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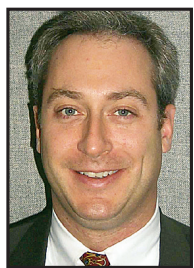
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The challenges of manufacturing and industrial relocations

Unlike office moves, which often occur every five to seven years, manufacturing moves occur less frequently.



INSIDER VIEW

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opportunities for manufacturers looking to relocate.

Goal setting: The first step in the planning process is to develop a list of reasons to consider a move and the goals that the new facility should help achieve. Is the project being contemplated to gain operational efficiencies, reduce rent, plan for expansion or get closer to major highways, clients or suppliers?

Programming and process review: A thorough review of the current manufacturing process should be done before any sites are considered. This study will compare current conditions to best practices for the specific industry. In some cases, firms that compete in different markets will share ideas and “lessons learned” and even offer tours of their facilities. In addition

to the plant manager and other internal resources, an industrial engineer may be retained to conduct the process review and to provide consulting and training. It is not uncommon for a manufacturing firm to be in the same facility for 25 years or more. These facilities have often been customized and expanded over many years, resulting in inefficient layouts that tend to have stockpiles of old equipment and inventory that will never be used.

These situations pose unique operational and logistical challenges and opportunities for

manufacturers looking to relocate.

Site selection: You will need to factor in all of the elements from both your list of goals and the programming and process review. Some additional elements include considering where your labor force commutes from. Many towns have restrictions on the type of manufacturing that may be allowed.

An environmental, health and safety consultant can help navigate the permitting process. In most instances, the building options include both the reuse and renovation of an existing facility and the construction of a new out-of-the-ground facility.

Detailed budgets and schedules for each of the building finalists should be generated to allow for a true comparison of the options that addresses the program elements as well as both initial cost and long term operational cost.

Implementation planning: Unlike office moves, which typically occur over a weekend, manufacturing moves can occur over a series of weeks or even months. It is not uncommon for a single piece of equipment to require days

or weeks for disassembly, packing, rigging, moving, unpacking, reassembly, recalibration and recertification. Because of this, companies are often faced with the mutually exclusive goals of getting the move done as fast as possible while not affecting production cycles and client needs.

On the business planning side, it is important to anticipate customer requests and even to ramp up production of high-activity items to stockpile for shipping during the move. The moves may even need to be scheduled to occur between production cycles or to be split into phases to allow for half of the line to be moved and set up at a time to maintain some level of production. In many cases, new equipment is purchased, installed and operational at the new location prior to the move, and the old equipment is relocated or even liquidated afterward.

On the relocation and implementation side, it is critical to have a detailed timeline that lists the day-to-day activities of all of the technicians, installers, movers, material-handling contractors and other vendors. Because manufacturing operations need to be operational during the move, there is often the need for supplemental staff during the relocation and in some cases for two or three shifts to be worked.

If planned properly, manufacturing relocations, while complex and time consuming, can provide enormous positive operational and financial benefits.

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