



Moving Your Business

If you need to move your business, think long and plan carefully.

Common Reasons to Move

The reasons for moving a business are usually based on:

- labour issues — you need different skills than are available locally
- new markets — you are no longer near your primary markets
- outdated facilities — current facilities are small and equipment is old
- lower operating costs — municipal taxes, energy costs, etc. are rising
- quality of life — the local economy, culture, environment are changing

Location, Location, Location

Take your time before deciding. Do not focus too narrowly on one or two cost factors. Analyze the importance of your present location to the overall success of your business. Examine the relation between your present location and your historical growth, workforce skills, distribution network, suppliers, current market penetration and potential for growth. If you have problems, is moving the only solution? For example, if you have outgrown your current facilities, could you buy the property next door or relocate some operations to another part of town?

Quality of Life

Quality of life is very important for your family and the families of the employees who move with you. Before you make your final decision, do some research. Subscribe to the online editions of the local papers. Stay at a hotel in the area for a long weekend and drive around. Talk to a local real estate agent. Talk to the owners of businesses that have moved there recently. Above all, talk to the municipality's business development services to see whether they offer any incentives for a company of your size and in your industry to move into the area.

Before the Decision: Factors to Consider

Consider the following before finalizing your decision to move:

Room to Grow: Will the new facilities allow you to grow your business without running into the very problems that forced the move in the first place?

Lease/Buy: Review the advantages of leasing versus buying the new location. Use your accountant to determine any tax advantages, cash flow requirements for capital expenditures and the impact of moving on your line of credit or capital loans. Will personal guarantees be required for new or old loans?

Employees: If the move is not too far from your present location, most employees will probably move with you. Are you prepared to help pay to move key employees closer to the new location?

Annual Shutdown or Slow Periods: Do you have a "best time" to move? Does your business have an annual shutdown or a period of low seasonal activity?

Physical Facilities: Review the physical facilities of the new building such as office space, parking, loading docks, door heights, warehouse lighting, security, turning space for tractor trailers, etc. When





was the roof of the new building last replaced? Can the floor, roof and walls take the weight, traffic, vibration and noise of your business? Will additional cost be incurred to operate equipment?

Communication: Can all telephone and fax numbers be carried forward? Does the new location allow for wireless communication or is network hardwiring a requirement?

Do local by-laws support your kind of business?

Local Restrictions: Do your trucks comply with local restrictions on weight or length? Does the new location meet local fire and safety regulations? Will extensive capital expenditure be required to bring it up to code?

Neighbours: Are your potential neighbours a good fit for your business? Is the new location down-wind from a business that creates dust, fumes, high traffic volume, high noise levels? Will your kind of business be out of place in the new location?

Taxes, Maintenance and Insurance: Be aware of taxes, maintenance and insurance costs. Get a handle on the changes over the term of the lease and include these factors in your cash flow and profit projections. If purchasing, review the past five years of tax increases to estimate the future.

Replace Assets: Moving equipment can be costly. Is it cheaper to move the old assets or sell them and buy new?

After the Decision: Factors to Consider

Address Change: Notify the post office and change your email signatures, website, business cards, letterhead, envelopes, and invoices. Notify yellow pages, social media, and, of course, each client and supplier of the change in your mailing and delivery address.

Data and Records: Make at least two backup copies of all pertinent electronic information. Maintain one offsite in the event the other is lost or stolen. Consider whether information should be encrypted to protect confidentiality of clients, employees and proprietary information.

Financial: Notify financial institutions and credit card companies so you can maintain continuous transaction records and avoid overdraft or late payment charges.

Regulatory Authorities: Notify all relevant municipal, provincial and federal government agencies in order to avoid penalties or fines. Consider vehicle/trailer licences, Workplace Safety and Insurance Board (WSIB), health cards, interprovincial and cross-border registration, etc.

Relocation Costs: Maintain records of the cost of the relocation. Moving expenses are normally business expenses, but the work at the new facility may need to be treated as capital costs for tax purposes.

Legal: Consult a lawyer to ensure that lease/purchase agreements cover your needs and protect you from future liability. Consider a local lawyer familiar with the local by-laws and zoning requirements to ensure that your business is within the operating parameters of the municipality. Enquire about pending by-law changes, development or environmental issues that may impact the future.





Insurance: Contact your insurance provider to insure the new premises and to determine whether the move places vehicles in a higher insurance bracket.

Parallel Running: Is it necessary to continue to run specific orders during the move? Discuss needs with clients/suppliers and plan accordingly.

Project-Manage Your Move

Take a project-management approach to the move. Break the move into identifiable and manageable stages. Identify and assign specific tasks within each stage and anticipate a completion date for each task. Set up a visual chart indicating the expected completion date of each component. And use the following “moving to do” checklist:

1. Determine the number of days.
2. List the stages.
3. Assign people to each task.
4. Establish a timeline of task completion.
5. Review the budget and the cash flow requirement.
6. Review the task, budget and timeline daily and adjust as necessary.

There are always unexpected developments during a move. Most require the consideration or approval of the owner-manager and the corporate cheque book.

Don't leave town until everything has been settled.

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