

RIGOROUS PROCESS AIDES IN UK COMPANY'S FIRST US LOCATION SELECTION



OVERVIEW

- ▶ 1600 Tysons Boulevard | McLean, VA
- ▶ ± 20,000 SF Corporate Headquarters
- ▶ 10-Year Lease
- ▶ 20% Net Present Value Savings Over Next-Best Alternative

This assignment was procured through Lee & Associates' international alliance partners, Gerald Eve, who represent Ocado in the UK. When their client expressed their need to expand into the US, Gerald Eve introduced the Ocado management team to Lee & Associates. After a thorough vetting process of the firm's client services and capabilities, Lee was awarded the assignment.

For more information regarding this case study, please contact:

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THE CLIENT

Ocado is a UK based company admitted to trading on the London Stock Exchange (LSE: OCDO). It comprises one of the world's largest dedicated online grocery retailers, operating its own grocery and general merchandise retail businesses under Ocado.com and other specialist shop banners, together with its Solutions division.



THE CHALLENGE

Ocado, the UK-based online grocery retailer and warehouse robotics company, as result of its partnership with The Kroger Co., determined that it needed to locate a base of operations for its Ocado Solutions group in North America.

Prior to hiring their first US-based employee, the Ocado team engaged Lee & Associates to identify and compare multiple markets that could accommodate the firm's needs: access to international airports, qualified & abundant skilled labor and minimal traffic congestion/commutation issues.

OUR APPROACH

The Lee & Associates team worked with Ocado to identify additional requirement criteria, pinpointing eighteen areas to evaluate prospective locations. Lee formulated a strategic plan to accommodate Ocado's location sensitivities and prepare for the organization's rapid expansion. Through a series of meetings with key stakeholders, Lee developed a Decision Analysis that incorporated the organization's goals and requirements and built consensus on the relative "weighted" importance of those criteria to each other.

THE OUTCOME

Options were sourced throughout their chosen market and compared to a pro-forma control option. Hundreds of viable locations were narrowed to dozens and eventually to eighteen. Of the options considered, those located in Fairfax County, VA offered the best balance of proximity, physical space, value and ability to accommodate Ocado's rapid expansion.

As Ocado began hiring its first US-based employees, the Lee team identified temporary quarters for the firm and commenced negotiations with multiple Landlords. Detailed financial analysis and rigorous evaluation of the Decision Analysis criteria helped identify the properties that best accommodated Ocado's needs. The Lee team spearheaded lease negotiations, engagement of a local project manager and assisted with their selection of a design-build architectural team capable of deploying their international workplace standards in a manner consistent with local codes. Because of the Decision Analysis evaluation technique and our real estate strategy, the client and stakeholders had tools that illustrated clear and immediate reasons where to locate their business and a means of evaluating the substantial number of viable options that met their criteria.