

Summary

The care sector in The Netherlands is changing rapidly due to (upcoming) changes in the care legislation. The government tries to stimulate more market forces and tries to create an environment where care institutions have to behave more like profit organizations in stead of non-profit. Many of these organizations still feel threatened by these new market forces, because for over fifty years, they played by the rules of the government.

Their (often) inexperience with CREM and real estate strategies, can cause troubles for their organizations when the market mechanism is at full speed and when new entrants arrive in this market. Therefore, it is eminent that care institutions develop a solid corporate strategy and real estate strategy. The research objective for this study is:

Provide founded comprehensive information in order to aid care institutions in choosing the optimal real estate strategies.

The care sector

Most of the developments influencing the care sector start with one basic development: demographics / the ageing of society. The large group of retiring elderly results in a much smaller working population. This has two effects. The first one is a substantial shortage in personnel that can take care of the large group of elderly. The second one is that this smaller working population cannot provide enough tax money to keep the social security system as extensive as it was the last decennia. The government slowly changed their policy and legislation and stimulated the separation of living and care. They are also trying to stimulate the market forces by changing the reimbursement system. The new generation of elderly is also different from the current generation of elderly. This new generation is much more emancipated and they have their own specific demands.

These developments will place care institutions in a more competitive market. They will have larger financial and organizational risks and they will have to deal with more demanding elderly. According to the experts, this will result in a sector with more mergers and private initiatives. There will also be more focus on home care and nursing homes and less focus on care homes. The care institutions will have to confer to the market and pay more attention to the demands of the elderly. The elderly often prefer to live independently for as long as possible, small-scale living will become more popular and they want more differentiation in order to chose the accommodation that suits them the best.

Alignment between strategies

The new developments in the care sector and especially the developments concerning real estate can have a far reaching effect. Therefore it is important that care institutions can make the most optimal decisions concerning their real estate. In order to add maximum value to the organization, real estate strategies have to be aligned with corporate strategies. Therefore, 8 scientific studies, which claim to align corporate and real estate strategies, were analyzed. This analysis showed different variations of possible alignments between the strategies. However, each study had its positive and negative aspects. The studies varied a lot in corporate strategies. This phenomenon was largely responsible for the differentiations in the alignments. The studies varied less on the real estate strategies. This is not surprising, because there is little research done in this field and therefore most of the studies refer to the same sources. After analyzing the studies, the choice was made to focus on the alignment of the first step of strategy formulation with real estate strategies. To try to create a complete alignment between corporate strategies and real estate strategies is a complex and time consuming task; therefore this thesis limited itself to the first step of strategy formulation. This first step is

represented by the concept: driving forces. This concept from Tregoe & Zimmerman (1980) was seen a few times in the analyzed studies and was representative for the first step. The real estate strategies that would participate in the alignment are a mix of all strategies, but are most comparable to the strategies of Lindholm, Gibler & Leväinen (2006).

Alignments in the care sector

To establish a reliable alignment between the driving forces and real estate strategies, experts in the field of care were interviewed extensively and they were asked to present their views on the care sector and on the alignments. They were asked to indicate the importance of real estate strategies to the driving forces. These results can be found in figure a.

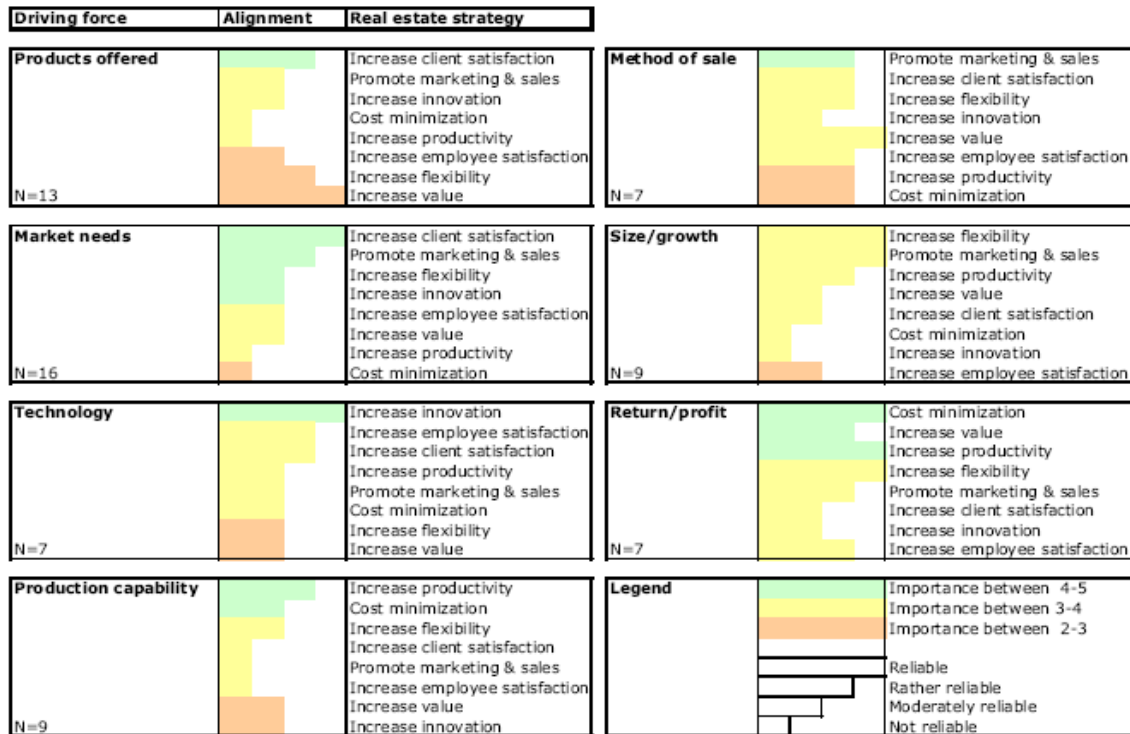


Figure a: Overall alignment between the corporate strategies and real estate strategies as indicated by the experts.

The individual alignments show that for the most important driving force in the future according to the experts, 'market needs', the real estate strategy 'increase client satisfaction' is the most important. This is remarkable, because this real estate strategy was added by a group discussion with Coresta Healthcare and has not been studied in scientific studies before.

This overall alignment is established specifically for the care sector, is realized with a limited number of experts and the results diversify in reliability. Therefore, this alignment is limited in its practical usage. However, it provides insight into the importance of each real estate strategy for each driving force. It shows how the experts view these strategies and it shows the areas in which the experts still have many disagreements. Decision makers in care institutions are stimulated to think about their corporate strategies and their real estate strategies in a different perspective. They are stimulated to rethink their current strategies and start at the basis of their organization again. Together with their own exploring of their care institution, the established alignments in this study can provide guidance for a more optimal alignment with their real estate.

Recommendations

Recommendations are made in order to increase the reliability of the alignments, for example more respondents, testing with case studies and in a time were there is less uncertainty in the sector. It is also recommended that more research should be done in the next steps of the alignment to make the alignment more complete. Also the real estate strategy increase client satisfaction should be explored, because this new strategy is indicated the most important in the future.