

The **co-operative** food

Proactivity v Reactivity in Location Analysis

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1

Reactive - Pros

- Site is available
- Know everything about it beforehand
 - i.e., large enough, planning and retail consent, etc
- Can run indicative models on it
- Site can be acquired quickly
- Upper price is known beforehand
 - negotiations only likely to put price down

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2

Reactive - Cons

- Unlikely to be in the ideal location
- Might have to make compromises about the site
 - e.g. goods access not perfect, etc
- Competition can buy the site
- Site put forward because it's available
 - not necessarily its' suitability
- Reliant on information submitted being correct
 - i.e. address, postcode
- Reliant on sites coming to you
- All time spent on 'negative' sites, is wasted

Proactive - Pros

- Will be in the perfect location, with perfect drivers
 - you might need to compromise on a couple of these ideals
- Build proactive searches around your business strategy
- Influence how your estate grows
- More likely to get better performing stores
- "Trade" person searching

Proactive - Cons

- Can identify area, but no units available
 - Cannot force people to sell
- More work involved in building the strategy
 - also more work involved in identifying owners, etc.
- Manpower
 - more hours involved with no certainty of results
- Not “Property” person searching
- Overall, harder to obtain than a ‘Reactive’!

What are the ideals?

- These will vary from business to business
 - Perfect size and shaped unit
 - On a main road
 - Good parking
 - Lots of people in the catchment
 - For some businesses, specific demographics
 - Part of a busy centre, with complimentary trade
 - Good visibility
 - No competition, or acceptable competition
 - Micro factors, etc

Overall

"More likely to deliver a Reactive site, but a *Proactive* site is more likely to be successful.

Both should be defined by your business strategy.

Hence - to grow your portfolio you need a mixture of both."

Warning

Like everything, things can be taken to an extreme.....



Questions

Any questions?

Thank you for your attention.