The Risk of Inaction:
How Early Decisions Drive Price and Value

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If your lease expires in the next year or two and you’re planning to move to a new office space, you want to maximize every construction dollar you spend. Failure to engage your entire team, from the architect to the general contractor, early and often can cost you significantly. If you want to get the most out of your budget, start by understanding that early decisions have more influence on cost and value than you might realize. If you’re not reaching out to others and asking the right questions, you could be leaving money on the table.

So that you can work to avoid them, here are five common mistakes unprepared tenants often make early in the relocation process.
You are designing an incredible space for your business and want the best of everything, but don’t let yourself or your design team become emotionally attached to a specific product or material. Single sourcing commodities will rarely get you the most competitive price. Instead, it can degrade your purchasing power, deplete your leverage with suppliers and sting your bottom line. And while you might have become attached to a certain product, there could be comparable products out there that impress you just as much. To avoid the sting, bring in at least two vendors to create pricing competition. This will keep your preferred supplier honest because they will know you’re willing to go elsewhere.
Value isn’t always about what you see on a price tag. If it were, you likely wouldn’t be considering moving your business or organization to a new space. Instead, you’d be putting all your resources in quick fixes that won’t stand the test of time. During the design and planning stages, people often rush to disregard costlier products because they are focused on immediate savings, but this is a fallacy. For example, just because an individual light fixture is expensive, ruling it out before analyzing its use can cost you. By having your contractor conduct an analysis early on in your process, you might find that the light fixtures are so bright and energy efficient that you don’t need as many of them. At the end of the day, you could spend the same amount on 100 individual fixtures you really want instead of 200 fixtures you settled for because of price. Always dig deeper than price.
Contrary to popular belief, you don’t have to compromise what you really want when it comes to building out your new office space. Build your wish list, determine where your priorities lie, and then bring in your general contractor to provide you with a comprehensive cost analysis and walk you through a variety of options within your budget. Most times, tenants who explore their options early in the planning process find that it’s possible to reduce costs on low-priority areas and easily pay for items that add real value to your space. By integrating your design team with your general contractor early in the process, you will find that it’s easier to value engineer and create the very best environment for years to come.
If you saw “Hamburger” on a fast-food menu and “Hamburger” on a white tablecloth steakhouse menu, would you believe the guy telling you they’re the same sandwich? When you’re considering anything visually-related to your new space, don’t rely just on someone’s descriptions. Ask to see mock-ups of different options. This can make a huge impact on your decision-making process and save you a lot of time and money in the event that a product or design just wasn’t what you expected. Similar to single sourcing, it’s not wise to put all of your eggs in one basket. Instead, take the time to build a beta version so nothing is left to the imagination.
Contractors live and breathe products, materials and labor. Leverage their knowledge early in your process to take advantage of opportunities to save money, build value and manage expectations. The best contractor collaborates with architects and trade partners right from the start and takes a collaborative approach to the scheduling process. Contractors who engage their trade partners during planning tend to produce more realistic, efficient schedules. At the end of the day, this can help you avoid expensive change orders and unnecessary frustration.

Contrary to what some people might think, the planning, design and construction process is not linear. Bottom line: If you have the right team and planning process in place early, and you actively engage them throughout your process, it’s possible to get what you really want. Doing so, you’ll not only maximize your budget, but you’ll also create real value and the right environment for your company and employees.
MAXIMIZING YOUR CONSTRUCTION BUDGET: DO’S AND DON’TS

**DO**
focus on what you really want and strive to maximize value within your budget.

**DON’T**
put all of your eggs in one basket, especially with commodities.

**DO**
partner with a general contractor early on, and encourage collaboration among all partners early in the process.

**DON’T**
try to imagine a visual concept — ask to see a mock-up.