University of Illinois at Urbana-Champaign
Fall 2016 GEOG/BADM 205
Business Location Decisions

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Instructor:	Esteban Lopez (lopezoch@illinois.edu)
Lectures:	Tuesdays, 14:00 to 15:20 [325 David Kinley Hall]
Labs:	Thursdays, 14:00 to 15:20 [G27 Foreign Languages Building]
Office hours:	Tuesdays, 15:30 to 16:30 [318 Davenport Hall] or by appointment
Webpage:	Illinois Compass at https://compass2g.illinois.edu/webapps/login/
Prerequisites:	ECON 102 or ECON 103 or Equivalent
Textbook:	Economic Geography, William P. Anderson (2012) ISBN: 978-0-415-70121-1

Course Description:

This is a course devoted to the analysis and evaluation of location decision-making resulting from economic activities. This course provides the necessary tools to explain and evaluate how people and businesses locate in space, what drives those decisions, what these agents look for in a location to attain higher returns. A typical case we review in this course is gas stations; these businesses locate next to each other or in front of each other, which is different from other businesses that locate as far as they can from competitors. This course will provide you the insights (theory and applications) to understand why this happens and evaluate a potential new location. Similarly, we review other cases such as the location of manufacturing companies, companies exploiting natural resources, and service companies such as coffee shops and even food trucks. All location-decision making has theory behind it to help explain and evaluate how it works in real life. This course will provide you both the theory and the applications. In particular, this course features the teaching of the R open source software to perform the applications of location decision choices learned in the lectures. In a world that is increasingly dependent on computers to assist problem decision-making, learning software is essential to succeed at explaining and evaluating location choices.

This course starts with fundamental concepts that will help you understand the different forces driving location decisions. Then it builds up to deeper concepts that not only help in understanding location decisions at the individual or firm level, but also at the level of regional and global economies. Additionally, this course will focus on the identification of important institutional factors and their changing roles over time. More specifically, this class is concerned with how firms respond to economic disruptions, problems of structural change, and the role of multinationals organizations and policy changes. At the end of this course, a student should be able to understand concepts and forces driving location choices, apply those concepts to problem solving situations, and evaluate different real-life scenarios that could provide guidance for current or new location decisions.

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[1] Syllabus is subject to change, please refer to compass for the most up to date version.

Course Organization:

This course is primarily based on weekly lectures and lab sessions. Because the class is regularly small, discussion and participation are encouraged and evaluated, and different activities and participation methods will be used to this end. Students are expected to read the book chapters before class, as well as any other material made available. Students are expected to engage in active thinking regarding location choices (i.e. increase your awareness of location choices) in day-to-day activities. Without active thinking, midterms, reports, papers, and other course material could be more challenging. Students are also expected to attend to lab sessions and complete the practice homework. Learning the software will require time at the beginning, but it will be useful later in the course and beneficial to students' professional life, by adding a valuable tool to your professional toolbox.

Readings & Podcasts:

Students are expected to submit a weekly "Assessment" that summarizes the readings for that class. Assessments can be one of among the following: one-page paper, compass blog post, compass audio recording, or short quizzes; and will rotate throughout the course. Podcasts are posted in each week in the schedule below. Specific guidelines for this assignment are provided weekly in the course outline and in class.

Projects:
An on-going project will be developed by each student. The project will focus on either a local or non-local business/industry. See the guideline for further details.

Evaluation:

Two Midterm Exams*:	20% each (total 40%)
Final Project Presentation:	10%
Final Project Paper:	20%
Weekly Podcast Assessments:	15%
Weekly Lab reports	10%
Class participation**:	5%

* First Midterm Exam will be a combination of multiple choice questions and open-ended questions evaluating theoretical concepts. Second Midterm Exam will be a take home exam evaluating your application skills to theories/problems learned in class using the R open source software.

** Class participation will be evaluated by questions and discussion in class, especially during the discussion of the weekly Podcasts at the beginning of each class. A student with good participation makes at least 1-2 questions/comments during each class, asks clarifying questions, and comments on other students' statements.

Letter Grades:

A	93-100		C	73-76
A-	90-92		C-	70-72
B+	87-89		D+	67-69
B	83-86		D	60-66
B-	80-82		F	<60
C+	77-79			

Instructor's Bio:

Esteban Lopez is currently a earned his PhD from the Department of Urban and Regional Planning and a Master of Science in Agriculture and Applied Economics at the University of Illinois. Prior to coming to Illinois, he earned a Master of Science degree in Regional Science at the Universidad Católica del Norte (Chile), where he later taught several courses and engaged in researched at the school of Business and Economics. His work has focused on the analysis of housing markets, specifically on tracking the behavior of housing prices over time and space, exploring the role of housing attributes on the demand for housing, identifying mobility and location choices of individuals, and estimating the impact of school choices in housing prices. Esteban has also collaborated on research with the Lincoln Institute of Land Policy and the Jönköping International Business School at Jönköping University in Sweden.

Course Policies:

Disability Services: This course will accommodate students with documented disabilities. Please refer to the Disability Resource Guide (http://www.disability.uiuc.edu/resourceguide) for more information and inform the instructor of any requests at the beginning of the semester.

Academic Integrity: The UIUC Student Code (http://www.admin.uiuc.edu/policy/code) requires all students to support academic integrity and abide by its provisions, which prohibit cheating, fabrication, plagiarism, and facilitation of these and related infractions.

Attendance: Students are highly encouraged to attend class. Students that have low attendance won't be able to participate in class and hence will lose the 5% of class participation.

Late Homework: In order to be respectful to students that submit their work on time, late work (i.e. homework, midterms, compass blog posts, etc.) will be penalized with a 5% deduction per day. No exceptions.

Grade Challenge: Students will be given a week to review their grades after grades have been handed out. If a student has a compelling argument of unfair grading, then a grade change may be considered. There will be no grade changes after they are posted in Compass. Students need to submit grade challenges in written form. The instructor will reply within 1-3 business days.

Key Dates:

August 30:   First assessment due in class (weekly assessments are due every week from this date)
September 15:   Midterm #1
September 16:   Deadline to drop this course via Self-Service without a grade of W[2]
October 4:   One-page (maximum) outline of your project due, typed/printed
November 1:   Midterm #2
Week of October 10-14: Schedule a mandatory meeting to discuss project progress (Deadline Oct. 1st)
November 28 - December 6: 10 minute project presentations in class
December 15:   Final reports due

Weekly Assessments and Labs

Starting August 30th, each student should submit an assessment for the Lecture/Podcast story of the week. Assessments are due each week at the beginning of the following Lecture as shown in the course outline shown below. In total there will be 11 assessments, and students may choose not to do 2 assessments. For students who submit 11 assessments, only the 9 highest will be considered. There will no be additional extra assessments for extra credit. Assessments should be based on reading and interpreting the class readings/slides, Podcasts, and any relevant news events portrayed in the media. Assessments may be any of the following: a one-page paper, a Compass blog post, a Compass audio recording, or quizzes; and will rotate throughout the course. These assessments are designed to be short and should take students about 30-40 minutes to complete.

Each Lecture will start with a review of 5 assessments (picked at random from all students), which will provide the bases for discussions. Students should use the following format to submit their assessments when a one-page paper, a Compass blog post or a Compass audio recording is required assessment as of the week.

Your UIN:

Issue of relevance: Briefly describe the event or series of events as portrayed in the Podcasts. If possible, place it in context of some regional, national or global trends.

Relationship to location analysis: Describe how you think the Podcast's story has influenced location decision-making or may potentially affect current or future locations. Be creative and be willing to take some risks in your interpretation since there could be multiple valid points of view on a specific issue. The objective here is to move from being a mere "reporter" to an "interpreter" or "analyst."

References: List newspaper or other media from which you obtained the information when it applies.

Weekly Labs are also due each week at the beginning of the following Lab. Weekly Labs are also designed to be short and students are expected to spend between 20-30 minutes completing the Lab. There will be 8 lab write-ups due in total, students can choose to submit only 6. Students that submit 8 lab write-ups, the 6 highest will be considered.

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[2] https://registrar.illinois.edu/fall-academic-calendar-16

Final Project Guidelines

The ability to undertake research, prepare a written report and deliver an oral summary presentation has become a major advantage in the development of an individual's personal portfolio. Most jobs now hiring college graduates ask them to have some experience looking at a problem, explaining its status, and proposing a solution. This is the same process that you are asked to do with a research paper on business location decisions. You will have to choose a particular business, explain the state of their location using theories and methods learned in class, and later make a 10 minutes presentation and write a report.

Objectives:

1. Understand several complexities of modern industrial structure
2. Find and learn about potential data sources to understand your problem
3. Understand and explain the location patterns of firms within a major industry
4. Prepare a written and oral report

Procedure:

The final presentation and paper will consist of the following parts.

1. An introduction with a general description of the organization/industry which you have chosen to study including a summary of recent activities (e.g. mergers, acquisitions, new product developments). In this section, include a research question to answer. Also, include a map showing the current location of major establishments or components of the firm/organization together with information about recent changes in location.
2. A methods section that explains how the question posed will be answered and why its the best way available to address the question.. Include theories learned in class to support your arguments.
3. A results section describing your findings, descriptive statistics, and explanations of why a business should/has located where it is. This section should include an analysis and evaluation of the factors that you believe influenced the current location of establishments within the organization studied.

Implementation:

Choose an industry, firm or organization that you would like to study. Businesses can range from small coffee shops or a food trucks, or larger projects such as location apartment buildings and hospitals. When choosing a business to analyze and evaluate, consider the potential sources of primary or secondary data you can collect. This will be critical for how detailed your assessment can be. Students are encouraged to choose a local (Champaign-Urbana) business since access to information is likely to be higher.

Evaluation:

Your report will be graded on the basis of (i) clarity of presentation, (ii) imaginativeness with which the presentation was made, (iii) use of material and supplemental readings to enhance your analysis, (iv) creativity in explaining location patterns and changes, and (v) your adherence to the timetable. A rubric with detailed points will be provided prior to the project presentations. Also, students are required to meet with the course instructor at least once   to assess project ideas, determine feasibility of those ideas, and identify potential sources of data.

Course Outline:

Week	Date	Class	Contents	Readings	Assessments
1	08.23	Lecture	**Introduction:** Definitions of space and its relation to economics and geography; The friction of Distance	Anderson, Ch. 1, 2	Podcast: Planet Money – Episode 562: A Mall divided http://www.npr.org/sections/money/2014/08/22/342232976/episode-562-a-mall-divided
	08.25	Lab	*Intro to R part 1*: Language	Monogan, Ch. 1	See specific lab work products at the end of each lab document
2	08.30	Lecture	**Fundamental Concepts I.p1**: Agglomeration, Spatial Interaction	Anderson, Ch. 3	Podcast: Planet Money – Episode 128: Friend or Foe? http://www.npr.org/sections/money/2012/11/06/164435445/episode-128-friend-or-foe
	09.01	Lab	*Intro to R part 2*: Packages and Functions		See specific lab work products at the end of each lab document
3	09.06	Lecture	**Fundamental Concepts I.p2**: Agglomeration, Spatial Interaction	Anderson, Ch. 5	Podcast: Planet Money – Episode 366: Food trucks Seek 'That Mystical Spot' http://www.npr.org/sections/money/2012/05/04/151967202/food-trucks-seek-that-mystical-spot
	09.08	Lab	*Intro to R part 3*: Data Management	Monogan, Ch. 2	See specific lab work products at the end of each lab document
4	09.13	Lecture	**Fundamental Concepts II**: Markets and Spatial Markets; The production technology	Anderson, Ch. 4, 7	Podcast: Planet Money – Episode 496: Where the Planet Money T-Shirt Began.http://www.npr.org/sections/money/2015/08/05/429780701/episode-496-where-the-planet-money-t-shirt-began
	09.15	Lab	**MIDTERM 1**		
5	09.20	Lecture	**Business Location Theory I**: Transportation & Location; Scale economies and input substitution	Anderson, Ch. 13, 14	Podcast: Planet Money – Episode 500: The Humble Innovation at the Heart of the Global Economy http://www.npr.org/sections/money/2013/12/04/248883212/episode-500-the-humble-innovation-at-the-heart-of-the-global-economy
	09.22	Lab	*Intro to R part 4*: Visualizing & Mapping Data	Monogan, Ch. 3	See specific lab work products at the end of each lab document
6	09.27	Lecture	**Business Location Theory II**: Labor, rent, taxes and subsidies; Interrelated location choices	Anderson, Ch. 15, 16.	Podcast: Planet Money – Episode 632: The Chicken Tax http://www.npr.org/sections/money/2015/06/12/414029929/episode-632-the-chicken-tax
	09.29	Lab	*Intro to R part 5*: Working with Matrices		See specific lab work products at the end of each lab document
7	10.04	Lecture	**The Multiregional Economy**: Specialization and Trade; Off-shoring, on-shoring; Automobile industry and its impact on Midwest economy; Interregional movements of labor and capital	Anderson, Ch. 8, 9	Podcast: This American Life – Episode 561: NUMMI http://www.thisamericanlife.org/radio-archives/episode/561/nummi-2015
	10.06	Lab	*Applied Lab I* p1: Measures of Regional Economic Activity: IO		See specific lab work products at the end of each lab document
8	10.11	Lecture	**Locational and Sectorial Interdependence**: Links between activities. The input-output system and measures of interdependence	Anderson, Ch. 10, 11	TBD
	10.13	Lab	*Applied Lab I* p2: Measures of Regional Economic Activity: LC, MP,		See specific lab work products at the end of each lab document

Week	Date	Class	Contents	Readings	Assessments
9	10.18	Lecture	**Markets for Space**: Agricultural Land Use; Urban Land Use and Urban Sprawl	Anderson, Ch. 17-19.	Podcast: Planet Money 640: The Bottom of the Well http://www.npr.org/sections/money/2015/07/22/425392169/episode-640-the-bottom-of-the-well
	10.20	Lab	*Applied Lab II* p1: Location Analysis		See specific lab work products at the end of each lab document
10	10.25	Lecture	**Location Decision-Making and Policy** *Featured Speaker*: Prof. Sandy Dall'erba	Armstrong & Taylor – Chapter 9. (Compass)	Podcast: Planet Money: Jobs Tug Of War: Kansas City Businesses Poached By Kansas, Missouri http://www.npr.org/2016/05/05/476844402/jobs-tug-of-war-kansas-city-businesses-poached-by-kansas-missouri
	10.27	Lab	Midterm 2 Q&A Session		
11	11.01	Lecture	**MIDTERM 2 – No class**		
	11.03	Lab	Midterm 2 Review Session		
12	11.08	Lecture	**Systems of Cities**: Urbanization and Urban hierarchies; Central Place Theory	Anderson Ch. 20-22.	TBD
	11.10	Lab	*Project Lab I:* Q&A Session		Students will work in their own projects
13	11.15	Lecture	**Globalization and the Knowledge Economy**: International trade and investment; International Migration – Global production systems	Anderson, Ch. 24-25	*Podcast*: A. Planet Money: The last T-shirt in Colombia http://www.npr.org/sections/money/2013/11/22/246776421/episode-498-the-last-t-shirt-in-colombia B. Planet Money: A Shirt, A Meat Grinder And the Book of Everything http://www.npr.org/sections/money/2013/12/06/249278784/episode-501-a-shirt-a-meat-grinder-and-the-book-of-everything
	11.17	Lab	*Project Lab II:* Q&A Session		Students will work in their own projects
			THANKSGIVING BREAK: No class and no Podcast assessment due		
14	11.28		**Project Presentations**		
	12.01		**Project Presentations**		
15	12.06		**Project Presentations**		
	12.08	No Class	READING DAY		
16	12.15	No Class	**Final Report Due**		