

Opening a branch office...

Careful planning and foresight will eliminate many of the problems posed by this type of expansion.

by Ed Wandtke

Last month, we looked at the challenges facing a company that is considering operating a business from another location. This month, we'll find out why you should consider opening a branch:

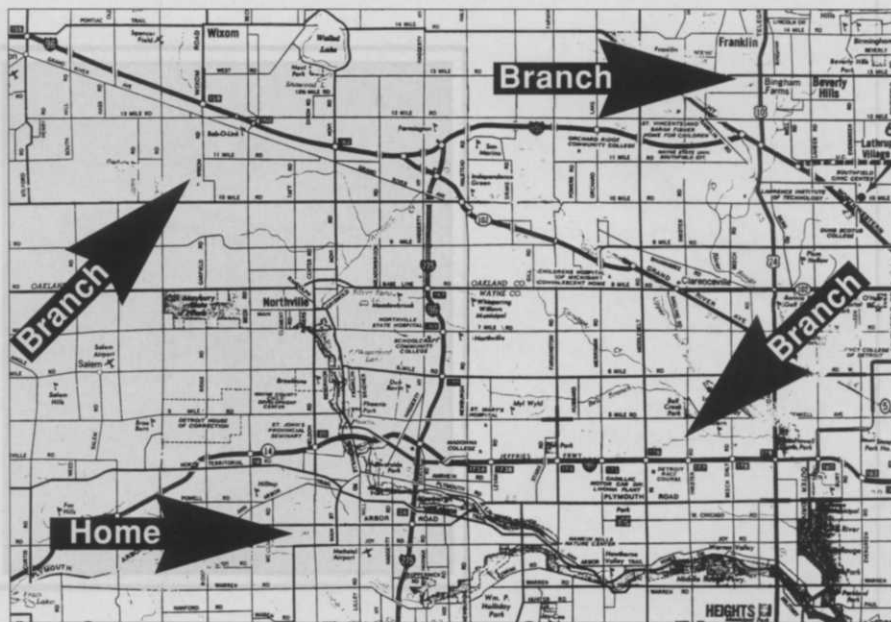
- 1) ...location, location, location...
- 2) financial considerations
- 3) operational issues, and
- 4) timing.

If business is too far from the main location, you need to determine the answers to some basic business questions.

Operational efficiency, cost savings opportunities, financial cost, customer service responsibility, and—possibly—accounting or computer operation are but some of the areas which need to be considered before the new location is chosen and opened.

Plan ahead—Often, I hear owners lament the fact that they are outgrowing the facility they have, or need to change the location because jobs are too far from their existing facility. Before opening a new branch, take the opportunity to do a market assessment: determine customer location and the most cost-efficient location to choose in order to serve those customers. In addition, you will need to find answers to the following questions:

- What size operation will initially operate out of the new location?
- What expendability should be allowed for at the new location?
- What is the market potential for the new location?
- What services will need to be available at the new location, (inventory storage, fuel, office, phones, computer, etc.)?
- Can the new location be used for both current services and future business



opportunities?

● What operational efficiencies will be achieved by opening a new branch?

By answering these questions, you will be on your way to opening a branch that will meet all current and future requirements. Anticipating growth needs for a branch location requires planning and anticipating your future expectations from the new branch.

Financial considerations—A careful review of the financial considerations of opening a branch can often determine its success or failure. Sometimes the new branch opening hinges on its financial performance to fund its existence. If this is an issue, various fixed costs will need to be covered by the business being performed at the new branch.

Questions such as these need to be answered:

- How much will fuel and other vehicle costs be reduced because of the new location?
- What will the new costs be for this additional location?
- Will the profit margin in business serviced from the new location be as good as (or better) than the other current location?

● What will the cost be to communicate and send operational and financial information to the other office?

Based on the answers to these questions, you will have some financial information to help you decide about the profitability of opening the new branch.

Operational considerations—Evaluate the methods of service delivery and customer response systems that can

BENEFITS OF HAVING A BRANCH OFFICE

1. Less travel time for employees to get to, return from, jobs.
2. Reduced vehicle and fuel costs.
3. More immediately accessible customers to assure their satisfaction with the job.
4. Chance to increase number of services offered.
5. Improved employee morale as excitement grows over possible increased individual opportunities.

be implemented at the new branch to improve customer satisfaction. The opening of a new branch is the ideal time to consider implementing new systems.

Look at how you are operating your business at your current location. This will provide opportunities for improvements.

Here are some issues which need to be looked at before opening up the new branch:

- What computer system will you choose?
- How will customer service be performed for customers at the new location?
- Who is responsible for customer service at the new branch?
- Will you offer liquid, dry or organic services from this location?

● Will you expand services beyond your old offering at this location?

● Will raw materials be drop-shipped to the branch?

● Who will handle off-loading and storage decisions when service personnel are in the field?

In answering these questions, you will need to look at the type of services which you will be offering and the experience of the personnel.

When?—The time to move into a new location is when the economics and financial benefits of a new location are very clear.

Reality has led me to suggest, though, that the off-season is the easiest time to open a new branch. Setting up a new branch during the off-season will allow flexibility in time schedules, since many employees will only be working part time.

However, opening a branch in the winter in the northern U.S. or Canada will mean that it will be idle for a few months until business really picks up in the spring. If your company can financially make it through the winter, this is the best alternative.

One admonition to the company that is short of space now: do not wait until next year to expand into a larger facility. A branch office or a satellite operation can be the most cost-efficient and effective solution to your problem.

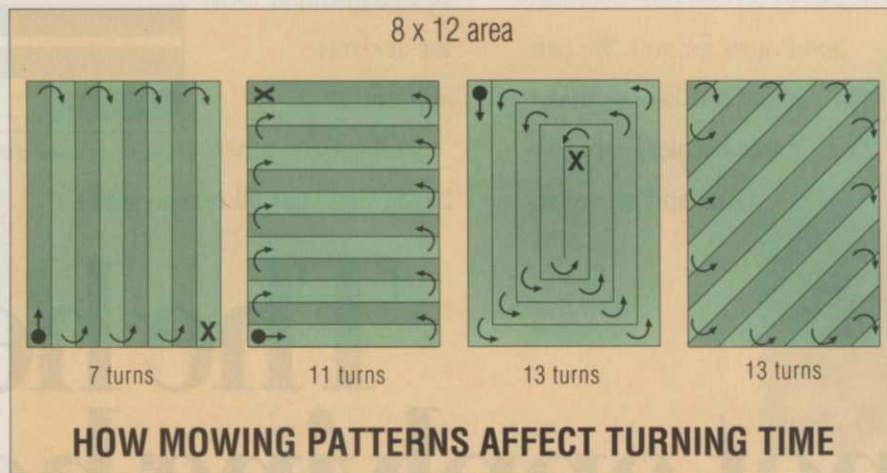
Ask your employees to help make the decision to expand and get them involved in making the new location successful.

Overwhelmed?—Opening a new branch is a traumatic time. People moving, equipment being re-assigned, routes being changed, customers being serviced by new technicians—all seem to overwhelm most owners.

Don't let the pressures caused by small details get to you. Make the new branch opening an exciting time for your business. Someone is being promoted; you can try something new at this location; and there will be a renewed excitement because everyone will be watching the new branch's performance. Take advantage of this excitement and pass its emotional high to everyone—employees and customers alike.

Make this event an uplifting experience for the company, and your profits and employee morale will thrive.

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Mowing patterns can make some difference

Besides speed, mowing patterns can help you control the beauty of an area, or the safety with which you're mowing.

■ There is an art, some say, to mowing grass. If you're in it for the money, here are some considerations:

● **Speed.** Use the pattern that will result in the fewest turns and longest straight stretches. A good example is a typical rectangular area measuring 8x12 units. If you mow lengthwise, you need only seven half-turns of the mower. However, if you mow crosswise, it'll take 11 half-turns. Mowing inward from the perimeter will require 13 quarter-turns while mowing horizontally requires 13 half-turns (see illustration).

● **Beauty.** If you're in one of the lucky few states that can still bag clippings without worrying about paying for their disposal, there's no problem. Or if you're using a mulching attachment or blade, there won't be any unsightly clippings either. But if not, you'll want to discharge clippings away from sidewalks, driveways and buildings.

● **Mulching.** If your mower is un-equipped for mulching yet you want to mulch as many clippings as possible, travel in a clockwise direction with right-hand discharges. If it's a left-hand discharge, you'll want to go counter-clockwise so you're mowing the clippings over and over again.

● **Safety.** Watch where you're discharging clippings. Avoid discharging them into pedestrian traffic.

"There's no way I can mow without people being around," says Tim Glover of Westerville (Ohio) Schools, who has 24 different locations, including two high school stadiums and middle school athletic fields. So he tries to balance mulching and safety. He uses three basic patterns for his side-discharge front-deck mowers:

1) When the grass is not extra high, I get the best appearance by going around the outside of an area, moving inward, blowing the discharge inward until it is mulched up.

2) When the grass is extra high (or wet), I start at the center of the area, moving outward, blowing the discharge inward. I try to avoid blowing outward for safety to people and cars, and to keep discharge off walks and roads.

3) With an odd-shaped area, I may save time by going back and forth, moving from one side of the area to the other.

—Any other mowing suggestions? Get your ideas in print by calling LM editors Jerry, Terry or Ron at (216) 826-2830, faxing us at (216) 891-2675 or writing LM, 7500 Old Oak Blvd., Cleveland, OH 44130.



Tim Glover: uses three types of mowing patterns