These industries were selected because they represent a mix of traditional and emerging industries, and have a wide range of land, building, equipment, management and labour requirements.

D. Model design

1. Standard investment and operating characteristics were specified

Each model industry operation was defined by a number of standard characteristics, such as:

- Annual sales revenue

- Staffing requirements

- Land and building requirements

- Machinery and equipment investments

- Financing assumptions (debt/equity).

- Working capital requirements

- R&D expenditures

- Sales and distribution patterns.

These specifications, made in consultation with industry representatives, were held constant for all jurisdictions to enhance comparability of results.

2. A computer model was designed

Based on these parameters, we developed a computer model to analyze the costs that each operation would experience in its first ten years of business in a new location. In each industry, the operations modeled had annual sales revenue of over $10 million, and at least 100 employees.