

## Tools for SMALL Businesses

### Level 1 Question 10: Can our physical infrastructure support our growth?

<b>Title</b>	Physical infrastructure
<b>Why</b>	<p>AS your company grows you will inevitably grow out of your current settings. Having adequate locations and room for all employees are a necessity for all companies. However, expanding your current locations or moving to new settings is a time-consuming process, so you should plan for this well in advance. If you don't you run the risk of having to make half hazard decisions that can end up too costly and inefficient for your business growth. Looking at your growth perspectives, you can pretty easily project when you will need to look for new locations.</p>
<b>What</b>	<p>Planning for your future physical infrastructure is a process that involves taking all of the elements of the 5 P model into consideration plus your overall strategic ambition. Are you planning to expand into other countries, do you need to locate near areas with specific competencies easy at hand or near your customers. These and many other condierations needs to be taken into careful consideration befor you make your decision.</p>
<b>How</b>	<p>5 Steps to plan for your future physical setup</p> <ol style="list-style-type: none"> <li><b>1. Current state:</b> Consider your current office or production facilities. How many more people can you add, before you will need to expand?</li> <li><b>2. Future state:</b> Look at your strategy and growth expectations for the next 3-5 years. Use the 5 P model as a reference model:</li> </ol> <p><u>Purpose:</u></p> <ul style="list-style-type: none"> <li>• What are your expected growth rate?</li> <li>• Which markets are you expecting to enter?</li> <li>• What kind of customers do you expect to have</li> <li>• Which kind of products or services are you expecting to develop.</li> </ul> <p><u>People:</u></p> <ul style="list-style-type: none"> <li>• Which kind of Competencies and skills are you going to need?(here you kan look at your Workforce development plan developed earlier.</li> <li>• Where are these candidates typically located?</li> <li>• Are they willing to move to work for you? Or do you need to locate closer to them? I.e near universities or industry clusters?</li> </ul> <p><u>Process:</u></p> <ul style="list-style-type: none"> <li>• Will it be possible to manage your process over multiple locations, counties or even time zones? If, for instance you find the right type of software developers in India, will you be able to manage your workflow consistently?</li> </ul>

- If you manufacture, can manufacturing be moved or expanded to multiple locations?
- Do you need to move only specific parts of your business to a new location (and if so, which ones?)
- Or do you need a location where everybody can be located together to assure a robust process?

Platform:

- How many people do you need to be able to accommodate?
- Can people work remotely, hence saving your office-space and cost?
- What external infrastructure is important?
  - Logistical access, roads, harbours, airports?
- Can your IT infrastructure scale with the locations
- Will multiple locations influence the way you structure your organization?

Perform

- How will you assure efficient execution over multiple locations?
- Are video-conferencing a permanent requirement for your staff?
- Will you be able to have efficient meetings, and follow up on performance within multiple locations?
- What should be the appropriate cost level?  
When evaluating cost include not only cost of rent, but also increased travel cost, staff relocation cost, local taxes etc.

Brainstorm with your team if there are other topics that need to be included in your assessment.

Make a prioritization matrix (see template below), and score each of your topics on a scale from 1-10, with 10 being the most important.

You should end up with a list of no more than 5-10 priorities

Write these down as your key Re-location criteria. These will help you when you start looking for your new location.

Now you know what to focus on for your search for a new location.

**3. Location search**

Now that you know what you are going to need, you should research areas that are best suited for your needs:

- a. Start with regions (Americas, Europe, Asia etc.)
- b. Then look at countries
- c. Then look at areas and cities within each country.

**4. Assess locations based on key Criteria**

Make an attractiveness assessment based on the criteria determined above and rate each location against these principles.

**5. Select your future location/site**

<b>Examples</b>	
<b>Template</b>	See Templates on next pages:

	<b>Key Questions</b>	<b>Score 1-10</b>
Purpose	1. What are your expected growth rate?	
	2. Which markets are you expecting to enter?	
	3. What kind of customers do you expect to have	
	4. Which kind of products or services are you expecting to develop.	
	5. Other	
People	6. Which kind of Competencies and skills are you going to need? (here you can look at your Workforce development plan developed earlier.	
	7. Where are these candidates typically located?	
	8. Are they willing to move to work for you? Or do you need to locate closer to them? I.e near universities or industry clusters?	
	9. Which kind of Competencies and skills are you going to need? (here you can look at your Workforce development plan developed earlier.	
Process	10. Where are these candidates typically located?	
	11. Will it be possible to manage your process over multiple locations, counties or even time zones? If, for instance you find the right type of software developers in India, will you be able to manage your workflow consistently?	
	12. If you manufacture, can manufacturing e moved or expanded to multiple locations?	
	13. Do you need to move only specific parts of your business to a new location (and if so, which ones?)	
	14. Or do you need a location where everybody can be located together to assure a robust process?	
Platform	15. Will it be possible to manage your process over multiple locations, counties or even time zones? If, for instance you find the right type of software developers in India, will you be able to manage your workflow consistently?	
	16. How many people do you need to be able to accommodate?	
	17. Can people worke remotely, hence saving your office-space and cost?	
	18. What external infrastructure is important?	
	19. Logistical access, roads, harbours, airports?	
Perform	20. Can your IT infrastructure scale with the locations	
	21. How will you assure efficient execution over multiple locations?	
	22. Are video-conferencing a permanent requirement for your staff?	
	23. Will you be able to have efficient meetings, and follow up on performance within multiple locations?	
	24. What should be the appropriate cost level?	
Other	25. When evaluating cost include not only cost of rent, but also increased travel cost, staff relocation cost, local taxes etc.	
	26.	
	27.	
	28.	
	29.	
	30.	