



Former rivals Marta Garcia Arnold and Reed Stvan have merged their move-management companies. Photo by Joanne S. Lawton

Office relocation companies merge, form Fox Management Alternatives

By Tierney Plumb

Former local rivals have united to create a new office relocation company in D.C., Fox Management Alternatives.

Fox RPM Corp. and Management Alternatives merged Aug. 1 – and the new entity is billing itself as the largest move-management company in the Washington area. Financial details of the merger were not disclosed.

In 2011, the combined operation expects to move about 20,000 seats, or desks. The seat-move total is the common metric used by the office moving industry.

In both 2008 and 2009, Fox RPM moved about 10,000 seats, and Management Alternatives did about 6,000.

Fox RPM posted \$5 million in 2009 revenue, and Management Alternatives generated \$2 million. Thanks to an improving economy and a few large federal contracts awarded to both companies this year, 2010 revenue at the combined operation is expected to exceed \$12 million.

The company, which provides project relocation and furniture management services in the legal, commercial, defense contracting and federal sectors, has about 50 active clients and 22 employees in D.C. after the merger.

Fox, founded 22 years ago in the Boston area, opened its D.C. office in March 2004. It will keep the Boston office, which has about 25 employees.

Management Alternatives, which has been

in the relocation business in D.C. for the past 27 years, sensed a rising rival, when Fox came into the market, said Reed Stvan, who was president of Management Alternatives and is now managing director of the combined company's D.C. office.

"Fox had emerged as our No. 1 competitor," he said. "It was an issue – but it helped drive us together."

Informal merger talks – prompted by Fox – started nearly a year ago and sped up over the past two and a half months.

"The merger positions us to grow not only in the Washington area, but we also want to expand nationally," said Marta Garcia Arnold, a principal of Fox RPM's D.C. operations who is now a principal of the combined company.

"Because we have clientele asking us to work in so many cities, the best entry point is to have a large client take us there with a big project," Stvan said.

The new company's biggest competitors locally include the move-management arms of Jones Lang LaSalle Inc. and Gilbane Building Co. The move-management sector has grown in the last 15 or so years as large real estate companies added A-to-Z relocation services.

Jim Hellier, director of business development for Gilbane's 17-year-old transition planning and management division, recently found out about the merger and says there is "no doubt" the two companies will be competing for projects. Hellier said he is confident in his unit's presence coast to coast and recent focus on work in the Defense Department and

the health care research markets.

"In this market, often a competitor can be a teammate. You never know who's going to be working with you," said Hellier, who has not had direct conversations with the merged company about possible collaboration.

Management Alternatives and Fox RPM have won high-profile projects in recent years, including Management Alternative's consolidation of 3,000 employees into a temporary headquarters for an unidentified federal agency. And in 2008, Fox beat eight others to oversee Volkswagen of America Inc.'s migration to its new U.S. headquarters in Fairfax County. The intricate operation cost \$150 million to move 120 employees from Auburn Hills, Mich., to Herndon.

Moves typically cost 60 cents to \$1 per square foot for relocation management, and \$1.50 per square foot for "mission critical" or hospital moves. The actual moving duties are subcontracted out. An entire move, which could take eight months to coordinate, can be completed over one weekend.

"Our job is to take an entire enterprise apart, move it and have it put back together so that Monday morning everyone is able to operate," Stvan said.

The new company had no trouble securing its first client: itself. This fall, employees at Fox RPM's office at 2025 M St. NW will move into Management Alternatives' larger 6,000-square-foot office at 1420 K St. NW.

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