

Executive overview

This chapter addresses the two issues of location and layout – where best to position a facility or outlet and how best to layout the processes, equipment and staff used in providing the services or making the products.

Location decisions aim to secure the best net gains for an organization now and in the long term and embrace the following criteria:

- initial and later development costs
- trading costs when providing the services or products to customers
- impact on sales revenue
- level of service a facility is able to provide to its customers.

For many larger organizations where to locate a facility may involve decisions at several levels including:

- continent or region
- country
- area or city
- the site itself.

The factors influencing location decisions are then reviewed and are separated into:

- general factors such as the origin of existing decisions, political constraints and need for market access
- specific factors including existing infrastructure, proximity to markets and suppliers, staff availability, costs and favourable government policies. The final part of this section introduces some of the techniques used in making these decisions (weighted-factor and centre of gravity method) together with examples.

Layout – this section addresses the task of how best to arrange the processes, systems and staff used. First, background factors such as existing space, health and safety and aesthetics are discussed. Then the basic types of layout (fixed position, process or function and service or product) are described, together with examples of where they are used. Hybrid delivery system layouts are discussed, together with other formats such as flexible office layouts.

The final section looks at detailed layout design and the approaches used for each of the basic types of layout.