



In a turbulent economy, reduce energy and costs: Relocating can save money and increase efficiency

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We are in the midst of unprecedented turmoil in the national economy. During any economic slowdown business owners need to look for ways to implement strategies to weather the storm and support the bottom line. The most effective way to do this is to cut expenses and look inward to maximize efficiency.

In slow economic periods it is common for companies to review their operating costs and expenses. Typically a company's two highest expenses, aside from providing benefits such as healthcare and insurance, are rent or property taxes and energy. Many realize they can reduce expenses and preserve profit margins by downsizing or subletting their space. When companies are in a space that is too large they are wasting resources everyday. Today as rents rise and fall, demand for space also fluctuates. We are seeing lower-cost space becoming available.

Companies can implement several strategies to reduce their footprint. For example, if there is a large amount of data and files on site taking up space, consider using a document management service. Outsourcing will keep files organized and archived at a secure, off-site facility protecting them from theft and damage. In addition, removing bulky files and file cabinets from an office can reduce the amount of space that is needed to operate. Many companies can further reduce their space requirements by transferring paper files to electronic media for storage, saving hundreds if not thousands of square feet for file rooms and filing cabinets. We are now at an ideal point in time to purge files and get rid of obsolete and unused electronic equipment. Often this equipment can be donated to charity organizations for reuse; if not, obsolete equipment should be shredded and recycled to keep materials out of the waste stream and to protect proprietary data.

Consider allowing and encouraging employees to telecommute. With advances in communication technology, many job functions can be executed from a home office. The reduced number of in-house staff will lessen a company's necessary square footage and can reduce operating costs. Many employees view this option as a benefit that allows them more flexibility in their work schedule. In today's economy with transportation and commuting costs at an all time high, more employees are telecommuting today than ever before. However, productivity continues to remain high benefiting employers and employees alike.

Implementing an asset management program is another means of increasing efficiency. Companies maintain massive inventories of equipment such as office and lobby furniture, computers, artwork, appliances, office electronics and IT equipment. Managing these assets can be complex and expensive; however, with an inventory management system, managers can save money. The

system gives managers a more transparent oversight over their inventory which gives them a better idea of what they have and what they need. This reduces the reordering of items that are already in stock and allows them to downsize or sell off items that aren't needed.

As businesses tighten their belts and look for ways to reduce expenses, reviewing operations is an important first step. Improving efficiency should always be a priority and managers should look for new and creative ways to streamline operations. Each business should examine their current leases and space requirements and determine if they are utilizing their space effectively. If not it may be time to relocate, downsize or reorganize.

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