

An aerial view of a city with a grid of red lines overlaid, suggesting data or risk analysis. The lines are thicker and more prominent in the foreground, fading into the background. The city buildings are visible through the grid.

Jeroen Meijler

4144562

Delft University of Technology

Risk mitigation in location decision-making

Adapting the preference-based accommodation
strategy design approach to incorporate risk mitigation

A look into the

Future

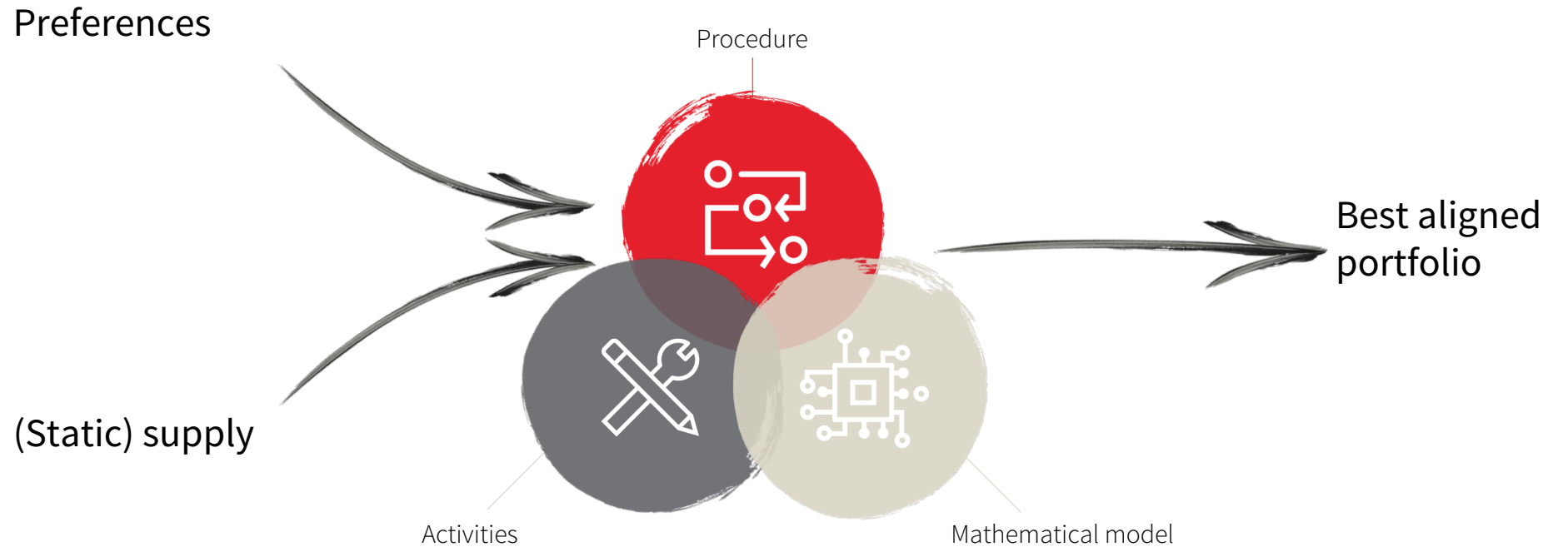


How can *Risk management* effectively be
incorporated in a *Preference* - based
Location decision-making process?



Matching supply to preferences

The Preference-based Accommodation Strategy design approach





A changing world

Building

- Sustainability improvements

City

- Changing accessibility

Region

- Dynamic demographics

Country

- Unstable economic conditions





Changing location characteristics pose a
risk to the *alignment* between the
corporate real estate strategy and the business strategy

Matching supply to preferences

The Location Decision-Making design approach

Preferences

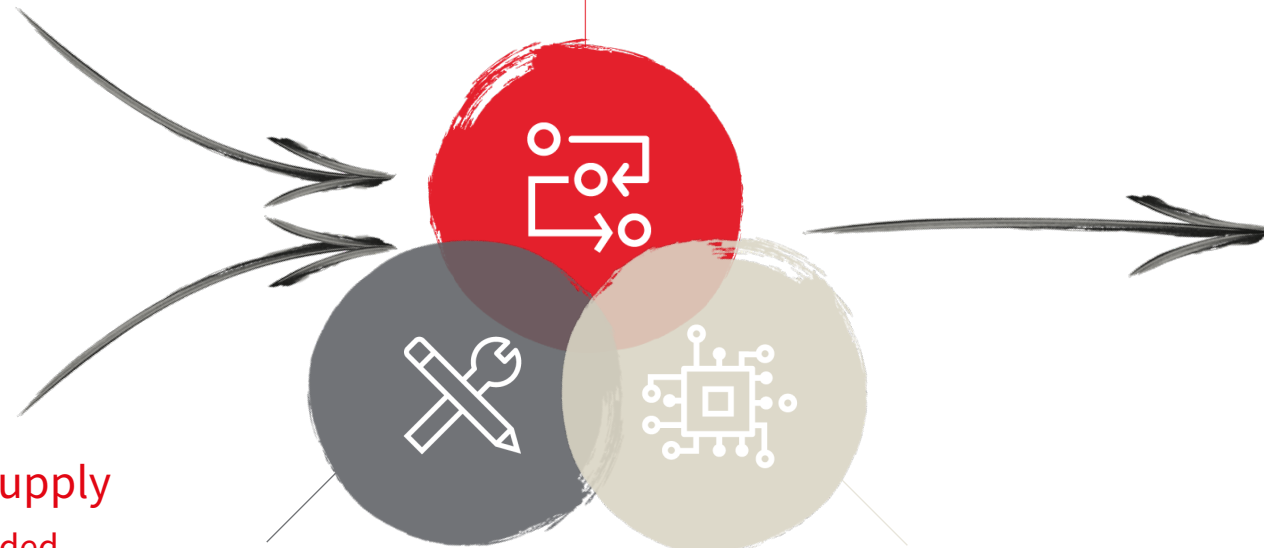
Procedure

Best aligned portfolio

Dynamic supply
Location risks included

Activities

Mathematical model

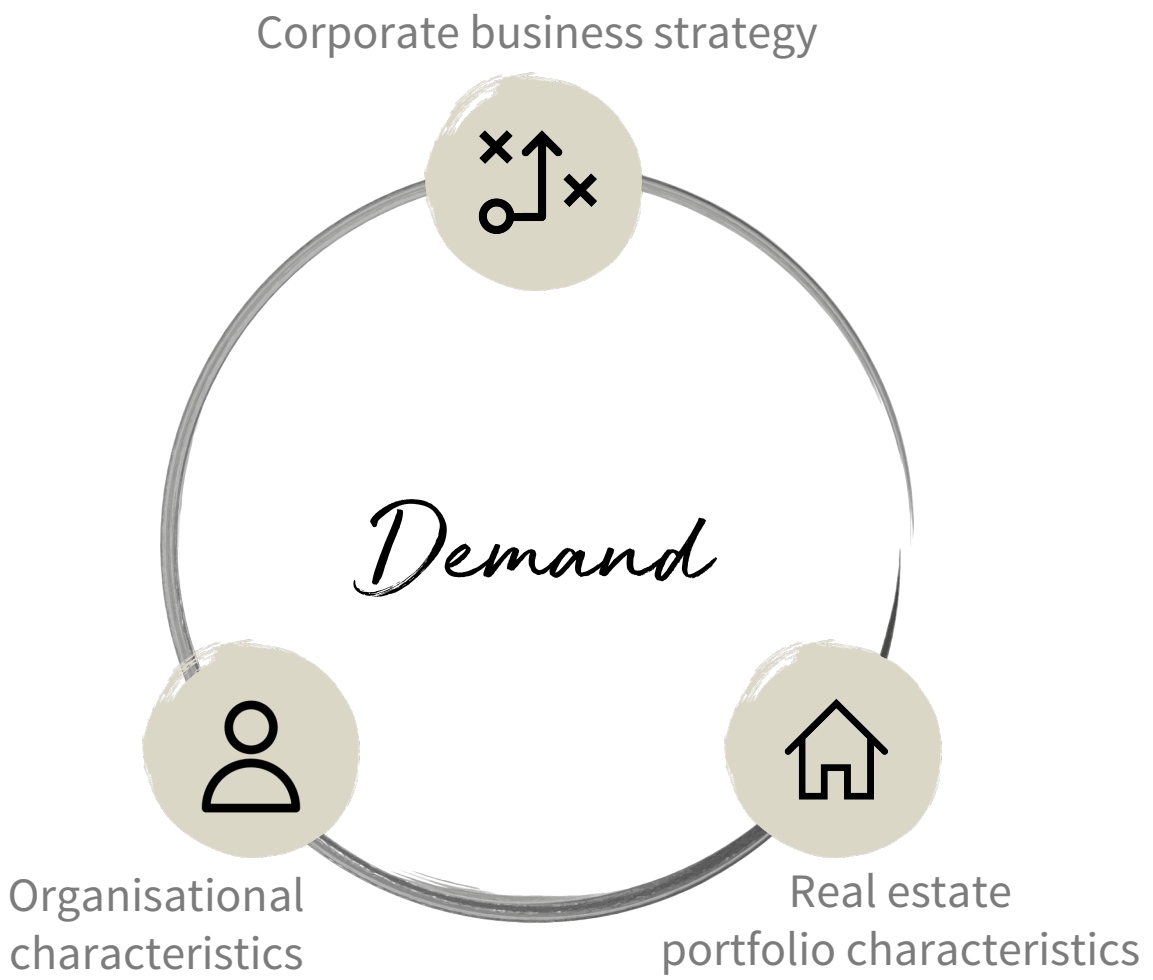








Identifying preference





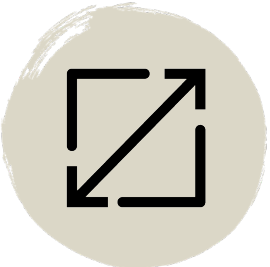
Identifying preference



Talent



Amenities



Space



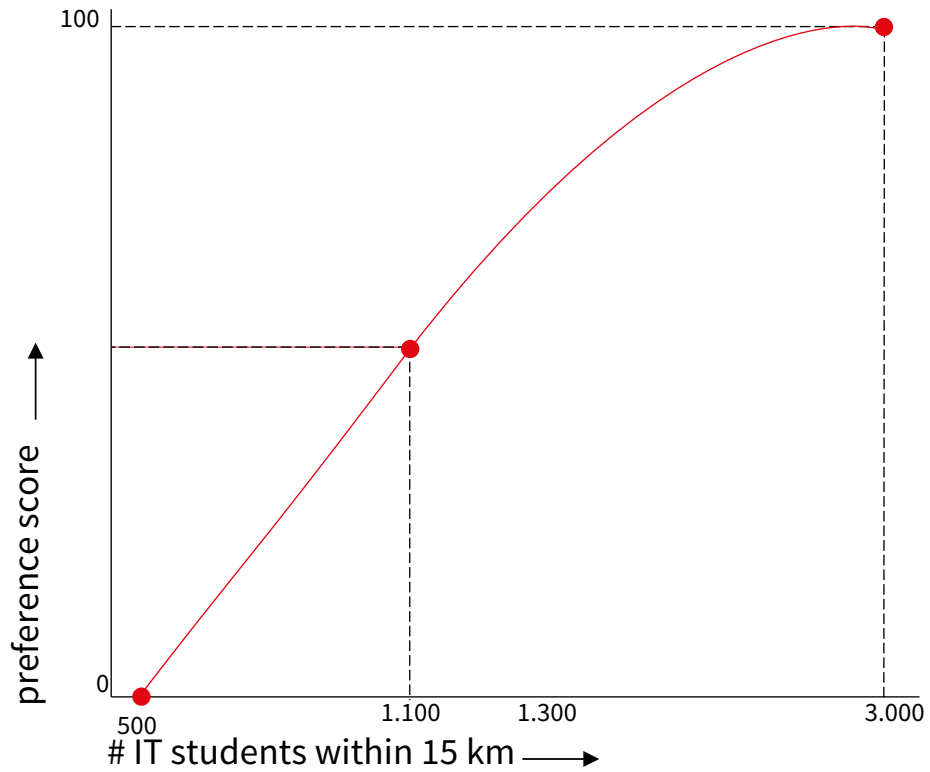
Costs

Mapping preferences (step 1 – 4)

Talent availability

Weight: 0.5

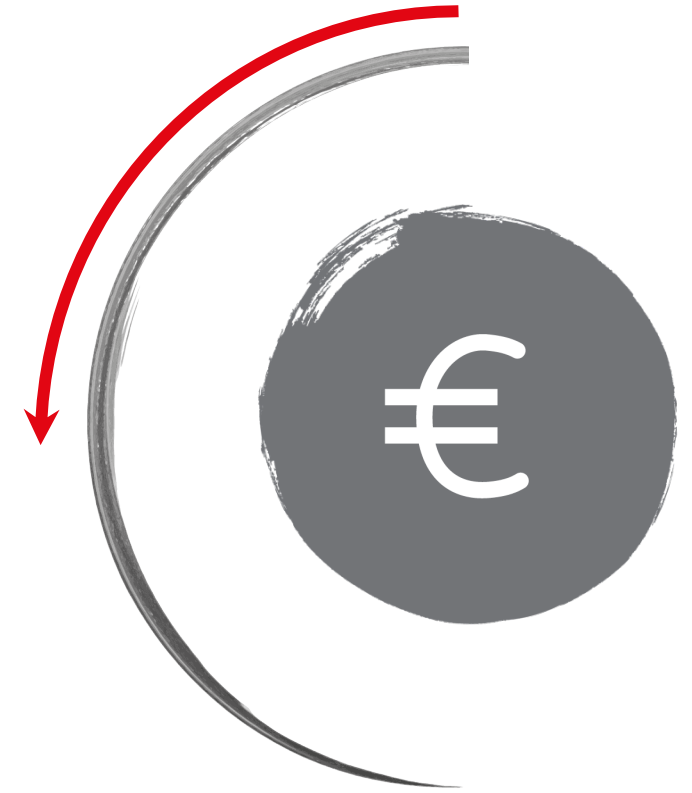
Risk: yes





Determining constraints (step 5)

Not more than €5 mn for entire portfolio.





Selecting locations (step 6)

Amsterdam

Sarphatistraat

Leiden

Hooigracht

Delft

Elektronicaweg

Rotterdam

Blaak

Eindhoven

PSV laan

Utrecht

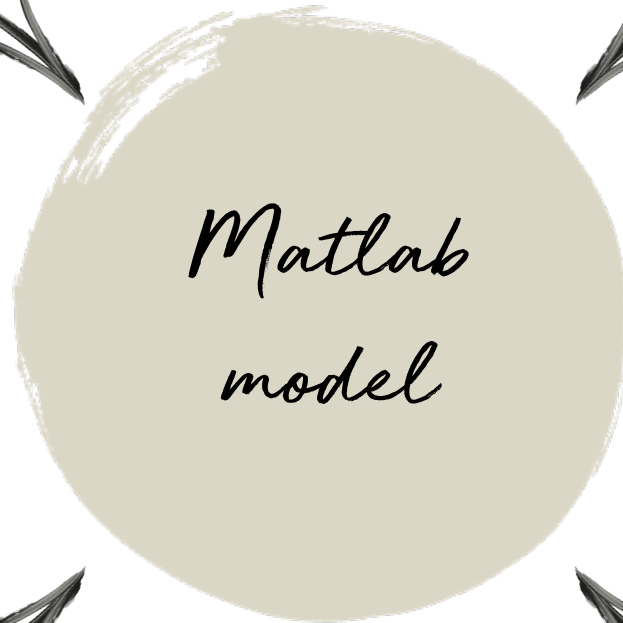
Oudenoord



Building the model

Location data

Preferences



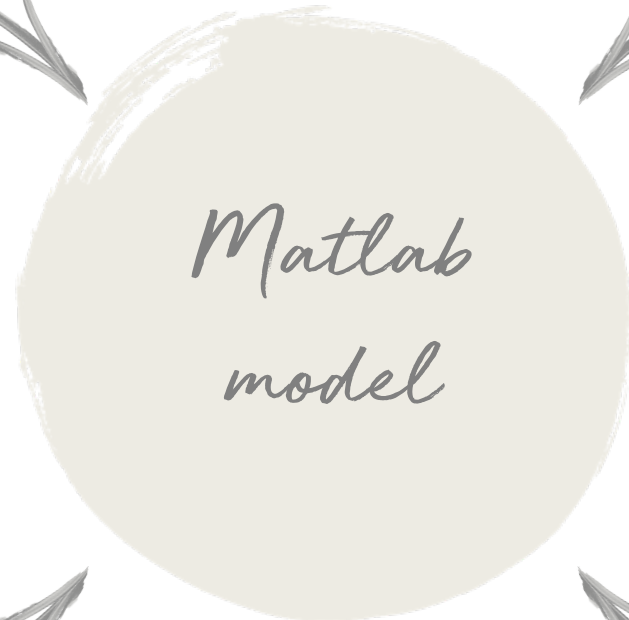
Constraints

Weights & risk appetite

Building the model

Location data

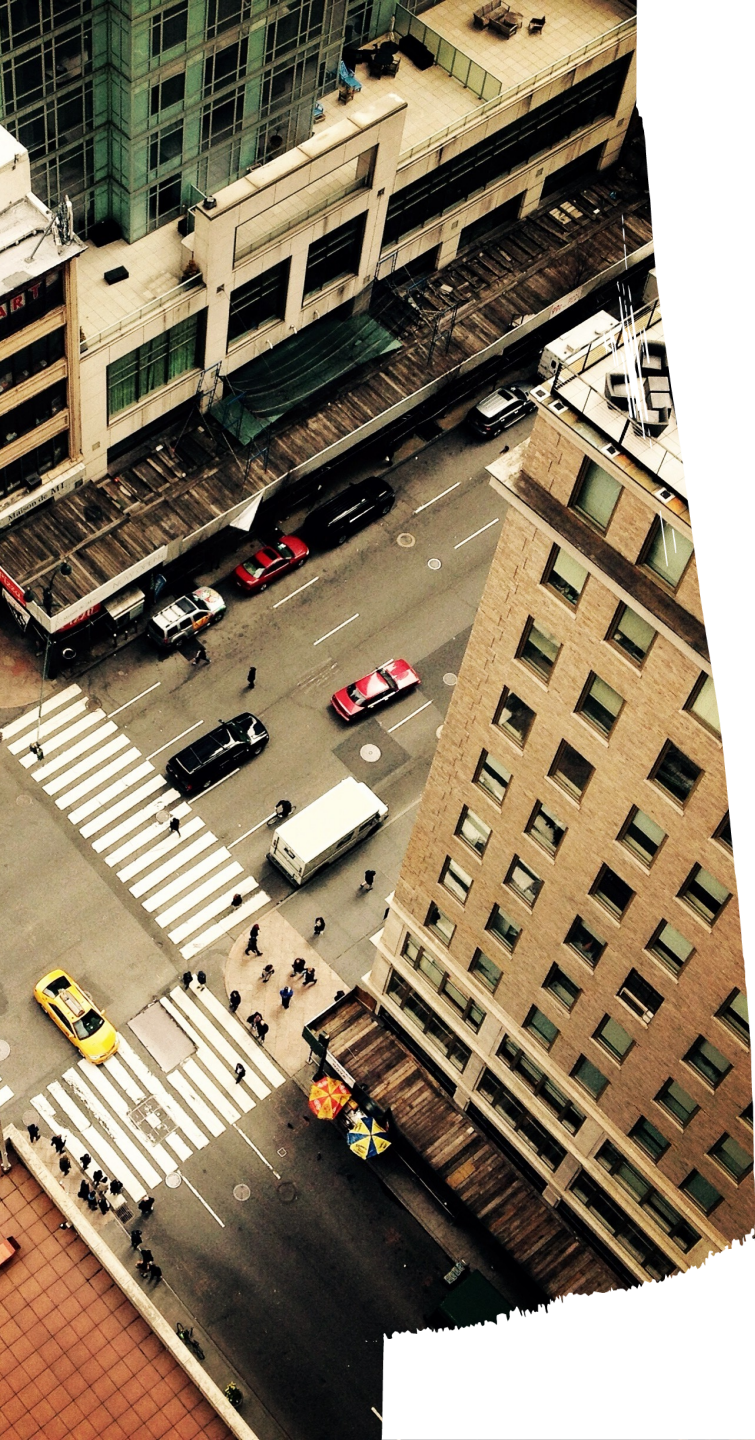
Preferences



*Matlab
model*

Constraints

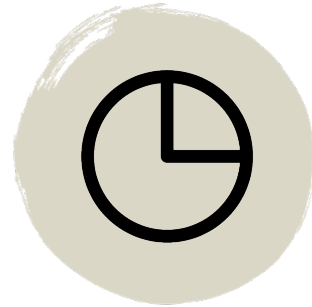
Weights & risk appetite



Risk importance and appetite (step 7 – 8)



50% certainty of the location aligning with your preferences.



Alignment now is slightly more important than future alignment.

Building the model

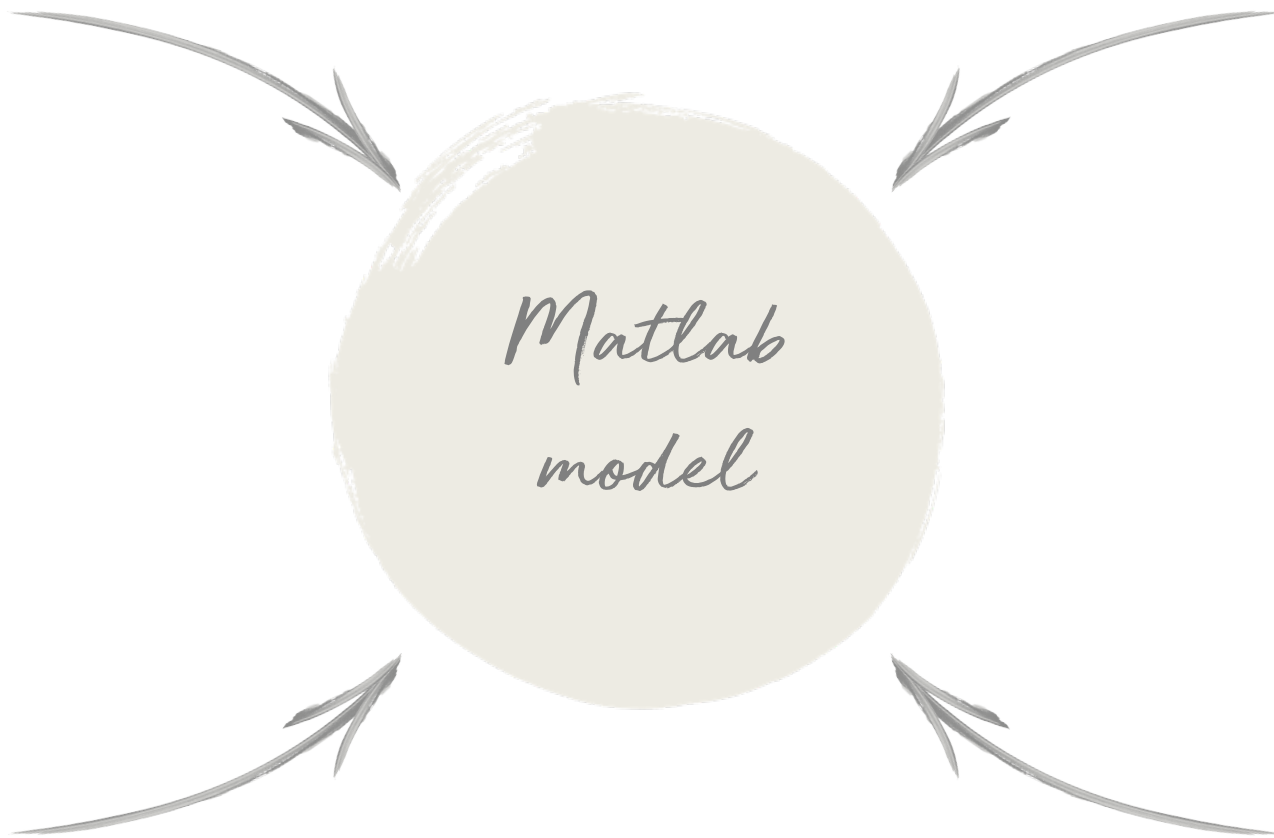
Location data

Preferences

*Matlab
model*

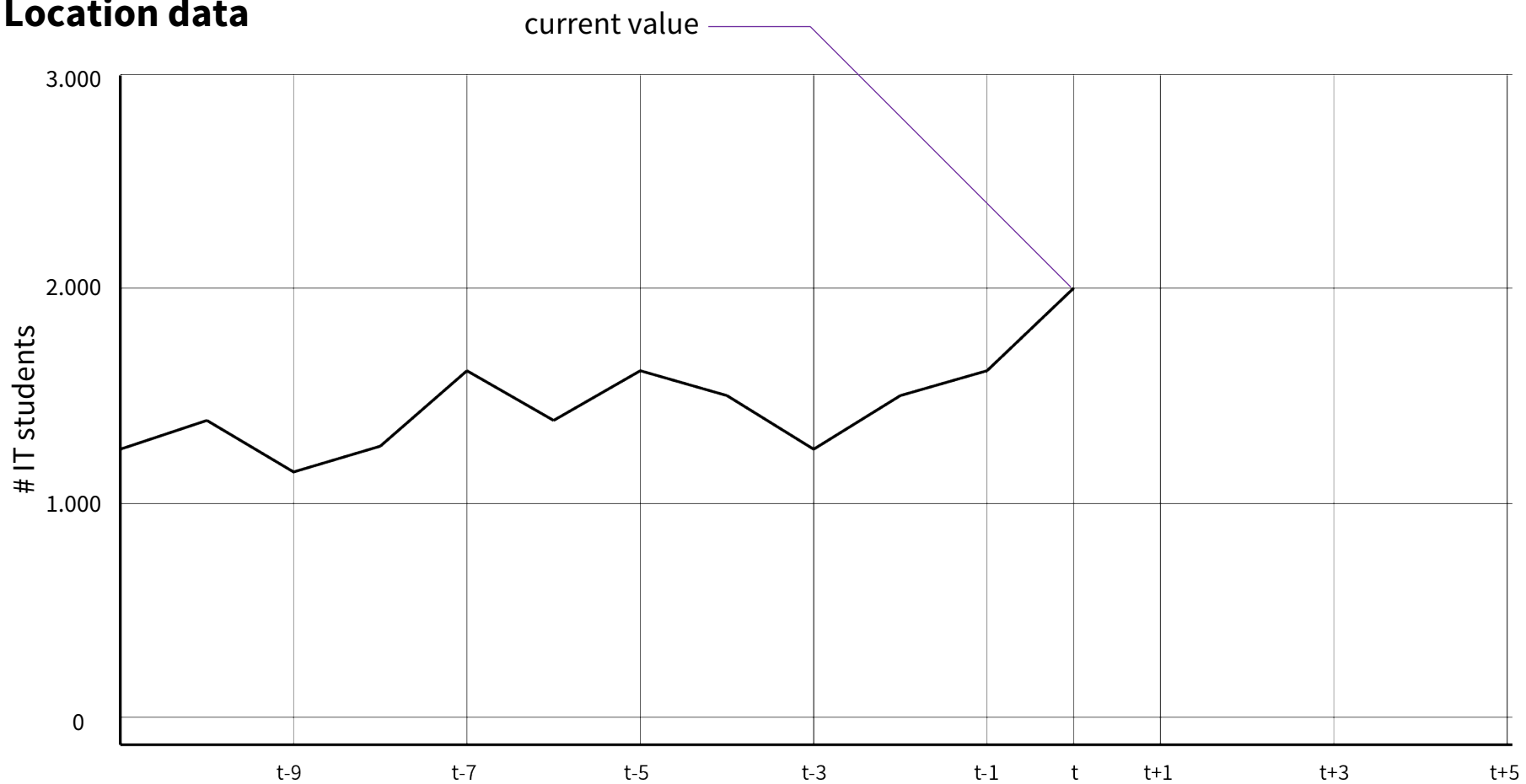
Constraints

Weights & risk appetite



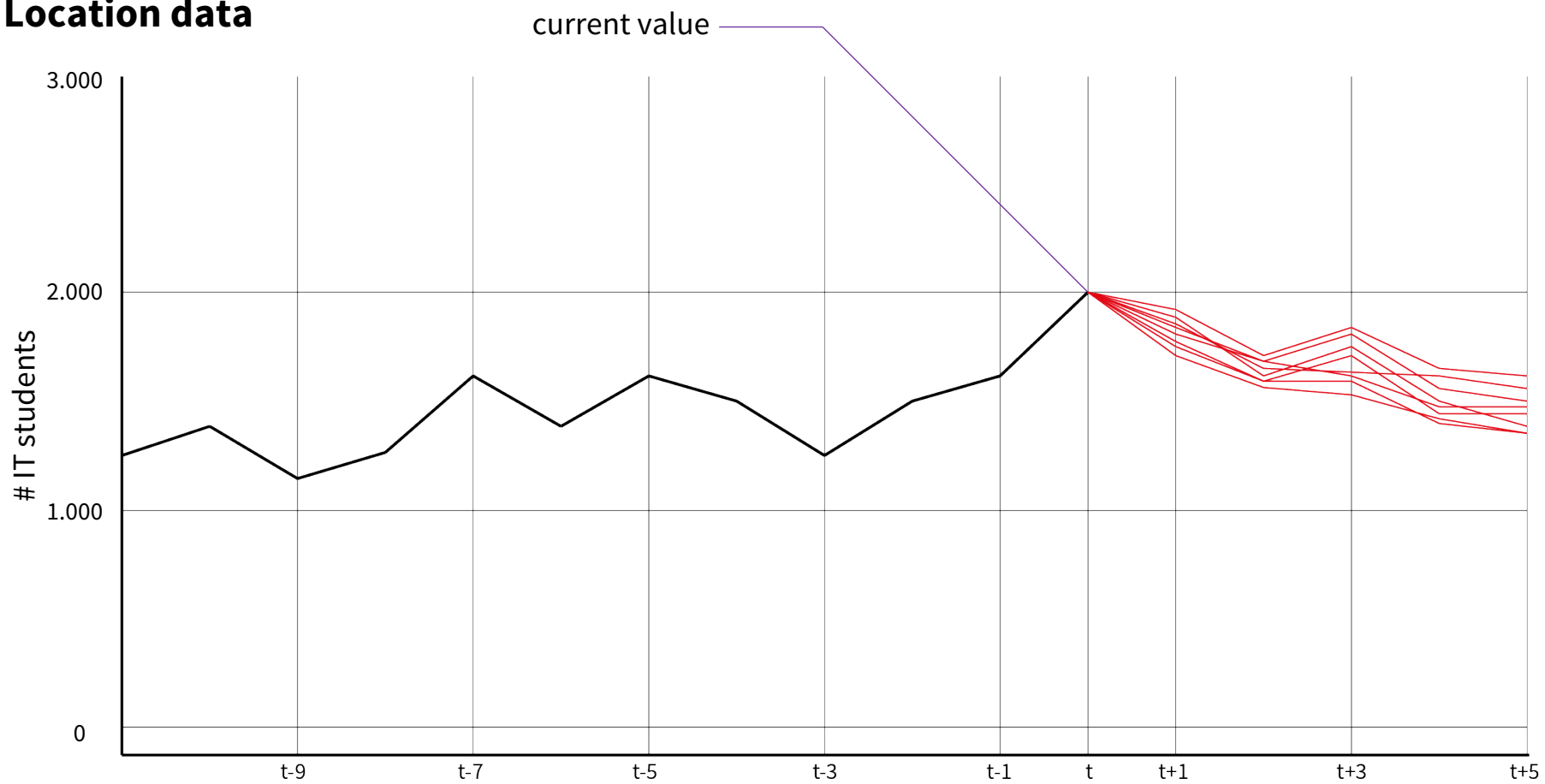
Building the model

Location data



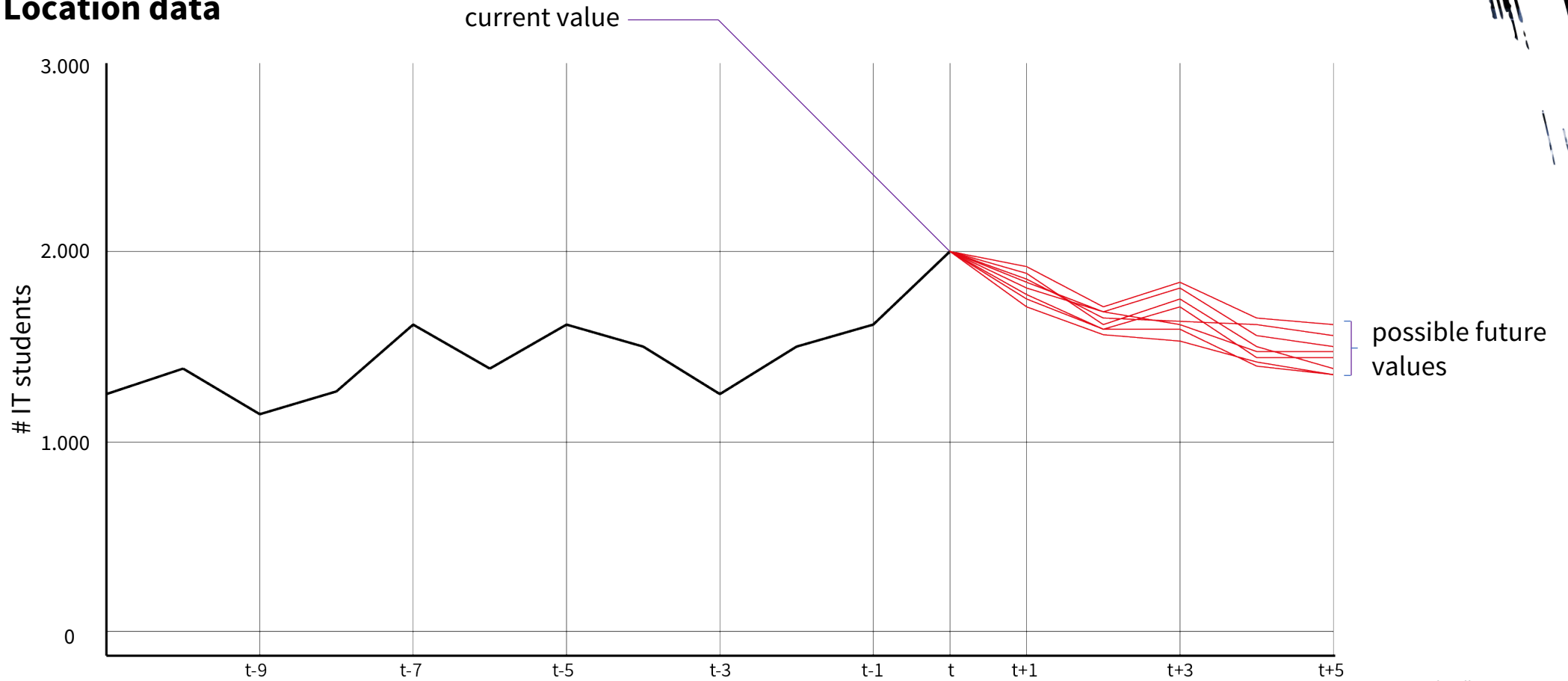
Building the model

Location data



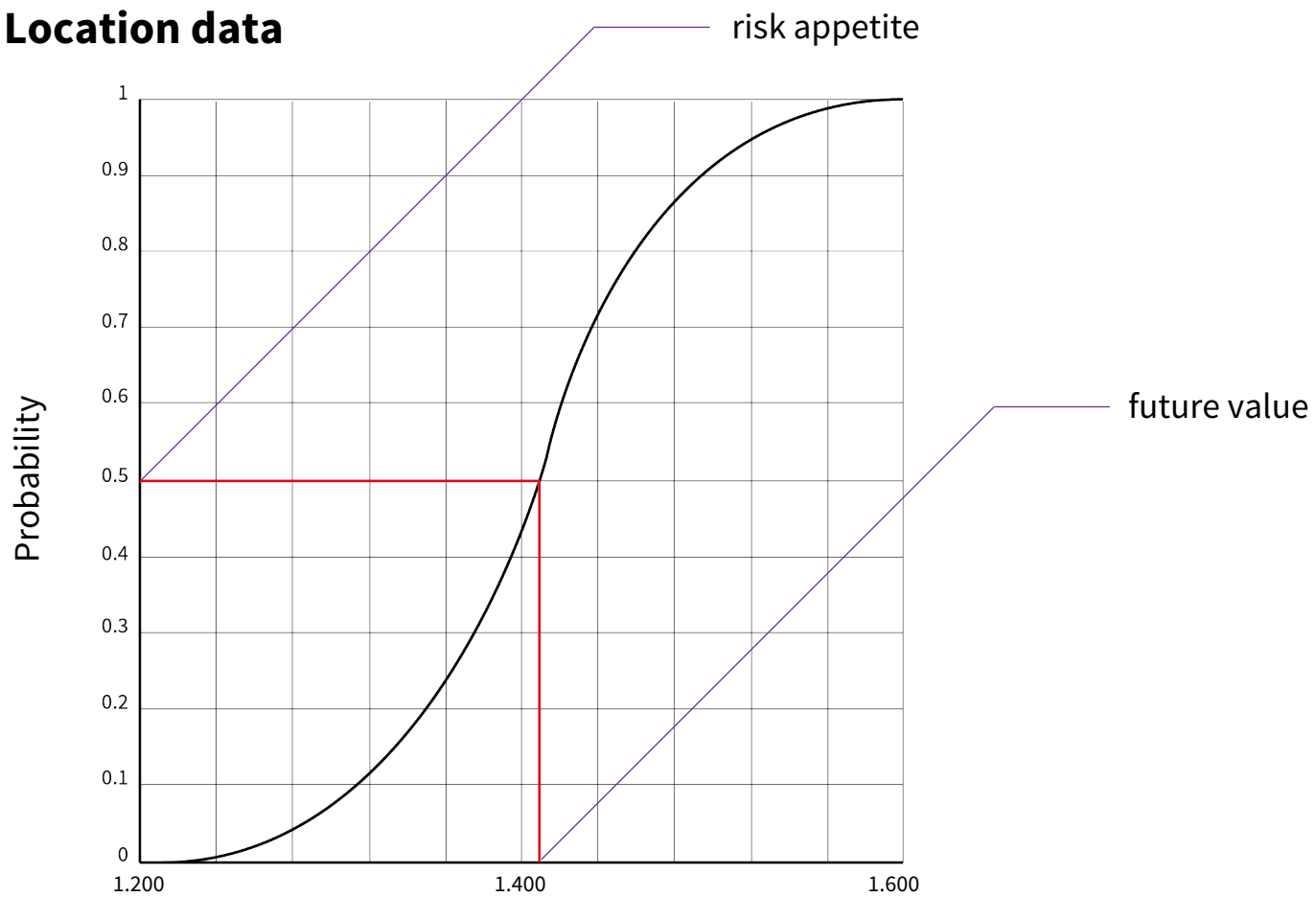
Building the model

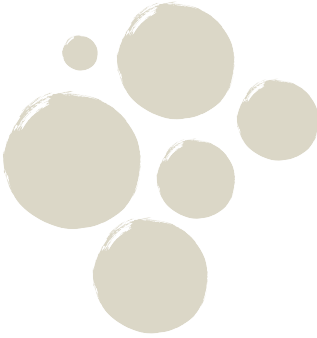
Location data



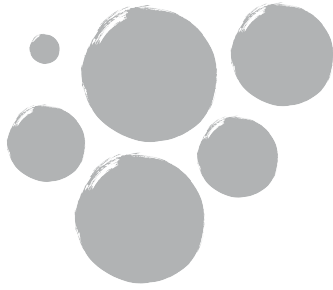
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Location data

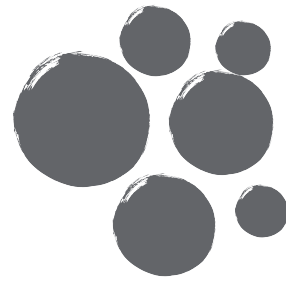




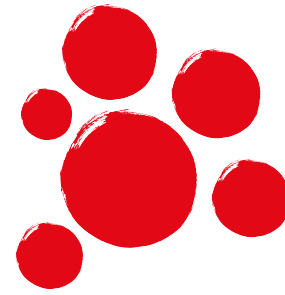
Preferences



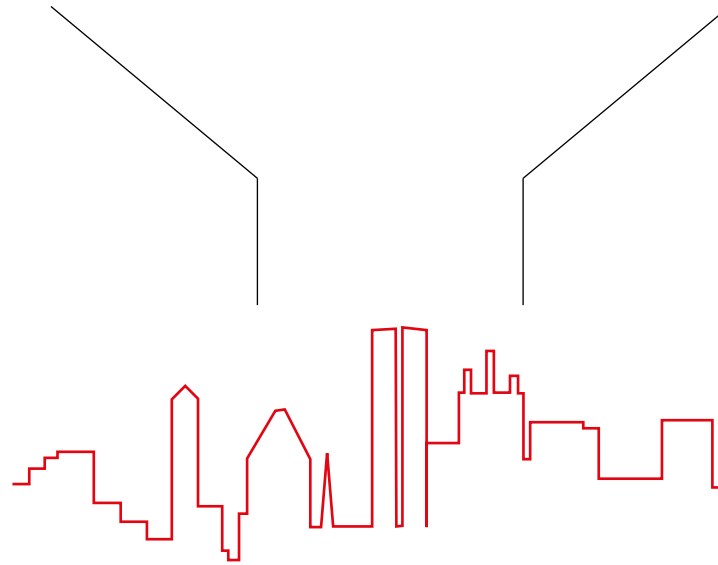
Weights



Locations

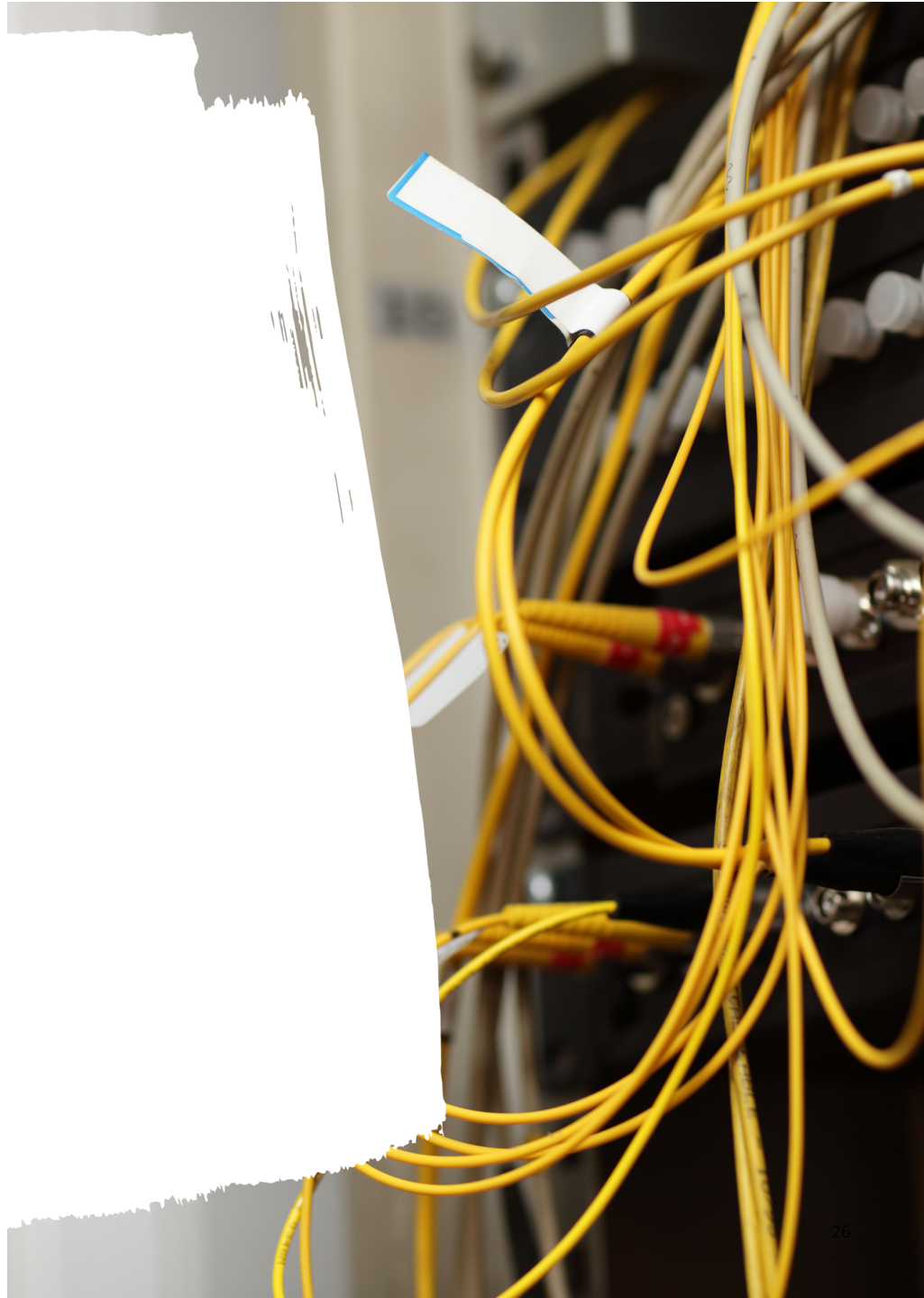


Risk profile

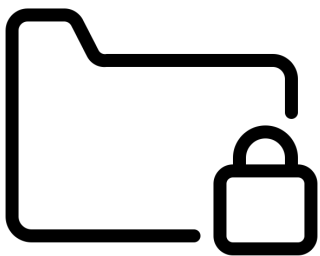


Optimal portfolio

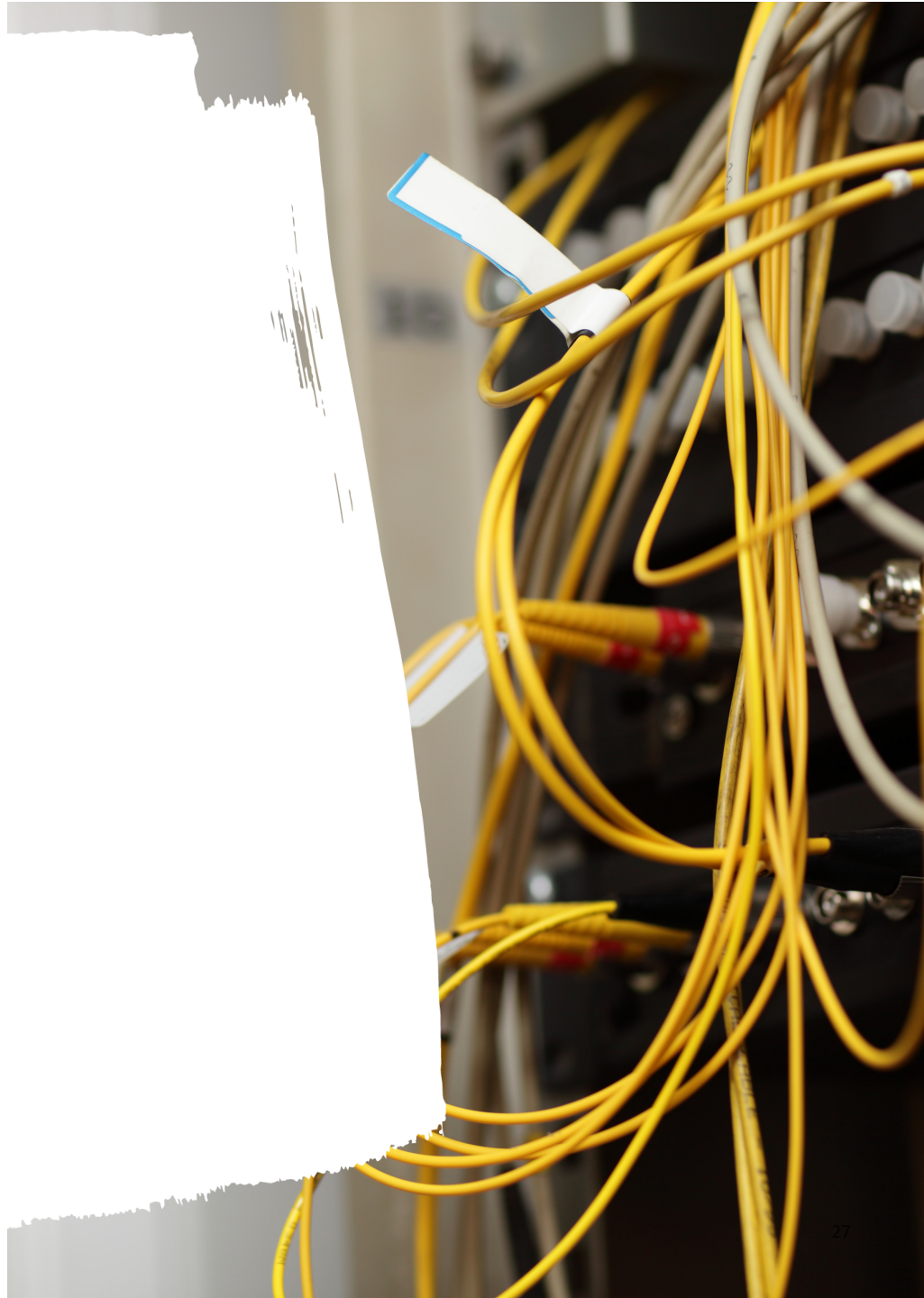
Testing the framework



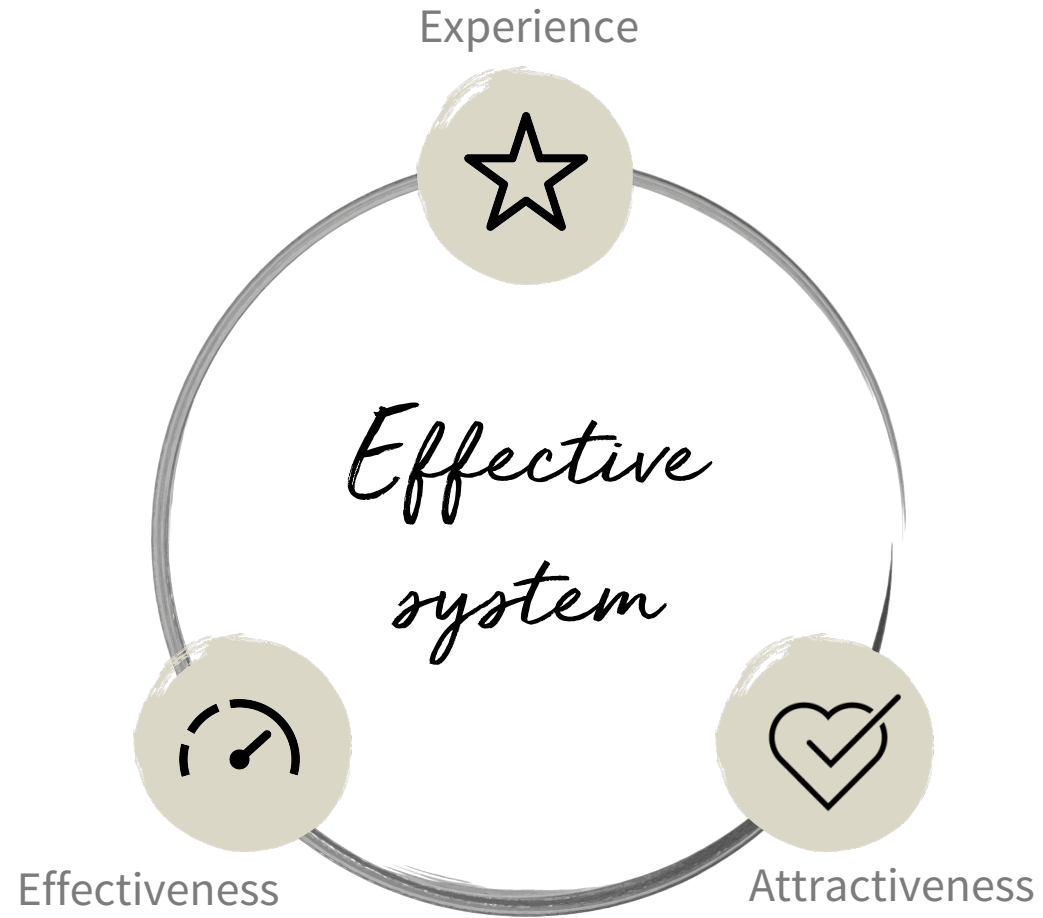
Testing the framework

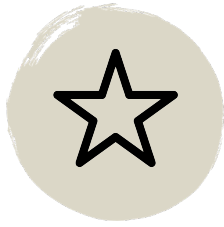


Confidential



Evaluation





Experience

“*Integrating the future* in the model is certainly an *added value*. It forces us to think better on what we find *important* in a location, and how we should run our business.”

Attractiveness

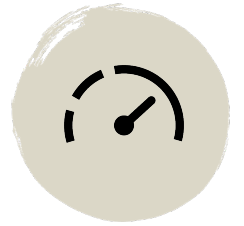


“Playing with selecting the locations helped me to *understand* how the model works, and *increases my faith* in the model in that it calculates everything based on my input.”



Attractiveness

“It would be great if the model would be *dynamic*, that changes to for example the weights could be reflected in *real-time*, as to support the discussion during a workshop even better”



“The model helps in reaching a *substantiated conclusion* and making an *informed decision* on a lot more variables than in the current decision making process.”



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The Location Decision-Making design approach

Preferences

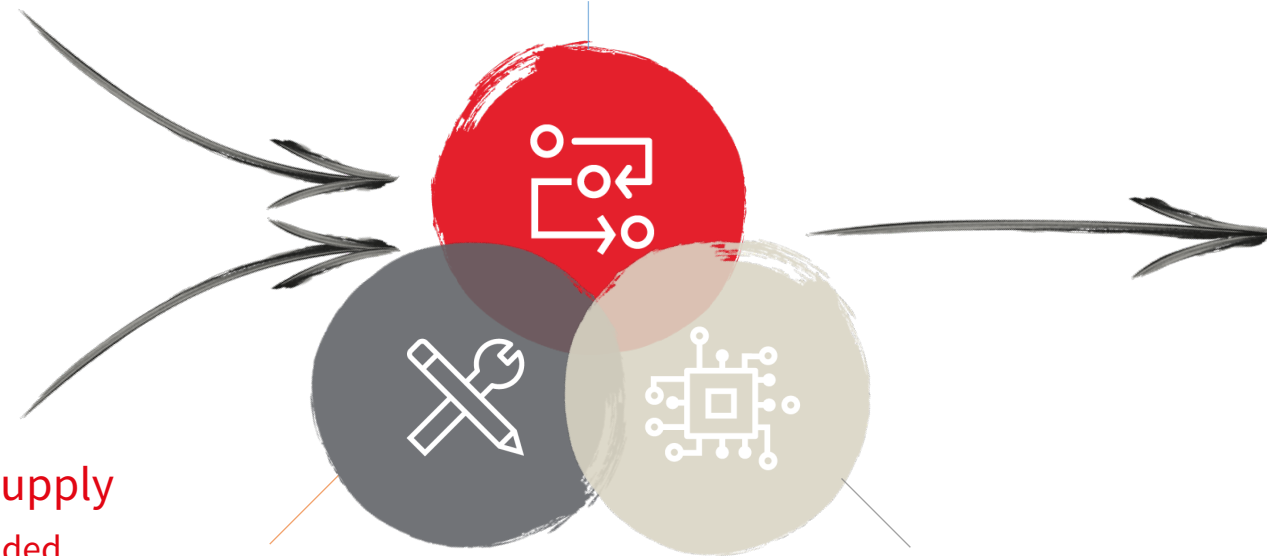
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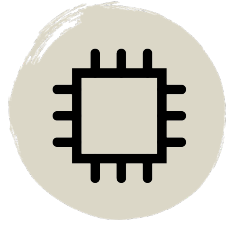
Dynamic supply
Location risks included

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Mathematical model

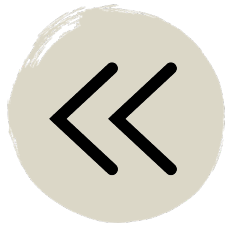


Recommendations



Improving efficiency of the model

Developing a Bézier curve based GUI



Testing the model back in time



Thank you

Jeroen Meijler