

Just How Long Should Your Long-Range Facility Plan Be?

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When we help clients develop a long-range facility plan, a big question initially is how long a time frame should their plan address. Here are some tips to start you thinking about just how long your long-range plan should be.

Align Your Plan with Your Business Goals

The facility planner needs to understand the direction of the company and any anticipated changes in the business. If your company plans to expand a particular product or functionality, then the long-range plan should be long enough to assess the facility implications of this business goal. If the company hopes to achieve their current goals in 5 years, then you may wish to align the facility plan with the 5-year business plan. If your company has a vision that extends out 10 or 15 years, then you should have a high-level strategic facility plan that also looks out this far. Realize, of course, that the further out your facilities' plan goes, the higher the margin of error and the greater the likelihood that your plan will change. We encourage clients to look past where they can see currently, to explore "what if" scenarios, and to test business sensitivities. The long-range plan should provide a planning template that can be updated quickly as the future becomes clearer.

Align Your Plan with Your Method(s) of Expansion

If your company is likely to construct new facilities to meet future growth demands, you need to have a realistic understanding of the time it will take to bring new facility resources on line. How long will it take to obtain funding, execute the design, and construct a building? If you need five years from project conception to occupancy, *and* you want the new building to meet your headcount demand for five years after it's built, your long-range plan should address *at least* ten years out. If your company's business plan is to lease facilities, then your long-range plan could be shorter. You may want to consider developing both scenarios to see how they affect your bottom line.

Align Short-Term and Long-Term Planning Horizons

Strategic long-range planning is the higher, longer view of the facility resources required to respond to the business plan. However, short-term planning also occurs as needed to respond to immediate, and often unforeseen, changes in the business.

In an ideal world, all short-term solutions would be in harmony with a company's long-range plan. Since this is not an ideal world, the facility planner must coordinate both plans and assess the cost impacts of aligning with, or diverging from, the long-range plan.

This being said, if your short-term solutions tend to be 2-3 year projects, your long-range plan may look 8-10 years in the future to whether dollars spent today will be wasted in the future.

