



THE ADVANCE GROUP

Moving You into the Future

CORPORATE RELOCATOR

OFFICE MOVING • FURNITURE INSTALLATION • DISTRIBUTION • STORAGE • DOCUMENT MANAGEMENT

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2010?

Building
Management

Tenants

Commercial
Real Estate

Facilities
Trades

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A MESSAGE FROM THE PRESIDENT

Dear Friends and Partners,

As we prepare for this new year, I'd like to share with you a message of cautious optimism. Although we can't control the economy, we can control our attitude and our actions. Here at The Advance Group, we have committed ourselves to a solid faith in our future, and have backed this with significant investments in people, marketing, and support services.

We have transformed separate businesses into a single, more powerful entity called The Advance Group, and have invested in new sales and marketing materials, and advertising. We have hired seasoned sales professionals to strengthen our organization and better service our clients. Key players on our management team have stepped up to new challenges and, for example, have developed a new Customer Relationship Management database that offers huge advantages for our clients and industry partners. We have renewed our commitment to training for excellence. And, we have tapped into our own creativity and have developed a Creative Opportunities Team to help current and future clients explore new move options.

As you can see from the lead article in this newsletter, we haven't sat back wringing our hands, hoping that new customers will find new ways to use our services. That's never been our response to a challenge. Rather - and I am especially proud of this - we have challenged ourselves to think and act smarter.

Altogether, we have done the best of things in the worst of times, and we are beginning to see results. We are receiving new leads from new sources, and are closing projects at historically high numbers. Companies that have not considered us before are taking notice of us now. And our new image is positioning us for opportunities that were out of reach just a year ago. This is the first newsletter for 2010 and reflects many changes and our investment in the future. We will continue to evolve to better serve our customers, and by addressing customer needs efficiently and creatively, we will help control our future.

Sincerely,

T. James Molloy
President and CEO, The Advance Group



VIVIAN ARONICA AND KEVIN MURRAY JOIN THE ADVANCE GROUP SALES TEAM.

HIRING NOW MEANS WE ARE CREATING A BETTER TOMORROW.

Most companies are not exploring new strategies to create future growth. It was with this thought in mind that The Advance Group hired Vivian Aronica and Kevin Murray as key members of their new business acquisition strategy.

Vivian joins as Director of Business Development, a newly created position. "Vivian brings exceptional energy and selling skills to every assignment." said Mr. Parziale, VP of Sales and Marketing. Vivian has over 8 years of industry experience and know how. Not only is she well versed in all facets of office moving but her previous years of versatile sales experience brings flexibility and problem solving to developing new relationships. "I am thrilled to be part of The Advance Group," she says. "Jim Molloy has developed an incredible team, and has invested in the finest marketing materials and customer service programs in the industry."



Kevin joins as Vice President, Sales. His experience includes project management for some of the biggest names in both corporate and government sectors and moves of all sizes, including moving Smith Barney across New York City to managing the relocation of 3,300 people as part of a Naval Air Command 3-year project. A veteran of the FITCO start-up, Kevin later managed his own company, Relocation Logistics, with clients such as Limited Brands (Victoria's Secret) and Oppenheimer.

"The decision to join The Advance Group was an easy one, especially after I reviewed the new selling tools. There's nothing like it in the industry," states Kevin.

"We have a great team and it will continue to get better. I'm pleased with how our new team members are blending with our seasoned veterans, and that concrete results are already being made," adds Jim Molloy.

COMMERCIAL REAL ESTATE MARKET DYNAMICS LEAD THE ADVANCE GROUP TO SEEK CREATIVE SOLUTIONS IN PARTNERSHIP WITH CLIENTS



"We've known that 2010 was going to be a pivotal year for the industry," says T. James Molloy. "In fact, our business plan anticipates opportunities in the midst of a challenging market. And when Mary Ann Tighe, chief executive of the New York Tri-State Region for CB Richard Ellis, was interviewed for a New York Times article recently and indicated that 22 million square feet leased in 2000 will expire in 2010 and will create a "decision point" for companies, we wanted to see how different sectors would address the dynamic between falling prices and rising inventories. We interviewed key executives, spoke to our clients, and searched the Web for the most interesting and helpful information. This is what we learned."

FIRST, HOW BAD IS IT?

CNBC recently interviewed Steve Ross, chairman of Vornado Realty Trust, and Bill Rudin, president of Rudin Management, about their outlook on the New York real estate market. Ross spoke of a "slow motion recovery," with the market still seeking a bottom, maybe in 3-5 years. Rudin seemed

a little more optimistic, noting that there has been a dramatic decrease in price of 30-40%, but he is optimistic

that things are moving in the right direction. Rudin points out that tenants are moving to quality, the "flight to quality," citing as an example moves from 3rd Ave. to Park Ave.



Christina Lewis, writing for The Wall Street Journal, noted "Rent for office space is falling at the fastest pace in more than a decade as vacancies create a glut and landlords slash prices to attract tenants." Her article noted that the biggest office rent declines over the past 12 months were 18.5% in New York, the largest decline among major cities as reported by Reis Inc. The nation's most trusted provider of impartial commercial real estate performance information and analysis at the metro, sub market and property level.

While there is nothing new here, she goes on to say, "For tenants, however, falling rents represent opportunities to save. Landlords are offering concessions, in the form of free rent and build-out costs."

*This is not an economy
in which a landlord can afford
to lose any tenants.*

The RealShare NEW YORK Conference, held on October 28th, 2009, provided additional insights. A consensus

opinion, among the most influential and knowledgeable real estate leaders, was that the commercial market, if not at the bottom, was close to the bottom. Deals were in the

works, people were looking, and companies were coming back. One tactic being used by buyer and seller is "blend and extend," extending, for example, a 2-3 year lease at \$80/sq. ft. with a new lease at \$40/sq. ft.

A key message was to keep a building occupied and running. It was noted that the cost to get a new tenant, including acquisition, clean up, improvements, downtime, and leasing commissions, could be as much as \$100/sq. ft.

This was our hint to explore the notion of creative use, and we turned to an article by Damian Joseph posted October 8 in businessweek.com.

Joseph decided to contact some of the premier architectural and design firms to answer the question, "What could be done with vacant commercial real estate that would kick start a local or national economy?" The responses were illuminating, once again reinforcing the adage that necessity is the mother of invention.

SEVERAL IDEAS WERE:

- Office as community think-tank. Target local non-profits and community groups to use general multi-purpose space and unused office furniture.
- Office as hospitality suite. Repurpose space to connect company partners, affiliates, vendors, and interested parties. These

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"offices away from home" help create business value and goodwill.



- Employee Health & Engagement. Turn empty space into child play areas, quiet rooms for nursing mothers, or socialization areas. (Source: Gensler, a global architecture, design, planning and consulting firm.)

MINI CASE HISTORY

This is not an economy when a landlord can afford to lose any tenants. Strategies to retain tenants include upgrading space and condensing the footprint of existing space. However the space is reconfigured, one absolute imperative is that the tenant must keep working; no downtime can be tolerated. The Advance Group addresses this challenge with an experienced team that knows how to work with other trades and allocate the project into specific phases. On some projects, this means starting to work Friday evening and finishing before the doors open Monday morning.

Other projects require the use of swing space, where furniture and electronics are disassembled then reassembled in a temporary location without the least interruption to productivity.

THE ADVANCE GROUP CREATIVE OPPORTUNITIES TEAM

We at The Advance Group don't have a crystal ball on the economy, and there are obvious concerns about it. But we've learned that a creative attitude can open new opportunities. That is why we've set up our own Creative Opportunities Team to help our clients explore new options. We're set up to brainstorm ideas, and provide value-engineered solutions from our side of the business.

For example, our furniture installation unit can help with the latest ideas in space utilization and furniture re-deployment. Our storage solutions unit can help identify ways to reduce space needs while also improving compliance. And, our integrated services can produce moving solutions that ensure the best final cost. **Contact Anthony Parziale at 1-800-448-4807, ext. 249.** It's another way we can help move you into the future.

BEST FINAL COST SYSTEM DELIVERS LOW COST / HIGH QUALITY MOVE ASSURANCE

In this economy, estimating practices have developed that are detrimental to clients and to our industry. In many cases, estimated costs are being unrealistically manipulated to get contracts, and final costs are no where near what was originally estimated to obtain the contract. **The Advance Group doesn't do business this way.** So, to compete on a level playing field, we've developed our Best Final Cost program. It is our way to provide you with attractive, competitive rates and to deliver high value, on-time, and on-budget performance. By using the Best Final Cost System, you are assured of obtaining the lowest possible final project cost.

OUR SYSTEM HAS THREE PARTS:

- The Advance Group Visible Advantages
- Competitive Rates
- Realistic Labor Budgeting

The Advance Group Visible Advantage is a set of 10 competitively superior features that only The Advance Group offers. (Find the 10 Visible Advantages at the end of this article.) We provide competitive hourly rates. By comparing hourly rates, rather than net pricing, you have a meaningful standard of comparison that cannot be mismanaged through unrealistic labor estimates. And, we budget our projects by providing realistic estimates of

required manpower according to your critical timetable needs.

This is not brain surgery. It's simple math. The final cost is largely total hours times cost/hour, and it is affected by the efficiency of the people who work on the job.

We have a large, stable, and dedicated work force that is experienced and dedicated to the success of your project. We have very competitive hourly rates. And, because of our attention to detail and excellent project managers, unexpected problems are fewer, and solutions are faster and less expensive.



THE ADVANCE GROUP'S 10 VISIBLE ADVANTAGES

Visible Advantages are features and benefits that you can see at work for you. They enable you to confidently make the most informed and best move decisions that will result in your lowest final project cost.



- 1. Most Experienced Team** - We have the largest and most experienced executive and project management staff in the tri-state area, with over 500 years of collective experience. Each employee has passed a background check and is required to maintain high standards, including being fully uniformed. Our office and management team is over 80 strong.
- 2. A Dedicated Project Management Team** - Your sales executive will assemble a team of professionals from client services and operations that is best qualified to manage your move.
- 3. 24/7 Commitment** - Our commitment to your successful project is 24/7. You will be able to contact your entire project team, from client services to operations, at any time via phone and email.
- 4. Largest Combination of Facilities and Locations** - We have four service locations: Queens, New York City, Long Island, and New Jersey. Three of these locations have large, secure, and centrally monitored facilities, offering you extensive flexibility and convenience. We maintain a total of 325,000 sq. ft. of warehouse space.
- 5. Largest, Most Modern Fleet** - We have the largest, most modern trucking fleet that includes 44 trailers, 36 straight trucks (26 feet in length), and 30 tractors.
- 6. The Latest Communication Technology** - The Advance Group is committed to using the latest proven technology to reduce costs, raise performance standards, and to provide secure online access to inventory. We utilize BarScan® software for asset management, and O'Neil Software and MoveMagic software for proactive move management.
- 7. Financial Strength** - The Advance Group is profitable, growing, and financially strong, with over \$24 million in revenue.
- 8. Labor Harmony** - Our 120 direct employee movers are union members. We also employ over 30 union carpenters and approximately 40 warehouse personnel.
- 9. Commitment to Green** - The Advance Group takes seriously the obligation to maintain and support environmentally responsible policies and practices. We support LEED certified projects.
- 10. Strength Through Associations** - The Advance Group is a member BOMA, IFMA, and AMSA and over twenty other professional associations and trade groups. The Advance Group (through its Advance Commercial Movers and Molloy Bros. business units) is affiliated with Mayflower Transit in New York and New Jersey.

CASE HISTORIES

RXR REALTY LLC

Project: North Shore Regional office space at 35 Pinelawn Road in Melville.

Scope: Pack and move contents, computer equipment, and furniture for 80 employees in order for renovations of office space to take place. Disassemble, move, & reassemble all workstations. Project was to be done in 3 phases over 3 weekends and to be coordinated with construction, new carpeting installation, and painting of office space.

Challenge: Project had to be accomplished on a tight schedule with zero downtime to the tenant. Move out had to take place on Friday evening and move back had to take place on Sunday afternoon. Our Project Management Team and labor had to work in conjunction with other trades in order to complete the project on time.

Results: North Shore Regional experienced no downtime and it was business as usual on Monday morning following each phase.

"The Advance Group always delivers for me. Our projects always require working on a tight schedule with zero downtime to our tenants. When new challenges arise, The Advance Group's Project Management Team is always ready to provide creative solutions." Carlton Wenz- Sr. V.P. Leasing, Long Island Division.

SAGE PARTS PLUS INC.

Project: Move facility from 35 Dubon Court in Farmingdale to 30 Hub Drive in Melville over one weekend.

Scope: Move 35 truckloads of contents, computer equipment, and office furniture for 75 employees. Sequentially pack, move & unpack entire parts inventory totaling 400 shelving units.

Challenge: On Friday night of move weekend, the management of Sage realized they would not be able to move the contents of their warehouse on-time utilizing their own warehouse staff.

Results: The Advance Group responded immediately with 2 Project Managers, 25 Movers, & 5 Trucks. The move was completed on-time and Sage's facility in Farmingdale was completely moved over the weekend.

"Anthony Parziale and his team are organized and professional. Kevin Lewis is a great Project Manager. He was able to draw upon extra resources in an instant. The project couldn't have succeeded without him and The Advance Group." Harry Zuckerman- Vice President, Operations.

THE ATLANTIC GROUP

Project: Royce & Associates, LLC- furniture installation project at 745 5th Avenue.

Scope: Deliver and install office furniture for private offices, open area workstations, and conference rooms for 200 employees across four floors at new headquarters. FITCO the furniture installation business unit of The Advance Group worked with representatives from The Atlantic Group, Ted Moudis & Associates, Arnold Furniture, Aragon Construction, and Royce & Associates. Planning began months in advance.

Challenge: Work with a variety of other trades in raw space to build and install complex workstations, high-end furniture, and millwork. The project required the precise installation of custom workstations, private office furniture, conference tables, bookcases, and a custom reception desk. The project had to be completed on a tight schedule over one month, allowing only 1 week per floor.

Results: The project was successfully completed on time. FITCO's Project Management Team was on site when the office opened to give employees their keys, show them their new workspace, and explain how to use and adjust their furnishings.

"The FITCO's Project Management Team really took the time to explain things to me and be sure I understood what they needed from me to keep the project on track and within budget. Their attention to detail totally makes them stand out from the pack." Cheryl Williams, Project Manager- The Atlantic Group.



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