

The 7 Deadly Mistakes of Office Moving

And How to Avoid Them

A White Paper

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Moving your company's office can be hazardous to your financial health, if you are not prepared for what lies ahead. Most managers put in charge of coordinating a corporate relocation have never lived through the experience before. How can they know what to expect? The volume of details that must be attended to is mind-boggling. Mostly, they learn as they go by making costly mistakes. These mistakes are costly in terms of both out-of-pocket dollars and lost productivity. As one such beleaguered manager put it, the best education comes with a large tuition bill. This does not have to be the case.

The thousands of decisions that face an average relocation manager resemble a minefield. You simply can't see where the hazards are until you step on them. Sadly, there are an almost unlimited number of ways to make costly mistakes. We will focus on the seven major areas where the most common mistakes are made. Then, we will discuss strategies you can use to prevent these mistakes from happening.

1. Bad Vendor Selections

First, the most common and most costly mistake is *bad vendor selections*. There are many vendors you will hire to help you relocate your office. These include architects, general contractors, project managers, interior designers, telephone Systems and services vendors, computer Systems and networking vendors, cabling installers, security System vendors, furniture System vendors, and moving companies, just to name the main ones. If you work for a larger company, the vendors you hire for the move may total more than 100. If you don't allow enough time to properly plan a move, you must make your vendor selections in haste. Hiring a bad vendor can jeopardize the entire move. Vendors who don't deliver on time or as promised can delay the move, costing thousands in unnecessary expense.

The biggest complaints about vendors are (in no particular order of importance):

- Didn't show up on time or begin when he promised**
- Did not return phone calls**
- Did not obtain the appropriate permits on time**
- Did not apply enough manpower to stay on schedule**
- Suffered parts or equipment back-orders that delayed his completion**
- Failed to complete the job on time**
- Exceeded his proposed costs through excessive Change Orders**
- Did not furnish agreed-upon deliverables (test documentation, as-builts, etc.)**

Selection of competent vendors always seems easier than it really is. Most novice relocation managers will resort to the price and three references method of selection. This means that potential vendors are invited to submit a price for goods and services. Since it is assumed that all vendors are created equal, the temptation is to hire the vendor with the lowest price. Just to cover themselves, relocation managers will also require three references of satisfied customers who have successfully used that vendor. Simply by phoning those references and asking them if they were satisfied with the vendor should yield a risk-free selection, right? Nothing could be further from the truth! Do you really believe that a vendor will furnish names of dissatisfied customers? Vendors will ONLY supply good references. Now, what do you do?

There are many areas of focus that will help you find the right vendor, and they go way beyond the price and three references approach. First, you need to determine the typical project size and scope in which your potential vendors have the most experience. You want to match your project as closely as possible with your vendor's experience. Does the vendor work on projects of your size, or do they suit a different size of customer? What about the scope of the project? Have they performed many very-similar projects successfully,

or is this one a stretch for them? Is your vendor a specialist in this specific requirement, or are they a generalist who attempts to satisfy many needs? The choice is ultimately yours, and there is no right or wrong answer.

Once you have shortened the list of potential vendors, you can arrange to take a tour of a customer site. This will give you a good idea of the vendor's real life experiences. Some vendors may not be able to set up a tour at all. They either can't find any satisfied customers, or they can't show any similar project experience. Either way, this is what you want to find out now, not after you hire them. By the way, insist that the customer contact person be present during the tour. You want to ask the questions.

Speaking of questions, you need to arm yourself with meaningful questions. Too many managers will simply ask the customer, Are you satisfied? Here are some suggestions of specific questions to ask that will yield true information about the vendor:

Did they show up when promised?

Did they meet all deadlines?

Did they cause any other vendors to be delayed?

How far did their final cost exceed their proposal?

Was their training effective and performed on time?

Was on-site support or programming performed on time?

Are you completely satisfied with the quality of work performed?

Are you satisfied with the materials/equipment used?

Has their ongoing service/warranty work met your expectations?

Will you use this vendor again in the future?

If you had it to do all over again, would you select this vendor?

2. Poor Coordination

The second deadly mistake, *poor coordination* is responsible for delays and cost overruns. Letting your vendors run wild without tight supervision is a formula for disaster. You are in charge. You will run this show. Too often, relocation managers will allow their architect or general contractor to handle the coordination issues, and manage the schedule. This usually results in a schedule that meets their needs, not yours. You have to hold their feet to the fire.

Why should you coordinate the project? Because if you don't, you will be the referee for every fight and disagreement between the various vendors. Any time there are a dozen or more vendors involved, there are going to be conflicts. Every time the schedule is amended, ALL of the other vendors are affected. If you are constantly reacting to these amendments, you will become unpopular in short order. Rather than playing Solomon, wouldn't you rather oversee a calm, orderly project?

The vendors hired for a relocation project usually fall into two broad categories; construction related, and non-construction related. The construction related vendors are obvious. The first of these is the *architect* that designed the interior space, specified the materials and furnishings to be used, wrote the RFP to find a construction contractor, and applied for the permits. Possibly, you hired an *interior design firm* that works in conjunction with the architect. Next, the *general contractor* will oversee the actual building of the interior space. He hires and manages all the *sub-contractors* whose products and services include electrical, HVAC, plumbing, carpentry, drywall, carpet, resilient flooring, acoustical ceiling, millwork, paint, signage, and possibly others. If you have hired a *project manager* to oversee the construction project, this person will also fall into this category. He would be responsible for the timely completion of the construction project on budget. His effort, however, would be limited to the construction project.

Not every vendor you hire is directly tied to the construction project. You will likely be looking for vendors to provide and install a telephone System, access control security System, computer networking equipment, communications cabling, Systems (modular) furniture, telephone services (including dedicated data lines, ISDN, DSL, and T-1), and a furniture-moving vendor. While these vendors need to coordinate their efforts to maintain your project schedule, they are not considered to be construction-related. And here is where the coordination becomes critical.

Every change in the construction schedule potentially impacts the non-construction related vendors. If the general contractor discovers that the carpet you want is back-ordered, the modular furniture vendor cannot begin installation on time. The cabling vendor and electrician can't wire the cubicles until they are installed. The phone and computer vendors can't install and test their equipment until the cabling is finished. So, you can see how arbitrary changes made to the schedule would have a domino effect on every other vendor. You can't allow one of your vendors to make changes to the schedule, no matter how minor, until you have assessed the impact on all other vendors. Your project completion could be delayed beyond the move-in date!

3. Insufficient Staffing

Inadequate supervision or poor coordination is usually the result of the third deadly mistake that of *insufficient staffing*, or the inability (or unwillingness) to delegate tasks. If you have no help, you can't possibly manage the entire move. You need an orderly approach to managing the relocation.

First, recognize that you need help. You will have to recruit employees from within your organization who can carry part of the load. You will be the big cheese, or move director. Select the members of your team based on their area of expertise. These need not be department heads. In fact, most middle and upper management types are not good choices. They are unaccustomed to taking direction, and tend to argue with you about your decisions.

Specialized knowledge is the key. You want team members who have good working knowledge on their particular area of expertise, and access to certain corporate records. Here is a short list to get you thinking about the areas of expertise you will need on your move team:

- Telephone Systems and Services**
- Computer Systems and Networking**
- Copiers and other Office Machines**
- Communications Cabling**
- Electronic Security**
- Furniture (including modular furniture)**
- Warehousing (materials management)**
- Postage Meters and other Mail Room equipment**
- Printing Services**
- Employee Roster**
- Customer Lists**
- Vendor/Supplier Relationships**
- Records Storage and Archiving**
- Construction Issues**
- Colors and Fabrics**

You will not need a team member for each of the above items. Many of your team members will have multiple areas of knowledge. For example:

Example #1

Your IT Manager may know computers, networking, phone Systems, cabling and security Systems well enough to represent these areas on your team.

Example #2

Your Office Manager may have expertise in furniture, telephone service, copiers, mailing room equipment, and printing services.

Example #3

Your HR Manager may know all about communications, and will have access to employee rosters, customer lists and vendor/supplier lists.

In the three examples above, you have covered all but a few items. What remains can be divided among your team members, or defaulted to you, the Supreme Commander.

Select your internal team early, and put them to work on specific tasks with firm dates for completion. You will have to set up a standing weekly meeting where everyone reports on his or her progress. Pick a time for the meeting when interruptions by phone or pager are less likely. Set an agenda each week, and stick to it. Set milestones for completion of each task. Have someone keep minutes of each meeting so there is no confusion about what was agreed, or about who said what. Don't end the meeting until everyone is clear about his or her responsibilities for the next week. Begin each meeting with a review of what was agreed last week.

After you have established your internal team and meeting schedule, you will need to appoint or nominate a coordinator or liaison for each department within your organization. These are not members of your team, and will not attend the weekly meetings. They will simply represent their department for planning and coordination purposes. Just to start you thinking about it, some departments may include Executive, administration, human resources, product development, manufacturing, assembly, editorial, copywriting, marketing, sales, data processing, programming, information technology, MIS, communications, accounting, finance, customer service, order entry, fulfillment, installations, delivery, operations, shipping and receiving, materials management, claims, training, or credit union.

Your department coordinators will be responsible for knowing what items are to be moved, trashed, archived, and warehoused. It is helpful to create a database for the items in each category. This will come in handy later when you are obtaining estimates.

Your department coordinators will also be responsible for the layout of their department's space. This includes the layout of individual offices and rooms within the space. It is important to have each office occupant sign off on their office layout before installing electrical outlets and cabling jacks on the wrong side of the office.

The department coordinators will have to tell you exactly where they want to place computer equipment, fax machines, copiers and printers. This must be known in advance of designing the electrical and cabling Systems. Many electrical outlets will need to be dedicated, not shared. You want to know this now, not after the electrician is sweeping up.

4. Starting Late

The fourth most common mistake is *starting late*. An office move takes many months, even after a site has been selected and a lease has been signed. Too many companies paint their vendors into a corner by allowing too little time to prepare a decent proposal, and even less time to deliver or install the goods and services purchased. A rushed vendor makes mistakes. Don't place your move in jeopardy by expecting miracles.

The larger the organization, the more time will be required to successfully plan and implement a relocation. There is no hard and fast rule that tells you exactly when to begin this long process, but think about all the issues and how they are interrelated. Each must be completed before the other can begin. Here is a VERY brief list of the events that must occur, in chronological order. There are actually over 200 such events in a typical relocation, but we will not list them all here. This list is provided just to get you thinking:

- Hire the architect
- Hire the broker
- Find the space
- Negotiate and sign the lease
- Determine the move-in date
- Prepare the floor plans
- Obtain permits
- Hire the General Contractor
- Hire the Project Manager
- Establish the construction schedule
- Select your internal move team
- Choose department coordinators
- Hire the telephone System vendor
- Order telephone service and data-lines
- Hire the cabling vendor
- Hire the security System vendor
- Hire the furniture vendor
- Hire the computer Systems vendor
- Send letters to customers and vendors/suppliers
- Order new stationery
- Order new furniture
- Hire the furniture mover
- Order boxes
- Label all items to be moved
- Store/Archive records
- Arrange for trash hauling
- Schedule computer System downtime (back-up)
- Arrange for employee training
- Distribute keys/pass cards
- Re-paint company vehicles

Let's say this is the short list of events that you will coordinate for your office move. Obviously, nothing can begin until you find a new space and sign the lease. But, you must know your space needs pretty well, or you could make a bad selection. So, the architect might be hired first. The architect can help you determine whether a particular space literally fits your rough layout, based on an understanding of your work flow.

Once the move-in date is fixed, it's a mad dash to the finish line. All vendors must squeeze their work into the time available. If you drag your feet on vendor selection, you will make this problem worse. If you really squeeze your vendors, you are betting that nothing will go wrong, and that there will be no delays or back-orders. This is not a likely scenario.

The time to plan is BEFORE you have selected a space and signed a lease. How, then, can you estimate the time required in which everything must be done? Your broker can estimate how long it will take to find a

space, negotiate the lease, and sign it. The haggling over terms is the big unknown here. Your architect can help you with a time estimate for the construction project. Permits can be a big delay.

That's about as much help as you'll get. The vendors you hire, like the telephone and computer vendors may have long lead times for equipment. You need to know up front which phone System and computer equipment you will purchase in order to avoid long lead times (or to know what those lead times are). The cabling must be done before the computer and telephone Systems can be installed and tested. As we mentioned earlier, the cabling is dependent on the timely installation of all modular furniture, which is dependent on timely installation of the carpeting. Phone System installation is also dependent on the provision of services, such as dial tone lines, T-1, ISDN and DSL lines from your local phone company. If your computer System needs to link to another remote site, the high-speed data lines must also be in place before the System can be made operational. Lead times for some services can be many months.

It is fairly simple to arrange for printing new stationery or for moving the office furniture, but most other events are co-dependent. All these interrelated events must be placed on a big list with dates for completion. As one changes, many others must change with it. Once the schedule is roughed-in, make sure there is enough time to conduct a respectable vendor selection process. As you discover that key dates must move backwards, this will help you determine the appropriate starting dates. And, you'll probably conclude that there is no such thing as starting too early.

5. Compressing the Schedule

Closely related to starting too late is the fifth deadly mistake, *compressing the schedule*. Trying to make up for lost time or a late start by reducing the allotted time for completion is very dangerous. Plan for enough time to allow each vendor to complete his task as agreed. Just because it takes nine months to make a baby, does not mean that nine guys can make a baby in one month!

Your vendor planned for this project, based on information you provided during your competition. They were selected based in part on their ability to get the project completed on time and on budget. Now, you must reduce the available time because of some schedule slippage caused by another vendor or unforeseen event. How can your vendor get the same quality job done in less time? One way is by throwing extra bodies at the project. Another is by working overtime (longer days, double-shifts and weekends). You can't expect your vendor to eat this additional cost, since it is beyond their control. They will expect to be paid extra for this.

If you decide to play tough guy and refuse to pay for the overtime your schedule slippage has caused, your vendor's only defense is to treat your project as a loss leader. This means that will take their A-Team off the project, replacing them with less experienced employees who earn less money. Now, you have placed your project at risk.

Even if you still have your vendors A-Team on site, compressing the schedule rushes your vendors and puts too many bodies on the job site at one time. Imaging the sight of a dozen vendors, all on-site at the same time, fighting for elbow room alongside the construction sub-contractors. Nobody can be productive under these conditions. Don't kid yourself into thinking that your project will be different.

General contractors are notorious for compressing parts of the construction schedule. If they can't obtain their permit to close up the walls, they will spend the time installing ceiling tiles. While this sounds like they are making good use of their time while maintaining their OVERALL schedule, think about how this one change will affect other vendors. Your cabling vendor will have far less time to install the cabling than planned. Who pays for their overtime? If the carpet is delayed, you already know how other vendors are affected. Will the general contractor pay for the overtime required of the furniture vendor, cabling vendor, and telephone System vendor? Even his small actions have major consequences.

Do yourself a favor and write some provisions in your contracts for how these schedule compressions will be handled. What are the ramifications for the vendor for causing a delay that will compress the schedule and cause overruns? You may consider a liquidated damages clause that spells out the penalties that will apply for every day a vendor is late.

6. Inadequate Budgeting

The sixth mistake most commonly made is *inadequate budgeting*. Many companies have no idea what they will have to spend on their office move, and have no firm budget established. Others will establish an arbitrary budget that has no relation to reality. Both strategies are doomed. Without guidance, entire Systems are forgotten until the last minute, and must then be procured with unbudgeted funds. Constantly repeating it's not in the budget serves no ones interests. If you expect your vendors to perform free services, you can pretty much imagine the quality of employee your vendor will give you. There are many places to look for help in getting budget estimates for all the goods and service required.

To save you some time, a partial list of items whose cost must be known upfront are:

Recurring Real Estate Costs

- Annual Gross Rent
- Utilities
- Parking
- Real Estate Taxes
- Personal Property Taxes
- Hazard Insurance
- Maintenance

Soft Dollar Expenses

- Recruitment Costs
- Training Costs for New Employees
- Training Costs for New Equipment
- Employee Relocation
- Travel Expenses
- Freight/Delivery Costs
- Lost Business

Capital Expenses

- Tenant Improvements
- New Office Furniture
- New Systems Furniture
- Copier/Mailroom Equipment
- New Telephone System
- New Computer Equipment
- Cabling Installation
- Security System
- Amortization/Depreciation

Moving Expenses

- Communications
- Stationery & Forms Printing
- Warehousing/Archiving

- Furniture Moving
- Packing Expense
- Boxes
- Equipment Rental
- Local and Long Distance Phone Service
- High-Speed Data Lines
- Service Agreement Penalties
- Cost of Duplicate Systems
- Trash Hauling
- Clean-up

Consulting Expenses

- Architect
- Interior Designer
- Tenant Rep Broker
- Move Coordinator
- Project Manager
- Engineering Firm
- Attorney
- Sets of Drawing Packages
- Technology Consultant

Having no budget or an unrealistic budget is inexcusable. Take the time to go through the budgeting process before you begin the search for a new site. It will pay off in the end.

7. Poor Communication

Lastly, *poor communication* can sink your ship as surely as the iceberg sank the Titanic. You must keep your employees informed about the relocation, of course. But, most relocation managers stop there. You also have a responsibility to keep your customers and suppliers informed, as well as all vendors you have hired for the job. Uninformed customers and employees will leave you. Vendors can't perform to your requirements if you don't communicate them.

At a minimum, you should consider the following letters and memos to keep everyone informed. Some of these can be combined into one letter or memo:

Customers

- Notify customers that you plan to move
- Provide customers with new address and phone numbers after you move

Vendors/Suppliers

- Provide date when relocation is planned
- Provide new address and phone numbers after you move

Move Vendors

- Weekly memos keeping everyone informed of move progress

Employees

- Notify employees of your moving plans
- Provide orientation at new site before move-in
- Provide public transportation schedules and parking rules

- Provide lists of local services (banks, restaurants, day-care centers)
- Provide instructions for packing office contents
- Provide employees with name of department coordinator

The hardest part of this is remembering all the vendors, suppliers, and service providers that need to be informed of your plans. It is easy to leave out someone important. Here is a list to stimulate your memory:

Vendors and Suppliers

- Equipment manufacturers
- Distributors
- Copier/FAX dealers
- Computer/Networking vendors
- Telephone System vendors
- Specialized equipment vendors (Mail handling, printing press. etc.)
- Furniture vendors
- Local telephone service provider
- Long Distance telephone service provider
- Leased line service providers (ISDN, DSL, T-1)
- Commercial printer
- Office supply vendors
- Business forms suppliers

Service Providers

- Banks
- Accounting & Bookkeeping services
- Payroll service
- Business Insurance agent
- Cleaning/Janitorial service
- Advertising/PR firm
- Employment/Temp agencies
- Food/Snack/Coffee services
- Plant watering service
- Local public utilities (gas, water, electricity)
- Retirement plan administrator
- Health Insurance provider
- State revenue (tax) authority
- Trade or membership organizations
- Magazine or book club publishers
- Local Post Office
- Courier service
- Delivery services (UPS, FedEx, etc.)

Become an Expert While Doing

Now that you know the most deadly mistakes, how can you avoid them or at least minimize their impact on your office move? This is not easy if you are new at the game. Simply knowing what lies ahead is a big help, but this won't solve problems for you. Your biggest problem is time. There is never enough of it. And, you still have your regular job to perform. How do your peers get this done?

Most managers will start phoning vendors early in the move process to ascertain rough budget numbers for all the goods and services required. This provides some information that is useful, but the process is time-consuming. Plus, how do you determine all the products and services you will need if you have little or no experience at this? Any omission will be costly, if not deadly.

Starting on time sounds easy enough, but how do you know when you are early or late? How can you avoid a late start or schedule compression when you don't know the lead times required by each vendor?

Speaking of vendors, how can you determine who the best vendors are? How do you make the right vendor selections for your move? How do you go about locating good potential vendors? Is there a way to compare vendors and their offerings other than by comparing price alone? How can you learn this while you are doing it? You don't have the time to become an expert. You barely have enough time to keep up with your regular job.

How can you build-in the proper amount of vendor coordination? How will this be accomplished? How do you energize your team of employees to tackle the tasks you must delegate to them? Which tasks should you delegate, and which ones should you keep for yourself?

Lastly, how will you effectively communicate with your staff, all company employees, customers, suppliers, and vendors? When should you inform them, and what should they be informed about? How will you communicate, and how often?

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