable and sustainable economic growth that can be maintained over time without causing severe economic crises or uncertainty. But it also means providing the right conditions for businesses to develop.
- Ecological sustainability in overview planning is about integrating environmental and nature considerations: natural ecosystems, environmentally friendly transportation, protecting water resources, energy and resource management, and climate adaptation.

Overall, well-developed master planning ensures that business locations benefit residents and contribute to the sustainable development of the place.

## Long-term policy decisions give competitive advantage

A municipality that has a clear idea of the business community it wants to develop is particularly competitive in the search for business start-ups. The focus can then be placed on those business establishments that are in line with the location's future direction.

There are also clear benefits for the marketing of the site to have a defined focus:

- **A certainty in the company that the municipality values their industry highly**
- The establishing company values the fact that the municipality prioritizes the industry they operate in. It creates security and inspires confidence. **Easier for the municipality to make target group choices.**
- Municipalities that know which establishments are being sought can effectively direct communication to the chosen industries. **To better evaluate requests.**

When clear choices have been made about which establishments are sought, it is also easier to say no. Some establishment requests do not match the municipality's ambitions.

## Land and property to offer

Many business start-ups are dependent on land in order to be realized. This can be on newly developed land (greenfield) or on land that is already in use (brownfield). Municipalities that have land ready for establishment and suitable for the purpose on offer are very well placed to attract establishments.

The land should be planned on the basis of clear ideas about the type of business it will serve. It is common for municipalities to even add value to the land offer by, for example, providing the land with particularly attractive solutions for green electricity supply or logistics.

## An efficient planning process

There are three clear success factors for a municipality to conduct physical land planning that favors business establishment:

1. **Efficient planning processes:** Fast and transparent planning processes are important for businesses. The municipality should strive to streamline the building permit process and other planning-related approvals to reduce time delays for businesses.

2. **Infrastructure and accessibility:** Good physical accessibility is crucial for many businesses. Local authorities should invest in infrastructure such as roads, public transport and digital networks to make it easy for businesses to reach their customers, suppliers and employees.
3. **Zonal classification:** The municipality should develop a zonal classification that allows for different types of business establishments. This includes creating specific areas for industry, commerce, services and technology parks. Well-planned zoning can benefit both the business and the social sustainability of the site, as it can reduce disruption to the surrounding living environment.

### **The value of a well-functioning real estate market**

A well-functioning real estate market plays a key role in promoting business establishment in a municipality. It is particularly valued by retailers and service companies, which often seek space in existing properties in attractive locations. But also by companies with office workplaces that want to offer an appealing environment for their employees.

The supply of real estate is not in the municipality's full control. Instead, we need a well-functioning real estate market with good competition and a range of real estate companies that want to invest in the municipality. Real estate companies can contribute with:

- **A varied range of premises:** A rich variety of commercial premises, including offices, shops, warehouses and production facilities. This makes it easy to set up in suitable spaces that meet the specific needs of businesses.
- **Flexibility and adaptability:** Flexible solutions for businesses, such as the ability to expand, reduce or change the use of the property.

## **Place for innovation**

Innovation is high on the agenda across Europe. It is through innovation that we will remain competitive and it is through innovative solutions that we will be able to tackle major societal challenges. Companies that are unable to renew their products and business models risk being eliminated.

For a municipality that wants to grow sustainably and attract new businesses, investing in the innovation climate can play an important role. Here we point out five ways forward:

### **1 SMART SPECIALIZATION**

Smart specialization is a tool for regional growth work and is about joining forces to strengthen competitiveness and innovation in areas with particular development potential. This could be a sector, a particular technology or a specific societal challenge. The choice of area of strength should be based on what is internationally competitive. Regions wishing to benefit from EU structural and investment funds must have a smart specialization strategy.

One of the most important ways to develop an area of strength is to attract investment. Both in the form of capital for existing companies but also new start-ups. It is also an opportunity for a municipality to link arms in regional establishment work that is largely aimed at areas of strength where there is particular competitiveness.

### **2 INFRASTRUCTURE FOR INNOVATION**

The municipalities can invest in infrastructure that supports innovation. This can include broadband, coworking spaces, testbeds and demonstration environments. Testbeds can be used to test new technologies and innovative solutions. They have proven to be attractive to companies that are not yet established in the area.

### 3 CONNECTING BUSINESS AND RESEARCH

A place where academia is present is well placed to offer proximity to research and to highly skilled staff. The offer will be particularly strong if there is an academic profile that meets the needs of the local business community. The municipality can work to create good links between research, students, businesses and residents.

### 4 WIN THE BATTLE FOR STARTUPS AND ENTREPRENEURS

By offering financial support, advice and training programs for start-ups and entrepreneurs, the municipality can stimulate innovation and business development. There is an emerging competition between regions/municipalities for attractive start-ups with high development potential. Therefore, startups can also be seen as a target group within Business Attraction.

### 5 A CULTURE FOR INNOVATION

Creating a culture that encourages risk-taking, creativity and collaboration is crucial for innovation. Changing culture takes time but can be supported by creating meeting places where people from different backgrounds and perspectives can come together.

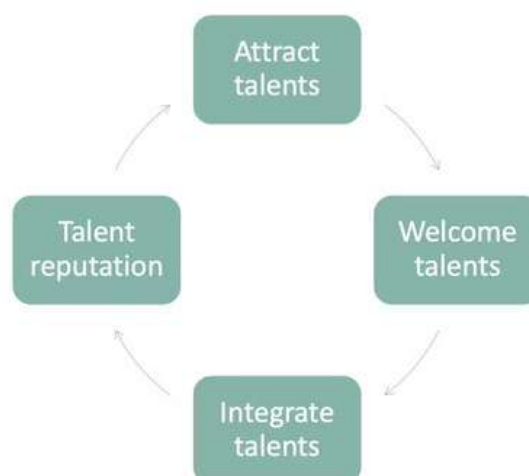
In the next section, we address one of the most important tools for strengthening innovation, namely the availability of skilled labor and talent attraction.

## Talent Attraction

Places that are perceived as attractive living environments naturally have an advantage over others. Partly because companies that prioritize access to skilled workers will seek them out. Partly because companies that can attract and retain skilled labor show higher innovation capacity and do well in competition.

Talent Attraction has emerged as an important area for places that want to grow and develop. There is good reason to see Talent Attraction and Business Attraction as two interdependent ongoing processes for a municipality.

**Talent Attraction and Business Attraction go hand in hand.**



*Talent Attraction Management (Tendensor 2013).*

Talent Attraction can be seen as a coherent and circular approach to which multiple actors on the ground can contribute:

### **Step 1: Talent Reputation - A conscious place development**

Similar to the *Prepare* phase of the BAS model for Business Attraction, attracting talent requires good site development. Among the objectives are:

- A safe place for everyone to be in.
- A place offering many different experiences.
- A large labor market with good communications.
- A welcoming and open environment to move to.

### **Step 2: Attracting talent**

Local employers and the municipality can work together to attract the workforce in demand. This can be done through creative overall place marketing, but also by creating visibility for employers and jobs to selected target groups.

- Promote the municipality as a place for leisure, jobs and entrepreneurship. Not just tourism.
- Showcase the jobs, employment opportunities and talent that have chosen the location.
- Build relationships with people considering moving in.

### **Step 3: Welcoming talent**

Moving in should be easy. That's why many municipalities choose to create an in-migration service and make it easy for newcomers and their companions to find their way around. This can include finding accommodation and choosing a school.

- Create a relocation service and make information digital and easily accessible.
- Provide support or networks to help movers find employment.
- Provide a warm welcome to people/families moving in.

### **Step 4: Integrate talent**

In order for people who have moved to a place to really enjoy it and choose to stay, social and professional integration is a prerequisite. This can be a challenge in both rural and urban areas.

- Promote a culture that welcomes newcomers.
- Ensure easy-access social meeting places where new-comers and citizens can meet.
- Support employers to monitor the well-being of those who have moved in.

All four stages require cooperation with the business community and with the surrounding region. The municipality can serve as a coordinating actor for a well-functioning talent attraction.

# 1b. ORCHESTRATE



Many business establishments require active and well-coordinated efforts from the initial preparations to the completed operation. Therefore, orchestration is a key component in the BAS model and for all locations that aim to work consciously with Business Attraction.

**i**

The word orchestrate is chosen (instead of organize) because many of those involved represent a range of different operations, both within and outside the municipality. To move the process forward, a positive collaborative climate, the right competencies in the team, and a clear mandate to carry out the task are needed.

## The section Orchestrate covers:



**The value of  
effective  
orchestration**



**Forming a  
Business  
Attraction  
Team**



**Creating  
cross-  
functional  
collaboration**



**Connecting  
regionally and  
nationally**



**Dialogue with the  
local business  
community**



## ■ The importance of orchestration

There is fierce competition for business establishments, and therefore countries, regions, and municipalities strive to sharpen their ability to lead and coordinate the establishment process.

There are a few clear reasons why effective orchestration is needed:

- 1 The investor expects one or a few points of contact.**  
The establishing company prefers not to have to call around to piece together a complete solution. Locations that can offer a single-entry-point have a natural advantage.
- 2 Many functions are involved in creating a comprehensive solution.**  
For large or complex establishments, it is natural for a dedicated project manager or project team within the municipality (or sometimes the region) to act as the unifying force.
- 3 Short lead times are expected – Many efforts happen in parallel.**  
The time from inquiry to offer to completed establishment is crucial both to remain competitive with other locations and to keep costs down for both the company and the municipality.
- 4 A listening culture and understanding of business conditions.**  
A listening culture and understanding of business conditions. understanding of the company's needs, they can foster a sense of urgency among all involved stakeholders.
- 5 Communication, problem-solving, and improvisation.**  
A business establishment cannot be realized efficiently by an organization that works in silos. Sometimes improvisation, effective communication, and a lack of ego are required from all involved parties.

## ■ Create the Attraction Team

This handbook suggests forming a team that can orchestrate the establishment process. The team should have the mandate to lead the process in an efficient and business-like manner and have the attention of municipal administrations. It should also earn the trust of real estate companies and other external actors who can help realize the establishment.

The team can take various forms. Sometimes a region or municipality chooses to establish an Investment Promotion Agency (IPA), a dedicated organization or unit that functions as a Business Attraction Team. Such a solution can contribute to a powerful and professional establishment effort, especially in the early phases (Attract, Connect).

In other cases, especially in smaller municipalities, a Business Attraction Team is an appealing option. The team can be based within a municipal business company or be cross-functional, including individuals from various municipal departments and companies. The team members may, of course, have other roles alongside their responsibilities in the team.

The national investment organization wants clear regional, professional establish promotion organizations that can provide this kind of mindset and culture.





## TEAM COMPETENCIES

### Eyes and ears on the market

To be able to respond to changes in the local business landscape and capture new opportunities for business establishments.

### Knowledge of companies and business

To understand the conditions and challenges of entrepreneurship and to build good relationships with businesses.

### Marketing and communication

To reach out in a competitive market and manage the flow of information throughout the establishment process.

### Flexible and agile

To react quickly to inquiries and create and realize tailored solution proposals.

### Networks and high trust capital

To mobilize the collaboration and coordination required in the establishment process.

### Knowledge of focus areas

To guide and engage in dialogue with specialized companies within the sectors we want to attract.

## ■ Cross-functional cooperation

When a business establishment occurs in a municipality, several different functions and departments within and outside the municipal organization need to be engaged to ensure a successful and smooth process.

**Business Attraction is more than organising people and resources: it is a matter of culture and investing in capabilities: A culture of listening and of customer orientation. Skills like communication, problem-solving and improvising.**

Municipalities in different countries are organized in various ways, but the needs are often the same:

- 1 Urban development:**  
Plays a central role in approving building permits and ensuring that the establishment complies with local norms and regulations.
- 2 Environment and sustainability:**  
Assesses and manages any environmental impacts of the establishment, ensuring compliance with environmental laws and local sustainability requirements.
- 3 Traffic and infrastructure:**  
Manages issues related to transportation and changes in infrastructure, which are crucial for supporting the company's logistics and employee commuting.
- 4 Business unit:**  
Serves as a first point of contact for companies and can guide the establishing company to the appropriate location. They can also coordinate a Business Attraction Team.
- 5 Labor market and education:**  
Should be involved if there is a need for specific vocational training or skill development to meet the company's needs.

## 6 Legal and financial affairs:

Important for reviewing and negotiating contracts, ensuring that all legal aspects of the establishment are covered.

## 7 Communication:

Responsible for internal and external communication regarding the establishment, including informing the public and managing media contacts.

## 8 Emergency services:

Plans for and manages safety issues related to the new establishment.

In addition to municipal functions, there are further roles that can be fulfilled in both the private and public sectors:

- **Real Estate Companies:** Construction companies and property owners can be involved in the construction and management of the property where the business wants to establish itself.
- **Energy:** For many companies, access to stable (and green) energy supply is a crucial factor.
- **Technology Providers:** A production facility or other technology-intensive operations require installations and consulting support.

## ■ Connect to regional and national level

Alone is not strong. A municipality that wants to attract business establishments needs to collaborate regionally and nationally. There are several reasons for this:

- Establishment promotion organizations at the regional and national levels often have strong connections with international and national companies seeking locations.
- The region has sales and marketing capacity for outreach and outward-focused efforts that individual municipalities may not always have the resources for.
- They possess knowledge of the industries in focus and can mobilize specialized expertise to create tailored solutions. The regional actor can coordinate capacities across the entire region that are necessary to attract and realize large business establishments.
- The municipality's business life is likely part of a smart specialization strategy in the region and is a component of a regional establishment strategy.
- When an establishment inquiry comes to the region, municipal establishment coordinators must be quick in assessing the establishment (see Assessing a Potential Establishment) and also work to avoid internal competition within the region.
- The establishing company will likely evaluate the regional offerings, population base, and infrastructure of the region before making a decision to establish. Municipalities that fail to partner with their surrounding region therefore become weak.

It should therefore be emphasized that the municipality needs to be proactive to secure its place in the regional portfolio of establishment opportunities. Without the active contribution of municipalities, the regional offering will become empty.

## ■ Dialogue with local businesses

It is often within the local business life that opportunities for business establishments arise. A trusting dialogue with local companies is therefore important to identify:

- Expansion establishments – when local companies want to expand their operations in the area. This may create the need for larger space, improved infrastructure, or relocation.
- Local companies requesting specific new establishments (partners, subcontractors, etc.).
- When real estate companies in the municipality seek investments or tenants to realize property projects.

For this reason, it is important for the municipality to keep its ears to the ground among local businesses. Without this closeness, establishment opportunities risk being missed. In the upcoming section on *Attract*, we link back to it under *Where do we find the establishing company*.

There are good examples of how local companies are engaged to find establishments. In Aalborg, business leaders act as ambassadors for the city and are expected to actively seek establishment opportunities that benefit Aalborg's development.

# 1c. DIGITAL BUSINESS ATTRACTION

Just as in all industries and activities, digitalization is changing the rules of the game in the competition for business establishments. It creates creative opportunities for a small municipality to showcase its offering and build relationships with potential establishers.

There are also great opportunities for the establishing company with the active use of digital tools. For example, economic data can be deeply analyzed to compare location options. A large and high-risk establishment can be visualized in a 3D environment and simulated using advanced technology before a decision is made.



In this section, we highlight how Business Attraction can be strengthened through digitalization and the use of various IT tools.

For a municipality that has not yet laid the groundwork for its investment promotion efforts, digitalization may seem a bit advanced. However, if the digital possibilities are actively used from the start, many opportunities and points of contact arise.

## Five Components of a Digital Business Attraction

For a municipality that explores the possibilities of a high degree of digitization in its Business Attraction, there are a number of possibilities that are divided here into five parts:

### 1 Market Monitoring and Data Analysis

Digital information and statistical services can provide municipalities with in-depth insights into demographic and economic changes.

For example, to identify which industrial sectors are growing within the municipality or globally. By using AI and machine learning to analyze large amounts of data, the municipality can detect patterns and trends that may not be immediately apparent, such as which types of businesses are seeking new locations and the factors driving their decisions.



### 2 Branding and Marketing

The Internet and social media can be used to promote the location and to build relationships with key groups of potential establishing companies and their decision makers. By surprising and showcasing the municipality in an unexpected and appealing way, even the small town can create competitive advantages.

Platforms like LinkedIn, Facebook, X, and Instagram can be used to reach and engage business leaders and investors. By regularly posting content that highlights the municipality's offer, successful business establishments and news, the municipality can build a follower base of potential establishers.

### 3 Accessibility – Data and Services

A strong web presence that describes the local business climate, available infrastructure, tax rates, labor force, and real estate opportunities is a good starting point.

Municipalities can also use digital tools such as chatbots and customer service portals. It can give companies quick access to information and answers to questions about establishment processes, regulations and available support.

Application processes for various permits can also be digitalized and streamlined, making it easier and faster for companies to complete necessary steps for establishment. Last but not least, it can provide digital tools for companies that want to do market analysis: demographic information, economic data and information about local industries.

### 4 Simulation and Visualisation

GIS (Geographic Information Systems) can be used to simulate how a business establishment will look and affect the local environment.

This can include mapping the planned location, nearby infrastructure, transport routes, and available services. GIS can also be used to assess environmental impacts and plan for necessary improvements or adjustments.

3D visualizations and virtual reality (VR) can create a realistic experience of what the development will look like. This technology can showcase planned buildings, infrastructure, and even simulate the flow of people and traffic in the area.

### 5 Citizen Dialogue & Transparency

Engage with and provide feedback on planned changes in the living environment, such as land use and business establishments.

Digital platforms and social media can be utilized to engage and gather feedback from businesses, residents, and other stakeholders. This can provide insights into what is attractive for companies and how the municipality can improve its appeal.

### 6 Teamwork & Networking

Just like in many other contexts, digital tools can facilitate effective communication and efficient information sharing. This benefits the Business Attraction team and others involved in the establishment process. It is important to ensure that permissions and privacy settings are well-defined in situations where trade secrets may be involved. Digital tools can also be used for analysis and learning within the team. One can compare the municipality's performance and offerings with those of other municipalities and regions, providing insights on how to improve their own efforts.



#### What Can AI Contribute to Business Attraction?



ChatGPT was asked: How can AI help a municipality work better to attract business start-ups?

Answer: AI can contribute in several ways to assist a municipality in enhancing its efforts to attract business establishments:

1. **Data Analysis and Insights:** AI can analyze large amounts of data to identify trends, opportunities, and challenges within a region. This can include analysis of the labor market, economic indicators, and real estate market. These insights can help the municipality understand which types of businesses would fit best in their area.

**2 .Customized Recommendations:** By using AI to analyze specific needs and preferences of potential businesses, the municipality can create tailored proposals and incentives that are more appealing to these businesses.

**3 .Marketing Strategies:** AI can assist in designing effective marketing campaigns targeted at businesses. This can include identifying the most effective communication channels and messages to reach out to potential businesses.

**4 . Improving Infrastructure:** AI can be used to optimize the municipality's infrastructure and services to make it more attractive to businesses. For example, by improving transportation networks, digital services, or other municipal services.

**5 .Risk Assessment:** AI can be used to make more accurate risk assessments regarding investments and development projects, making it easier for businesses to make decisions about establishment.

**6 .Dialogue and Feedback:** AI-powered platforms can be used to facilitate dialogue and gather feedback from existing businesses and stakeholders, which can help the municipality better understand and meet their needs.

**7 .Automation and Efficiency:** By automating certain administrative processes, AI can help the municipality become more efficient, which in turn can make it easier and quicker for businesses to establish themselves.

By integrating AI into their strategies, municipalities can become more proactive, data-driven, and adaptable in their efforts to attract business establishments.

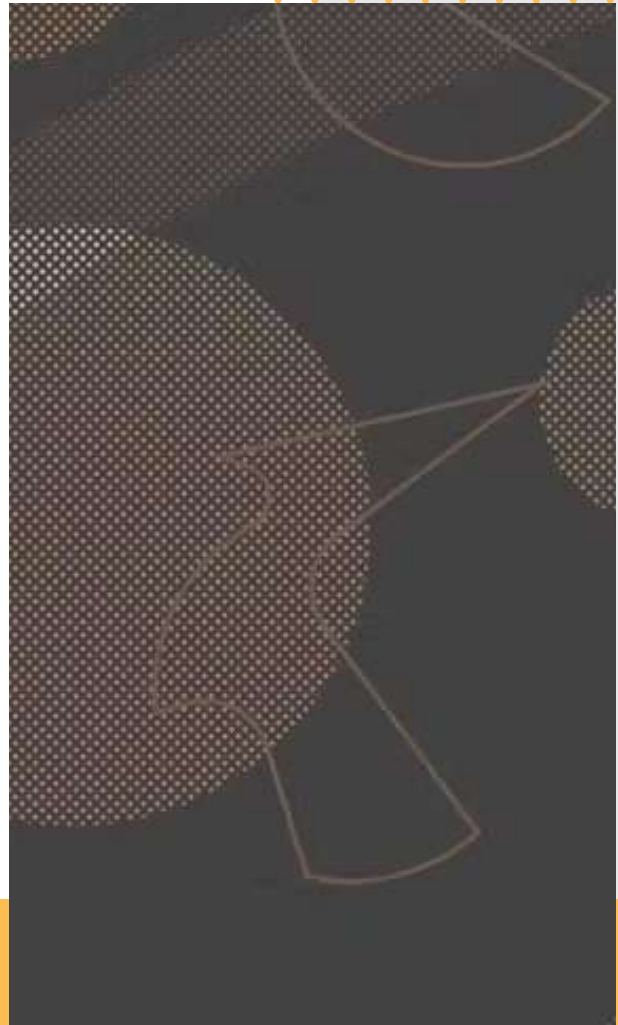


## 2. ATTRACT

In the section Attract, it is shown how a municipality can work purposefully with marketing for business establishments. The marketing naturally assumes that the necessary preparations have been made (section 1a) and that teamwork and cross-border collaboration have been initiated (section 1b).

The marketing should be based on well-founded branding efforts that is based on the unique qualities of the location. This approach can lead to a long-term improvement in the awareness and attractiveness of the area, benefiting new residents, visitors, and business establishments.

A clear choice of target market is needed, as well as an idea of how we will find potential establishing companies and build relationships with them. Last but not least, good accessibility for establishing companies and readiness to respond to inquiries is required.



### This section includes:



## ■ Branding for Business Attraction

There are good reasons to view the location's branding as an important starting point for the Attract phase and for a cohesive establishment promotion effort. By clarifying the location's brand, a comprehensive sustainable development focus can be established, and the marketing can be based on the location's unique conditions. Additionally, this also aligns well with the area's other marketing efforts (towards new residents and visitors).

The interest in place branding is significant. Municipalities, regions, and countries are increasingly dependent on developing attractiveness for newcomers, investments, and visitors. There are also rising ambitions to create a strong local identity and a sense of pride among residents. Therefore, it is natural to turn to Place Branding as an appealing strategic tool.

### By place brand, it is meant here:



A strong idea of what makes the location unique and attractive—today and in the future. The brand demonstrates how the location differs from others and what value it adds for people.

### From the investor's perspective - does the place as a brand matter?

Establishing companies benefit from a location that has a good reputation and high attractiveness, both as a living environment and as a place for business. This provides a favorable starting point for already well-known locations that are perceived to have allure and a positive outlook for the future. Conversely, it can mean an uphill battle for municipalities that are unknown or associated with various social problems or an outdated business landscape.

It is easy to believe that the individuals representing the establishing company would only consider rational arguments and figures. Experience shows that the choice of establishment location depends on a long series of events that are related to both relationships and emotions. If two alternative locations remain after analysis, intuition may well dictate where the establishment should occur.

### Does your municipality already have a solid foundation for its place brand?

Consider whether the following statements apply to your municipality:

- We have a well-founded idea of what makes our place attractive and what distinguishes it from others.
- The place brand has been translated into a communicative platform that can be applied across all channels.
- The place's brand (as an idea and as visual characteristics) can be shared by residents, businesses, and municipal operations.
- Clear core messages have been developed for newcomers, investors, and visitors, based on the place brand.

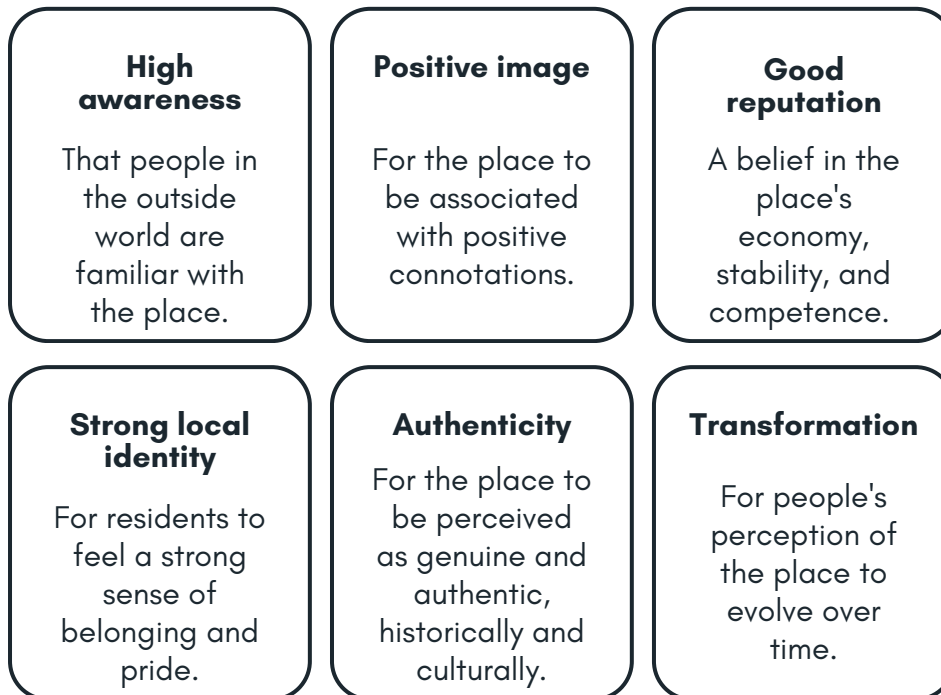
If the statements are true, there is a high likelihood that you have laid the groundwork for an establishment effort that aligns with the place brand.



## Work Towards Overall Branding Goals for the Place

Municipalities that want to develop effective branding need to set clear objectives. Well-chosen performance metrics regarding increased visitors, new residents, and investments are essential. However, branding efforts must also be guided by communication goals. Below are six important objectives related to the place brand.

### Six branding goals:



The six goals can serve as a basis for discussing the demands and expectations that stakeholders have regarding the place's identity and image. Naturally, such a discussion should take place in a group that focuses on newcomers, business establishments, visitors, and the local identity.

## A strong brand as a business establishment municipality

There is a great opportunity for a municipality to build a *good reputation* as a place to establish and run a business. Business leaders who feel that the municipality handled the establishment process professionally and accommodatingly will share their experience with others. Similarly, companies that value the local *business climate* and *recruitment opportunities* will provide positive testimonials, which play an important role in shaping the municipality's brand.

Simplified, the following success factors can be identified for a municipality aiming to strengthen its brand as a location for establishment:

1. A track record. To have enabled business establishments where the company has had good growth and otherwise succeeded in its business goals.
2. To be able to meet the requirements regarding infrastructure and competence needs that establishing companies within the selected target market have.
3. To be associated with a good quality of life and soft values that contribute to a favorable supply of skills.
4. To have a high level of service in the municipal administration and leading people (politicians, civil servants and other leaders on the site) who drive the site's development forward.

## Where do we find the investor?

In simple terms, a municipality looking to attract business establishments has two options: to wait and see who calls, or to actively prepare and build relationships with industries or companies that might be interested in an establishment.

A rapidly growing municipality often has its hands full managing and prioritizing inquiries. Many others face the opposite situation. Regardless of the starting point, proactive efforts to attract businesses establishments are often either absent or unorganized. The risk is that opportunities are missed.

There are several methods to identify the right target group of companies. These methods require a strong sense of business acumen and an understanding of how the business life operates. Additionally, the right conditions must be created for the type of establishments being sought.

Six methods are proposed.

### 1 Start with a strategic idea about the business life of the future

What will the business landscape in your municipality look like in 2040? In the section Prepare, we discussed the importance of having a vision for the location's future and the type of business life we want to shape. It becomes easier to choose a target group if there is a stated idea of the desired industry structure and there is credibility from the companies' point of view if the direction is stated (politically).

### 2 Businesses seeking the location's unique strengths

View your location from the businesses' perspective. Perhaps there is a smart specialization in specific technology areas or industries. A municipality with strong appeal as a tourist destination has an advantage for tourism-related establishments, such as hotels, transport services, experience providers, and restaurant chains. While this may seem obvious, it is important to actively seek establishment opportunities specifically in areas where the location has distinct competitive advantages.

### 3 Ongoing or planned establishments

Maximizing the impact of ongoing establishments often yields greater positive effects than pursuing entirely new ones. This can be achieved by seeking complementary businesses to the established company, such as subcontractors or companies that benefit from attracting specific customer groups to the area. This will be addressed in the upcoming phase, "Establish".

### 4 Gap in the value chain

If local businesses express a lack of partners or suppliers, it is a good foundation for business establishments. Often, the local business community can address such needs on their own, but sometimes the municipality may need to take action. For instance, this could involve industrial companies lacking consulting firms in automation or the hospitality industry pointing out the need for more activity organizers.

### 5 Circular business and industrial symbiosis

The by-products of one company can serve as a resource for another. Circular business models are key to climate transformation, and they mean concrete business opportunities and also facilitates new establishments. Identifying these opportunities requires close proximity to the local business life and industrial expertise.



## 6 Entrepreneurs with a particular connection to the area

It often turns out that entrepreneurs and business leaders have personal ties to the locations they choose for establishment. This could be because they grew up there, studied at the local university, or have a summer home nearby. It can be beneficial to keep track of whether business leaders or entrepreneurs operating elsewhere have such connections

## Smart Specialisation

Based on both the local strengths and an understanding of what establishing businesses need, a place-based offering can be developed for a specific category of businesses.

This can occur organically as the region or city gradually achieves specialization in certain industries, such as the automotive or forestry sectors. Then there is often valuable expertise, potential partners, and even academic research already present. The sum of it constitutes a location-based offer to an establishing business.

A place-based offering can also be created through turnkey solutions. This means that land or properties are designed to be attractive specifically to our target group, such as energy-intensive businesses, e-commerce companies, or even hotels. Developing turnkey solutions can be very successful in Business Attraction efforts, but it can also involve risks, which is described below.

### Turnkey solutions - risk or opportunity?

In many cases, areas are designated in detailed planning (spatial planning phase) as suitable for specific activities, and this can often be enough to attract an establishing company. However, achieving further competitiveness for external establishments may also require great efforts, for example by the municipality bringing in electricity in advance or preparing the area for heavy transport.

In many cases, the more tailored and establishment-ready a plot of land is for a particular business, the more attractive it becomes. This shortens the company's establishment process and reduces their financial risk. The municipality can also benefit from the adaptations if they contribute to a good alignment with the surrounding community and nearby activities.

At the same time, there are costs and risks for the municipality associated with adaptations if they are made at a stage when no establishing company is yet in place. It can become expensive and may reduce flexibility if the land is not suitable for other types of activities. In practice, many municipalities try to avoid to design in detail before a company can serve as a dialogue partner.

## Place Value Propositions

Marketing plays an important role in Business Attraction and it aims to increase the visibility of the municipality and build trust with the category of businesses in our target group. At the same time, marketing cannot replace a poor foundational job in terms of long-term planning or shortcomings in the establishment promotion efforts overall. Here are six concrete tips for establishment-focused marketing:

## **1 Provide a generally attractive image of the municipality's business life**

A foundation for all establishments is the presence of a positive image of the municipality. It is particularly important to showcase the business life and demonstrate a business-friendly climate. Ensure that the web portal or the municipality's overarching channels provide a summarized and positively charged image of the area: quality of life as well as business life.

## **2 Provide digital access to statistics, land, and properties**

A company that wants to base its establishment decision on facts should be able to easily find this information. Ensure that statistics and data are readily available digitally (as discussed in the section on Digital business attraction). This includes both curated statistics chosen by the municipality to demonstrate competitive advantages and the statistics or data that the establishing business needs to make informed decisions.

## **3 Identify and establish early contact with potential establishing companies**

By determining specific target groups of companies (geographically and by industry), the municipality or another establishment-promoting entity can make direct contact. This may seem challenging and appear to require a concrete case. The contact can be made when a specific establishment opportunity arises, or even better, earlier to establish the relationship in advance. Maintain the dialogue through phone calls, newsletters with business news from the municipality, or by regularly inviting them to events.

## **4 Create reasons for business decision-makers to visit the municipality**

That leading people at the establishing business have their own experience of visiting the site is a great advantage, provided the visit is a positive experience. A municipality that organizes conferences or other industry-related meetings can build relationships and gain a competitive advantage in Business Attraction. During these conferences, the municipality can showcase innovations, investments, and other elements that enhance confidence in its establishment opportunities.

## **5 Highlight successful establishments**

Establishments are always fraught with risk and therefore it may need to be shown that establishments in the municipality have worked well for other businesses. This creates psychological reassurance when other companies choose the area, potentially leading to a bandwagon effect. Testimonials from business leaders who have made successful establishments are valuable, and detailed case descriptions can be developed. If there is evidence that companies have generated revenue or achieved other important business goals through their establishment, this should be highlighted.

## **6 Leverage the local business life as a starting point**

The most credible marketers are often the companies already present in the municipality. Their voices can be utilized to create credible narratives about local entrepreneurship and the level of municipal service. Using video to depict and interview these businesses could be effective. There is also an opportunity to collaborate with local businesses that wish to attract partners or subcontractors to the area. In such cases, the municipality can participate in these discussions and provide the new actor with suitable premises or land offers to the new entity.



## ■ One-door Solution

Offering a clear entry point for establishing businesses is often described as a success factor in Business Attraction. There are several reasons for this, though we can also present an alternative below.

A one-door solution is a contact opportunity in the form of a phone number or digital entry point to a person or team that can handle both initial contact and potentially maintain the relationship throughout the establishment process.

A one-door solution should provide several advantages:

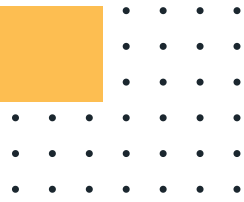
- A signal that the municipality welcomes inquiries about establishments.
- It simplifies the process for businesses to know whom to contact.
- The number of contacts for the business can be kept to a minimum, even with many involved.
- Short lead times and quality responses to the business can be ensured.

The door should lead to the Business Attraction team, or rather to a key person within that team. We also discuss this under the topic of *A smooth establishment process*.

Are there alternatives to a one-door solution? Yes, ensuring that wherever an inquiry lands within the organization—or even in the surrounding ecosystem—it is handled and forwarded to the Business Attraction team. Such collaboration can be valuable to avoid missing opportunities for establishments and should primarily be seen as a complement to the one-door solution.



# 3. WIN



The *Win* phase in the BAS model begins when a contact with a potential company results in a concrete interest in an establishment. The relationship with the company may have existed since before or an inquiry is received from a more or less unknown company. A common situation for a municipality is that the regional establishment organization has mediated the contact.

In this phase, it is decided whether the municipality will get the establishment. And thus jobs and other positive effects are at stake. The prospective company is often evaluating multiple potential locations simultaneously. Therefore, efficient management and business acumen are essential to winning the competition against other municipalities.

## This section covers:



**How to handle an inquiry?**



**Evaluating a potential establishment.**



**A winning meeting with the company.**



**Business offering.**



# How to handle a request?

## Different Types of Inquiries

Everything begins with an inquiry, whether written or verbal. A business sends a simple request for land or create a detailed inquiry document called an RFI (Request for Information). An RFI can include a wide range of questions that will serve as the basis for an establishment decision.

It's not uncommon for the establishing business to be represented by an agent. In such cases, it can be challenging for the municipality to establish direct contact with the business, and it may also be kept confidential which company it concerns. On the other hand, the agent is likely to be a professional and dedicated actor who can create value for all parties involved.

The inquiry may be sent out to numerous municipalities or targeted at a select few. The process can sometimes be time-sensitive, while in other cases it may last several years. It can be difficult to know if the inquiry is genuinely urgent and if it reflects a real intent to establish operations.

For a smaller municipality, cooperation with the regional establishment organization is essential. There is also a need to ensure that multiple municipalities in the region do not unnecessarily compete for the same business establishment.

In many cases, the inquiry does not land with the municipality but instead arises as a business opportunity for a local real estate company or as an expansion opportunity for a local industrial firm. In such cases, the municipality may sometimes need to assist the commercial actor to finalize the deal. This could involve contributing added value such as workforce supply or fostering a good relationship with the establishing company.

## A critical moment - is the establishment interesting?

There is reason for a small municipality to ask themselves early on whether the establishment is desirable. Does it fit into the future we want to create for our area? Similarly, the municipality may need to assess whether its own competitiveness is sufficient to win the race for the establishment. Since the process is time-consuming and can distract from other priorities, it might sometimes be wise to decline. We'll come back to that in the *Evaluating a potential establishment* section.

## The company must always receive a response

Companies that submit an inquiry about establishment deserve a response, and it should be provided as quickly as possible. If the municipality intends to participate in the ongoing competition for the establishment, prompt feedback is a competitive advantage. It may be enough to acknowledge that the inquiry has been received and that it will be addressed.

Conversely, if the municipality does not plan to participate, it is a good idea to respond quickly and thank the company for its interest. This contributes to a good reputation as a business-friendly municipality and facilitates the company's continued search for an establishment site.



### Some practical advice:



- Send a prompt reply and provide an estimate of when more complete information can be delivered.
- If possible, try to gather more information about the company's motivations and plans.
- Choose a level of detail that reasonably matches the company's expectations at this stage.
- Open a channel for ongoing discussions or invite the company to a meeting.

## Key success factors for handling inquiries

Experience shows that four factors will influence a municipality's ability to secure a business establishment:

- **Establishing a Personal Relationship:** Quickly building a personal and trusting relationship with key decision-makers at the establishing business. Since the investment is risky for the business, this relationship and dialogue play a crucial role.
- **To mobilize a team effort:** Engaging all stakeholders (both within and outside the municipal organization) to contribute the necessary data and solutions that are critical for the establishment.
- **Knowledge of the establishing actor and its industry:** Having prior knowledge of the industry involved in the establishment, and ideally, insight into the specific company.
- **That a solid preparatory work has been carried out:** Having pre-planned and prepared offers, such as land and other location-based resources, that meet the company's needs and requirements.

An establishment request inquiry by the municipality should be kept confidential to the greatest extent possible because it concerns the business interests of an individual company. The company must be able to feel secure that information about their establishment request is not disseminated.



## ■ Screening potential investments

### Is it necessary to evaluate a potential establishment?

In EU countries, in principle, there is freedom of establishment for business, and this means that municipalities can hardly prevent a specific company from starting and operating there. In addition, many establishments occur outside of municipal control, through direct deals between, for instance, property companies and tenants.

However, when municipal land or other assets can be utilized for business development, there is a choice to be made—what type of business should be prioritized? Ideally, there is a long-term business development plan (see section 1a), allowing the establishment request to be assessed based on desired outcomes and the municipality's vision.



## How should a potential establishment be evaluated?

No matter how obvious the benefits of an external establishment may seem, its impacts should be carefully assessed. It may compete with other purposes for the land or with local companies' expansion plans.

The establishment can be evaluated based on:

- **Sustainability (economic, social, and environmental).** Does the business contribute to a good living environment? Will it cause disruptions to the surroundings? Are there people who would be negatively affected by the establishment?
- **Desired outcomes.** Does the establishment contribute to the outcomes the municipality wants to see from business establishments (see the Introduction section):
  - Direct and indirect job creation
  - Innovation and an influx of skilled workers
  - Strengthened capacity and a richer range of services
  - Follow-on establishments
  - Increased confidence in the area's development
- **Alignment with the municipality's overall planning.** Does the establishment align with the long-term vision and strategy for the area's development? Be careful not to be too rigid in defining the types of companies that fit into this future vision.

## Evaluation of the company behind the establishment

It is crucial for the municipality to know whom they are dealing with. Is the company solid and reliable? Are they serious about their inquiry? Do they uphold good values? How have previous establishments performed? The answers to these questions can determine whether the establishment should be pursued or if it's better to decline.

Information can be gathered in various ways:

- First of all, the municipality can do its own mapping of the company. It is about understanding the company's history and current situation, ownership, business model and expansion.
- Another way is to hire an audit or consulting company that can do a more comprehensive analysis of the company. Such a service can also sometimes be provided by the regional and national establishment organisations.
- A third (supplementary) way is to have a dialogue with the company and thus seek the answers that are necessary to value the establishment. It gives the opportunity to understand the people behind the establishment and about the company culture.



## Mapping investor's priorities

An important aspect is the first well-planned meeting with representatives of the establishing company. This meeting can be crucial for the decision on localization. The meeting usually takes place on-site in the relevant municipality, and it is common to visit one or more sites (potential locations).

Keep in mind that the idea of the winning meeting is a simplified picture of what an establishment process looks like, and it can sometimes be difficult to identify which of all the meetings has been decisive. However, experience shows that *the first organized visit* to the site plays a critical role in ensuring that the establishment takes place.

## An opportunity to build a trusting relationship

The meeting should be seen as an opportunity for both the company and the municipality to assess the conditions for an establishment. However, it is natural for the municipality to take on a selling role since the company likely has several alternative locations to choose from. It is important to remember that the company values a timeline that is as *short as possible* for starting operational activities on-site and dislikes *uncertainties* regarding time, costs, and how the final establishment will look.

The municipality needs to focus on demonstrating how the establishment can be realized. This is also an opportunity to showcase the best that the municipality has to offer, which is relevant to the company. Not all questions need to be answered immediately; it is essential to understand the company's priorities and needs. Afterward, a well-prepared proposal can be sent, or a follow-up meeting can be planned.

### Tips for Crucial Meetings



- **Be diligent with project planning for the day.** It sends a good signal that transportation, schedules, and meetings are functioning as promised.
- **Meet at the same level.** If the mayor or municipal council member participates, it shows that the municipality is eager. If the counterpart sends an expert on, for example, power supply, meet with the same specific expertise.
- **Be prepared for language and cultural barriers.** If the delegation is foreign, care should be taken to bridge language and cultural differences. Good English is essential.
- **Adjust the level of formality.** Are the company representatives formal or informal in their style? As much as possible, try to anticipate and meet their expectations.
- **Provide a good experience of the site.** If a visit is to take place at a potential site, ensure in advance that it looks as expected.
- **Facilitate meetings with other entrepreneurs.** Offer opportunities to meet local business leaders or individuals who have previously established companies to provide a positive image of the area.
- **Don't promise too much.** It's tempting to promise lead times, power supply, or road connections. This can be costly or damaging to trust later on.



# ■ Creating a Business Offering

## The value of a solid basis for the establishing company

In the section *Attract*, we discussed how Place Value Propositions can be developed as a foundation for targeted marketing towards specific groups of companies or industries.

In this section, we address how a business offering can be created. The offer is directed to a specific company that sent an establishment request.

The offering is the single most important decision-making basis on which the establishing company relies. Therefore, it should be fact-based and simultaneously designed to clarify the location's strengths and future ambitions.

In connection with RFIs (Request for Information), responses are often expected to be provided in a fixed format, such as Excel. In such cases, the ability to create a comprehensive offering is limited. Here, we assume that the municipality has the opportunity to tailor an offering to a specific company.

It is a good idea to have pre-prepared templates and general descriptions of the location that can be used continuously as support in the creation of offerings.

## What should the offer include?

- A confirmation that the company's needs and requirements have been noted.
- Facts about the region and municipality: infrastructure, business structure, and workforce.
- Legal aspects, tax system, and information on necessary permits (for international establishments).
- Soft factors like living environment, schools, and housing options.
- Examples of previous successful establishments in the municipality.
- What support can be offered to the company throughout the entire establishment process.
- What soft landing services can be provided, such as recruitment assistance.
- A personal invitation to visit the location and the specific site.
- An expression of commitment from the municipality's leadership to realize the establishment.

It should be emphasized that the offer must be reinforced through meetings and dialogues whenever possible. This builds trust and allows the municipality to gain a deeper understanding of the company's motives and needs.

## Designing specific solution proposals

At some stage, the establishing company will require a detailed solution that may include road connections, access to electricity, and possibly customized workforce training. A Business Attraction Team sometimes needs to work very actively to present solution proposals in line with the company's needs. A well-designed solution proposal is a direct competitive advantage in the battle for establishment.

The solution proposal can be part of the offer if it is simple and doesn't require specialized design. If it is complex and costly to develop, it needs to be given time. In many cases, cooperation between several actors on the site is required to form a common solution proposal. This can involve architects, property owners, and consulting firms.

In many cases, the solution proposal involves infrastructure investments that must be made at the municipality's expense to realize the establishment. Since time is often tight, conflicts may arise with the regular decision-making process for land use or due to limited access to electricity.

## ■ The personal meeting

The personal meeting is the ultimate discipline in communication between the municipality and the company or investor and requires optimal preparation.

### **Thorough project planning**

Without the appropriate preparation in terms of project planning, starting with knowledge of all obstacles and difficulties, there will be no good conversation. If possible, all problem areas that can be estimated at the beginning should be considered and named. Possible solutions should also be discussed in advance with the necessary specialist departments.

### **Meet on the same level**

If the investor and/or the project sponsor agrees to a personal meeting, it is useful to make it clear in advance who will take part in the meeting. Eye level is not just a polite factor, but a tactical signal.

### **Adjust the level of formality**

Not only the right eye level, but also the degree of formality of a meeting is crucial for a smooth outcome with the right feel-good factor.

### **Dealing with language Barriers**

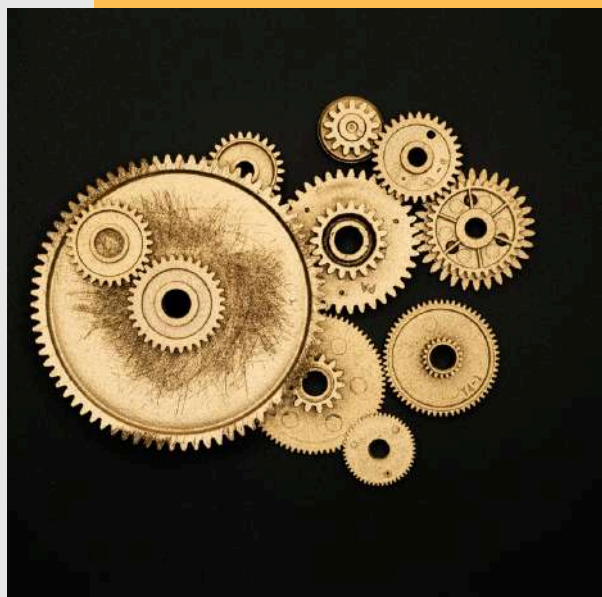
Understanding and being understood are essential when it comes to trust within project communication. Agree on a lingua franca (if in doubt, English) or bring in a good translator who can also translate the topic simultaneously.

### **Be prepared for new requirements**

In the first phases of joint project development, every conversation will be accompanied by new requirements, tasks or wishes. Openness in dealing with new problems and the competence to find solutions are essential here.



## 4. ESTABLISH



The *Establish* phase begins when the establishing company has communicated a positive decision, meaning that an establishment is intended to begin in the municipality.

In less complex establishments, the municipality is not actively involved in the establishment phase to any significant extent. This could involve stores, service companies, or takeovers of existing businesses. In such cases, the establishment is carried out on business grounds, for example with a real estate company.

However, when municipal resources (such as land and infrastructure) are utilized, it becomes important to ensure that the establishment occurs as efficiently and according to plan as possible. It is crucial for the establishing company that the outcome meets expectations and that the company can start generating revenue from its establishment as quickly as possible.

The Establish phase also includes fulfilling promises made regarding support and soft landing services, as well as maximizing the effects of the establishment.

### In this section, we address:



**A smooth establishment process**



**Offering support and soft landing services**



**Maximizing the effects of the establishment**

## ■ A streamlined process

When the decision to establish has been made, there is every reason to celebrate—for both the company and the municipality. The establishment can lead to new business opportunities for the company and to job creation and growth potential for the municipality, its residents, and business sector.

However, experience shows that perhaps the most crucial part of Business Attraction still remains: ensuring that the establishment is successfully completed and that its effects are as positive as possible.

The municipality will still need its Business Attraction team during this phase, though the focus may now shift more towards realizing the physical aspects of the establishment. As outlined in the following sections, there is also a need to provide support services, assist with competence supply, and communicate the establishment. The team can ensure that all these efforts are coordinated.

### **Parallel processes in a coordinated establishment process**

Several efforts typically occur simultaneously in a more or less extended timeline:

- The municipality completes urban planning, allocates land, or adjusts zoning plans as required by the establishment. Access to electricity and water may need to be secured.
- The company applies for necessary permits and makes the purchases and investments that form the foundation of the establishment.
- Real estate companies or other external companies (such as partners and suppliers) contribute various parts of the solution. This could involve construction or the installation of machinery and inventories.

It is evident that some aspects of the work may be delayed or go wrong, which can extend the total time for the establishment process and make it more costly for the company. There is often uncertainty about whether everything is progressing as planned. Therefore, maintaining close communication with the establishing company is crucial throughout the entire process.

### **The value of an efficient navigation function (one-door solution)**

The one-door solution has been previously mentioned as a centralized and easily accessible point of contact for establishing companies. This section emphasizes the same function, focusing on guiding companies correctly regarding permits and other regulatory processes. This means that the company has a designated contact person who can provide guidance on the necessary permits and how to apply for them.

Since new establishments are often complex, it may require multiple permits from various authorities at local, regional, and national levels. A modern approach is to bring together representatives from the authorities and the establishing company at the same time. This allows for a problem-solving approach while ensuring legal certainty and equal treatment are maintained.



## Support services and Soft Landing

There are three main reasons for a municipality to offer support to establishing businesses. The first reason is that the support helps the company reach a functioning, profitable operation more quickly. The second reason is that it reduces the risk of the establishment being interrupted or failing. The third reason is that the support services are an important part of the municipality's offering to establishing businesses and contribute to a good reputation in the business community.

The support services can be divided into administrative and strategic. To that can be added *Soft Landing*, which is about supporting the company's recruitment and offering new people a warm welcome.

### Administrative support

Administrative support aims to simplify the process for the establishing company to obtain all necessary permits and manage other official contacts. The importance of a smooth establishment process was mentioned in the previous section.

Larger companies and retail chains often have so much experience and sufficient resources that they rarely need support to handle the process. There may be a greater need for administrative support among companies establishing themselves for the first time or among foreign companies opening their first operation in the country.

#### A range of support can be included in administrative support:



- Help finding premises and land
- Help applying for permits
- Assistance in understanding the country's legal system and tax regulations
- Quick handling of the company's needs for electricity, water, and broadband

### Strategic support

Strategic support should be provided based on the specific challenges faced by the establishing company, and this can vary greatly. To offer strategic support, the municipality or external partners must have the necessary expertise and capacity. These services can either be free of charge for the establishing company or offered on commercial terms. If strategic support can be provided, it becomes an important part of the location's value proposition to businesses looking to establish themselves.

#### The strategic support can include:



- Support for the company's workforce needs, which may involve tailored training programs and matching with suitable candidates.
- Assistance in finding a local site manager, board members, or other key personnel.

- Connecting the company with potential partners and suppliers in the local business community.
- Communication and marketing of the company's establishment in the municipality, which can simplify both recruitment and market entry.

## Soft Landing

In connection with an establishment, it is common for key personnel and staff to relocate from other parts of the country or from abroad. It is crucial for the company's initial period in the municipality that this relocation goes smoothly and that key individuals and their accompanying families feel comfortable. Therefore, *Soft Landing* can be offered as part of the strategic support.

Soft Landing is an essential component of a *well-functioning talent attraction* – systematic efforts aimed at supporting the relocation of qualified workers. This was described in the previous section on talent attraction, where Soft Landing was outlined as *Step 3: Welcoming talent*, and *Step 4: Integrating talent*.

### Several elements can be included in a Soft Landing offer for establishing businesses:



- Assistance in promoting the municipality to key personnel and employees that the company wants to relocate to the new municipality.
- A warm welcome for the workforce, along with information about housing options, schools, and leisure activities.
- Support for international movers regarding work permits, regulations, taxation, and information on how the housing market and childcare systems operate in the country.
- Meeting places that help newcomers integrate into the local community, both professionally (professional networks) and socially (clubs and forums).
- Relocating spouses may need assistance in finding jobs, educational opportunities, or other forms of employment.





## ■ Maximize the effect of the investment

### Positive circles and the value of marketing

A business establishment in the municipality is a positive event worth celebrating. The establishment can create pride and strengthen confidence in the area's development among both residents and businesses. Moreover, it often turns out that success breeds success. Establishments tend to follow one another, and municipalities can sometimes create positive circles in their development by harnessing momentum.

For an establishing entity considering a location, it provides reassurance that other companies have chosen the same municipality as their establishment site. This makes it easier to justify the decision to stakeholders, such as the board and owners.

A municipality that can continuously highlight new business establishments thus gains an advantage. There are several target audiences: residents (for increased pride), workforce from other parts of the country (to encourage relocation), the local business community (for subsequent establishments and confidence in the area's development), and potential investors (for more establishments).

### Maximize effect or chase the next?

A conclusion drawn by experienced establishment promoters is that the focus should be on fully completing and maximizing the effects of ongoing establishments, rather than hastily seeking the next opportunity. Maximizing the effects means that municipal resources should be allocated to support both the Establish and Grow phases, as well as the Attract phase.

There is also value for the establishing company in having an efficient establishment process. This shortens the time to revenue-generating and profitable operations.

### Follow-up establishments and industrial symbiosis

In connection with a business establishment, smaller, complementary business establishments often occur. For example, a shopping area in a municipality can receive a significant boost when a large, well-known store opens. This can lead other retailers to see an opportunity to establish themselves in the same area. Another scenario is when an industrial company sets up operations, prompting suppliers or consulting firms to open nearby. Sometimes, the municipality may need to assist by providing attractive solutions to make this work.

A growing concept is industrial symbiosis. Industrial symbiosis involves a number of companies collaborating so that the surplus or byproducts of one operation become a valuable resource for another. This can include energy, water, and material flows such as waste and residual products.



## 5. GROW


The Growth phase describes a stage that is often not even seen as part of Business Attraction, as the establishment seems to be completed and the company is now part of the local business community. However, newly established companies have a weaker local network, and there is still a risk that the company may encounter problems with its operations and profitability.




### In this section, we address:



**Helping the company continue to grow**



**Capturing early signals**



**Follow up and learn**

### Help the company prosper

Caring for every established business should be a given, but the work is not always done. The responsibility for the relationship can be unclear, and smaller establishments do not receive the same follow-up and ongoing attention as larger ones.

An establishing company has less contact with the local business community and the surrounding society. There are also inherent risks if customers do not come as planned, which can lead to significant profitability issues for continued business operations.

To support the company's growth in the area, three initiatives can be identified.

#### **1 Strengthen the company's relationships with local and regional businesses**

It may seem like it is the company's role to find the partners and suppliers needed to get the business rolling. However, there is a good opportunity to facilitate contacts with well-chosen small and large companies in the region that may be interesting to the establishing company. In addition to direct contacts, forums and networks for business leaders can also be important, especially if key personnel in the company do not have their history and residence in the municipality.

## 2 Connect the company to the innovation support system

In cases where the establishing company is involved in some form of product development, it can be important to introduce them to the ecosystem of innovation-promoting actors. This can include access to test beds, innovation arenas, venture capital, consulting, and strategic collaborations with academia. The goal is to make the product development in the establishing company as successful as possible, which naturally benefits ongoing successful operations in the municipality.

## 3 Continued talent supply and attraction

Companies that do not have their history in the area, but may have established a subsidiary, local office, or branch, can sometimes find themselves overshadowed by strong local employers. Therefore, they may require special attention in the municipality's overall efforts for talent supply, and they are often interested in participating in the area's talent attraction efforts to attract skilled personnel to the municipality. Another reason is that an establishing company may have different skill requirements than other employers and may need international employees or specialized expertise in certain technology areas.

# Follow up and learn

It is sometimes referred to as Business Retention and it is ensuring that companies do not scale down operations or relocate. While this may seem beyond the municipality's ability to influence, there is great value in recognizing early signs of potential issues and, ultimately, in seeking ways to preserve jobs.

Equally important as identifying signals of downsizing is spotting opportunities for expansion and new establishments. Such knowledge can only be gained through close and trust-based dialogue with the local business community. This has previously been discussed in the sections on Orchestrating and Attracting as success factors for Business Attraction.

- **Monitor key data on important companies and industries in the municipality.** An annual review of how companies are performing in terms of revenue and profit can provide a solid foundation. This type of business information is not available in all countries, but when it is, it serves as a valuable tool in Business Retention. A loss-making company may need help adjusting its operations, such as downsizing its premises or workforce, or even better, investing its way back into profitability. Keep in mind that business data is often published annually, making this method less immediate.
- **Regular dialogues to track company development.** Key data cannot provide explanations or insight into ongoing changes or plans. Therefore, regular dialogue is necessary, and the more trustful this dialogue is, the better information can be shared. A balance must be struck. The municipality should not collect business secrets or delve into matters that are the company's own concerns. However, if business leaders are willing to share information about the company's status, opportunities, and challenges, there may be opportunities to take action together with the broader business support system.
- **Capture expansion and build networks to find new establishments.** If business leaders feel positive about the area's development or see business advantages from more establishments, they can be encouraged to share tips and actively participate in bringing new establishments to the municipality.

A municipality never possesses the industry knowledge or contact network that the company does and therefore company leaders can play an important role for Business Attraction.

In addition to providing tips on new business establishments, business leaders can also give early information about their own company's expansion needs. This allows for better preparation, ensuring that existing locations can be adapted to fit new requirements or meet new infrastructure demands. Alternatively, new land or properties can be assessed to support the company's growth within the municipality.





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## DEVELOPING DIGITAL BUSINESS ATTRACTION SKILLS IN THE LOCAL PUBLIC SECTOR



**Contact Us :**

[WWW.BASPROJECT.EU](http://WWW.BASPROJECT.EU)



@bas.erasmusproject