



Introduction

- Headquarters (HQ) facilities are important, but under-studied, economic activities
 - Jobs: providers of high-level, high-paying employment (executives, analysts, consultants)
 - Influence: one way in which a local community can impact the broader, global economy
 - Status: the companies headquartered in a city are a symbol of the prominence of that place (e.g. New York and *Citigroup*, *IBM*, and *General Electric*)

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Introduction

- Headquarters (HQ) facilities are important, but under-studied, economic activities
 - HQ relocations have a meaningful impact on donor and recipient regions (AT&T's move from San Antonio to Dallas is one recent example)
 - Because of the costs of loss and the benefits of retention, many communities are engaging in proactive strategies to attract new HQs and keep the ones they already have

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Introduction

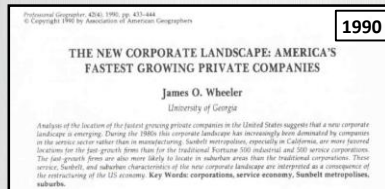
- The field of HQ location studies benefited from Jim Wheeler's contributions
 - General surveys of HQ location patterns: by metro area in the US South and across America
 - Studies of Finance & Investment: the geography of shareholders and their portfolios
 - Analyses of Information Flows: the distribution of high-level business communication links in the US city-system

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Introduction

- Of all of these contributions, one of Jim's studies in particular has given Don Lyons and me much inspiration for our own HQ location research



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Introduction

- Key ideas advanced in this article:
 - Fast-growing firms (FGFs) are worthy of geographic study in their own right
 - FGFs have a geography that is distinctive from the geography of the economy as a whole
 - FGFs play a key role in economic restructuring
 - One key dimension in this restructuring is a shift in the location of corporate decision-making activity (occurring as a select few FGFs in non-traditional HQ cities grow into big firms)

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Introduction

- Don Lyons and I have published several articles in direct follow-up to Jim's lead

1995

Changing Business Opportunities: The Geography Of Rapidly Growing Small U.S. Private Firms, 1982-1992*

Donald Lyons
University of North Texas

The objective of this paper is to analyze the changing geography of the 500 fastest growing small, private companies, as defined by *Inc magazine*, in the United States from 1982 to 1992. The study focuses on rates of formation of these firms within types of metropolitan region, the impact of economic restructuring, and the locational dynamics of companies within the fastest growing economic sectors. Results suggest that there is little regional or hierarchical logic to the distribution of the firms, that the influence of economic restructuring is clearly evident, and that new rapidly growing high-technology firms are highly concentrated in San Francisco and Los Angeles, while higher-order service firms are dispersing down the urban hierarchy. Key Words: urban hierarchies, small firms.

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1996

Functional Dynamics and a Peripheral Quaternary Place: The Case of Calgary

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The existence of regional economic disparities is a persisting feature of Canada. Although numerous explanations have been advanced for variations in economic well-being throughout the country, one common element faced by all is the inherent spatial character of the problem (Michalak and Fairman 1988). Among the most prominent conceptualizations of the Canadian space-economy that have been advanced in the regional development literature has been the core-periphery, or heartland-hinterland, theory (Green 1990, McCann 1987). This paper focuses attention on the core-periphery

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2004

Regional and Sectoral Growth in Canada's Emerging Economy

Murray D. Rice
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Despite years of attention by federal and provincial levels of government, Canada continues to be marked by a concentration of economic activity in a select few urban regions. Although government policies, programs, and agencies over the past decades have focused on many aspects of encouraging economic development

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2007

Consistent Business Generators: Urban Leaders in Canada's Next Wave

Murray D. Rice and Donald I. Lyons
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USA

Economic development is a concern for all levels of government in Canada. The persistence of regional variation in economic well-being is a primary factor driving political debate and policy-making throughout the country. From federal crown corporations, such as Western Economic Diversification Canada, that are charged

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2008

Dynamic Urban Economies: Consistent Business Generators in the American Next Wave

Murray D. Rice* and Donald Lyons*
University of North Texas

This research investigates the recent evolution of the US economy by focusing on the geography of developments among the firms that form the leading edge of change in the country – the group of "next wave" businesses that lead the nation in revenue growth rate. These businesses are important because their rapid growth is a signal that each business has gained some insight or edge that is driving their growth. Using three study questions, focusing on dispersion, regional development,

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2010

Geography Compass 4(4) 2010, 335-354, 10.1111/j.1749-8198.2009.00193.x



Geographies of Corporate Decision-Making and Control: Development, Applications, and Future Directions in Headquarters Location Research

Murray D. Rice* and Donald I. Lyons
University of North Texas

Abstract

This article surveys the body of investigation related to the location of headquarters and other core corporate decision-making activities, a research field known as quantum location studies. The discussion includes four main sections following an introduction. The first reviews the initial development of headquarters location research from the early 20th century to 1980. The

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Our paper today is a continuation of a long-term collaborative project that uses insights from FGF research to inform further development of HQ location theory.

Jim Wheeler's ground-breaking work provides a foundation for this entire line of research.

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Canadian Case Study

- Key research questions for this study
 - 1. What are the temporal development paths that characterize Canada's FGF community?
 - 2. What is the geography of FGF development in Canada?
 - Which metro areas are substantial FGF generators?
 - 3. Is there a relationship between the sectoral composition of a metro FGF community and regional success?

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Canadian Case Study

- The analysis uses a dataset collected from *Profit Magazine*, a monthly business publication for entrepreneurs in Canada
 - Data come from *Profit's* annual issue on the fastest-growing companies in Canada
 - In this study, we track the status of the top 50 FGFs from this *Profit* ranking for every second year from 1987 to 2005

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Canadian Case Study

- Tracking scheme explanation:
 - Base for the tracking analysis: the year the firm appears in the *Profit* rankings (the "base year")
 - Through the 1987-2005 study period, we determined the status of each firm in the study at
 - Its base year + 2 years
 - Its base year + 5 years
 - Its base year + 10 years

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Canadian Case Study

- Possible firm status tracking possibilities:
 1. **Firm continuity**: firm is in independent business in the same metro as the year when it was an FGF
 2. **Relocation**: firm is in business in a different metro
 3. **Acquired/active**: firm was acquired by another firm but has a distinct, ongoing presence
 4. **Acquired/no records**: firm was acquired and has no continuing identity outside of the acquiring firm
 5. **Defunct**: no record of any ongoing operations or acquisition

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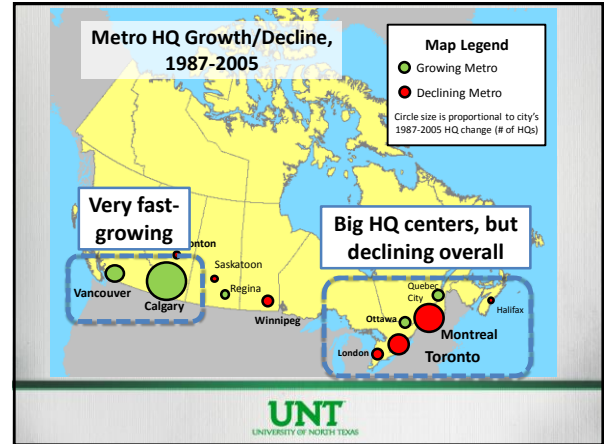
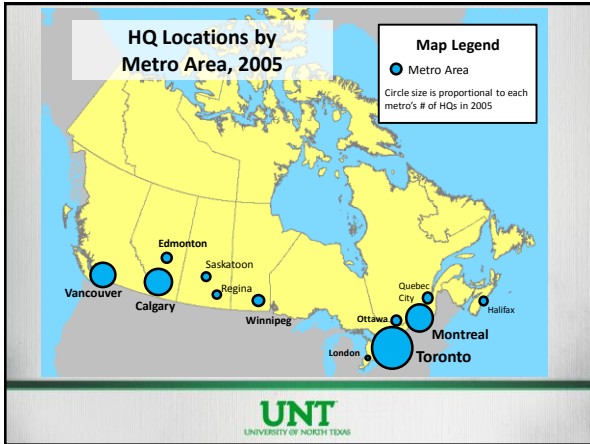


Context

- First, some brief context for the FGF results with maps representing the geography of the Canadian HQ system as a whole
 - A map of HQ locations in 2005 for the 1000 largest businesses in Canada
 - Also, a map indicating how these large-firm HQ locations changed from 1987-2005

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Results

- Q1: FGF development paths by status category

Status Category	Base + 2 Years (% of All Firms)	Base + 5 Years (% of All Firms)	Base + 10 Years (% of All Firms)
Firm Continuity	76.3%	67.9%	56.0%
Relocation	2.0%	0.8%	3.0%
Acquired/Active	2.9%	4.0%	6.0%
Acquired/No Records	3.8%	8.4%	11.3%
Defunct	15.0%	18.9%	23.8%
Total Firms Tracked	400	350	200

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Results

- Q2: geography of FGF success by metro area

Metropolitan Area	Total FGFs Generated, 1987-2002	Continuing FGFs ("Firm Continuity") as a % of All FGFs Generated in the City		
		Base + 2 Years	Base + 5 Years	Base + 10 Years
Vancouver	55	89.1%	71.8%	66.7%
Toronto	136	75.0%	71.7%	62.3%
Calgary	34	76.5%	60.9%	42.9%
Montreal	36	58.3%	54.8%	28.6%

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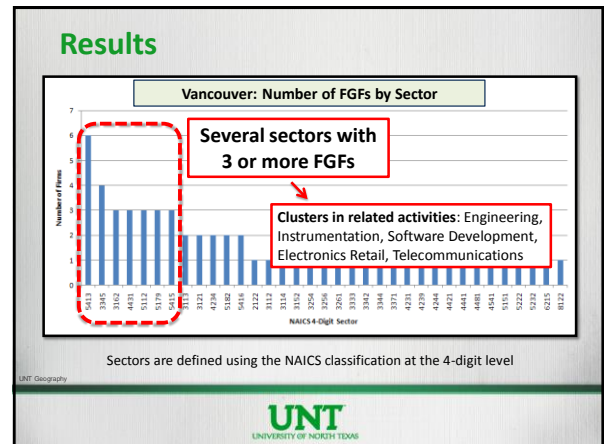
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Results

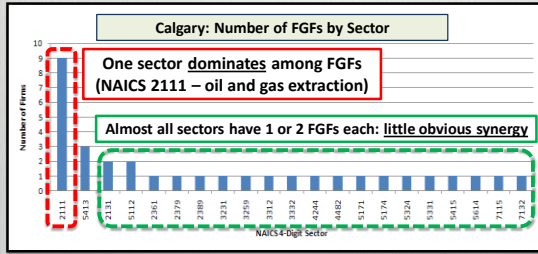
- Q3: FGF sectoral composition / regional success
 - For this question our investigation focuses on Vancouver and Calgary
 - These are the two large cities (with regional FGF communities large enough to analyze) that are rapidly emerging in Canada's HQ system
 - We've already seen that Vancouver is experiencing much FGF success ("firm continuity"), while Calgary is not: what's happening?

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Results



Sectors are defined using the NAICS classification at the 4-digit level

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Conclusion

- FGF activity is producing a lasting imprint on the Canadian economy
- Some large corporate centers (Vancouver, Toronto) are having much success in converting FGF activity into an ongoing business (and HQ) presence
- Other large centers (Montreal, Calgary) are doing very poorly in this dimension

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Conclusion

- Of the two rapidly-growing cities in the Canadian west, Vancouver has a promising combination of success with both large and small (FGF) firms
 - Calgary's rapid growth is almost completely due to large firm gains, and not the local generation of successful new FGF businesses
 - The national corporate landscape in Canada is definitely shifting westward, but could it be that Vancouver is in the best position for long-term success because of its balanced growth?

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Conclusion

- These study findings contribute to our understanding of the factors that allow new cities to gain prominence in HQ city-systems both in Canada and elsewhere

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