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Corporate Site Selection Guru Has the Ear of Major Political Figures

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John H. Boyd is a globe-trotter.

But he isn't from Harlem, and he doesn't play much basketball.

He's a former economics professor at Rutgers University in New Jersey who has been known to dazzle clients with his firsthand facts about sites around the world.

In 1975, he started a corporate site selection consulting firm, The Boyd Co., and moved to Princeton, N.J. -- where, he recalled, former U.S. Sen. Bill Bradley happened to play some ball in college.

His six-employee company scouts for the perfect sites for businesses to build manufacturing plants.

He's provided advice for some of the largest companies in the United States, including Pratt & Whitney, Compaq, PepsiCo and Time-Warner. They pay him to look and listen as he travels.

`In the old days, when we started this business, you'd maybe meet a mayor," he said. `As this thing evolved, we started to meet county commissioners and then governors.

`Now, it's not uncommon to have the governor get directly involved in the project. And U.S. senators are part of the economic development machine.

`Down in Georgia, a big booster of a development was former Sen. Sam Nunn, head of the Armed Services Committee.

`Here, Gov. Tom Ridge has the ear of the business community. This would never have happened 25 years ago."

Boyd is known for his accuracy and honesty, which doesn't always bring him friends. His latest study is one of those cases.

It shows that New Brunswick is the cheapest site at which to operate a manufacturing plant in North America -- $9.2 million for a 100,000-square-foot plant employing 275 people.

Among the 26 sites listed, Detroit is the most expensive at $15.2 million, Philadelphia eighth at $14.1 million, Pittsburgh 11th at $14 million and the Lehigh Valley 18th at $13.1 million.

The cheapest after New Brunswick are Greenville/Spartanburg, S.C., at $11.1 million; Providence, R.I., $11.6 million, and Portland, Maine, $12 million.

`Detroit's most-costly ranking is primarily due to high labor costs associated with the area's highly unionized automotive industry," Boyd said.

`Canada's favorable exchange rate, lower fringe benefit costs linked to its national health-care system and the lifting of trade barriers after North American Free Trade Agreement is making it an increasingly popular location for U.S. manufacturing investment."

Boyd said the Lehigh Valley has become more attractive in recent years. Long gone are the days when South Carolina could easily lure a Mack Trucks Inc. to move a plant to the South, as happened in the mid-1980s.

`South Carolina was a well-oiled machine," Boyd said. `We had the business, they didn't.

`South Carolina was first with tax incentives, first at giving away land and first with training programs, which they had to have. They were the first to have a governor, Richard W. Reilly, put his name on an economic development program."

Pennsylvania has narrowed the gap, he said. Now, incentive programs have become homogenized.

`We tell clients not to look too much at incentive,` he said. `They should look at fundamentals, such as labor quality, labor costs, access to market and dependability of utility services."

He said the Lehigh Valley, because it's near Philadelphia and New York, is a strong attraction for distribution operations. But that's not bad, he said.

`A warehouse isn't a warehouse anymore," he said. `Most of them are highly computerized. And they pay a lot of property taxes."

Boyd said many companies are impressed with the Lehigh Valley's colleges and universities.

`It's a college town," he said. `Clients can recruit those people coming out of schools. Hiring people today is like recruiting for the NBA."

But all this led Boyd to a different point.

Increasingly, both South Carolina and the Lehigh Valley will have an uphill battle against Canada. Because of the NAFTA, it's on the same court as American cities.

`I'm an economist," he said. `What I sell are judgments that position our clients ahead of the curve.

`The Canadian scenario is just emerging. It's based on firsthand knowledge of visiting cities.`

This globe-trotter has headed to the Great White North.

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