

Enhancing the Alignment Process between CRE & Organisational Strategy

September 10th 2013

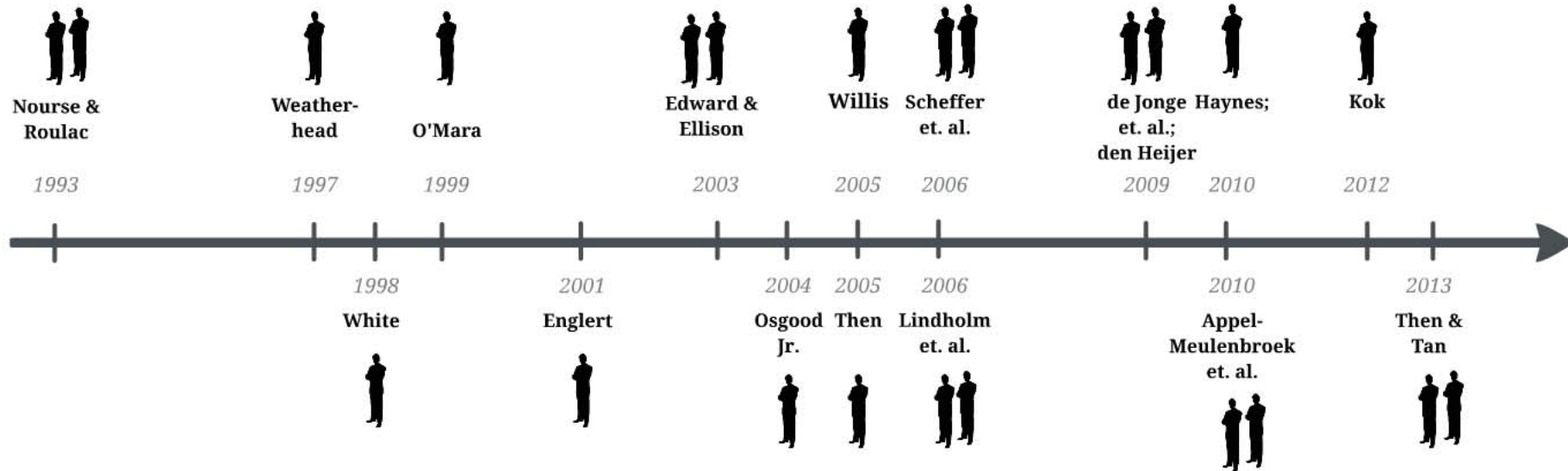
ir. M.H. (Monique) Arkesteijn

m.h.arkesteijn@tudelft.nl
Delft University of Technology

dr. C. (Christopher) Heywood

University of Melbourne

CRE alignment long-standing issue



CRE practitioners are able to answer surveys on the **positive state of their CRE alignment**

(Bon et al., 2002; DEGW, 2006; McDonagh, 2008).

Artefact, plan



Process



State



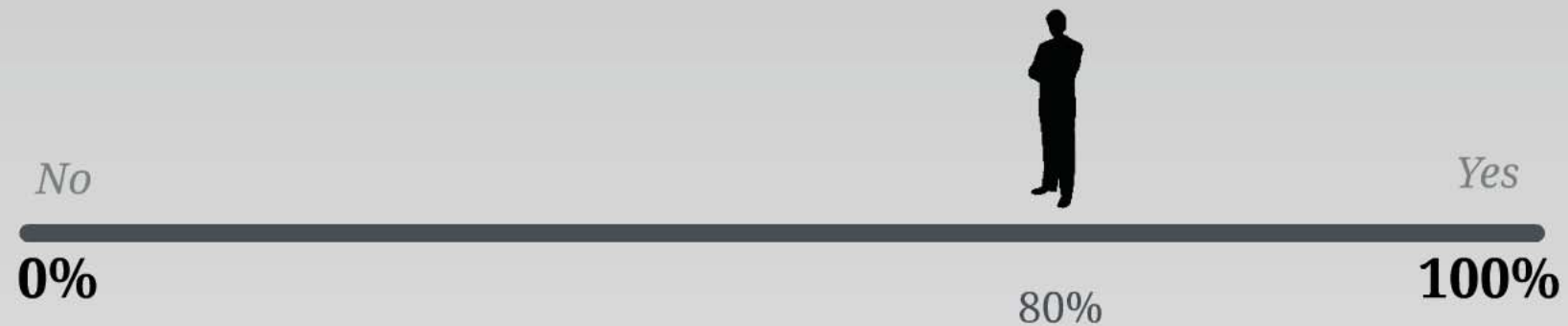
Behaviour



Other



I know our CRE portfolio is aligned:



Artefact, plan

Process

State

Behaviour

Other



Nourse &
Roulac



Weather-
head



Englert



O'Mara



Then &
Tan



Then



Osgood
Jr.



de Jonge e.a.
den Heijer



Scheffer
e.a.



Edward &
Ellison



White



Haynes



Lindholm
e.a.



Wills

Artefact, plan

Process

State

Behaviour

Other



Nourse &
Roulac



Weather-
head



Englert



O'Mara



Then &
Tan



Then



Osgood
Jr.



de Jonge e.a.
den Heijer



Scheffer
e.a.



Edward &
Ellison



White



Haynes

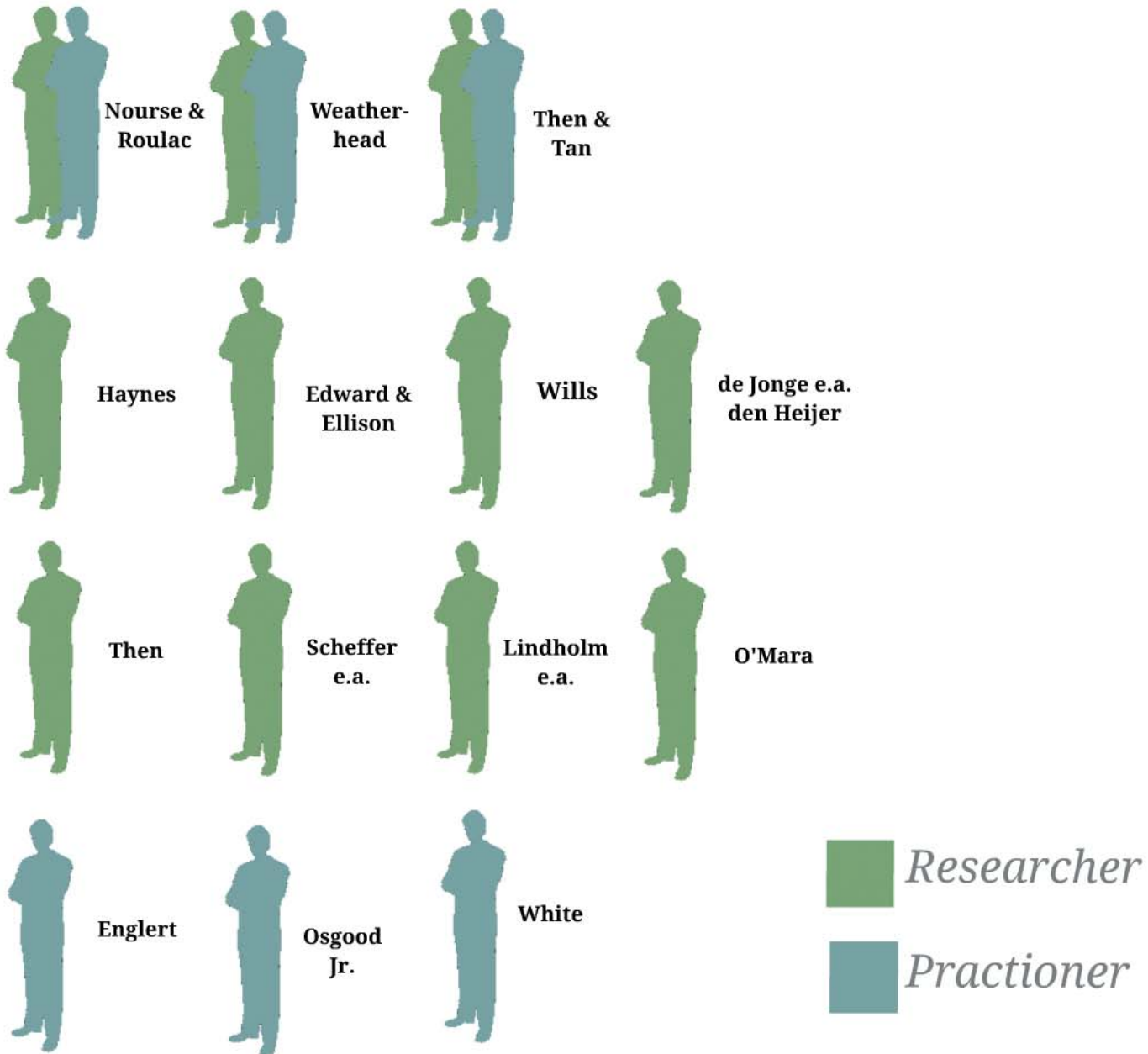


Lindholm
e.a.

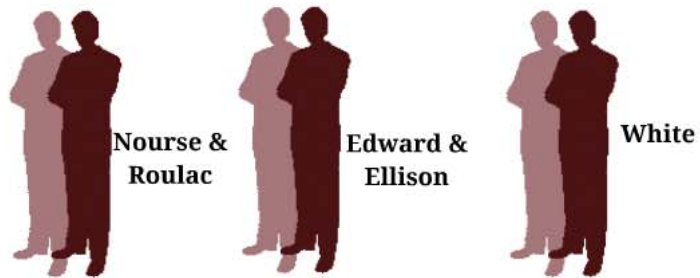
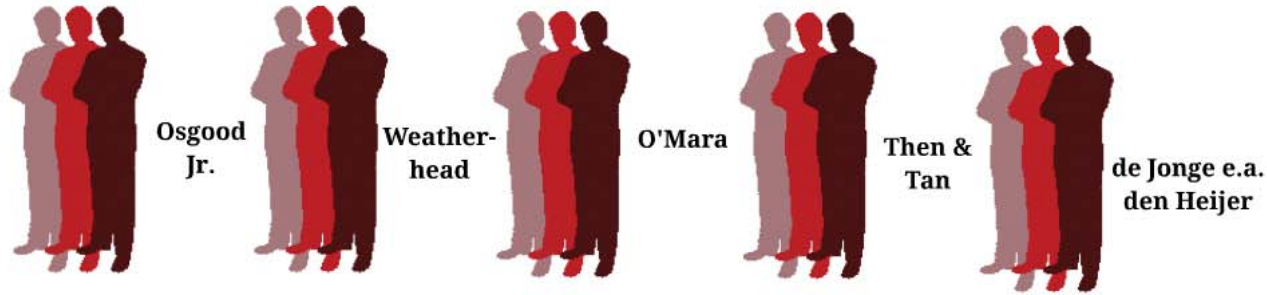


Wills

Author type



Scientific basis



Two current approaches to alignment

1. Single factor determinism:

2. Alignment models based on Algorithm □

Location

1. Location

Workplace

2. Workplace

CREM's management forms

3. CREM's management forms

Property tenure

4. Property tenure

Capital finance

5. Capital finance

Etc.

6. Etc.

I want CRE alignment to focus on:

*Single factor CRE
(Determinism)*

100%

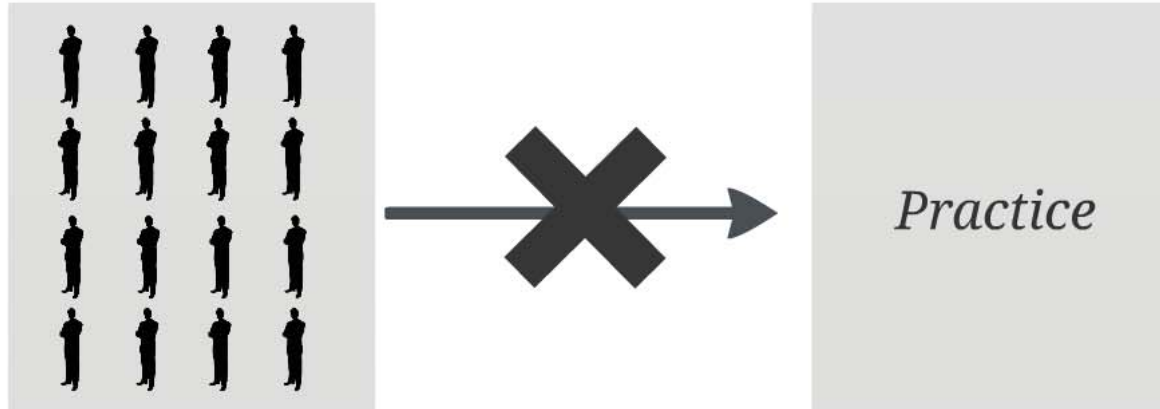
Both equally

50%-50%

*Multidimensional
alignment (Algorithm)*

100%

Problems current algorithmic alignment models



I know the CRE alignment models:

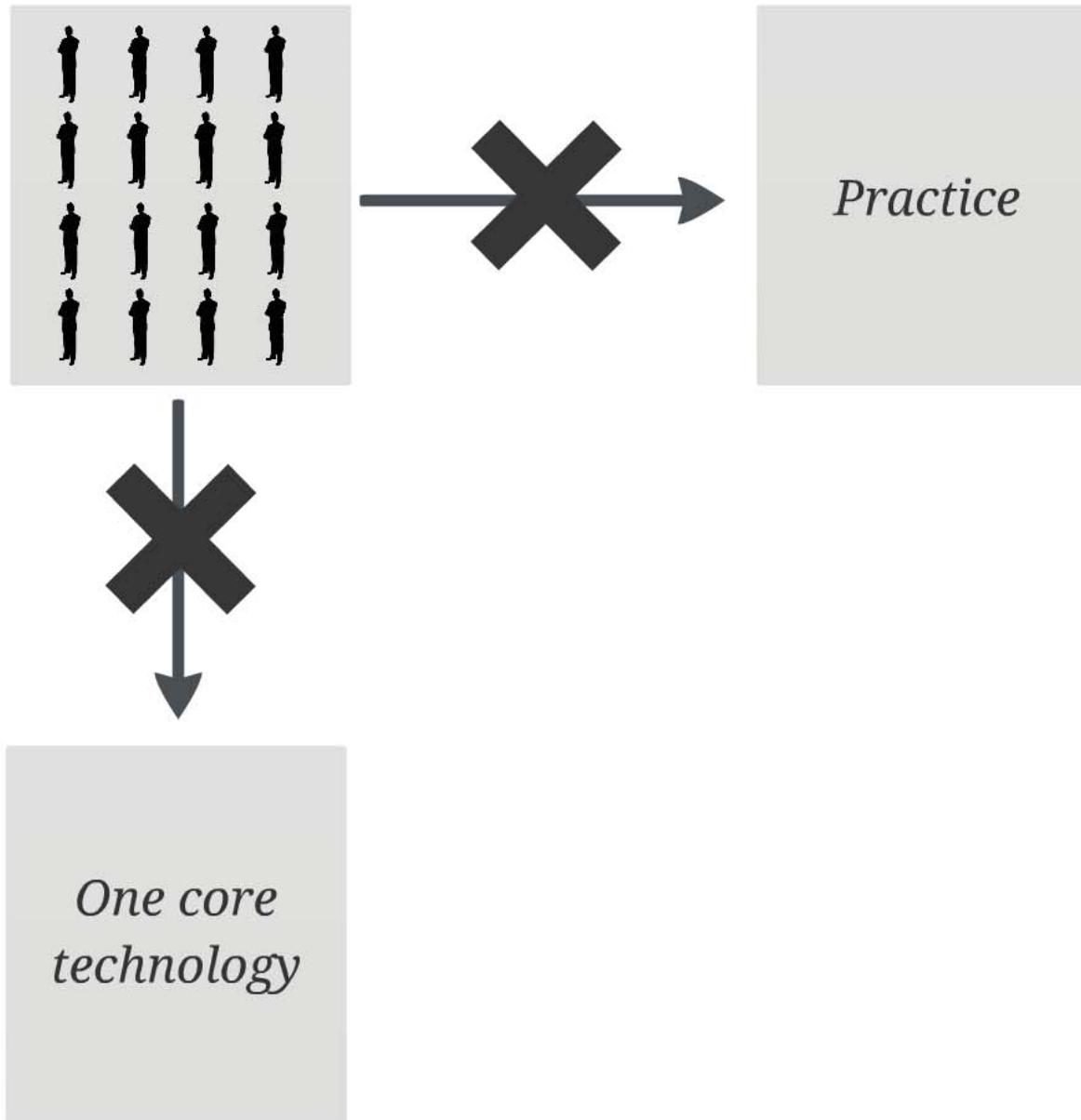
No

Yes

0%

100%

Problems current algorithmic alignment models



**Practioners want a core technology
of strategic alignment.**

No

Yes

Towards a core technology

- A** [
- By using four building blocks
 - By using four strategy styles
 - By linking the models to a simple framework
 - By knowing the alignment approaches
-]

B [

Adding three new approaches
to the two current approaches

]

Building blocks and Components

1 [Strategic triggers
Corporate strategy formation
Business drivers and forces
Internal strategic drivers]
Understanding corporate strategy

3 [CRE strategy formation
Strategy integration (alignment)
Integration with other corporate
functions (CIS/IRIS)]
Making real estate strategy

2 [Audit of existing Real Estate
Assess the effect of CREM actions
Real estate market data/information]
Understanding real estate performance

4 [Actioning the real estate intervention
Actioning the required CREM
practices]
Implementing real estate strategy
Real estate operating decisions






Included explicitly in the model



Implied in the model



**External to described model,
but in the text**

-  Included explicitly in the model
-  Implied in the model
-  External to described model, but in the text



Building Block 1

Understanding corporate strategy

- Strategic triggers
- Corporate strategy formation
- Business drivers and forces
- Internal strategic drivers



Building Block 2

Understanding Real Estate performance

- Audit of existing Real Estate
- Assess the effect of CREM actions
- Real estate market data/information



Building Block 3

Making Real Estate strategy

- CRE strategy formation
- Strategy integration (alignment)
- Integration with other corporate functions (CIS/IRIS)



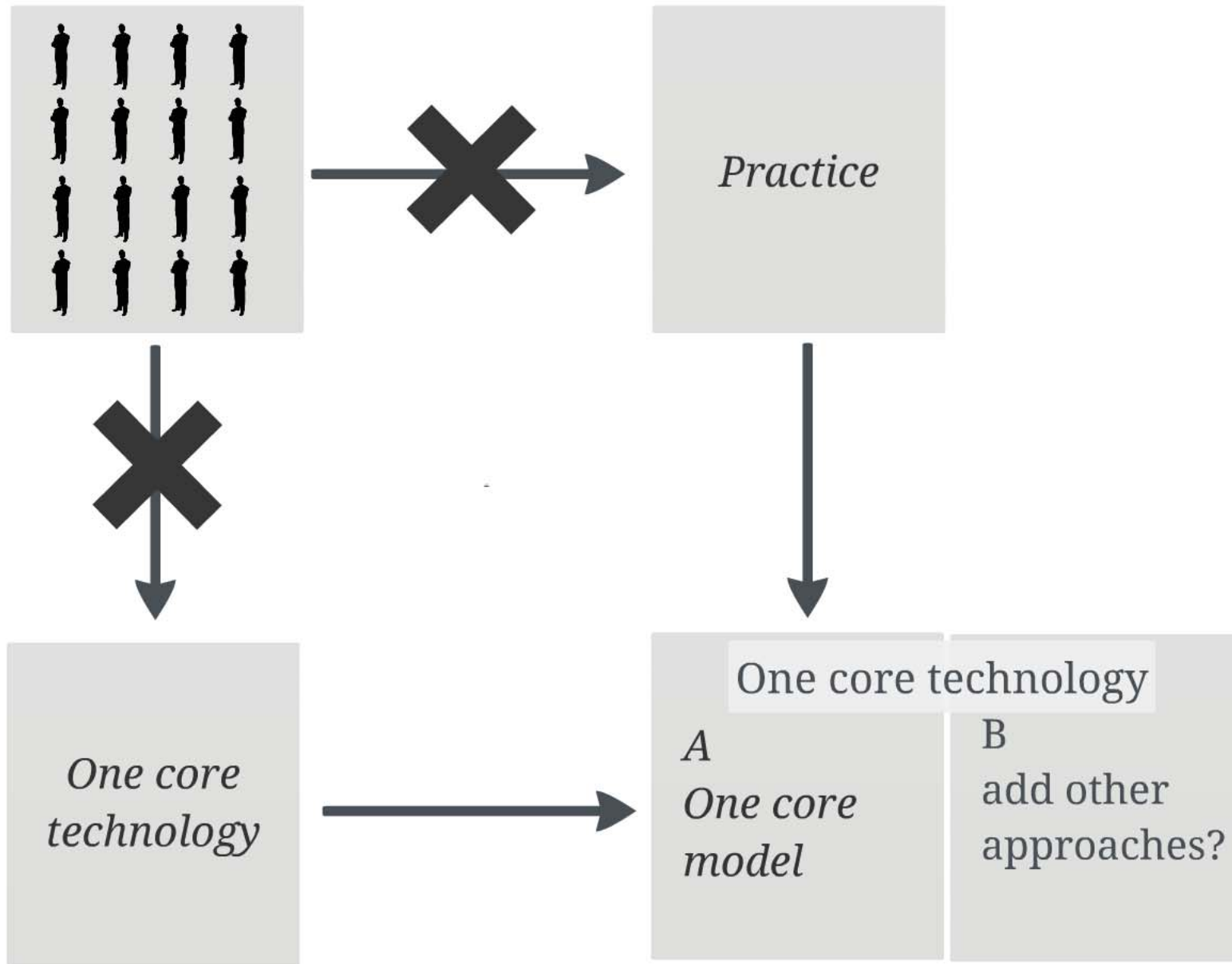
Building Block 4

Implementing Real Estate strategy (Real Estate operating decisions)

- Actioning the real estate intervention
- Actioning the required CREM practices



Future research



Five possible conceptual approaches

Single factor determinism
Algorithm alignment models

A Prevalent

Heuristics
Wicked problems
Game theory

*B add new
approaches*

Discussion

Where should the future research focus on?

- *Which alignment approach do you use now?*
- *Which alignment approach do you prefer in future and why?*