

The location factors remain fundamental to the competitive advantage of enterprises. The location factors role changed, but the competitive advantage right now depends not on resources of production factors availability, but on effective use of them on a higher level than the competition. Porter identifies four the most important characteristics that can promote or hinder the company activities and create their competitive advantage in a specific location: factor conditions, demand conditions, related and supporting industries, firm strategy, structure and rivalry.

A government (various institutions) can have a negative or positive impact on the given location factors. Investors need many stimuli to choose right investment location and also to not cancel running a business at the current location. A land parcel offered under an investment project and its technical infrastructure must be accompanied by other benefits, such as financial incentives, legal regulations, positive attitude of local authorities to investors, etc. Institutions have a substantial impact on investment decisions, because they have a direct influence on the conditions for conducting business activity.

Constantly progressing globalization has led to the analysis of successive assumptions concerning the business location theory. It also takes into account not only economic factors but also the political framework and institutional environment in the process of investment location which is mainly composed of business environment institutions (BEIs). In the context of the location theory, the new economics mainstream should also be mentioned, namely the new economic geography, taking into account the space in the analysis of economic processes. The first law of geography should also be mentioned, which reads: "everything is related to everything else, but near things are more related than distant things". While searching for an appropriate location to run a business, a company will choose a site that will best satisfy its needs. The choice is mostly dictated by the location-specific features, which influence will continue to change in terms of its character and relative importance. The reasons for the change of location factors (e.g. economic and political system, the state's policy, progress in sciences and technology, social and economic advance, economic globalization) cause a shift from factors involving costs to information-related ones. In this context the institutional environment may have a significant and sometimes even decisive effect on making a choice in favor of a specific location for a new investment. All kinds of institutional changes and institutions in general influence the conditions of running business. This has been proven by empirical studies and theoretical reflections on the role of institution-related factors in location theory.

Accordingly, we should ask the following question: Does the activity of individual business environment institutions (BEIs), has an affect on the business location decisions in Poland?

**The main aim** of this research is diagnosis, assessment of the role and impact of the business environment institutions on business location in Poland.

In order to achieve the main and detailed aims, it is necessary to accept and verify the following **working hypotheses**:

1. Functioning of the business environment institutions determines the spatial location of business location at the local level.
2. The role of the activities which are in the remit of business environment institutions is growing in the perception of business location decisions.
3. The hierarchy of the location factors is perceived differently by the entrepreneurs and the different types of business environment institution authorities.

Implementation of the main aim will contribute to development of the issues analyzed in the framework of the location theory, new economic geography and new institutional economy because of scarcity empirical evidence of a relationship between business environment institutions activity (also the range of their influence) and business location in Poland at the local level. Despite the fact that planned research are important, undertaken research problem is rarely exposed in scientific research. It should also pay attention to a huge asset to the project namely territorial scope of the research which covers the whole Poland. Business conditions in Poland are constantly changing and are diverse geographically, e.g. the technical infrastructure development, the salary level in individual Polish regions. Due to the fact that entrepreneurship development is closely linked with economic development of the country, the results of the planned research can provide new, but above all very valuable knowledge on the role of BEIs in supporting the development of individual regions. The study of business and BEIs perception of all location factors is also a very important element of the project. These studies are innovative because of lack in literature detailed econometric analysis of the distance between BEIs and enterprises in Poland.