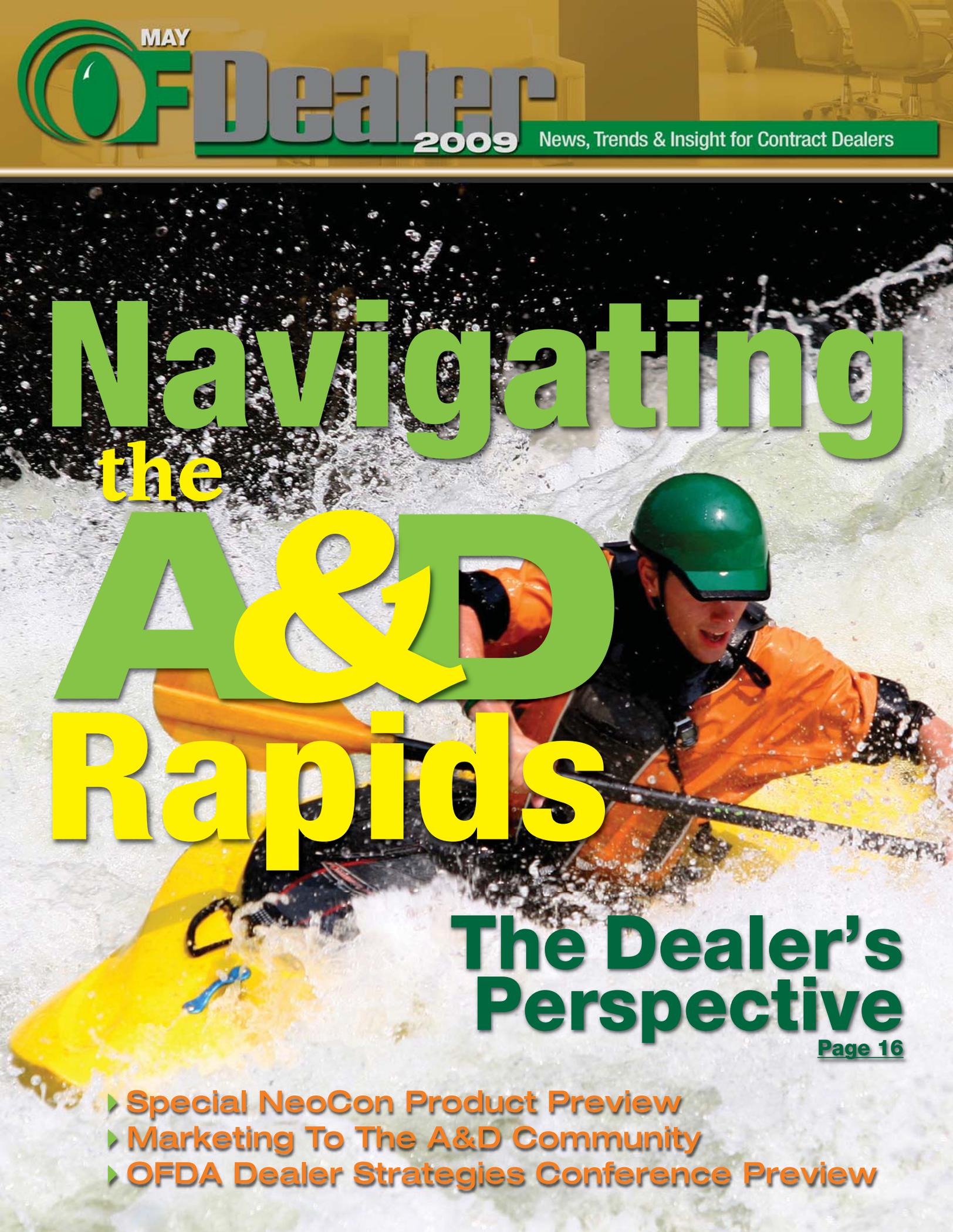


MAY

2009

News, Trends & Insight for Contract Dealers



Navigating the A&D Rapids

The Dealer's Perspective

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Not selling furniture? Then, Move It or Store It!

In tough times when businesses aren't buying furniture, they still move and need to store items, and dealers are in a perfect position to scoop up the business. Instead of making cuts and playing it safe, take advantage of your unique position by expanding facility services for additional profits.

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Last
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kay**borden**

The economy is forcing landlords to entice tenants with upgraded buildings and reduced rents. For other businesses, the need to store excess furniture has soared. They all want move management services. Move and asset management is recession-proof, requires trucks, tools, and the labor you already have, your current customers need it, and training is available to accurately quote jobs and control the process.

And, when the economy turns and expansion once again fuels the need for more furniture, your one-stop-shop will be in a better position to sell it.

While traditional moving companies are trying to survive by turning long-distance residential movers into local office movers at drastically discounted prices, this trend is ultimately a recipe for disaster since most have no local labor, no means of providing an accurate quote or knowing how long the job will take.

More often than not these traditional movers are causing serious damage to businesses because the move doesn't finish on time; computers, furniture, and building surfaces get damaged; and the final bill in no way resembles the quote.

This trend is opening new doors for office furniture dealers to expand their own services without investing in more equipment or trucks. The key to success is knowing how to calculate an accurate estimate.

An accurate job estimate leads to a consistently higher level of dependable service, and that's a big confidence booster for both your sales team and your customers. The process that makes accurate estimates possible includes built-in management controls for more efficient use of handling equipment and trucks and for keeping damage claims to a minimum.

Founder and former owner of Peachtree Movers in Atlanta, GA, Ed Katz has developed a formula for accurately estimating the cost of an office move.

"It's based on man-hours rather than weight, which is the method typically used by movers of household goods to determine job cost. Basing cost on the number of man-hours needed to complete the job is common practice in all types of business except for the moving industry," said Katz whose formula for figuring how many movers and how many trucks for how long is changing that.

When residential movers apply their weight method to estimating an office move, the formula goes haywire because there are variables that prevent their simplistic weight method from being accurate. Take for example that in a large office building with an elevator, an office suite can be several hundred feet from the elevator. Unless the estimator factors all of these fluid variables into his calculations, his estimate is nothing more than a "guesstimate." Since the guesstimate omits these variables, the quoted price is consistently lower. The final bill, though, is often higher since moves don't finish on time.

The International Office Moving Institute (IOMI) proprietary process factors all of these variables into its formula in order to arrive at an accurate calculation of man hours. The IOMI quote is consistently higher than the guesstimate because it factors everything down to the smallest detail into account in order to provide the correct number of men and trucks needed to finish the job on time for the price quoted. The proprietary calculation is part of the course work for becoming a Certified Project Manager through the IOMI.

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Ask existing customers if they're happy with their present mover. Ask if they could be persuaded to give you an opportunity if you promise to finish on time for the price quoted and protect their property and building from damage.

Start small, go slow, and pay attention to the details. The biggest mistake you can make is over committing then falling short on service. Offer your new service to a single, friendly customer that supports the venture.

When revenue is down, offering moving management services can help generate much needed income; allow you to hold onto staff and develop even better outsourcing relationships. It is not uncommon for office movers to make a 50 percent gross profit margin (GPM) or more depending on whether the dealer chooses to actually do the moving or be the project manager.

Kay Borden is a freelance business writer and co-author of *Move Your Business (Without Becoming A Moving Target)* with Ed Katz. Borden can be reached at 770-578-9410 or kay@franklin-sarrett.com.

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