

Important Questions to Ask Nearby Business Owners

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Everyone who is contemplating opening a new business will be doing themselves a big favor if they interview the owners of nearby businesses well in advance of making a decision to open a new retail store or restaurant. The reason for conducting interviews is pretty simple: these are people who can tell prospective businesspeople like yourself a lot about the success or lack of success they are experiencing.

All interviews need to be face-to-face as opposed to being conducted either by phone or email. How many business owners end up being interviewed is entirely up to you. However, in order to insure a credible sample size, you should plan on talking with a minimum of six nearby business owners. It is important that most, but not all, of them be in the same type of business you are planning on operating. In other words, if you are going into the restaurant business you should focus on conducting interviews primarily with restaurant as opposed to retail business owners.

You should budget approximately 15-20 minutes to interview each business owner at a time during the day or evening when they won't be rushed. Be sure to ask each of them the questions which have been identified. Also, be sure to record any additional insights and impressions they are willing to share with you. What each of them tells you will provide you with "market intelligence"—something you can never get too much of.

Prior to asking questions, let each person know that the answers and information they provide will be kept completely confidential. Also, be sure you let them know that their input will help you decide whether or not to open a retail (or restaurant) business at the location you are considering.

It is critical to write everything down. Don't trust your memory. Otherwise, you risk being overwhelmed and becoming confused. Also, be respectful of each person's time. This means parking your ego and becoming a good listener. It is essential that you let each business owner do the great majority of talking.

Remember, these are people whose insights will help you maximize opportunities and minimize mistakes. Consider yourself lucky that the information business owners are willing to provide will cost you absolutely nothing. It's free. What more could you ask for!

1. Can you tell me who your **typical customer** is? (You are trying to learn if they are male or female, young or older, Caucasian or minority, etc.)
2. What are your normal **business hours**? Are you open seven days a week? Are you busier during the morning, the lunch hour/early afternoon, or the evening?
3. Can you tell me which **one day** of the week accounts for the largest percentage of your customer sales?
4. What is the percentage of your sales which occur on the **weekend** (which I like to think starts on Friday, includes Saturday, and ends on Sunday) as opposed to Monday through Thursday?
5. Have you done any **surveys** to find out where your best/most frequent customers are coming from? Are they coming primarily from home, work, school, shopping, entertainment, sports events, etc? Do you know if they are coming from 5-10 minutes, 11-15, 16-20, or more than 20 minutes away?
6. Is there any **one tenant** in the shopping center (or business district) who you think helps generate customer traffic for your business? Which other nearby retail shops (or restaurants) help produce customer traffic for your business?
7. Does your landlord or **property manager** do a good, average, or poor job of making sure that snow is removed on a timely basis, that trash gets picked up on schedule, that landscaping is attractive and well cared for, that nighttime lighting is adequate, that the parking lot and driveways are kept free of pot holes, that complaints are quickly addressed and resolved, etc., etc?
8. Is the amount of on site, off site, or street **parking** sufficient to accommodate the needs of your customers? How about the adequacy of nighttime **lighting**?
9. What **one marketing investment** do you make that helps your business generate additional customer traffic? (Here you are looking for answers such as loyalty cards, coupons, newspaper advertisements, sponsorship of athletic teams, active community involvement, tweeting/social media, sending emails to customers, and participation in special events.)
10. Are there any **customer appreciation** things you do that are especially helpful in not only retaining customers but enhancing the image of your business?

11. During the past twelve months, have your **sales** been growing, remained pretty much the same, or declined?
12. At this point, are you happy, real happy, or either a little or very disappointed with the amount of **sales** your businesses is doing?

Don't be afraid to ask other questions you think are important. And, by all means, let the business owner you are interviewing share other insights with you.

The more business owners you interview the more you will learn. The information you receive from them will provide you with the answers you need to make not only a more informed but a better site selection decision.

You can take great satisfaction in knowing that very few of your competitors will take the time or invest the effort to conduct business owner interviews. As such, the non-traditional homework you end up doing will immediately provide you with a competitive advantage. If you happen to be applying for a loan or are looking to attract investors, you can bet the people you are talking to will be very impressed with the intelligence gathering you've done. As a result, in their eyes, you have done something very important: you have increased your chances for business success.

Frank Raeon has been helping clients find high volume retail and restaurant locations for more than twenty-five years. Examples of national, regional, and local market leading companies he has helped include Blockbuster, Buffalo Wild Wings, Dewey's Pizza, Donatos, First Watch, Graeter's Ice Cream, Izzy's, McDonald's, Pier 1 Imports, Servatii's Bakery, Subway, United Dairy Farmer's, Walgreen's, and Wendy's.

Frank is also the principal of ***Location Decision Advisors***, a Cincinnati based real estate advisory company which helps small retail and restaurant companies and franchise organizations better understand how to pick winners and avoid losers. He is currently working on his second book: **Inside Site Selection**. It is based upon interviews he is conducting with people from throughout the United States who are responsible for making retail and restaurant location decisions.

You can **contact** Frank regarding the provision of advisory services, including site selection coaching, at (513) 271-0300 or via email at frank.raeon@gmail.com.