

Should I Stay or Should I Go...?

Diary of a Shop Relocation

by James Miller, MCPE, GCF

They say the most important factor in retail business is “location, location, location.” Our original storefront in Pickerington, OH had served us well for all of our nearly 15 years, but could we do better in a new place? I wrestled with that question through most of 2001, knowing the lease was up for renewal early in 2002. The decision-making process measured confidence against uncertainty; comfort against challenge; emotions against hard objectives. Was relocation really a good idea, or were we just looking for a new challenge? If relocating nearby was a good idea, then could we do as well by applying that investment of time and money to improving our present location? During January, I must have changed my mind a dozen times. But eventually, it all came down to this list of pros and cons:

Top 10 Reasons to Stay Put

- We were well established. Everyone in the area knew where to find us.
- Plenty of convenient parking, and easy access from any direction.
- Business was continuing to grow.
- Good visibility from the community’s busy, main road.
- Softening of the economy and rumors of a looming recession encouraged conservative planning.
- We were paying the cheapest rent in town.
- We didn’t want to move far from home.
- Moving costs a lot outright, plus the lost labor, incidents, and unexpected expenses.
- Moving is a ton of work, including extensive planning.
- There’s no guarantee that a move would benefit our business.

Top 10 Reasons to Move

- The old place needed complete renovation—move some walls, new lighting, new wiring for computers and phone lines, new carpeting, and a repaint.
- Due to poor property management, the shopping center was deteriorating. It was never filled and always had turnover. The rent was too low to be profitable for the landlord.



The grand re-opening of ArtFrame, Inc. in Pickerington, OH was marked with a ribbon cutting and evening reception. Jim Miller (center) is ready with scissors to make the cut. His wife, Gail, looks on (in blue).

- Desirable tenants—potential good business neighbors—were turning away.
- The too-low rent attracted weak, under-financed new tenants doomed to early failure, exacerbating the turnover problem. The shopping center was gaining a bad a reputation for business failures.
- Our renovation needs would approach the cost of building out a new location.
- Our store attracts more and more clients from outside our suburban community. Moving closer to a main highway in the region would be helpful.
- A new shopping center was being completed at a main interstate highway nearby, and already had tenants that would make great neighbors for our business. Professional property managers, with a long history of success, were offering us incentives to move there.
- We could use a few more square feet of space.
- A new location would create new opportunities to expand our business.
- Business was stable and still growing steadily, but nearing its peak in the old location.

January

1/7: After reviewing our 2001 business, and sales and profit plans for 2002, I decided to look into relocating at the new Hunters Run Shopping Center, just a mile away. But first I needed to outline our objectives, prepare a budget, and create a “To Do” list with a timeline. And I had to determine whether increased sales and profit in the new place would justify making the move. Basically, I needed to rewrite our business plan.

1/11: The first meeting with a lease agent for the new place provided information about square footage of available spaces, lease restrictions, rent asked, maintenance/taxes/insurance fees, and demographic information. With his proposal in hand, I began juggling numbers.

1/28: I determined that a 20% increase in business would make the move worthwhile financially, and it's a reasonable (if not conservative) expectation based on the demographics. I then reviewed the lease proposal, made notes and jotted down some ideas for a counter-proposal. Then I asked an attorney to review the lease proposal and help with negotiations toward the agreed objectives. Because our rent was very low, I expected to pay signifi-

Budget of Expenses for Relocation

Advertising and promotion of new location (in addition to regular budget)	\$2,000
New shop worktables, shelves, fixtures	600
New gallery fixtures	200
Gallery hanging system	1,500
Build-out expenses after structural work is done—	
Floor coverings (carpet throughout?)	1,300
New signage: outdoor sign; interior signs; window signs	3,500
Wiring for computer network, phone lines, music system	600
Track lighting/wiring	1,500
Wall preparation, paint (wallcoverings?)	450
Office furniture and file cabinets (used)	800
Paddle fans/wiring	350
Overtime and extra labor expense	1,500
Food and drink for moving crews	500
Miscellaneous expenses	500
TOTAL	\$15,300

Relocation Objectives

- 20% immediate increase in sales
- Maintain current profitability
- Limit expenses to \$15,000
- Minimize negative impact of the move:
 - No loss of orders
 - No more than two work days lost
 - No lapse of quality workmanship
 - Minimize loss of inventory and damage to equipment
- Reduce rent long-term by doing one-time build-out work
- Improve layout of shop, office, and gallery
- Add two new work tables in shop
- Add gallery hanging system
- Improve gallery lighting's versatility, appearance, and efficiency
- Improve computer LAN wiring
- Improve layout of electrical outlets
- With outdoor signage, concentrate on high visibility from the main road
- Install better office furniture and files
- Isolate noise and sawdust in one “dirty” room at the rear of the shop
- Improve moulding storage method
- Place CMC, drymount press, and vacuum press at the front of the shop area (the cleanest spot in that area)

cantly more rent in the new space. How would that increase affect our bottom line? How much added profit would we need in order to pay for it? The new business plan included revised sales and profit figures, which clearly defined and justified our counter-proposal.

February

2/4: With estimated costs for the move in hand, I went to the bank to arrange financing. Even if there were no need for financing, I would ask a banker's opinion of the deal. Bankers often have the inside track on what's reasonable rent for a given place in the area, and can provide valuable insights about costs that might have been forgotten in planning. The banker was helpful, and reinforced my conclusions about relocating.

2/5: The first snag: The lease agent called to tell me that a large anchor tenant's lease included a provision prohibiting other tenants selling “art” and “picture frames.” The lawyer and I agreed that our store would complement theirs; that our custom framing and upscale art would not violate the spirit of that provision, but would enhance their business. I also learned through industry online forums that custom frame shops and art galleries share shopping centers with that particular

company in several cities. I sent a letter outlining all of that and asking for a waiver of the lease provision. It was granted almost immediately.

2/18: After several rounds of discussion and counterproposal, the landlord and I agreed on a lease. Originally, I expected to drive down rent by doing the entire build-out. However, it was better to have the landlord take care of major build-out items. As it turned out, the lease agent couldn't go below a certain rent amount, but he was able to include the structural part of the build-out. The savings of the build-out more than offset the savings of rent I would have expected otherwise, over the term of the lease. A big plus: Architectural drawings, subcontractors, and permits from the local governments (always a hassle) became the responsibility of the landlord, leaving me free to handle other details of the relocation.

2/20: In the morning, I met the new landlord at the selected space, reviewed the lease, and we signed the papers. At the same meeting I gave him my sketches and general specifications for the build-out, as we had discussed, so he could take them to the architect. In the afternoon I delivered to the old landlord a written notice that my company was vacating, and that the space would be clean and available for a new tenant no later than June 1st. In the letter, I quoted the lease provision about returning the deposit if certain stipulations were met, and said I intended to do that.

The move to this space would accomplish our need for increased square footage. At the time, we were operating in 1,300 square feet (500 gallery; 700 workshop; 100 office). The new space was 1,600 square feet, which we eventually separated to 600 square feet of gallery space; 825 square feet for workshop; and 175 square feet for the office.)

2/24: Created first draft of a "To Do" list and a timeline. It was revised almost daily throughout the relocation process.

2/26: Assembled the list of items I would handle after the landlord's basic build-out is complete: Track lighting, floor coverings, paint, tables and fixtures, for example.

2/27: Sent build-out drawings and specifications (created on my computer) to the landlord for lighting, electrical outlets, and wall placement.

March

3/6-3/10: Attended trade show. Shopped for a gallery hanging system, and talked with other framers about gallery and shop set up ideas.

3/12: Inquired to five possible sources for the outdoor sign, the largest single expense of the relocation.

3/18: I received the architect's drawings, based on my drawings and specs, from the landlord. After a few corrections and changes, we agreed on final build-out plans.

3/21: Ordered the outdoor sign for the new store; 4 to 6 weeks delivery. I paid about \$300 extra for additional neon tubing in each of the "channel" (individual box-type) letters. With the storefront more than 100 yards from the main road, I wanted the brightest possible sign. That turned out to be a good decision. Our sign is brighter and more visible than the neighboring businesses' signs.

April

4/15: Build-out scheduled to begin today, but it didn't. Contractors simply didn't show up for work.

4/17: Shopped for flooring. I decided on carpet for the gallery and vinyl tile for the shop floor. Outdoor sign installed today, weeks early.

4/22: Mailed first postcards to our customers, giving details about the move. Build-out begins today, a week late; completion expected in 2 to 3 weeks. Ordered satellite music system, and hired the same company to wire computer network and phones along with their system installation.

4/23: Met with an event planner to talk about our grand re-opening celebration. Based on our talk, she began work on a proposal to fit our \$4,000 budget (twice our normal monthly advertising budget) to promote the relocation. This figure included mailings to announce the move, and some special newspaper ads.

4/24: Announced the move to local business representatives at the monthly Chamber of Commerce luncheon. I also asked the Chamber staff for help in promoting the grand re-opening celebration.

4/29: Build-out proceeding; steel studs and drywall done, wiring mostly in, plumbing nearly finished. I reviewed electrical plans with the contractor and made a few last-minute changes at his suggestion. Ordered track lighting. Ordered gallery hanging system. Called the phone company to change service to the new location on June 1st, more than month in advance. The phone company representative said our existing phone and fax numbers could not be used in the new location, only a mile away. Skeptical, I called another phone company and was told that they could transfer the numbers. I had that information verified before calling the old phone company back. Again, they said new numbers must be assigned. So,

I asked the new phone company to provide service at the new location.

4/30: Designed new easels for window display; tubular steel, A-frame design; made drawing on computer.

May

5/1: Ordered carpet and vinyl tile after reviewing bids. By installing the tile ourselves, we saved over \$600.



... A month before moving in—buildout proceeding...

Shopped for fabrication and finishing of new easels. Yellow Pages representative says we're running out of time to get the new address in the book. What...? He said the new phone company must provide a special form to verify service before the ad can be changed. I spent more than three hours talking to representatives of both phone companies, ending up with assurance that the transfer would happen smoothly and on time.

5/2: Ordered primer and paint for walls. New store's windows came tinted, which greatly reduced visibility into the store from outside. I asked the landlord to consider changing all the windows in the center, because other tenants were also complaining about visibility through the tinted windows. (It was done in July.) Landlord's build-out work is now complete, earlier than expected. Our cleanup and finish work begins.

5/3: Finalized and approved the event planner's proposal for our grand re-opening celebration, which was rather detailed. We chose a sax player instead of a string trio; we selected the food and wines; we reviewed the newspaper ads and postcard designs. Satellite music/phone/computer network wiring finished.

5/4-5/5: Preparing old store for move; we cleaned out

files and hauled old records to storage.

5/8: Late night overtime work begins. (Today I painted the new bathroom in the evening.)

5/9: Hired Dave, a former employee, to help with prep and moving. He helped me with all of the preparation work in the new space, and he was involved with nearly all work up to and including the actual move. Without his help, I probably would have needed two or three spot-laborers to get the job done.

5/10: Friday night—Dave, Jamie (my son), and I repaired flaws and painted all walls with primer.

5/11: Saturday—We three finished the painting of all the walls.

5/12: Mailed second round of postcards to customers about move. I also ordered special ads in local weekly newspapers; a series to run for six weeks.

5/13: Dave and I washed the floors and applied sealer to the concrete. (We were told it inhibits dust after installation of carpet, but I'm not sure about that). We installed some shelves in the office. We installed parabolic louvers in existing fluorescent fixtures, to direct the light downward to the floor, and keep it off the walls. We had to finish the lighting work tonight; carpet's coming tomorrow.

5/14: Carpet installers didn't show up. We installed shelves in the office and stained the interior doors.

5/15: Carpet installed. Dave and I installed vinyl tile on half of shop floor. We began installation of gutters in back room for stock moulding storage.

5/16: Music system in and working. Dave and I finished floor tile in the shop areas; floor coverings now complete. Ordered pre-cut particleboard pieces for new shop tables, with drawings created on my computer.

5/17-5/19: Attended trade show all weekend.



Three days before moving in—cleaning, touching up, adding light bulbs to the track were on the "to-do" list.

5/20: Ordered UV-filtering sleeves for fluorescent lamps. Picked up the ordered particleboard parts and began assembly of two new tables for shop. Finished installing gutters in moulding room.

5/21: Dave and I finished assembly and placement of new shop worktables. Began installing the gallery hanging system. With the 12-foot ceiling, that was a two-man, two-ladder job.

5/22: Dave and I finished installing the gallery hanging system. Dave and I installed the track lighting; ready for electrician to finish the wiring. Installed new office furniture and file cabinets. All framing projects are finished, through the time period for moving.

5/23: Moving begins—moved files, office supplies and computers into office. Electrician wired track lights and paddle fans.

5/24: The first full day of moving; store closed. We unloaded all the contents from worktables in the old shop, and moved some of it. We also moved most of the hand tools, hardware, framing supplies, matboard, and moulding to the new store.

After another tense hour on the phone, the old phone company arrived to hook up temporary new phone lines (call-forwarded from the existing numbers at their expense), to be used until the new phone company can transfer the old phone numbers to the new store. Does this seem like a comedy of errors? I would never have expected the incompetence, the indifference, and the disorganization of these phone companies.

Occupancy permit granted by local building inspector.

5/25: Store closed. All employees, friends, and family



Second day of the move—still boxes everywhere. The third day was less overwhelming.

came in to help with move. The big and heavy items, and most everything else were taken to the new store. Donuts at 8:00 a.m., pizza for lunch, and we had a well-deserved 7:00 p.m. dinner party at a nearby steak house for a tired, dirty, hungry crew.

5/26: Still moving... Remaining shop materials and miscellaneous items cleaned out of old location. More donuts, more pizza, another late dinner for an even more tired crew.

5/27: Monday, Memorial Day Holiday: Cleaned up and assembled gallery; hung framed pictures; hooked up computers; prepared to open for business tomorrow. The end is in sight!

5/28-5/30: Our new store is open for business. The front end looks great, but at this point we're still organizing, putting things away, hanging shelves, etc. in the back. Today we cleaned out the old store; removed fixtures and began patching walls. The third mailing about the move went out to customers.

5/31: Gas and electricity are shut off in old store today. We did the final spackling and sanding of the walls, and cleanup in old location was completed. Utilities in the new store were officially transferred to us from the property owner. Today, after several hours of phone calls over a period of weeks, the new phone company finally gets our service normalized with the old phone and fax numbers. Old phone company is officially done.

June

6/3: The actual move is complete, but detail work will continue for another month in evenings, weekends, and other spare time.

6/4: I met the old landlord in the old space for an inspection and review of the old lease. He was pleased with our clean up work and the condition of the space, so I asked him to refund the initial deposit I paid nearly 15 years earlier, before he bought the shopping center. He declined, on the basis of that ownership change, but I protested and prevailed. The refund check arrived a few days later. Most landlords would not return the deposit, which is usually a matter of their discretion. They usually keep deposits to cover cleanup and repair costs for the vacated space, or to defray build-out costs for a new tenant.

6/8: Minor motor vehicle accident; severe cut on knee restricts physical activity for about a month. Unable to climb ladders, I had to hire others to do some of the finish

work in our new store, which has 12-foot ceilings, prior to our Grand Re-opening celebration.

6/14: Our Grand Re-opening celebration begins with an after-hours party for about 75 friends, family, and local dignitaries. With the local press on hand, the Mayor appeared for the ribbon cutting and presented us a key to the city.

6/14-6/21: Grand Re-opening Week. We advertised daily specials and discounts on specific framing themes, Monday through Friday: Objects, garments, needleart, documents, original art, posters, limited edition prints. These themes brought in new customers as well as old friends, and got our foot traffic off to a good start. I also hung a series of 2'x20' banners in front of the store for the first month, to attract attention.

All things considered, it was a good move. We relocated only one mile away from the original shop, which made it easy for us to commute between the locations. Still, it was a tremendous amount of work. We carefully planned every day's tasks and stuck with the plan. If it had not been a well-coordinated team effort, it might have been a disaster. The bulk of the move was executed by me; my wife, Gail; my employee of 10 years, Pat; and Jessica, another employee. Also, as previously mentioned, was our former employee and spot-helper, Dave. Memorial Day



Once moved in, we hosted a private party for our business neighbors.

weekend, when we actually moved nearly everything, more than a dozen friends and family donated their time and effort. If not for their help, our business would have been disrupted for at least a week, instead of a weekend.

Sometimes I think our timing might have been better... but then again, maybe not. The total cost of our move was around \$12,000, after more than a year of slow growth in our industry. We were expecting that the economy would perk up more than it has this year, and that we would recoup the cost of relocation more quickly. But our business remains strong; better than if we had stayed in the old location. Was it the right decision? For our business, it was absolutely the right move at the right time. It was a ton of work, but it was a rich experience and a significant boost to our business.

If you're thinking of relocating your framing business, be sure your decision-making process is founded on facts and reasonable expectations; not guesses and unsubstantiated hopes. If all you need is a few more square feet, maybe you can deal with that by reorganizing the space you already have. If all you need is new carpet and paint, that's a lot less costly than moving.

And if you decide to relocate, remember these things: 1) You can never plan too much; 2) Everything will cost more and take longer than you think.; and 3) There will be a few surprises, both good and bad. You, and everyone around you, will be tired for a month afterward. ■



The ArtFrame storefront as it appears today.

James Miller, CPF, GCF, founded his retail business, ARTFRAME, Inc., in 1988, and has focused on preservation framing of art and objects as both a student and educator, most recently at the National Conference.

