



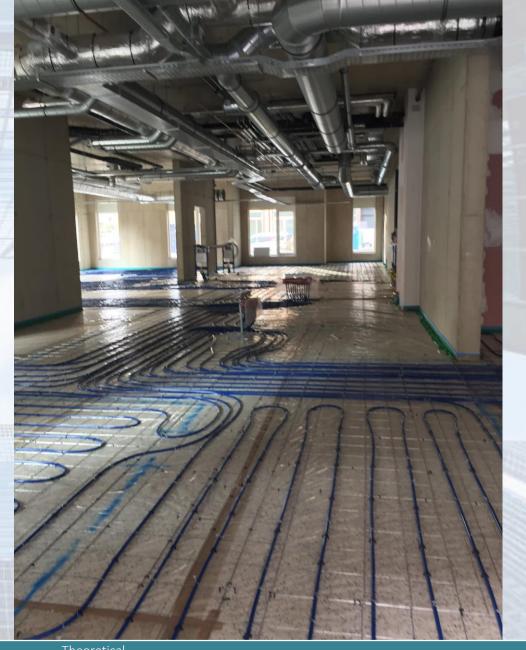
Introduction

Why corporate real estate alignment?









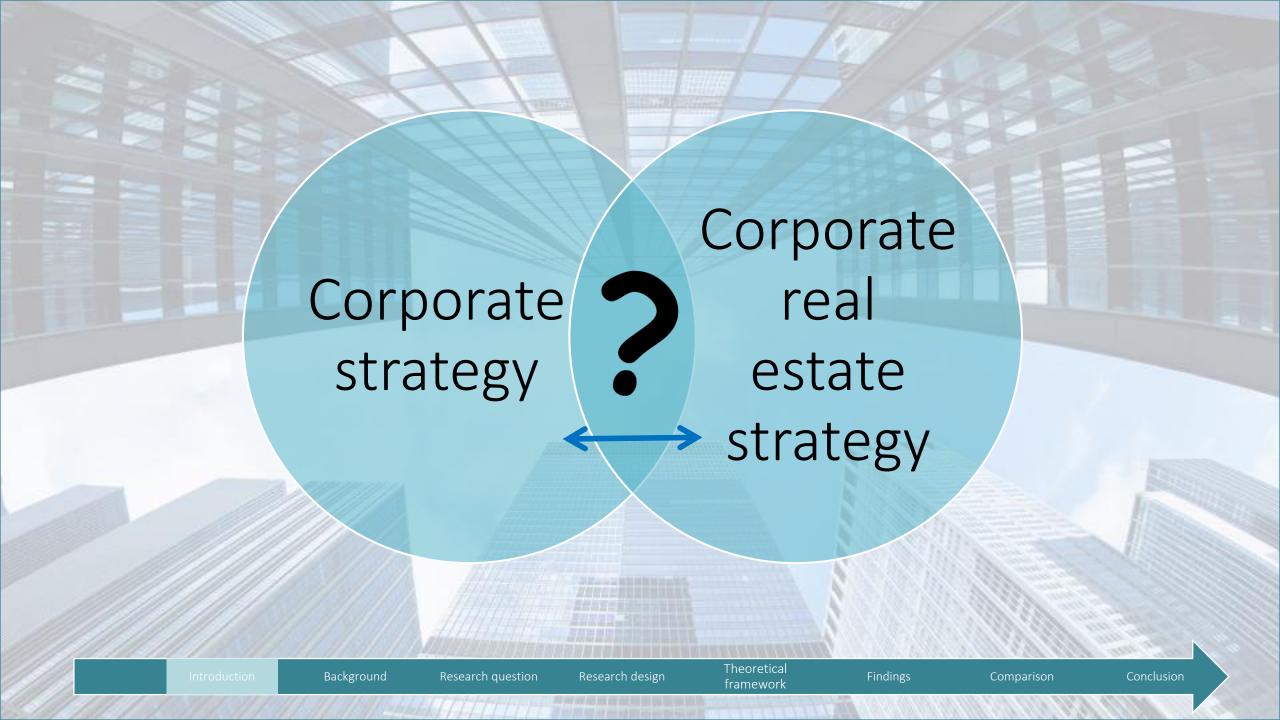
Background

Research design

Theoretical framework

Findings





Background

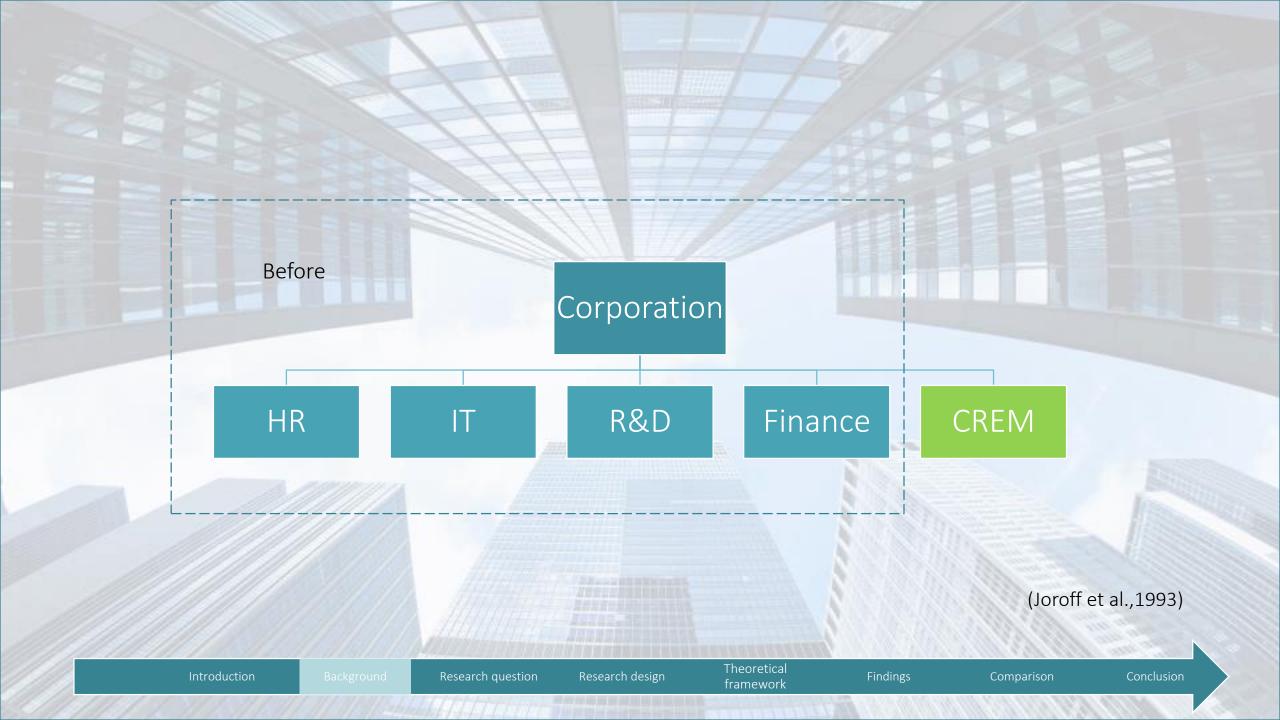
The problem in corporate real estate

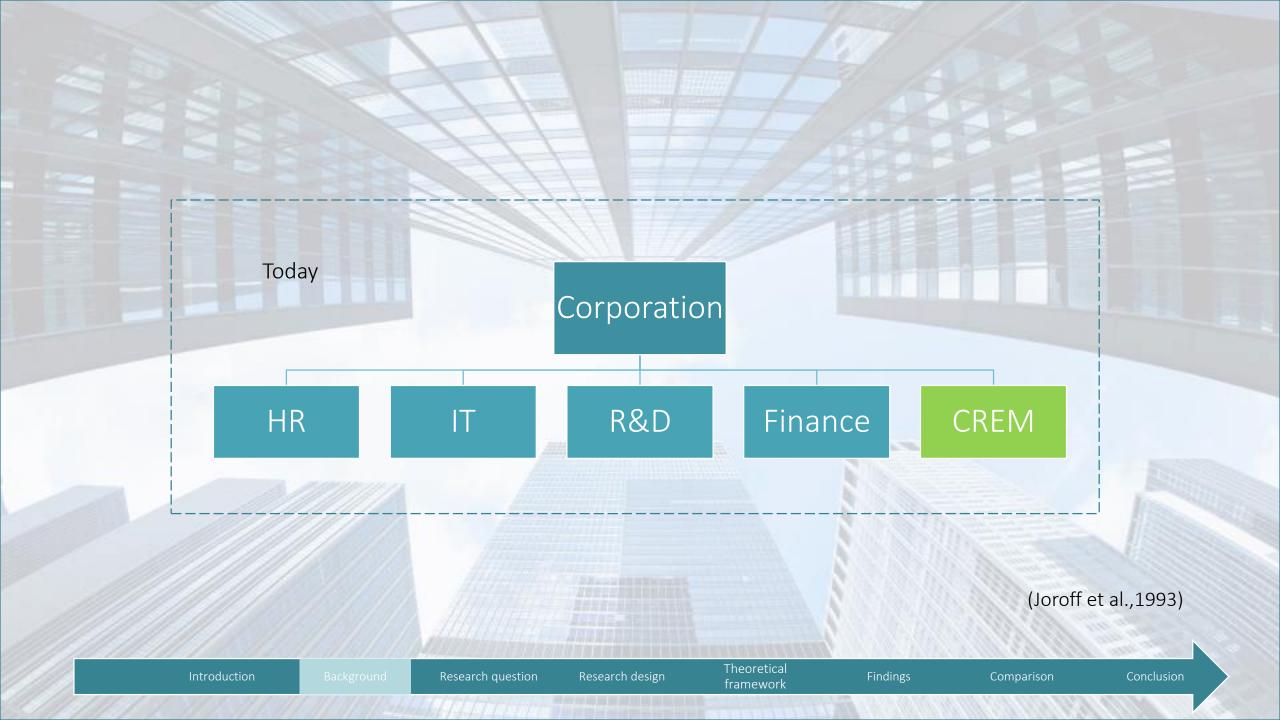


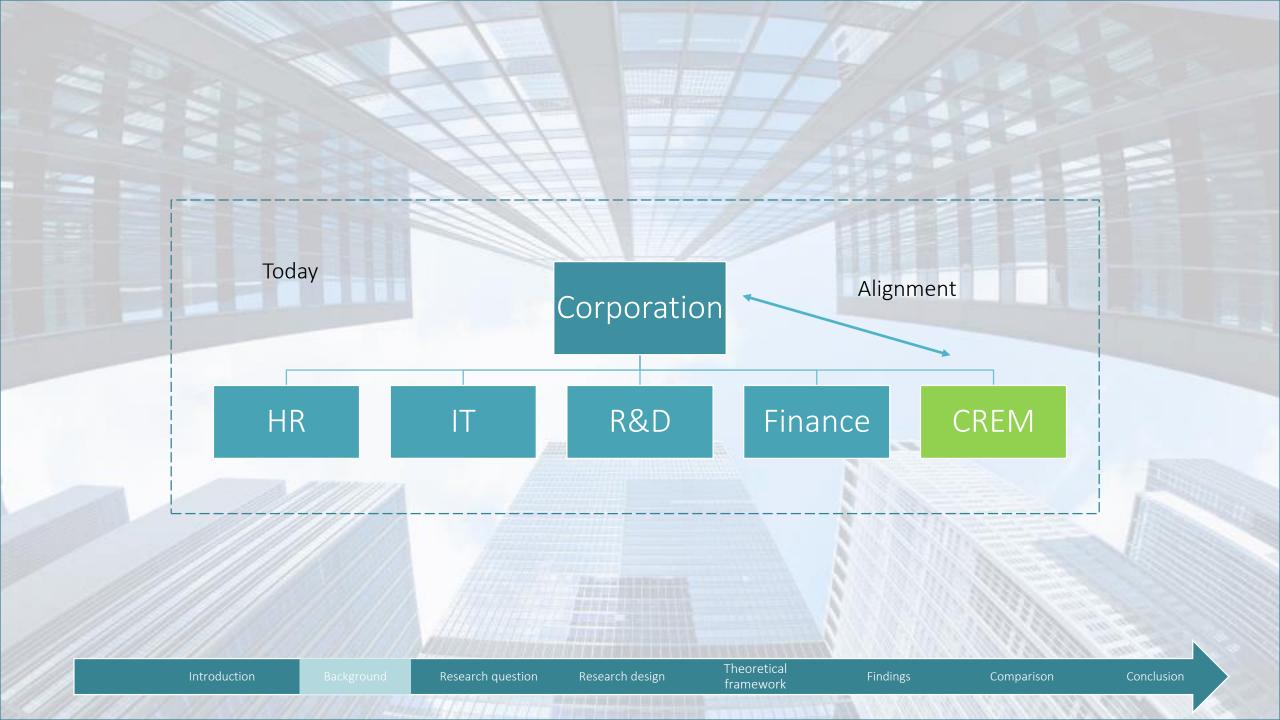










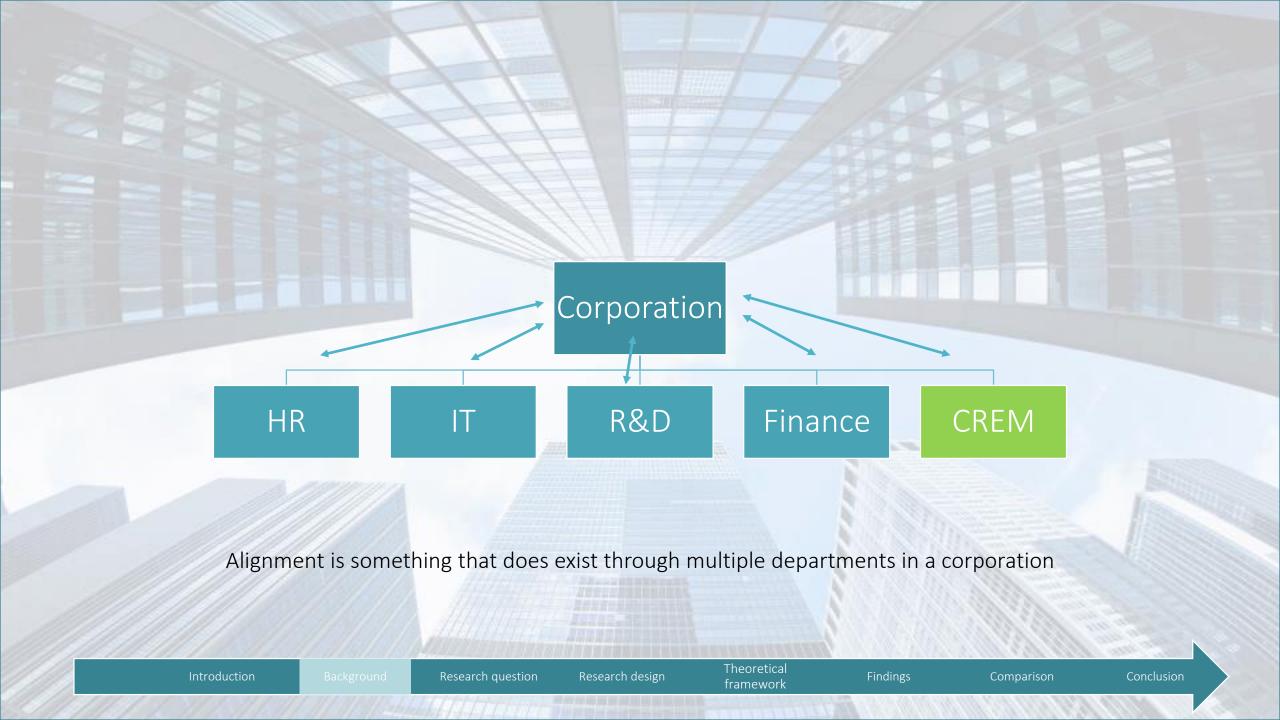


Alignment

- 1. An arrangement in which two or more things are positioned in a straight line or parallel to each other.
- 2. An agreement between a group of countries, political parties or people who want to work together because of shared interest or aims.

Research design

Source: Cambridge dictionary

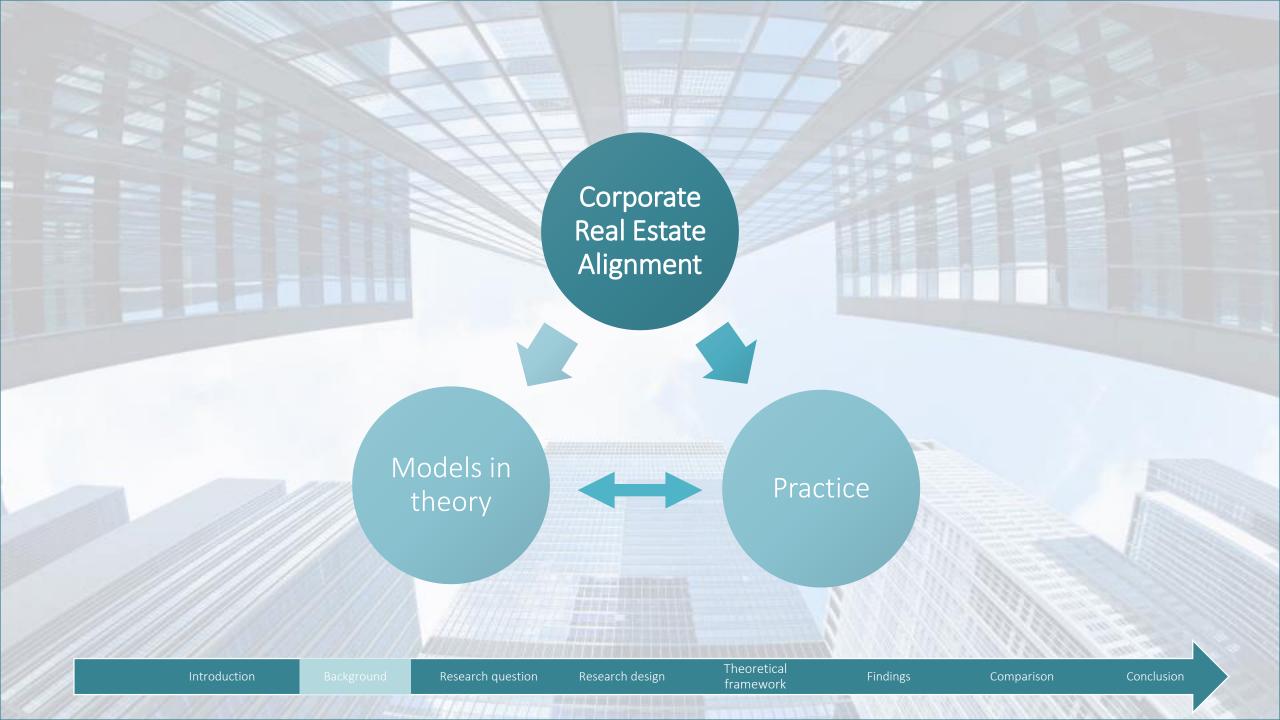


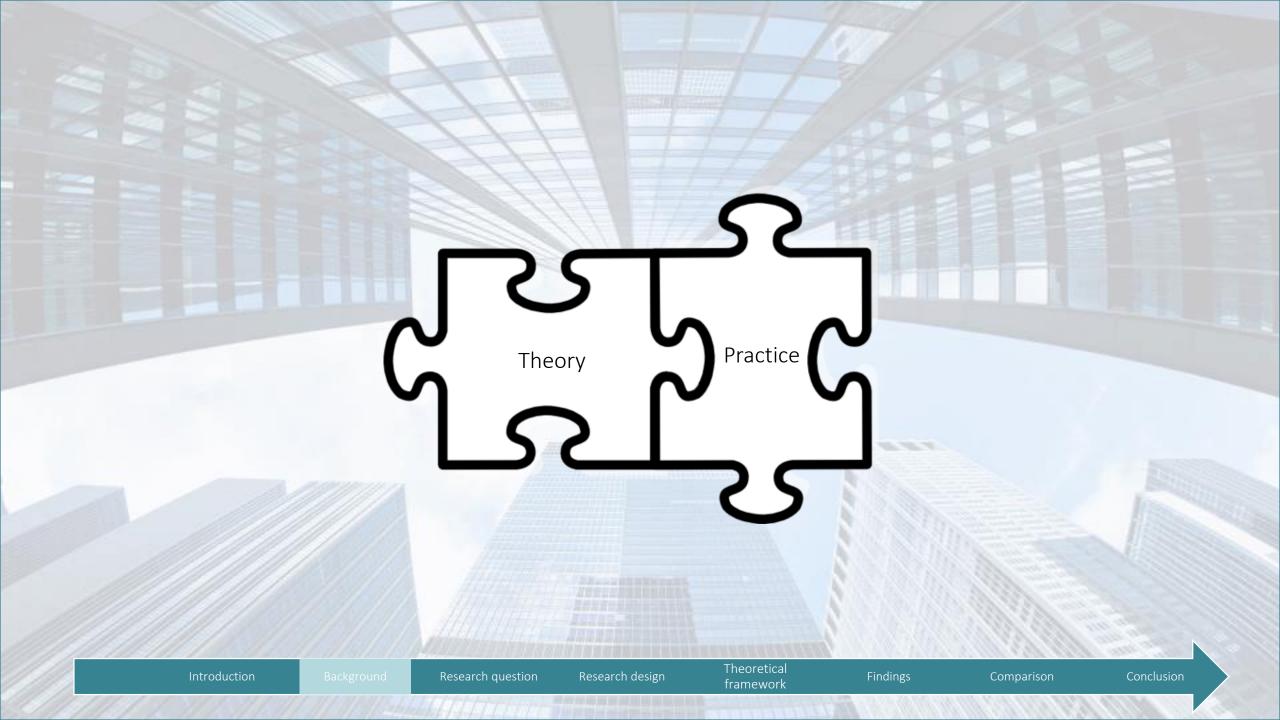
Alignment in CRE

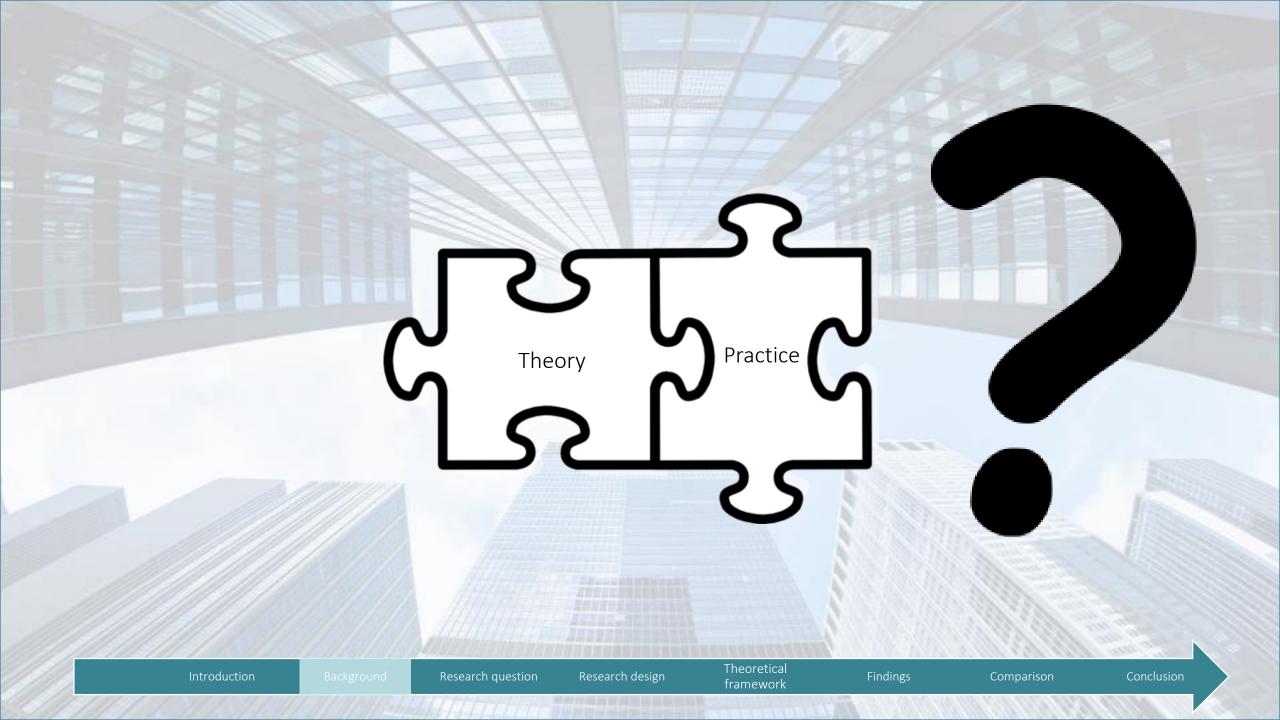
Corporate Real Estate Management is "the management of a corporation's real estate portfolio by aligning the portfolio and services to the needs of the core business, in order to maximize the added value for the business and to optimally contribute to the overall performance of the corporation".

Source: Dewulf et al., (2000)

Theoretical **Findings** Conclusion Comparison framework







Research question



Main research question

"How is corporate real estate alignment by multinationals in different industries done in practice and how does this relate to the models found in theory?"

Research design

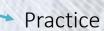
Theoretical framework

Sub-research questions

Theory

- What is the current state regarding corporate real estate management?
- What is the current state regarding corporate real estate alignment models?

- How can the type of alignment be defined?
- Which components are present within the corporate real estate alignment process?
- Is the alignment process at the multinational corporations control-oriented or involvement oriented strategy? What kind of perspective do they have?



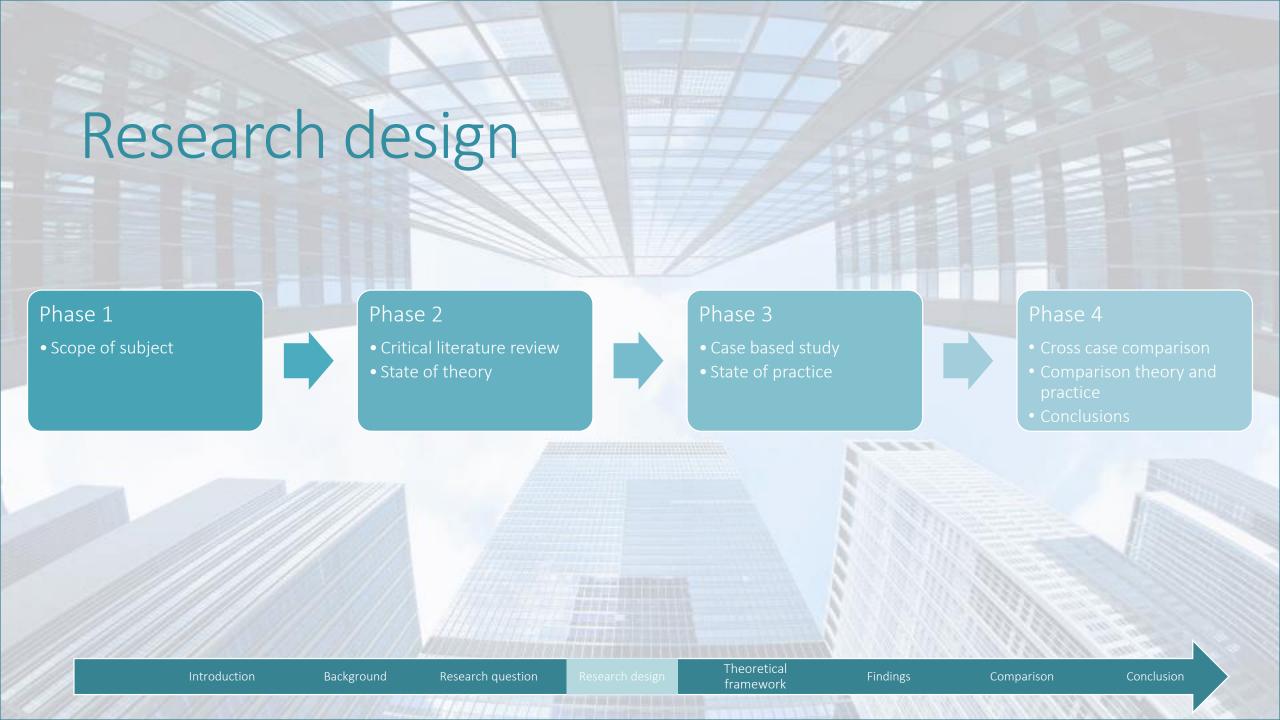
Theoretical framework

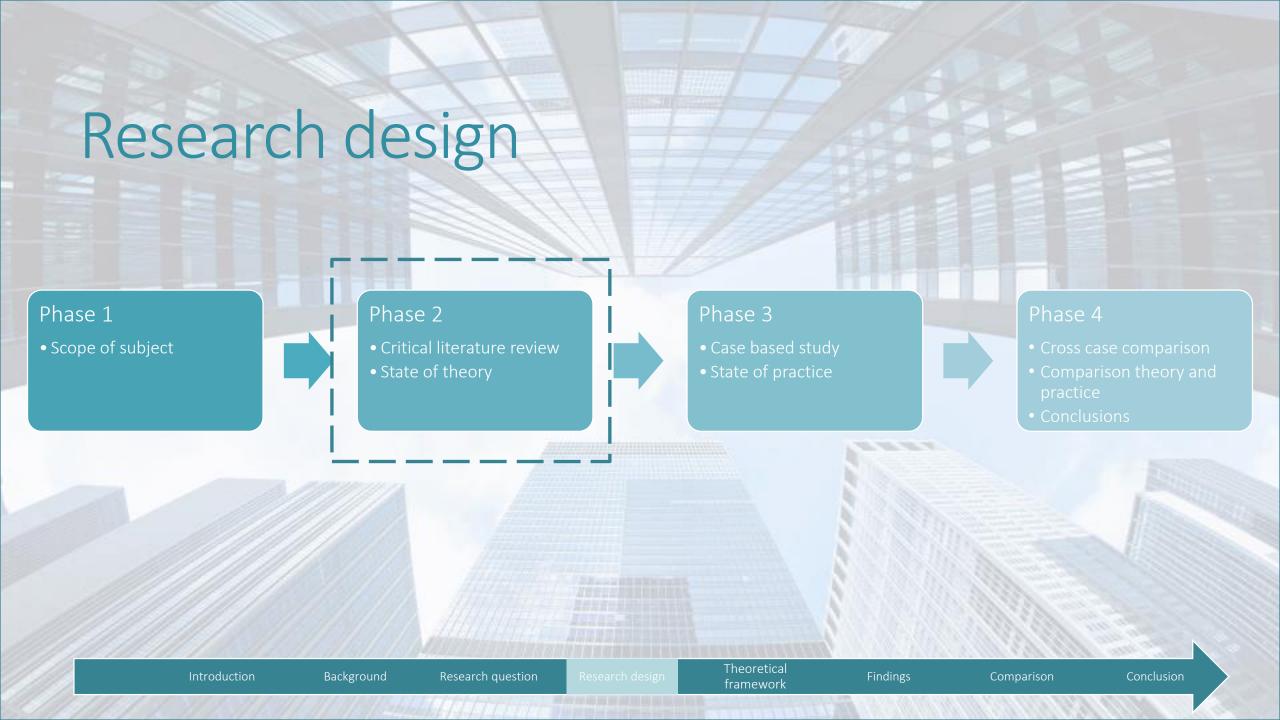
Findings

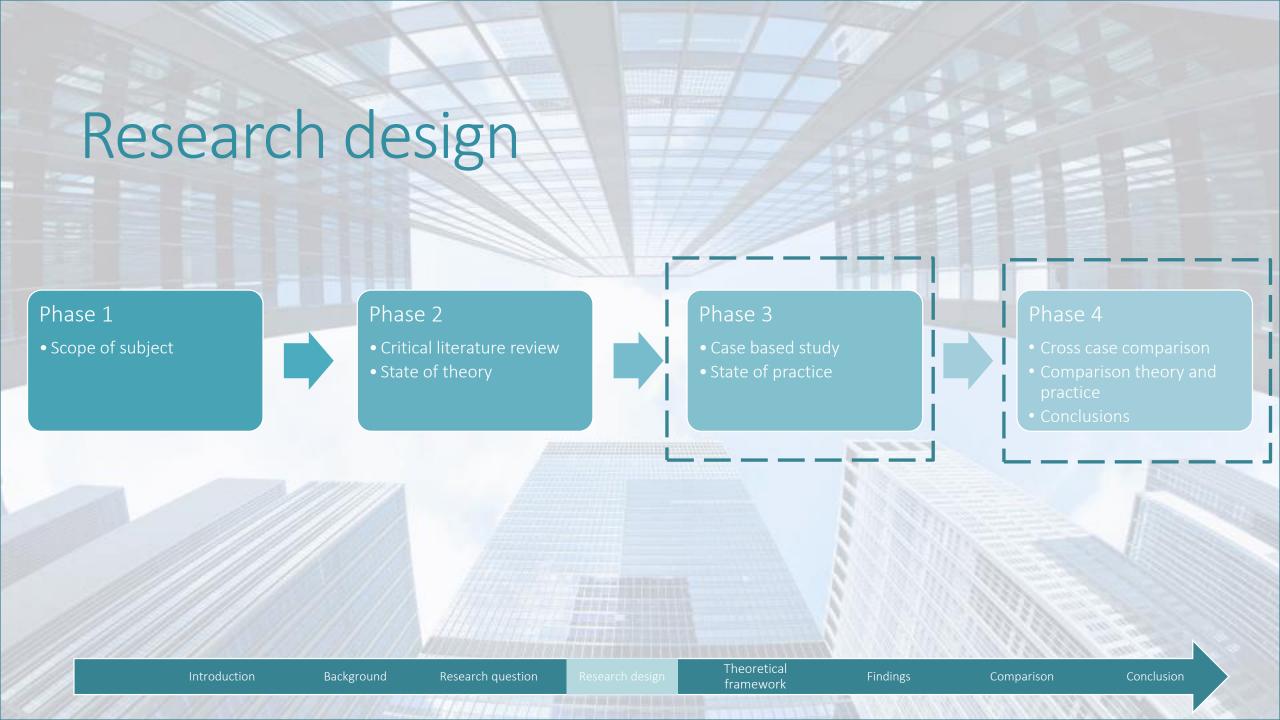
Research design

How to research corporate real estate alignment in practice









Theoretical framework

State of theory



Most important aspects:

- Form
- Directionality
- Cognitive objects
- Relationship

Form Type of Directionality Comparison

Conclusion

Source: Heywood & Arkesteijn (in press)

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Most important aspects:

- Understanding corporate strategy
- Understanding corporate real estate strategy
- Designing real estate strategy
- Implementing real estate strategy

Understanding corporate strategy

> **Business** drivers and forces

Internal strategic drivers

Strategic triggers

Corporate streategy

real estate

Audit of existing real estate

Assess the effect of CREM actions

Real estate market data and information

Corporate real estate strategy formation

Strategy integration

Integratng other corporate functions

Actioning real estate intervention (plan)

Actionning required CREM practices

Source: Heywood & Arkesteijn (2013)

Findings

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Comparison

Conclusion

Most important aspects:

- Stakeholder management
- Change management
- Information management
- Relationship management
- Management of the power distribution
- Preconditions management

 Homogeneous group of stakeholders

Control oriented

Involvement oriented

 Focus on social developments

- Strategic information
- Long term focus on CRE

- Focus on client
- Structured interaction CRE and internal stakeholders

- Proactive **CREM**
- Directive role of CREM
- Top down decision making

- High influence on financial resources
- Cost driven solutions
- Focus on operational excellence

 Heterogeneous group of stakeholders

Change

 Focus on operational developments

- Operational information
- Short term focus on CRE

- Focus on customer and end user
- Ad-hoc interaction with CRE and internal stakeholders

Power

- Reactive CREM
- Advisory and operational role of CREM
- Bottom up decision making

- Marginal influence on financial resources
- User driven solutions
- Focus on customer intimacy

Source: Beckers & van der Voordt (2014)

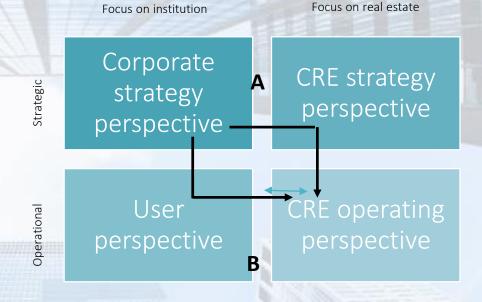
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Most important aspects:

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Two extreme strategies: control-oriented (A) and involvement oriented (B)

Source: Beckers & van der Voordt (2014)

oretical Findings Comparison nework

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State of practice of corporate real estate alignment



Findings corporation A – Chemicals

'Invest in a market-driven portfolio that creates value for our shareholders and customers"

Background

Introduction



Sales: \$48.788 million



Operates in 180 countries



49.500 employees

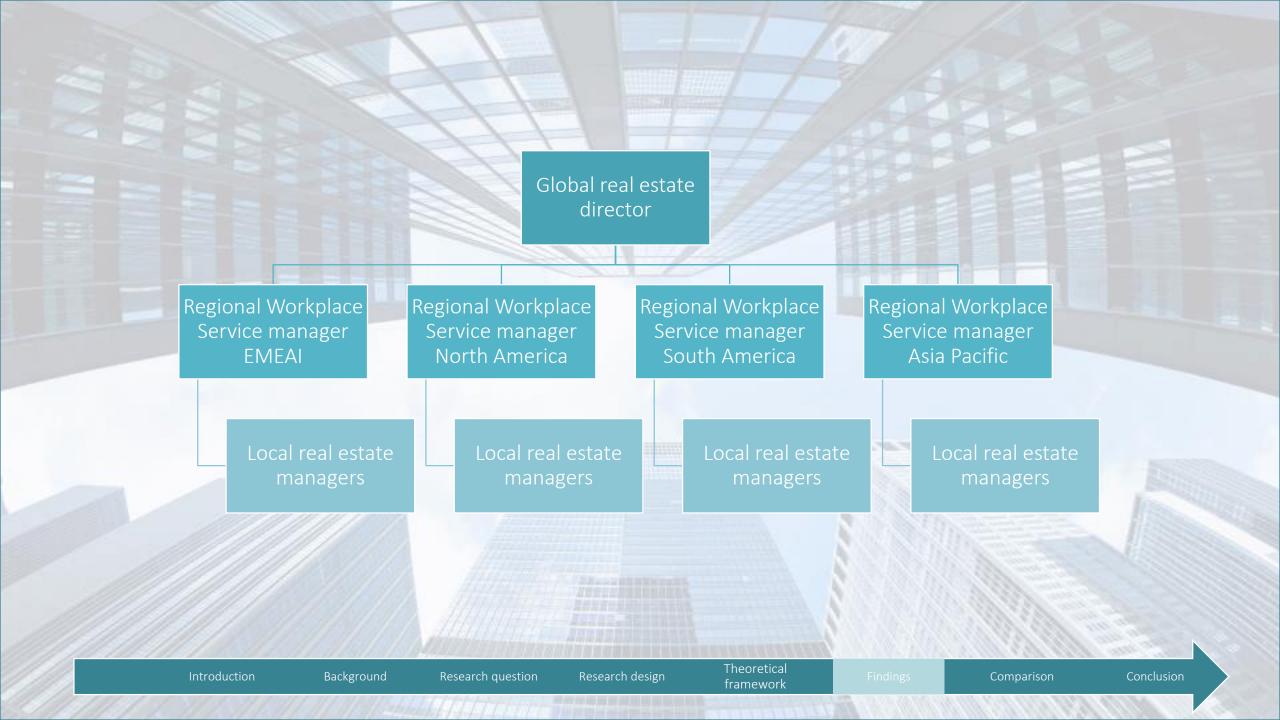


Five operating markets

Conclusion

Comparison

Research question Research design Theoretical Findings



How do they do it?

CRE alignment in practice

Once a year: update on corporate strategy Translate
corporate strategy
into CRE strategy
by global CRE
director

Very different CRE strategy? Approval of CEO needed

Regional
Workplace
Services managers
construct and
prepare plans,
approval of global
CRE director

Assess effect of CREM actions and report back from local, to regional to global

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Comparison

Cross-case comparison and relation theory and practice

















		Focus			Real estate plans
				department	
>	А	Global focus	Update on corporate strategy once year		Before implementation, approval needed from corporate level if plan has a large impact
	В		Account management which is closely related to the business	Reactive role	Initiative may come from business, CRE department B provides information
	С	Global focus	Quarterly webcast with CEO.		Regions are responsible for implementing. Approval is done by regional and global real estate boards.
	D	Global focus	Work directly for the business		Plans made on regional level and have to be approved before implementation. Implementation always in cooperation with local levels.
	E		Update on corporate strategy when something changes		Plans are approved based on the impact they have on the business
	F	Global focus	Quarterly update on corporate strategy		Approval process for plans. Decisions are made in agreement with most important stakeholders

Theoretical Introduction Background Research question Research design framework

	•	Focus		Role CRE department	Real estate plans
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Connection with the business



Role



Focus











Theoretical Findings Comparison Conclusion

agreement with most important stakeholders

CRE Real estate plans







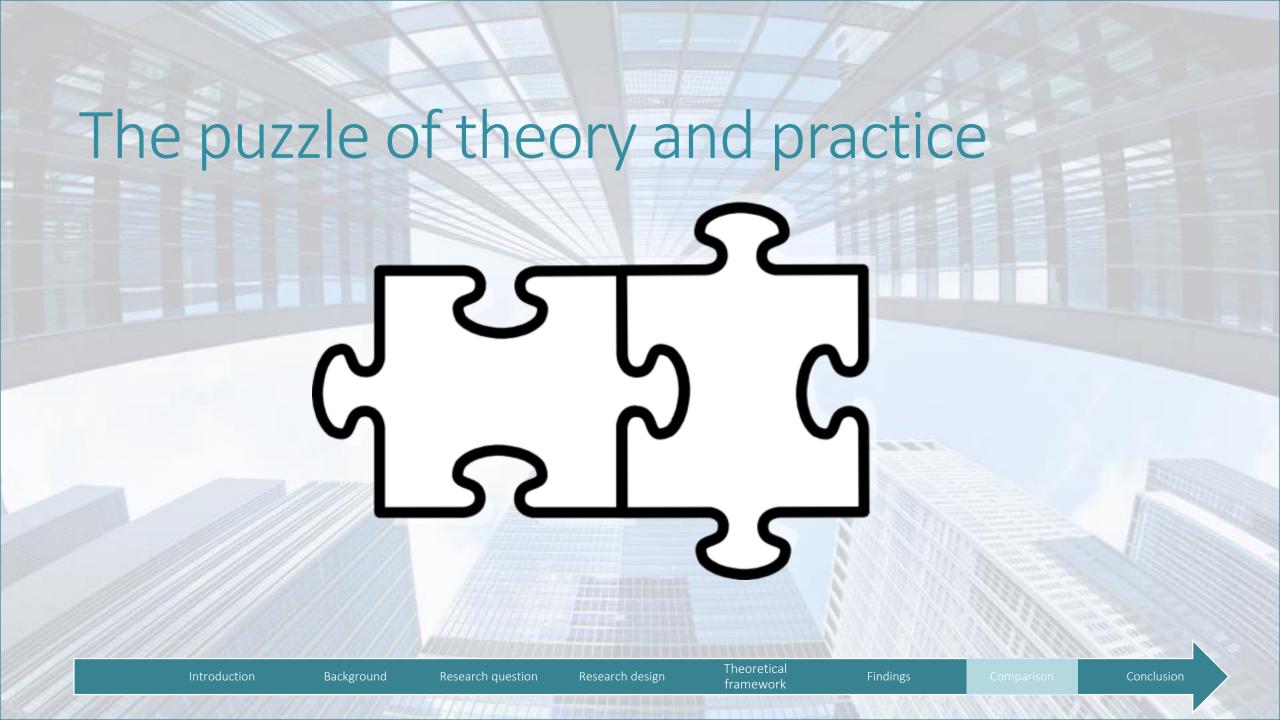






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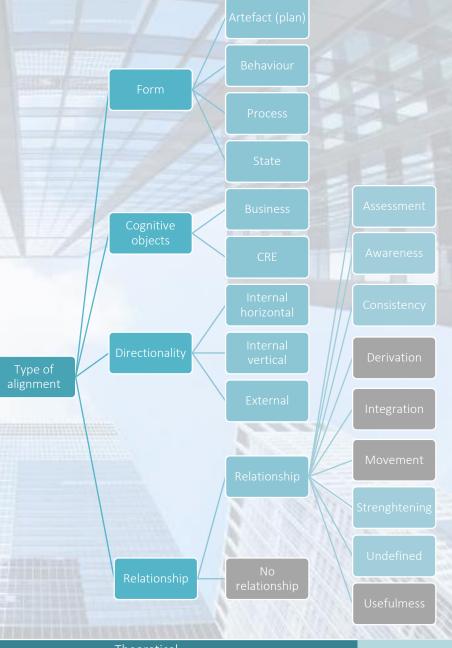


Theory & Practice

Four types of relationships did not appear to be present in practice

All six corporations said something about relationship between corporate strategy and CRE strategy

Source: Heywood & Arkesteijn (in press)



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Theory & Practice

Strategy integration and evaluation of the process were underexposed in practice.

All corporations do pay attention to the four main building blocks.

Understanding corporate strategy

Business drivers and forces

Internal strategic drivers

Strategic triggers

Corporate streategy

Understanding real estate performance

Audit of existing real estate

Assess the effect of CREM actions

Real estate market data and information Designing real estate strategy

Corporate real estate strategy formation

Strategy integration

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mplementing real estate strategy

Actioning real estate intervention (plan)

Actionning required CREM practices

Source: Heywood & Arkesteijn (2013)

Evaluation, learning and re-initiation of the process

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Theory & Practice

All management types are used in practice.

Both strategy types are extreme, all corporations have a mix of the two strategies.

Control oriented

oriented

Involvement

 Homogeneous group of stakeholders

 Focus on social developments

Strategic information

 Long term focus on CRE

Focus on client

 Structured interaction CRE and internal stakeholders

 Proactive CREM

 Directive role of CREM

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Source: Beckers & van der Voordt (2014)

Theoretical framework

Conclusion

Conclusion

The puzzle of theory and practice



The puzzle of theory and practice

Background

Introduction

"How is corporate real estate alignment by multinationals in different fields of expertise done in practice and how does this relate to the models found in theory?"

Research question Research design Theoretical Findings Comparison Concludes the Conclusion Conclusion framework



Thank you!

Questions?