



# The New Headquarters Is ... Everywhere

Facing a shortage of highly skilled workers, companies may have little choice but to spread their locations far and wide.

BY PETER LAURIA

**W**ITH ITS MORE THAN 14,000 locations in the United States alone, it isn't hard to imagine a Starbucks on every block. Now try to think of this: Amazon becoming almost as omnipresent, planting its physical flags in major cities across the country. The same goes for Google and Apple and Facebook—and pretty much any multinational organization across industries.

This is what corporate demands for a better, stronger, and more agile workforce could mean someday.

As companies continue to deal with everything from shortages of highly skilled workers to demographic shifts in the labor pool to the intense demands of digital transformation, many are quietly beginning to recalibrate how to view their locations. The focus is no longer on keeping

real estate and salary costs down, but on seeing location as a business imperative to attract and retain the right talent to compete. “The more skilled or technical the organization, the more talent availability drives the decision,” says Philip Schneider, the president of Schneider Strategy Consulting. Schneider, who has more than three decades of experience in corporate location strat-

## The Takeaway

**Digital transformation is a game changer even in how firms must pick locations.**

egy, says this so-called “distributed location” approach allows organizations to go to those places where clusters of specialized talent reside.

How far companies will take all this is anyone’s guess, of course. But in a bid to attract

more digital talent, for example, JPMorgan Chase & Co. made some headlines last year when it announced plans to build a fintech campus in Silicon Valley for 1,000 employees. Similarly, BlackRock, the world’s largest asset manager, said it would hire tech-related workers in Atlanta as part of its push to develop more tech-focused hubs. And then there was the big one: Amazon’s decision to split its second headquarters in New York and Virginia is to recruit more of the best tech talent.

But it is Amazon’s selection of Nashville as the location for its new Operations Center of Excellence that most intrigues James Renzas, a principal at the site selection consultancy The RSH Group. As talent needs become more specialized, Renzas expects to see organizations, city economic development groups, and educational institutions create similar centers around niche specialties. And it doesn’t have to be tech.

“Cities are starting to promote their specialized niche in the overall economy as a way to compete, and companies are starting to pull out critical segments of the operation and putting them in areas where they can recruit the right kinds of talent,” says Renzas.

Once upon a time, of course, corporations

decided where to plant their offices with entirely different equations. In the days of a resource-driven economy, organizations needed to be in areas rich with natural resources or near transportation outlets to access them. Now, services dominate the economy, so talent is a more important factor.

The trouble is, fewer workers are relocating for their jobs than ever before. Indeed, the number of people who relocated for work has declined by nearly 50% in the last decade. That’s partly the result of dual-income households and higher housing costs in certain geographies. But millennials are an even bigger reason: now the largest generation in the US labor force, they’re putting quality-of-life issues ahead of allegiance to a company or job. They want to work where they want to live, not live where they want to work.

“The economic reality is that the demand for highly skilled talent is far outstripping supply,

and when you are competing over a limited talent pool, you have to proactively engage with them,” says Scott Macfarlane, vice president of client development at Korn Ferry. That means moving to places like Palo Alto or Brooklyn despite the fact that housing costs are extraordinary, the cost of living is high, and the business climate is difficult to operate in. Because, after factoring in all the other variables, in the end it may ultimately be cheaper.

Of course, if the multi-location movement really takes off, it won’t happen without at least great irony: if technology is driving the need for specialized talent, it’s only through tech that it is possible. Everything from emailing to massive data sharing in today’s friction-free ways makes regional offices possible. Either way, whether it’s deciding between traditional locations or burgeoning digital hotbeds that dot the country, organizations have a new location lens to look through. “Location has historically been about business opportunity,” says Melissa Swift, senior client partner for digital solutions at Korn Ferry. “Now the dynamic has changed.”

**50%**  
**Decline**  
**in people**  
**moving for**  
**jobs**