Corporate Real Estate Alignment in Practice

A study on how corporate real estate is aligned by multinational corporations in different industries in practice and its relation to theory

Figure 1: Corporate Real Estate (Harrison, 2015)

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Reflection

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1. Relevance and utilisation potential

This graduation research falls under the chair of Real Estate Management. Within this chair, one of the focus points is corporate real estate portfolios. Examples that could be thought of are: the portfolios of education institutions, or government institutions, but also the portfolio of multinational corporations. The aim of corporate real estate alignment is to manage the real estate portfolio of a corporation by aligning the portfolio and services to the needs of the core business. This to maximize the added value for the business and to optimally contribute to the overall performance of the corporation' (Dewulf, Krumm, & de Jonge, 2000). Examples of added value are profitability, productivity and competitive advantage (De Vries, 2007). However, corporate real estate management is not only focussing on integrating different points of view of involved stakeholders when matching the supply and demand on portfolio level, but also on building- and workplace level (De Jonge et al., 2009).

The research lab was under the supervision of Monique Arkesteijn, who has done research on corporate real estate alignment with Heywood. In the research where fourteen CRE alignment models have been compared, more information has come to light about what components are needed for CRE alignment. This resulted in a framework of four building blocks and twelve components. Other research of Arkesteijn and Hewood resulted in an overview of how the type of CRE alignment can be defined. Without giving their own opinion, they give a clear overview. Although all these models have been written in the literature, it is not known if these models are actually used in practice. This research therefore focuses on finding out whether (parts) of these alignment models are used in practice.

As the research lab was called Successful Corporate Real Estate Strategies in Practice, it suits the research problem of this gradation research. This is because the aim of this research is to find out how multinational corporations perform CRE alignment in practice, which (parts) from alignment models do they actually use, what are the differences between multinational corporations in different industries and how does this relate to what has been written on CRE alignment in practice? Since CRE alignment is done to improve the performance of a corporation and to strive for added value, this research has scientific relevance.

Regarding the utilisation potential, this research gives an overview of CRE alignment by six corporations. As they all have a different background, it can be interested for them to see how others do CRE alignment. Also, by providing a theoretical framework for the corporations and really making the relation to literature, the real estate managers can learn more about the CRE alignment phenomenon, and try to include this in a more structured way in their daily job.

This research might also be interesting for researchers. It gives an overview of the current state of theory, which is used to create a theoretical framework for testing the corporate real estate alignment in practice. With the results came of the case based research, researchers can further build on that. By relating theory and practice to each other, the theories and models on corporate real estate alignment can be developed further in further research.

2. Research process

The subject of CRE alignment seemed interesting me from the beginning. I already had an interest in CREM, and when I found out that there was a graduation laboratory where CREM was combined with the alignment of strategies, I knew I wanted to do my graduation thesis about that subject.

The process of this graduation research started with framing the research, which I found pretty hard. Although I had a clear idea of what I wanted to do, I found it hard to already set boundaries of what I really was going to research. In addition to that, there was already another student who was working on a graduation research with the same topic, so in the beginning I did not wanted to do the same.

However, as time passed by, I noticed that continuing on the research of the other graduation student actually could be very interesting. By researching corporations in other industries, I thought I would be interesting to afterwards compare these different corporations with each other. After I decided I wanted to do this, it made it easier to start with the literature research.

However, when I started the literature review and setting up the research proposal, I had difficulties with specifically defining CRE alignment. Especially since I could not find a directly related Dutch translation, it made me think more about the subject itself. Therefore for a little while the definition of CRE alignment remained rather vague.

Towards the end of the P2 phase, the definition of CRE alignment became more clear, as I was conducting a critical literature review and thus reading more about the subject. Although I passed the P2 phase, more time and effort was needed to improve the theoretical framework, as it seemed that some parts were missing while they were important to include in the research. Therefore, one period was taken to improve the theoretical framework, the interview protocol but also to contact CRE managers from practice. This to ask them if they were interesting in cooperating in this research.

As time went by, finding corporations who would want to cooperate in this research was hard. It seemed that everyone was really busy and a long time passed by before I got the message that multiple corporations wanted to cooperate. In the meantime, it gave me the opportunity to adapt the theoretical framework and to be really prepared for the interviews. To already get an idea of what the interviews would look like, I went to one of the interviews the other graduation student was conducting. The deal was that for me to be present there, I would transcribe the interview and she would help me by explaining what her research method looked like and how she conducted and processed the interviews. This really helped me to understand what I needed to do.

In the end, within a time frame of three months, twelve interviews have been conducted. In the beginning I noticed that I was not asking enough, but as I conducted more interviews I noticed that the conversations became more easy and I was asking a lot more questions.

In the period I was conducting the interviews, I was also busy transcribing the interviews and making them ready to code in Atlas.ti. Since most of the interviews were held by phone or through Skype, not every audio recording was at its best, which took a lot more time to transcribe these interviews.

After all interviews were transcribed, they were coded in Atlas. Ti. This coding was an iterative process, as I kept checking whether I used the codes in the same context for the same meaning. The reason was that I wanted to make sure that there was consistency and that I could draw conclusions from the data. In the end, I think I should have done that after I finished one of two interviews, because then you really

know the meaning and don't need to keep switching between two interviews. This would have saved me a lot of time.

What made me really more enthusiastic about this topic, is that during the conversations I had with the real estate managers from practice, they really were interested in the outcome and mentioned that is was a really interesting research.

3. Research methods and validity of findings

This paragraph reflects on the data collection, data analysis and the validity of research findings for this research.

Due to the time frame, the amount of multinationals that have been studied is limited. In order to make a more broad comparison and involve more corporations more time is needed. However, in this timeframe for the graduation process that was not possible. Therefore only six corporations could be studied. Six corporations were studies and only two of them were in the same industry. In order to generalize the results and to really make a valid comparison between the corporations, more multinationals in the same industries have to be studied. In addition to that, more people of the corporations have to be interviewed, as for now only the corporate real estate manager was interviewed. So therefore the view presented in this research is based on one view, which will not result in valid results. By including more views, a much better overview can be given on the actual practice.

Regarding collecting the data, there were also some limitations. For the document analysis, confidential documents needed to be studied. However, not all corporations were willing to share these documents. Therefore the results in this graduation research are solely based on the interviews and the documents that were provided and found online. Therefore, it can be said that crucial information is missing and there it not a complete overview of the practice of CRE alignment.

Regarding the methods used in this research, there were also some limitations which have influence on the validity of the results. In coding the transcripts of interviews, the developed coding scheme was used. Based on research of the other graduation research, this scheme has been expanded with more descriptive values. However, the way someone interprets a quote of the multinational can differ per person as they might have a different understanding of the thing that is being researched. This is a limitation as it can lead to different results and the validity of these results could be questioned.

References

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