

# Making a Move

**Organizations are seeking greener pastures.** Whether in search of tax benefits, a more skilled labor pool or closer proximity to suppliers, major companies are uprooting headquarters to relocate core operations and key positions. In the past year, ConAgra, General Electric, Samsung and Mercedes-Benz USA have all begun relocating. They're part of a global trend: An Atlas Van Lines survey of 445 corporate decision-makers published in April showed that 50 percent of companies saw reloca-

tion volumes increase in 2015; respondents expect more in 2016.

All this means more relocation projects, which require every department—from accounting to IT to legal—to be on the same page, says John Bunje, senior project manager, Level 10 Construction, San Diego, California, USA. (The organization's corporate relocation clients have included Facebook and the San Diego Zoo.) With so many different stakeholders from both inside and outside a company involved with moving projects—including site selection professionals, contractors, subcontractors, architects and engineers—establishing a clear chain of communication is vital, Mr. Bunje says.

To do that, Level 10 spends time in the planning phase identifying a handful of key players who are



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—Dennis McAndrew, Silverlode Consulting, Cleveland, Ohio, USA

Here and below, renderings of Mercedes-Benz USA's new headquarters in Atlanta, Georgia, USA



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vital to distributing information throughout the company that's preparing to move. Staying in constant contact with those people is especially helpful when tight deadlines loom. Schedules can be quite compressed: Mr. Bunje was once given less than a year to relocate all aspects of a 200,000-square-foot (18,581-square-meter) regional headquarters for a major U.S. mobile phone company. "Our biggest challenge was facilitating an understanding among all involved of what the end goal of the move was," Mr. Bunje says.

### Finding the Right People

Relocation projects are about more than just identifying (or constructing) a new site and setting up new infrastructure for operations, however. There are always talent challenges. On average, one in five employees is reluctant to relocate, according to Atlas Van Lines data, and the cost of replacing lost employees adds up fast. Research from the Center for American Progress shows that replacing an employee costs about one-fifth of that worker's salary. That means relocating companies must have a clear idea of labor availability in the new location, lest they put the economic benefits of moving at risk.

Too often organizations fail to fully understand the new labor market they'll be competing in, says Dennis McAndrew, co-founder of Silverlode Consulting in Cleveland, Ohio, USA, a company that helps execute corporate relocation projects for organizations in various industries. Mr. McAndrew is helping to relocate the regional headquarters of a manufacturing firm that spent 10 years in a large city—during which time, despite its location, the company failed to attract the right engineering and technical talent.

"They had established this facility largely due to a decision made by one person who, not long after, left the company," Mr. McAndrew says. The lesson learned? Don't make the decision to relocate hastily—and always gather input from all stakeholders affected by the move. —Christina Couch



A cargo train between Zimbabwe and Zambia

## Rail Travails

To enable more transcontinental trade, African countries hatched big rail project plans. But now global economic challenges threaten to derail them. More than US\$30 billion of African rail projects are planned or underway, which together will span more than 11,000 kilometers (6,835 miles). For example, the 2,700-kilometer (1,678-mile) West African rail corridor would connect Ivory Coast, Burkina Faso, Niger and Benin.

But drops in the prices of commodities such as oil and metals make the benefits of such projects—primarily designed to move raw materials from mines to ports—less certain. And an economic slump in China, a key sponsor of many African infrastructure initiatives, jeopardizes projects across the continent. For instance, a Chinese-backed railway project linking Kenya, Uganda, Rwanda and South Sudan has faced numerous delays, most recently due to a tax dispute between suppliers and Chinese contractors.

Still, railway projects promise to deliver desperately needed trade routes across the world's poorest continent. Of all foreign trade in Africa in 2015, just 13 percent was between African countries, according to the African Union.

Despite obstacles, stakeholders are keeping a positive outlook. "The overall bed of opportunities around the region remains strong, at least 50 percent higher than it was 10 years ago," Thomas Konditi, president and CEO of transportation for Africa, General Electric (GE), told Bloomberg. (GE has invested US\$1 billion in Angola rail projects, along with other infrastructure initiatives throughout the continent.) "Those opportunities are still going to be strong for another five to 10 years."

—Kelsey O'Connor



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