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DFW's newest companies explain how they relocated headquarters during pandemic



Image: Dallas Business Journal

2100 McKinney Ave. in Uptown is the corporate headquarters of CBRE after the company relocated headquarters from Los Angeles to Dallas in October. Jake Dean



By Ryan Salchert – Staff Writer, Dallas Business Journal - November 4, 2020

Despite continued uncertainty involving the COVID-19 pandemic, North Texas has seen a few corporate relocations in the last seven months, and according to experts, more are on the way.

Moving a headquarters from one state to another is never easy, but during COVID-19, the task has become even more strenuous, according to experts and some companies who actually made a move to North Texas recently.

"Moving headquarters is always disruptive, but layering on top of this the challenges of the pandemic certainly created a whole new level of complexity," said Geoff Burke, chief marketing officer for Dasan Zhone Solutions (DZS). "Everything has had to be reconceived and executed in a new way. The logistics of physically moving had to be re-thought. Hiring has moved to virtual interviews and a whole new way of onboarding. Record keeping has changed and will continue to evolve ... and the biggest challenge is keeping all employees safe and healthy while keeping operations open and moving forward."



Geoff Burke, chief marketing officer of Dasan Zhone Solutions. John Ousby

In early March, DZS announced it was relocating its headquarters from Oakland to Plano. The move was an opportunity to reduce operating costs, the company said. Though the company did not expect to be relocating during a global pandemic, that soon became the reality, which created a few unique challenges for the company.

"We had to move an entire lab from California to Texas. This was significantly delayed for a range of reasons, from the necessary technologist unable to travel for a considerable period of time, to having them be socially distanced during the turn-up. Layer onto this the delays related to necessary power and wiring, air conditioning, etc. and it is easy to see how critical time was lost," Burke said. "We also were in a position where we planned to hire for a number of new positions at our new location, but could not physically meet with the candidates nor easily onboard them with traditional hands-on training methods. We ramped up quickly on using video conferencing technology and revised our training processes to the new normal."

The company was eventually able to make up for some lost time, and today, DZS has about 30 employees working in Plano. These include both new hires and employees who relocated from California. Eventually, the company hopes to have between 80 and 85 employees working locally.

DZS was not the only California company to relocate to North Texas during the pandemic. Veterinary medical device manufacturer KVP International recently opened a 120,000-square-foot facility in McKinney, where it will employ 90 people. CEO Ken Bowman said shipping and supply chain disruptions impacted the company's move along with issues around employee safety and travel. Even with these disruptions, the company is now up and running at its new facility.

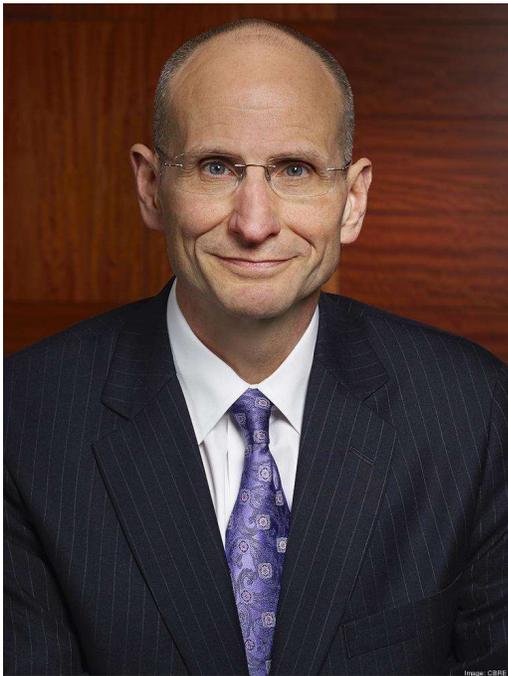
"Obviously we have had some hurdles and bumps in the road, but overall (the move) went well," Bowman said.



*Ken Bowman, CEO of KVP International.
KVP International*

The most recent corporate relocation to North Texas was CBRE Group Inc., which announced last week its headquarters move from Los Angeles to Dallas. Since the move was more of an address change, the transition was seamless, president and CEO Bob Sulentic told the *Business Journal*. For other companies making moves during the pandemic, Sulentic says the challenge lies around what the workplace will look like post-COVID-19.

"It creates a challenging environment for companies to make decisions in, and when we get to the other side of COVID, they may not know exactly how their operations will change as a result of what we've learned," Sulentic said. "I've historically traveled 40 to 45 weeks a year. My guess is that coming out of COVID, when we settle down, I'll travel half that much because I've learned that I can do a much more effective job remotely than I used to think I could do. Obviously COVID has fast forwarded all the technology that supports working remotely."



*Bob Sulentic, president and CEO of CBRE
Group Inc. CBRE*

Whether a company is relocating or not, another challenge many organizations are facing today is maintaining a culture and camaraderie while being socially distanced.

"We had a meeting last week with a client and when the conversation turned to the topic of COVID and working from home, we were told that while this particular company's top line revenue was down, their profitability was up due to expenses being down. For this conversation specifically, the unknown question was the company's culture," said Mac Morse, senior advisor at Citadel Partners. "While they've adapted to the problems caused by COVID, the mystery is if (working remotely) can be sustainable long-term. There are so many casual collisions that occur when you're in the office. From crossing paths in the break room to grabbing lunch with your co-workers, that aspect of the workplace has been greatly reduced because of COVID."



Mac Morse, senior advisor at Citadel Partners. Jack Kemp

Despite the challenges of moving a headquarters during a pandemic, more moves are expected to North Texas come 2021.

"One of the big themes in (commercial real estate) is the mass migration of business, people and wealth out of California and into places like Texas," said John Boyd, principal at The Boyd Co. "I think this move, with CBRE being a market leader in location advisory, signals to the marketplace that they're keenly aware of traditional business climate factors. Corporate cost cutting has become a priority and companies are really focused on traditional business climate factors like never before. States like Florida and Texas, that are without personal income taxes, makes it easier for companies to retain and attract new talent."



John Boyd, principal at The Boyd Co. Inc. Courtesy of John Boyd

Various tenant representation brokers and experts with knowledge of corporate relocations are marking their calendars for 2021, which is when they believe relocation activity in North Texas will really start to pick up. In a recent tweet about CBRE's move to Dallas, Texas Gov. Greg Abbott said, "Contact with leading businesses and employers in America has accelerated in the past few months. 2021 may be

the best year ever for new jobs in Texas."