**Recommendations Report for Relocating a Pluto from Florida to Wisconsin**

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GEB 3213: Introduction to Business Communication

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**Introduction**

Pluto is an e-commerce retail startup company based in Abe Springs, Florida. The online shopping business was set up in 2009, and ever since, it historically has had its fair share of problems and threats in terms of debts and loss in income. It was until 2016 when Pluto made its first profit. Ever since, the company has become successful over the years. However, much of the credit for this success goes to the company management that was driven by big entrepreneurial dreams and the capacity to formulate strategies aimed at establishing not only an innovative but successful business as well. When starting, it was a matter of responding to numerous challenges instead of reacting to them. Since the management wants to get ahead of the competition, this has forced partners to toy with the idea of moving the company headquarters to a new location. Based on this understanding, determining whether to establish the headquarters in Florida or another state is a new business decision that must not be made in haste. While the startup's management first consideration for convenience and cost factors is to take the likelihood of running Pluto from Florida, the growing number of virtual startups in Florida calls to attention the need for the company's advisory board to analyze and recommend whether the headquarters in Florida need to be move to Wisconsin state in which Pluto management will take advantage of three essential criteria for moving which are: an abundance of talent, low tax sales, and innovation.

**Sources Info**

The report search was based on the following census and statistical site, including State Tax Rates which was used to gain access to Federation of Tax Administrations and studies published by WalletHub. WalletHub is a personal finance website that uses such factors as population density measures based on specific metrics. The search keyword strategy was based on the three criteria entailing innovation, millennials, talent pool, state tax sales, among many others. The researcher used no language restriction. The report did not handle specific criteria, including state population and cost of living, as it is too general and is only concerned with highly populated states.

**Reasons for Relocating a Business to A New Location**

Moving a business often suggests a variety of things, including relocating a headquarter from the metropolis to the suburbs. It can also imply a company's advisory committee deciding whether to move the office from one city to the next, especially throughout the nation. Even so, the example used in this report involves reporting relocating the headquarter based on several criteria while preserving ownership of the original location.

**Criteria to Use when Moving Pluto to A New Location**

There is much to consider when determining whether to move the headquarters of a company to a new location (Henricks, n.d.). As for both short-term and long-term, criteria for a new site such as state sales tax, state support of innovation, and abundant talent can positively or negatively impact a company's bottom line by changing utilities, taxes, as well other secondary effects.

**Low Tax Sales**

For businesses to succeed, they need a favorable economic atmosphere. Having a small tax bill could also contribute significantly. Since Pluto does not want to be tied to any one location, the startup is considering relocation to one of the best states to set up its headquarters. Sales tax applies to the sale of good or services, typically imposed on the consumer. It bears noting that even if Wisconsin has one of the highest individual and corporate income tax rates in the US, the state sales tax averaging 5 percent may be the best to grow the business. According to Miller (2019), Wisconsin sales tax rank amongst the lowest in the United States. Compared to Florida sales tax which is currently 6 percent, this makes Wisconsin state not only tax-friendly for business but for residents as well (Federation of Tax Administrators, 2020). Since the state has the fourth-lowest of any state with such a tax, it means the startup cost will be low for Pluto, making it an ideal location to move the company headquarters. Since the Pluto is building its headquarters in Wisconsin, this physical presence or nexus means that the company has a sales tax obligation. As a streamed sales tax, Wisconsin will be required the business to pay sales tax imposed on retail sales, taxable services, as well as leases. Against this backdrop, it becomes apparent that Wisconsin has a very competitive rate nationwide, which continues to make the state an attractive location for the startup and this favors the moving to the state.

**A State Openness to Innovation**

Several factors can influence the decision to move a company's headquarters. Innovation plays an instrumental role in boosting the American economy (McCann, 2019). An innovative economy springs from a combination of initiatives that promote business and STEM (science, technology, engineering, and math). Based on this understanding, it becomes apparent that knowledge and technology outputs are an integral part of America's strength. This is because education and business development policies have played an instrumental role in supporting and attracting businesses. After all, Pluto is offering online shopping services, and if part of the consumer base is not technologically savvy, this can undermine the company's ability to attract and sustain customers. Fortunately, individual states continue to expand innovation through spending on education, research, and development (R&D), although there are disparities in terms of metrics concerning such things as science and R&D. It is mostly for this reason that in-the-know millennials want to relocate to an innovative new tech hub that show dominance in the tech era. On balance, R&D continues to offer things that in the past decade were considered impossible from smart TVs self-driving cars, vaccines to online stores. In the case of Florida, the state was ranked as the nation's 18th most innovative state (McCann, 2019). By contrast, Wisconsin spent less when it comes to scientific knowledge out as it was ranked 30th (McCann, 2019). This weight of evidence inspires little confidence in Wisconsin, which is illustrated in the study survey as a state with abysmal share of science and human engineering capital and insignificant R&D spending per capita. Data on Florida state demonstrates that technology drives economic innovation, and the state will provide Pluto with an entrepreneurial spirit and investment both in the short-run and long-run. Based on this understanding, it becomes apparent that staying in the Sunshine State would be a boon to the company because Florida residents support scientific knowledge output than Wisconsin residents.

**Abundance of Talent**

The abundance of talent is another factor that is a critical part of deciding terms of where to locate a company headquarters. In one sense, the success of Pluto lies in the company's team. From engineers to marketers, it takes the concerted efforts of a talented pool of employees to lead the startup to success. The American economy is expected at an unprecedented pace in the coming decades, more dramatic than the existing talent supply. In this sense, the United States should construct new growth strategies to overcome the challenges of a shrinking working-age population. The reduced talent pool means exerts pressure on the workforce. According to Maciag (2016), the growing demand for services is possibly where a sizeable number of older residents is increasing. In this connection, it becomes apparent then that new strategies will hinge on having the capacity to attract the right individuals with the right talent. Fortunately for Pluto, most American businesses today have started to focus on promoting the synergy between generations to prevent generational stereotypes, while there are stark differences when research evidence demonstrates the millennial net inflows broken down by state. Denying generation stereotypes is ideas as historically with Pluto, the older generation agrees that millennials bring new skills and refreshing ideas at the workplace. In the case of Wisconsin, the available data shows that more millennials who take out a mortgage are only a few within the same demographic group. By contrast, Sunshine State is the fifth most popular destination for wealthy millennials (Lerner, 2019).

Data shows that wealthy millennials migrated into Florida while 5,114 moved out of the state (Lerner, 2019). This resulted in a net inflow of 900 people in that same demographic group. According to this information, Wisconsin does not bring an endless amount of talent to the table for the business since it has been portrayed as a state which enjoys little popularity among wealthy millennials. With approximately 4,346 more wealthy millennials moving into Florida between 2015 to 2016 compared to Wisconsin, the Sunshine State is depicted as a state that will provide Pluto with greater opportunity for growth in which commitment to sustainability, flexibility, and authenticity will play an essential role in the process of expanding and delivering on innovative concepts that serve the consumer base better. Along these lines, it becomes apparent that the company should not move its business to Wisconsin since Florida's residents who are millennials prefer to make their purchases online, and are twice likely to become loyal customers of Pluto. Besides, Sunshine State residents will also make it possible for the company to find and hire the right talent pool.

**Figure 1**

*Net of Migration of Wealthy Millennials for two locations for 2015-2016 to 2027*

*Note:* Statics are from Lerner (2019).

As illustrated above, Wisconsin had approximately 184 wealthy millennials are migrating to other states, and this conservative estimate is twice likely going to expand in a few years to come. Even so, Florida is the place to be for young people, which has 900 young millennials moving into the state, a figure that will increased significantly within the same time scale. Since this segment of the population will eventually select to remain in the area, this means that the e-commerce platform will become one of the most preferred brands amongst millennials. Taken together, this favors Pluto to stay in Florida.

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