

Important information  
about  
locating and doing business  
in  
Flowood, Mississippi

From the April 7, 2006 Jackson, Mississippi *Clarion-Ledger*

**City 2nd in KPMG study**

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*CRITERIA*

The KPMG Competitive Alternatives study contains information for companies locating international business operations.

The study measures the impact of 27 significant cost components. The eight-month research program covered 17 industry operations in nine industrialized countries.

The basis for comparison is the after-tax cost of startup and operation over a 10-year planning period.

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Mike Kaczkowski considered locating his business in New York where he's from, in North Carolina where his business partner calls home, and in the sunny state of California.

Mississippi won out.

"I chose down here because we've had a good relationship with the medical community," said Kaczkowski, president of Alatheia Prosthetics that opened an office in 1999 in Flowood and employs 15 people.

Kaczkowski said there's a growing work force and the economy is good.

He also did the numbers and factored in costs of doing business. "Real estate costs aren't as inflated as in other (places)," he said.

A KPMG 2006 study backs up what Kaczkowski discovered for himself and ranks Jackson as one of the least-costly metro areas to do business among 13 locations in the U.S. with populations between 500,000 and 1.5 million.

Jackson ranked second in midsized cities after the Greenville-Spartanburg, S.C., area, based on labor costs, office leasing and industrial facility costs, said Hartley Powell of Charlotte, N.C., national leader for KPMG's Strategic Relocation and Expansion Services practice.

"Your leasing costs are very reasonable," he said. "Construction costs, even though they're going up, are very reasonable in Jackson."

Also important is the state's pro-business tax environment, he said.

"Mississippi has good tax incentives that help offset costs," he said.

The KPMG 2006 Competitive Alternatives survey only studied costs and took into account emerging and maturing industries ranging from aerospace and automotive to software design and multimedia.

The cost of doing business is often a first consideration for businesses considering a move, Powell said. The survey did not take into account quality of life issues such as schools and health care, which businesses also consider, he said.

Daron Wilson, vice president of operations for Consultrix Technologies, said Jackson offers a competitive job market and there's not as much government red tape, such as that in Birmingham. Consultrix employs a total of 60 people in offices in Ridgeland, Memphis, Nashville and Birmingham.

"Birmingham has a complex tax structure that makes it difficult," he said. "There's an extra 2 percent income tax on employee wages. That hurts the job market because people want higher salaries."

Mark Leggett, director of government affairs for the Mississippi Manufacturers Association, said cost is a significant factor these days when manufacturers consider where to do business.

#### JACKSON: A COMPANY'S KIND OF TOWN

Accounting firm KPMG listed Jackson as one of the least-costly metropolitan areas to do business among 13 U.S. locations with populations between 500,000 and 1.5 million.

- Traditional industries: Agri-food products, agriculture, textiles, apparel design and manufacturing
- Emerging industries: Aerospace, automotive, commercial and business services
- Results: Corporate services ranked as the most cost-efficient sector in the study

"They can easily go overseas," he said.

Kaczkowski said he's found the friendliness of the state a helpful bonus for employees and clients who come from across the globe for custom-made, realistic-looking prosthetics crafted of silicon.

"In New York, I used to dread going to the post office or doing business with a government agency," he said. "People are so nasty. Down here people are laid back and helpful. That makes your business see productive growth rather than letting you merely get through the day."