

How to Choose a Perfect Location for Tech Startup

Establishing headquarters in a good location is an important part of a [business plan](#) in [starting a software business](#) or tech business. Location is basically everything that a startup business needs in order to become a legitimate company in the near future. So if your planning to launch your tech company soon, we want to help you make it successful. We'll show you the nine things you should consider in selecting a location for your startup tech business.

Why Is Location so Important?

Before we dig in, let's discuss briefly why location is important. A particular location where you'll establish your company can either make or break your business. Think of it this way, a good location can provide most of the resources that your business might need, whereas a bad location can only do so minimally. Just like early humans back in the prehistoric ages; they must choose to set camp on grounds where food and water are abundant in order to survive. If early humans set camp on barren land, they could thirst and starve to death. With those in mind, you have to do a [market analysis report](#) before deeming a prospective location as good for your business. In addition, you need to exercise [project management](#) practices as well in choosing a business location; it's a grand project on its own right. The following are things to consider when choosing location.

Location of Customer

[Client onboarding](#) or customer onboarding is among the [checklist](#) of things to do for a startup tech business. However, onboarding will be challenging or even near-impossible to accomplish if your tech company is located in an area where prospects are scarce. That said, you need to assess beforehand if there's a substantial population of your target customers in a locality. Without customers in an area, there's basically no point in conducting your business there.

Quality of Life

In choosing a location to do business, checking whether an area has a healthy and safe environment is a must. In other words, you have to assess the quality of life of a location. Indeed, it's not advisable to establish your tech business in a hazardous environment where crime rates are high. The risk of incidents, such as theft and robbery, can cause

significant damages to your young tech business. So make sure to choose a business location where there's a high quality of living.

Funding Options

You should know that you need substantial [funding](#) to be able to launch a tech business. When it comes to achieving substantial funding, you need multiple options aside from taking from your personal bank account. In that case, it's important to choose a location where options for funding are abundant, such as prospective investors, sponsors, and other entities that see potential in your startup tech business.

Access to Management Resources

You must select a location that can grant you access to various resources necessary to run your tech company. If you opt to establish your business in a location far from resources, you might have to undergo the struggle of incurring expenses for shipment deliveries, which is very expensive and contradicts standard cost management practices. Locating your tech business in an area where resources are abundant and accessible, things will be more convenient and expenses will be regulated.

Talent Pool

A 2018 study by Glassdoor.com finds that 76% of hiring managers consider talent acquisition as one of their significant challenges. As the owner of a startup tech business, you'll also assume an [HR role](#) and might encounter the same challenge as those aforementioned hiring managers. So to easily find competent people to become your pioneering staff, you must choose a location wherein the talent pool is filled with tech experts and practitioners.

Labor Cost Considerations

Each city/state/municipality has specific labor laws that employers must follow. Some of these labor laws might not be favorable with the [budget](#) you've allocated for your tech business's labor costs. That said, make sure to check the implemented minimum wage salary for the workers of a city/state/municipality before you establish your headquarters there.

Future Staffing Needs

You have to find out if a location is capable of allowing you to expand your tech business's manpower in the long term. In other words, can it fulfill your future staffing requirements? What you need to do to know the answer is to study the population of the area. Determine if there are competent individuals who have what it takes to become a part of your business soon.

Expenses for Setting Up Offices

Purchasing or renting property to set up your office is expensive no doubt about it. Even if your startup tech business is simple and small, establishing an office or headquarters is still costly. So as much as possible, find a location wherein properties for rent or purchase are cheaper and within the limits of your budget. However, you also have to make sure that the property is fit to become a suitable working environment for your pioneering staff. You must observe cost-effective practices in choosing a business location.

Taxes and Legal Requirements

Whatever business location you choose, taxes and legal requirements are never out of the equation. The two of them are mandated by legislative bodies and every company must comply. If your startup tech business won't do so, lawsuits will certainly be filed against you. Taxes and legal requirements are expensive costs that vary from location to location. That said, consider choosing a location for your business wherein taxes and legal requirements are less hectic and less expensive.

Choosing a perfect location for your tech business is certainly not an easy endeavor. You'll encounter challenges along the way that can strain your finances and resources. However, by analyzing the landscape of a location well and managing your funds practically, you can assure yourself that your tech business's future will be bright. Make sure to look into the aforementioned considerations to establish your tech company in the best possible location. Start planning your tech business and ensure its success.