

A market on the move

Falling demand has not been the only challenge that moving companies have had to face recently. Clients are also seeking increased professionalism and those who are unable to meet this requirement might easily see themselves gobbled up by the big fish on the market.

“We lost a whopping 30% of residential orders, but the number of office moving contracts has fallen as well,” Zoltán Susszer, operative manager of Budateher Kft, told the *Budapest Business Journal*. He noted that the company’s turnover fell from HUF 250 million to HUF 200 million in 2009, and stayed at that level in 2010. Even companies with a framework agreement on fixed-term contracts have canceled orders, but Budateher lost state orders too, due to financial limitations, even after having been announced as the winner of a public procurement procedure.

Other companies reported a similar decline, but their reactions to the new-found difficulties have been varied. While smaller moving businesses tend to undertake orders at depressed prices, bigger players try to attract clients by focusing on tasks that demand higher professionalism, such as the digital documentation of every single object being moved. As orders come from both the state and the private sectors, with employee numbers often reaching up to a few hundred, such extra services might be just what make a difference in selecting a moving company.

NO BUMS

Companies cannot afford to lose a single workday, not even if their office is on the move. Therefore, in addition to cost efficiency, making the move of an office a short but flawless weekend event – so that that all office equipment including computers and documents are ready for use on

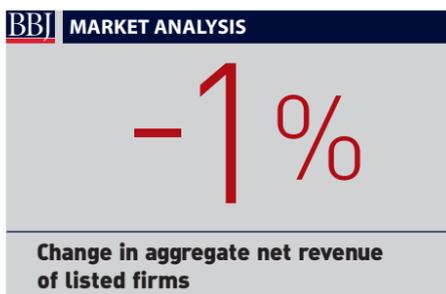
Monday morning – is becoming an increasingly important requirement for movers.

Still, the preferences of clients are not always clear. “I really do not know what factors clients consider when selecting office moving companies,” Gergely Újvári, the managing director of Intermedia Trans Kft, told the *BBJ*. Price, as well as the company’s website and references probably all come into play, he noted. “Actually, our physical appearance, proving that we are not bums, might be what counts the most,” added Újvári, who runs his moving business with 12 employees.

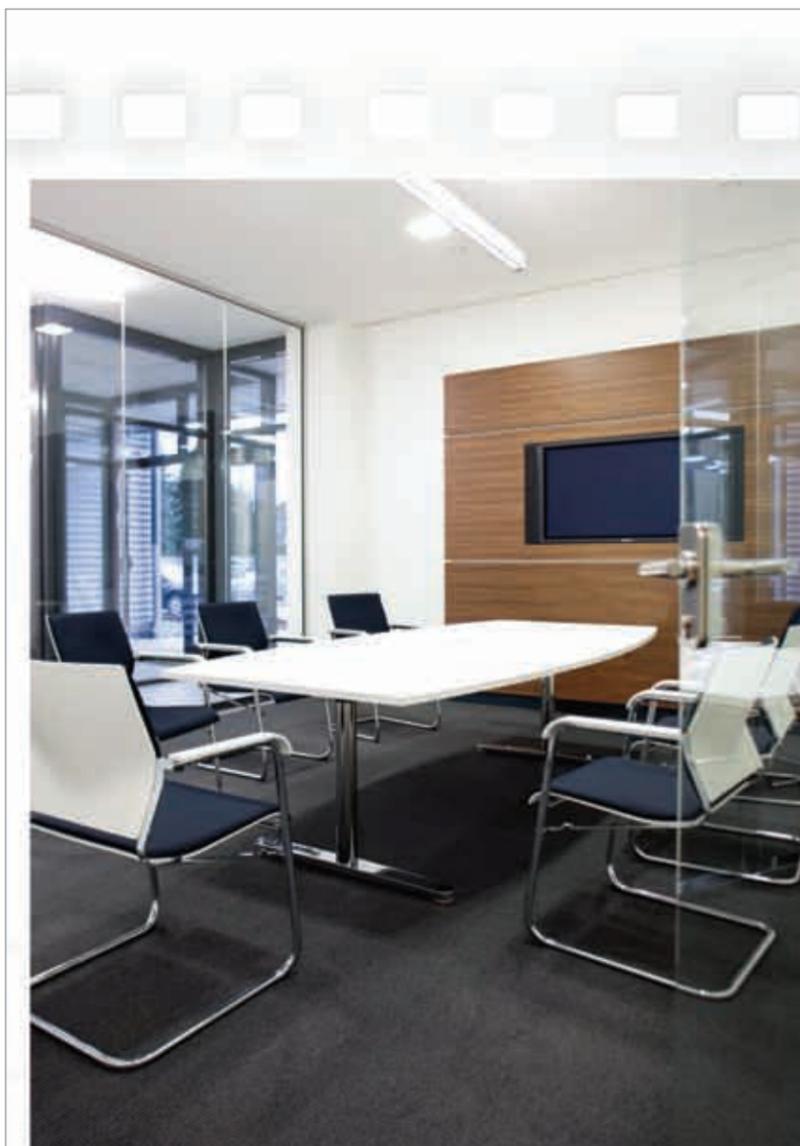
In such a fragmented market, where most of the “heave-ho people” work as subcontractors and can be found among the temporary staff of several moving companies, guaranteeing quality is a constant challenge. To ensure a quality pool of movers, the number of proven workers must be increased, and thus subcontractors also have to measure up to the same values.

HUNGRY BIG FISH

Most moving companies, including the smaller ones, expect a slow recovery in 2011, especially in the second half of the year. At the same time, bigger companies like Budateher are also open to buying up competitors with a long-standing brand and a solid client base. The crisis, Susszer pointed out, has clearly shown that the model of small businesses operating on the moving market has reached the limits of its development. **ÁV**



Moving companies dealing with both residential and office moving activities have been hit strongly by the crisis and are still only hoping for some relief. Since in hard times people tend to cut costs on services such as this, and use friends to help in moving instead of hiring professionals, residential moving orders saw the biggest decrease in recent years.



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