

Where You Move Matters

Determining Criteria For Selecting a New Office Location

When it comes to choosing a new location for your business, there are many decisions to be made. Factors such as the community, real estate, quality of life, the local workforce, market growth, and operating efficiency all should be considered when picking the perfect location.

Defining evaluation criteria - and being able to prioritize the importance of the criteria - is the first step before looking at potential locations. Below are some factors to include while developing criteria for potential locations for your business. Remember to customize your criteria based on the type of site (headquarters, shared service center, satellite office or warehouse) you're evaluating.

Geographic Location

Geography and how it maps to your business strategy is critical when you review new business locations. From a financial perspective, real estate ROI and other operating costs may suggest one location is preferable, but from an operations perspective, the location may not be acceptable because delivery or access to your customers is more difficult. A geographic location can also impact back end costs and quality of service, so you need to include stakeholders from all areas of your business to ensure you have a comprehensive view.

A couple of questions to answer: Can clients and employees get to the location easily? Is the location close to vendors your business depends on? Strategic partnerships are more effective when you are in close proximity to each other.

Think about the security of the neighborhood as well and what's close to the office. Are there places nearby where staff can buy their lunch? Where you could take clients for drinks or a meal? Where you can buy essential supplies for the office?

Tax and Financial Incentives

Financial and tax incentives can create a significant cost differential when comparing one location against another. Carefully calculate property tax and tax credits. Income taxes and sales taxes also vary greatly from state to state, as do regulatory requirements. Is the state you live in friendly to entrepreneurship?

Size

As a general rule, the standard workspace recommended is 70 square feet per person. You'll also need to account for meeting and gathering spaces such as conference rooms and break areas. Ensuring there is plenty of room for employees to socialize and collaborate in is key to employee satisfaction and productivity.

Also, make sure to account for future company growth and that you have the room to house future employees. Look at the employee growth rate from the previous year to help determine how many employees you need to accommodate year after year.

Workforce

Keeping your employees happy is critical to the productivity of your business. When you review options, consider the area surrounding each site to make sure it has the amenities that your employees use such as gyms, grocery stores, restaurants, daycares and banks. Also consider if it is a trendy neighborhood. Setting up in an area with a reputation as a hot spot for up-and-coming startups or promising young businesses can have a positive effect on how clients and staff view your company, as well as when you hire new employees.

You will also want to take into account where your key employees live and whether the site is convenient for them. How easy are the premises to commute to? If you're reviewing city center locations, consider how close it is to the nearest subway or rail line as well as bus, bicycle and automobile routes. A long, expensive commute may push them to seek employment elsewhere.

Price

Price is probably the most important factor for most businesses. The cost of a new location goes a lot deeper than just the monthly rent.

Make sure to look at potential hidden costs to protect yourself against unexpected extra charges later. Calculate the full cost of the new site—rent, utilities, construction costs, moving expenses, and other costs that may not be obvious.

It's also important to identify the parking available at your proposed location, as well as the potential cost to employees and customers. Negotiating special employee rates and validating customers' parking tickets can help offset the impact, but they need to be worked into your budget.

Technology Infrastructure

Finally, one of the most important factors for the future success and growth of every business is access to the best technology infrastructure which includes modern phone and data lines. Ask questions about communications wiring, such as whether the space is connected to a fiber optic network or is it wired for DSL or T1 line.

Insufficient bandwidth or cabling can severely limit your company's ability to grow quickly and cost effectively. Discuss your company's goal's with a telecom provider before you sign your new lease, so you can make sure your new location adequately supports your bandwidth needs. Then, allocate enough workstations for your company to grow into if you plan to add more personnel in your new location. It's far costlier to add cabling later.

Find out more about what to include in your evaluation criteria to assure the best technology infrastructure is available at your new location by contacting Electric Lightwave. Our sales and service teams are experienced in helping companies with office moves and we work with you through the entire process.