

DESIGN & TECHNOLOGY

Thoughtful Facility Planning Trims Costs, Improves Efficiency

- *Simple facility planning*

techniques can help your

company save money

- *A company can save*

money by renovating space in

an existing facility, rather than

constructing a new building

In today's slower economy, organizations are evaluating how they can simultaneously tighten purse strings, remain competitive and be prepared to hit the ground running when the economy turns around. The following facility planning approaches can help your organization batten down the hatches and still prepare for the future.

Perhaps your current facility no longer meets your needs. If a new building is outside your budget, you may want to lease an existing facility that has been renovated to meet your requirements.

In a slower economy, you may be poised to bargain for a more competitive lease. Rent may be reduced if the space has been vacant awhile, or if quite a bit of space remains vacant in the immediate area.

To minimize capital expenses, your objective should be to have as many facility amenities and services included in the lease as possible. This will help direct your resources toward operations and profitability. There are lots opportunities to lease mechanical and specialized equipment, as well as furniture. High-quality, refurbished office furniture also is a very affordable alternative to purchasing new pieces.

Compared to building a new facility, renovated space may take less time to plan and construct, thus allowing your organization to beef up operations more rapidly. And, if the space can be occupied as-is, your company can realize these savings even sooner. However, you may have to adapt your procedures and operations to meet the facility's restrictions, which may cause production inefficiencies.

When evaluating whether to lease, be sure to identify the cost and extent of required modifications, whether the leased space will meet your future needs, any overhead expenses that may increase with a move, and financial penalties associated with terminating an existing lease.

If you can afford to construct a new facility, you still can save money by constructing the entire space and leaving a percentage of the building's interior unfinished until you need the extra area. This approach minimizes initial building costs, reduces energy

As a cost-saving measure, Third Wave Technologies selected an exterior insulation and finish system (EIFS) for its corporate headquarters.



For more information on how to reduce energy costs, contact your local utility company. Both Alliant Energy and Madison Gas & Electric also offer special or low interest loans for energy reduction projects that require a capital expenditure outlay.

Alliant Energy
Energy Conservation Program
800.862.6222

Madison Gas & Electric
Energy Saving Potentials
608.252.5697

costs after occupancy, and provides surge space to house future growth. Alternatively, you can finish the interior area and lease the extra space to another tenant.

Perhaps you are in the midst of planning a facility and want to minimize unnecessary expenditures. Be careful about reducing initial building costs at the expense of quality. These decisions may result in increased energy and maintenance costs down the road.

Amenities often are the first facility components to be trimmed. Rather than eliminating all amenities, carefully determine which ones definitely enhance employee recruitment and retention, or scale back on the scope of the amenity.

For example, since full-service cafeterias and kitchens cost about \$200 a square foot including equipment, you may want to provide a simple food service/vending area instead. This will help cut back on equipment and operational costs. Also, you can outsource your cafeteria services until you

decide to provide a full kitchen and cafeteria. Rather than building a large training area, consider renting an off-site facility for activities that require that type of space.

If you plan on staying in your existing building and have underutilized space, consolidate personnel to enhance energy efficiency and productivity. Isolate unused space with partition walls, and moderate the temperature and lighting in the unused space. Now is a great time to evaluate your facility's energy utilization, and implement energy conservation measures that will help you save money. Simple controls, such as lighting time switches and programmable setback thermostats, cost only hundreds of dollars apiece and can result in energy savings. Keep in mind that the payback from any energy conservation measures may be realized over the long term.

By taking a thoughtful, cost-conscious approach to facility planning, your organization can save money and remain competitive. ■

www.strang-inc.com
FAX 608.276.9204
608.276.9200
Madison, WI 53705-4395
6411 Mineral Point Road

Strang
Architecture
Engineering
Interior Design

RETURN SERVICE REQUESTED

PPRRTSTD
U.S. POSTAGE
PAID
MADISON, WI
PERMIT NO. 1615