Project Final: Locating Office Site for Blu Chip Financial Services LLC

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Brief Description of Blu Chip Financial Services

BLU CHIP FINANCIAL SERVICES LLC is a tax service company that goes above and beyond what other tax service providers located in the state of California offer. Blu Chip Financial Services LLC has been in business since 2017 and is located in Corona, California, in the County of Riverside. Blu Chip is a company that offers small business payroll and accounting, tax accounting, financial consultation, life insurance, and bankruptcy services.

Normal operations for the company occur from December to May, mainly during tax season, including a month before and afterward. With spatial analysis, the operations can place into perspective its relation to its surrounding competitors by viewing maps of the sales revenue, surrounding population households, and drive time with respect to the competitive locations. With the knowledge of revenue-generating locations, we can find out which sites are most successful in revenue generation and guide our search around that criterion.

Once the investigation is narrowed down to only the successful competitors, we can view the number of households in the nearby areas. Knowing the successful competitors will allow management to understand the number of potential clients in the vicinity.

Futhermore, performing an spatial analysis of 15-minute drive times will give management the pertinent information to make an informed decision on the types of areas to view for potential offices for Blu Chip Financial Services LLC. The data from the analysis can be applied to formulate guerilla marketing tactics to diminish and harm the competitor's credibility by geofencing competitor areas in a way that when a potential client for them arrives, the client receives a notification of the bad reviews on competitors and is then given an alternative choice of a better-fit company to do business with, which is Blu Chip Financial Services LLC.

In this Geospatial analysis, I will use the industry code collected from the North American

Industry Classification System (NAICS, www.census.gov/naics/) to make all relevant

decisions. The code found for Tax Preparation Services is 541213. It refers to all establishments

in the industry that provides tax return preparation services and basic knowledge of tax law and

filing requirements.

Sources of GIS data and Methods

The source of information that will be analyzed to determine the best location to open a

site for operations is Esri's Business Analyst Online (BAO). First, I refine the search area by

defining the location. Second, a Business and Facilities Search is done using the NAICS code

541213 to find all competitors in the specified location. Third, I create a feature layer map of

households in the defined area using the Smart Map Search.

Fourth, I take the top 10 competitors with the highest sales revenue and complete a drivetime

analysis of households within 15 minutes of each location. Finally, with this information, I

establish the average sales revenue and average number of households around the top-10 tax

preparation competitors to create the search criterion for the best possible locations.

Organization of GIS Data and its Purpose

The data attained through the Esri BAO system are organized in a format to represent each

of the following features…

- Defined Areas

- o The defined areas for this analysis are Eastvale, Norco, Jurupa Valley, Corona, and Riverside. These cities are being considered because of Blu Chip Financials' existing client base and plans for expansion (*Map seen in Figure 1*).

- Locations of Competitors

  - o Business Analyst Online identifies the locations of all competitors within the defined area and allows viewing of their attributes such as sales revenue, office size, and the number of employees. With this information, data will be exported to an Excel file and the sales revenue arranged in descending order to attain the top-ten competitors (*Map seen in Figure 2*).

- Number of Households

  - o A map feature layer containing the number of households informs me of the possible number of clients within a given neighborhood (*Map seen in Figure 3*).

- Drivetime Analysis and Traffic Count

  - o The drivetime analysis illustrates the number of households surrounding the top 5 tax preparers.

Results of GIS Data Collected

The data attained from the defined area, location of competitors, and the number of households, showed me that there are 137 companies in the area with the NAICS code of 541213—Tax Preparation Services. The data allowed me to create a top-ten list, based on the sales revenue generated by each competitor (*List seen in Figure 4*). The average sale revenue generated was $437,600. After reviewing the list, I concluded that H&R Block holds 8 of the 10

spots. I then narrowed my search to only include the top-five with their attributes and map their

locations (*Map seen in Figure 5*). The average revenue generated within area of the top 5

companies is $437,600.

Further analysis was needed to acquire the number of households surrounding the

companies. An analysis for drive time of 15-minutes was performed of the top 5 locations to find

the number of households (*Map seen in Figure 6*). The resulting analysis shows that the average

number of households surrounding each competitor company is 120,768.

Armed with the GIS data collected, I was able to search for possible office locations

throughout the defined area with LoopNet at www.loopnet.com. LoopNet is a real estate

company specializing in leasing office space in multiple locations. Through LoopNet, I was able

to locate 8 office locations that approximated the standards of square footage of the top 5 tax

preparers. I took this information, placed it into an Excel spreadsheet, and then added it to the

current Map for further analysis (*Map seen in Figure 7*). Upon loading the data, I created a

drivetime buffer of 15 minutes to see which location had the greatest number of households (*Map

seen in Figure 8*). With the information, I determined the top 3 choices to open an official site for

Blu Chip Financial Services LLC (*List seen in Figure 9, Map seen in Figure 10*).

The benefit of having the GIS to find a site location is that I can utilize specific criteria

to find what I was looking for in a potential site. For example, with the ArcGIS BAO

information, I was able to determine the average sales revenue for the top 5 being $437,600 and

having a minimum office space of 5,000 square feet. These data allow me to find office spaces

in the defined area that met the requirements and had the potential for the same amount of

revenue. Using the ESRI census data on households allows me to further narrow my search by

locating the offices among the 120,678 households surrounding each location. Having this

information is quite beneficial to the management team at Blu Chip Financial Services LLC

because it gives its key employees insight into what the competition is producing. Armed with

the data, they can decide the best course of action when deciding on where to open an office,

including the potential growth in revenue for the company.

Benefits of GIS

There are many benefits to using an ArcGIS Enterprise system. One of the most

significant benefits, when using the ArcGIS system, is the value of the time saved in searching

for businesses, whether they are competitors or vendors. For instance, use of Business Analyst

Online can save a tremendous amount of user time searching for specific attributes such as

household income, traffic counts, population density, demographics, and psychographics on

many subjects or even simple information about the leading competitors and their progress. If

you did not have access to the ArcGIS Enterprise system, you would be stuck researching for

hours or even days on the internet for the same facts and not know if the information you collect

is outdated. The ArcGIS online resources are a fundamental source for up-to-date and

sometimes up-to-the-minute credible data. The cost of using the program varies depending on

the number of credits you use. The price for 1,000 credits is $100, making the value of 1 credit

$0.10. When you take into consideration the cost of $0.10 for each credit, running a typical

search can use up to 10 to 100 credits costing you anywhere from $1 to $10 to obtain

the data. So, the advantages of applying the BAO program to any facility, large or small,

outweigh the cost of the credits. The GIS system is designed to save you time and money

because the less time you spend completing any project, the more money you save.

The Competitive Advantages of GIS

There are several competitive advantages of using the ArcGIS system. Much of the

research done through the ArcGIS system can help any facility if appropriately applied, such as

streamlining suppliers, locating optimal facility sites, viewing competitor results, establishing

marketing plans, etc. By streamlining suppliers, a company can help reduce low or out-of-stock

inventory while cutting down on shipping costs, and this is done by combining shipments of

multiple orders needed instead of making one large order. The ArcGIS can help determine, for

new and existing companies, the optimal site for opening, whether for initiating or expanding

operations. Companies can also view how the competition is performing compared to

themselves, and with this data, they can make the adjustments needed to improve production or

sales. When viewing the success of a facility site or that of a competitor, demographic and

psychographic analysis can be done to view household income and size, population density,

disposable income, ethnicity, age, education, etc., to find a pattern of demographic and social

characteristics that can help create a successful marketing or sales plan. The data that can be

retrieved from ArcGIS has endless applications that are only limited by the user's imagination.

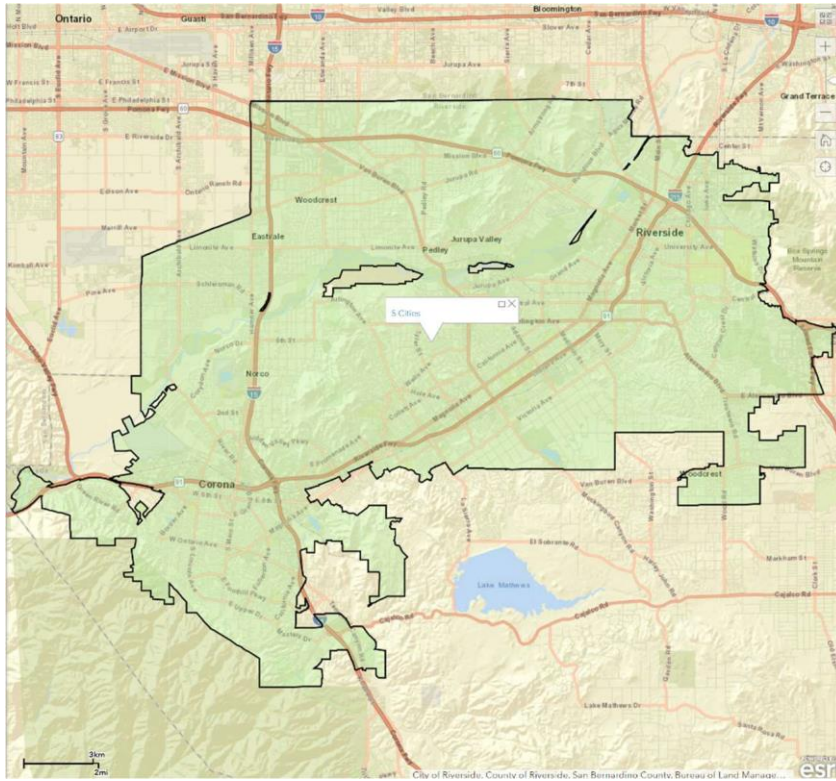**Appendix**

Figure 1. Defined Area of Search Map

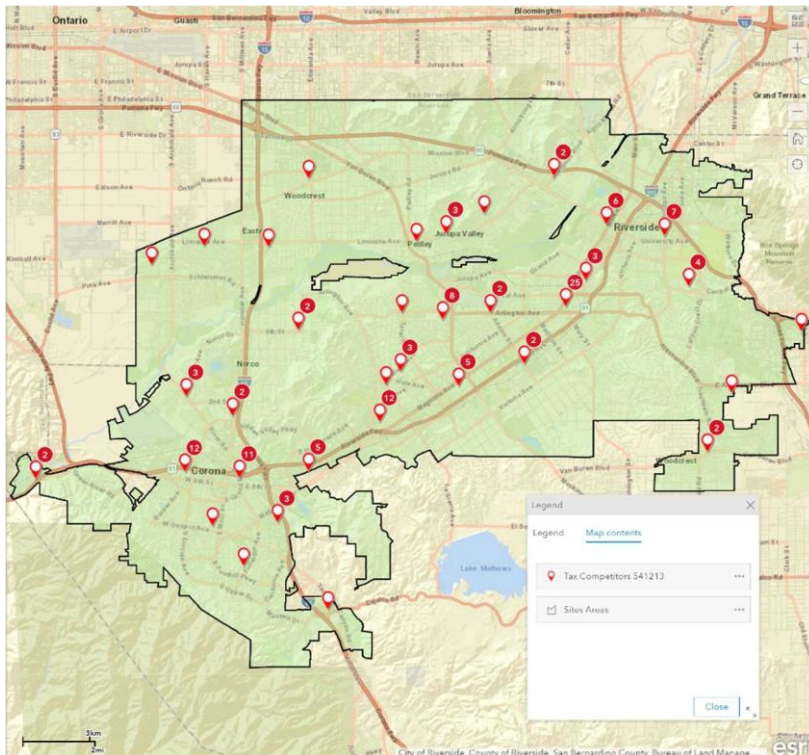Figure 2. List of Competitors in Defined Area Map

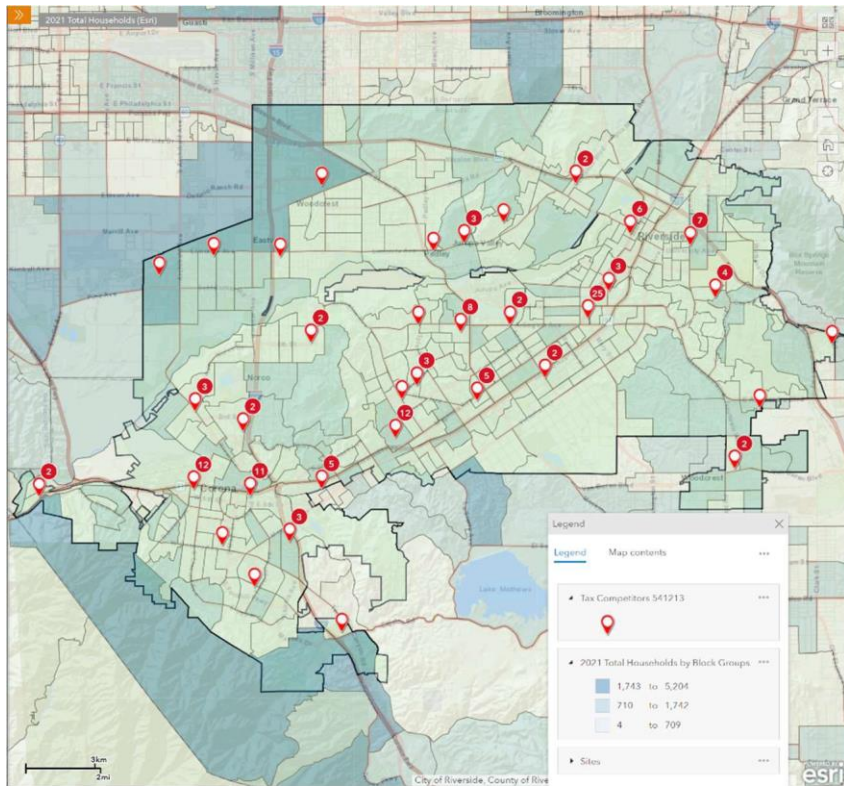Figure 3. Competitor Locations with number of households

Figure 4. List of Top 10 Tax Prep Companies and their Attributes

Business Name	Address	City	State	ZIP	NAICS-Based Code	Rank	Number of Employees	Sales Volume	Square Footage	Data Axle ID
H&r Block	Chicago Ave	Riverside	California	92507	54121301	1	25	$710,000	5,000 - 9,999	511080301
Trimble Morin & Co	La Mart Dr	Riverside	California	92507	54121301	2	16	$455,000	10,000 - 19,999	173856097
H&r Block	Brockton Ave	Riverside	California	92506	54121301	3	15	$426,000	5,000 - 9,999	570818013
H&r Block	La Sierra Ave	Riverside	California	92505	54121301	4	11	$313,000	20,000 - 39,999	172429649
Liberty Tax Svc	Pierce St	Riverside	California	92505	54121301	5	10	$284,000	5,000 - 9,999	664089356
H&r Block	Tuscany St	Corona	California	92881	54121301	6	9	$256,000	5,000 - 9,999	434187151
H&r Block	Pats Ranch Rd	Jurupa Valley	California	91752	54121301	7	9	$256,000	5,000 - 9,999	434187152
H&r Block	Brockton Ave	Riverside	California	92506	54121301	8	9	$256,000	1,500 - 2,499	435089409
H&r Block	N Mckinley St	Corona	California	92879	54121301	9	9	$256,000	1,500 - 2,499	709788484
H&r Block	Canyon Crest Dr	Riverside	California	92507	54121301	10	9	$256,000	5,000 - 9,999	720472993

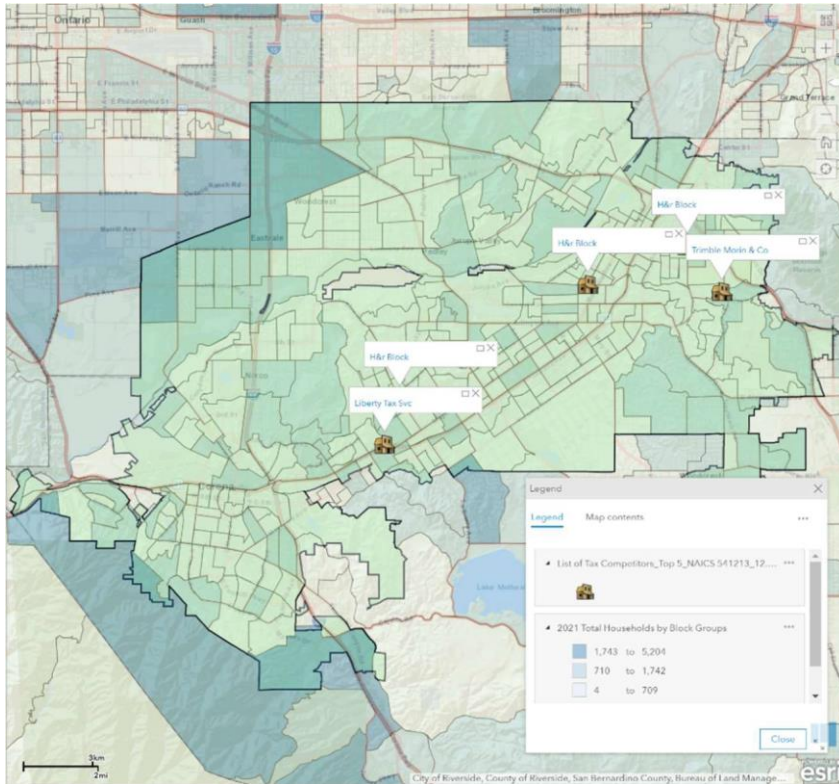Figure 5. Location of Top 5 Tax Preparers

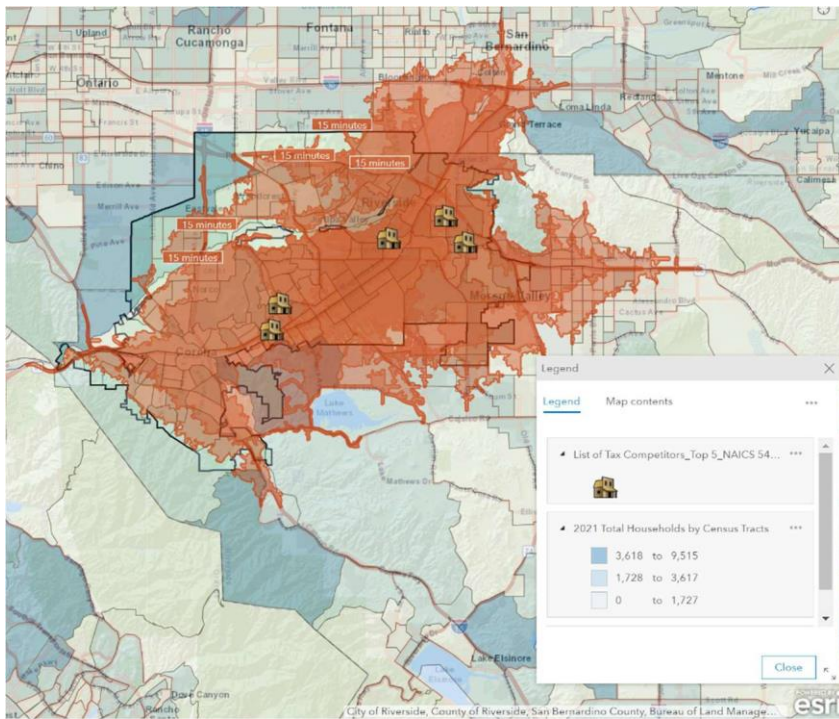

Figure 6. Drivetime Analysis Map

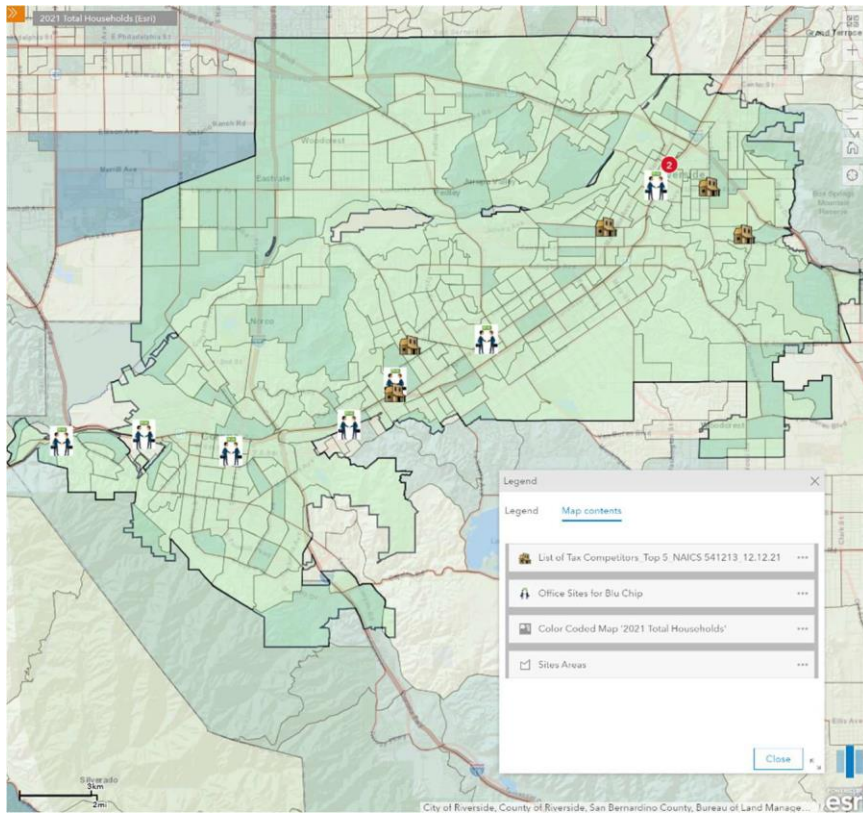Figure 7. Office Sites / Top 5 Competitors / Total Households Map

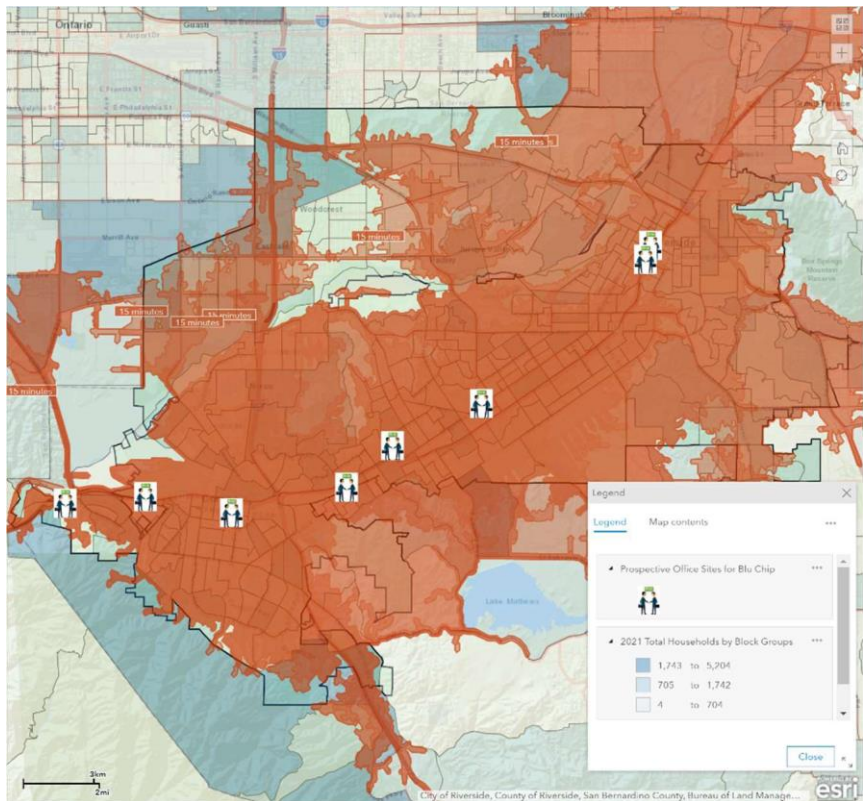Figure 8. Drivetime Analysis on Blu Chip Possible Sites Locations Map

Figure 9.

Business Location	Rank	2021 Total Households	2026 Total Households	Address	City	State	Zip Code
McKinley Executive Center-1	1	145,733	150,302	2275 Sampson Ave	Corona	California	92879
Center Tower Riverside-2	2	138,736	143,032	3880 Lemon St	Riverside	California	92501
Turner Riverwalk Phase IV-3	3	122,279	126,943	11801 Pierce St	Riverside	California	92505

Figure 10. Top 3 Sites for Blu Chip Map