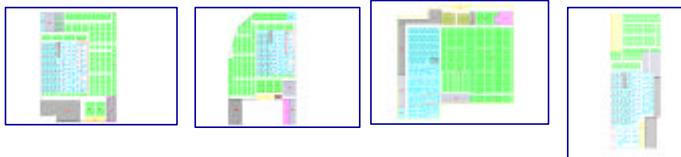


# Specialty Bindery

Bedford Park, Illinois

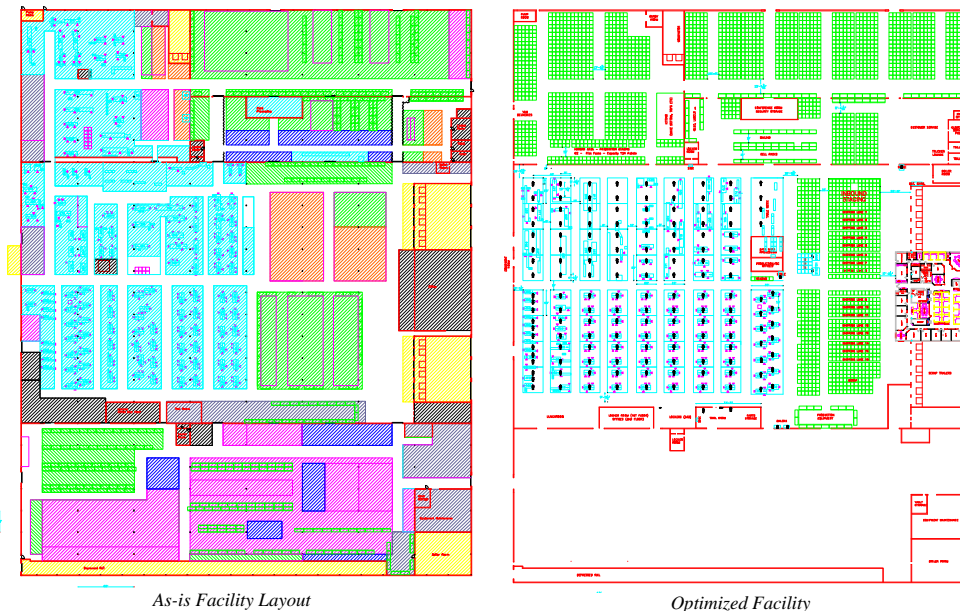
A specialty bindery was in the final year of a multi-year lease and required assistance in optimizing their facility needs. Op2mize personnel were hired to assist them to develop an optimized facility, search for existing buildings that met their requirements, negotiate improved lease terms and obtain governmental incentives. The first stage of the project was to define the clients facility needs by doing an as-is condition assessment. Once completed, our commercial real estate experts found several ideal locations that met the binderies needs. These locations including the existing facility were evaluated based on manufacturing needs, employee retention, and project budget. The project budget included the new lease terms, relocation expenses, taxes, renovations and governmental incentives (both state and local municipalities). After a thorough evaluation, it was determined that a restructured lease at their current location was the best course of action. This resulted in an annual lease savings of over \$ 500,000 with an additional \$1,100,000 in governmental incentives.

	Current	Future	Comments
<b>Production</b>	<b>60874</b>	<b>51746</b>	
D. Reson / Seismic	15878	13728	Consolidate and re-layout
Chain Plates	42661	36383	Consolidate and re-layout
Data Cards	2335	1635	Use only 50% of current controlled space
<b>Storage</b>	<b>114718</b>	<b>56703</b>	
Incoming	43451	26463	Change rack sizes to standard, re-layout, increase utilization
Stores	12364	11144	Consolidate
Supplies	13456	8816	Change rack sizes to standard, re-layout, increase utilization
Equipment	4332	4332	No change
Scrap	41115	5950	Eliminate and rack in 4 high selective racks
<b>Maintenance</b>	<b>13652</b>	<b>4980</b>	Consolidate areas
<b>Engineering</b>	<b>3150</b>	<b>3150</b>	Building Functions may change due to new building.
<b>Office</b>	<b>8293</b>	<b>8293</b>	May change (depends on new building)
<b>Employee support</b>	<b>8133</b>	<b>8133</b>	Reduce the number of docks, remove full dock
<b>Docks</b>	<b>18186</b>	<b>5400</b>	Reduce no based on size
<b>Able / Misc</b>	<b>74018</b>	<b>43449</b>	Remove
<b>Empty Space</b>	<b>8976</b>	<b>0</b>	Remove
<b>Total</b>	<b>310000</b>	<b>181856</b>	



After an initial search of available properties, the short-list properties were evaluated. The above layouts show how the bindery's equipment would have fit into each building.

A typical deliverable of an as-is condition assessment is an Area Matrix summarizing the current conditions as well as an estimate of the future.



The two layouts above depict the before and after conditions at the bindery. They reduced their annual cost by over a third by reducing the amount of leased space. The resulting savings are estimated to be over \$500,000 a year.