

A strategic decision approach to 'Office as a Service'

An explorative study into the optimization of the physical resource
in order to obtain maximum added value

Colophon

Name: Thom Schreurs

Student number: 4036972

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First mentor: Prof. Dr. Ir. A.C. (Alexandra) den Heijer

Faculty of Architecture and the Built Environment

Second mentor: Prof. Dr. Ir. M.H. (Marleen) Hermans

Faculty of Architecture and the Built Environment

External mentor: Ir. M.J. (Marjon) van Bree

Partner I Director Corporate Real Estate Solution

Colliers International Occupier Services

External examiner: Ir. H. (Huib) Plomp

Faculty of Architecture and the Built Environment







Servitization

Move from physical product to a service



Sharing economy

Move from ownership to access



Servitization

Move from physical product to a service



Sharing economy

Move from ownership to access



Office as a Service

Obtain office space when and where the need is

Amsterdam Europees koploper flexibele kantoorruimte

Transacties Premium

In Nederland is de flexibele kantorenmarkt de afgelopen vijf jaar bijna verdrievoudigd, tot een totale omvang van 1,1 miljoen m2. Amsterdam is met ruim 5,6 procent flexibele kantorenvorraad de Europese marktleider.



In de overige grote Nederlandse steden varieert de flexibele kantorenvorraad tussen de 2,5 procent tot 5,7 procent. Dit blijkt uit onderzoek van JLL dat de vastgoedadviseur tijdens een persbijeenkomst met flexoperator Regus presenteerde.

De vraag naar flexibele kantoorruimtes groeit flink. Wereldwijd is de markt voor flexibele kantoorruimtes de afgelopen tien jaar met gemiddeld 13% per jaar gegroeid. In Nederland is de omvang van de flexibele kantorenvorraad in de afgelopen vijf jaar zelfs met 265% gegroeid en heeft nu meer dan 1,1 miljoen m2 kantoorruimte in gebruik.

Actueel > Persberichten > Flexibele kantoorconcepten zullen de kantorenmarkt structureel veranderen

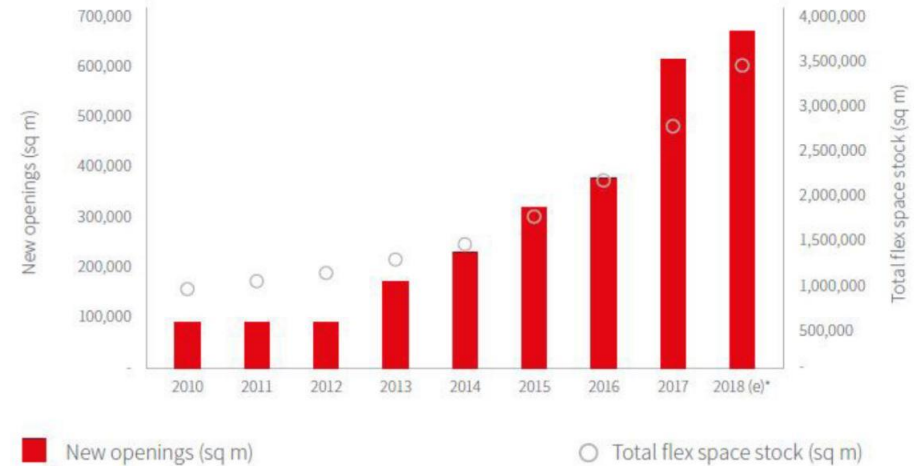
Flexibele kantoorconcepten zullen de kantorenmarkt structureel veranderen

NIEUWS - 30-05-2018

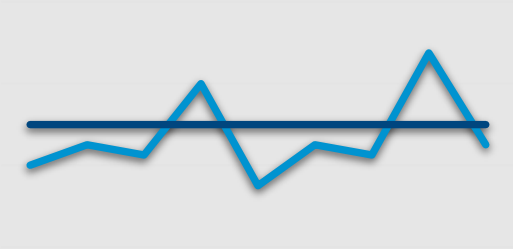
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Koffie, creativiteit en netwerken: coworking wint terrein

 **Sjors Beukeboom**
redacteur Online

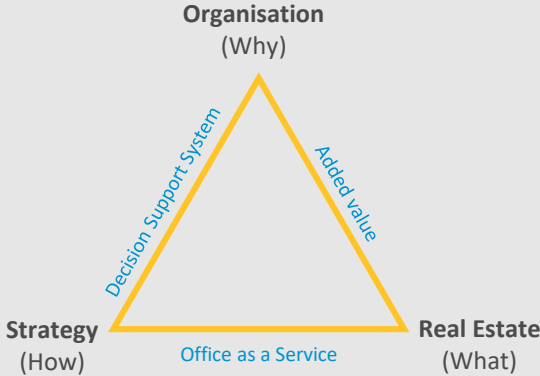


Content



Why

The problem



How

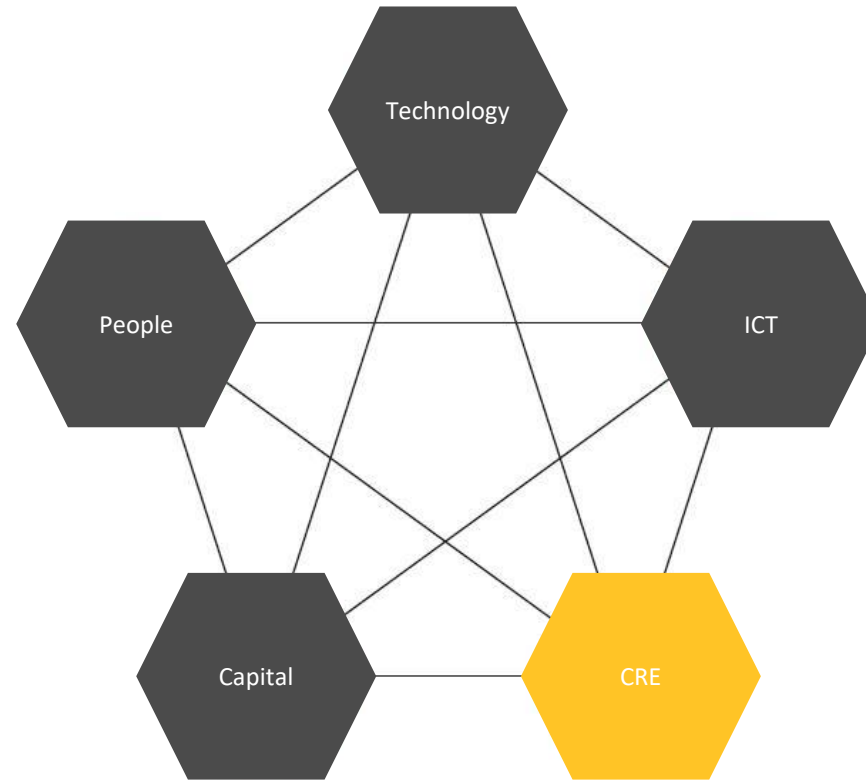
The method

What

The solution



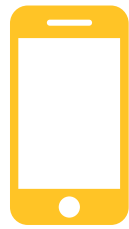
WHY



Input organisations by De Vries (2007)



Changing demand



Technology

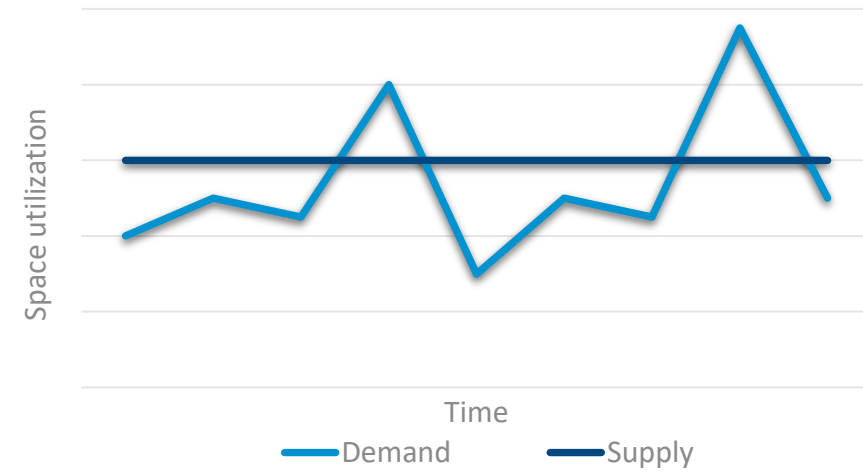
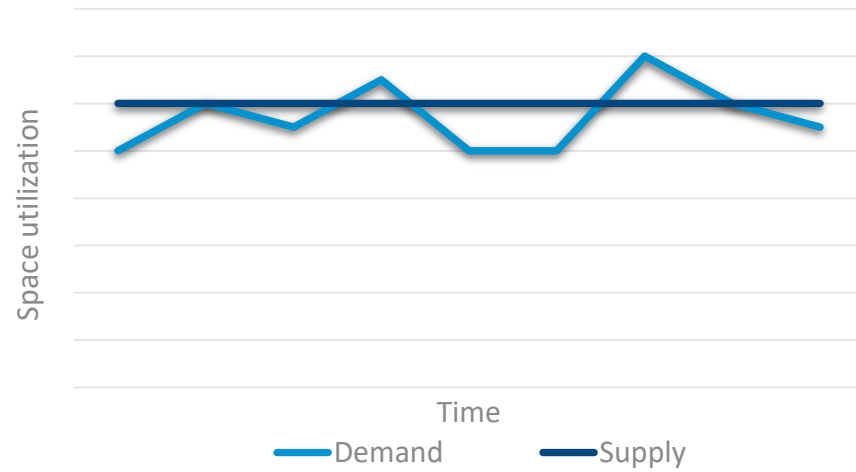


Economy



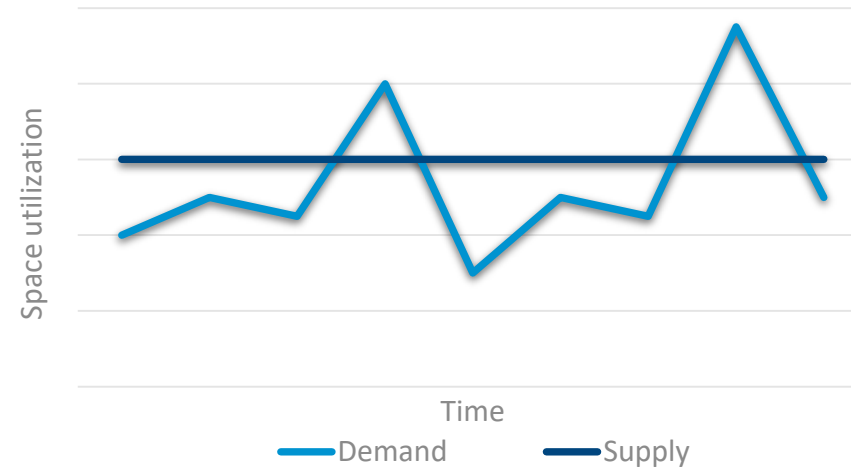
Societal

Research analysis



Responding to the emerging trends, the change of demand / user needs becomes larger and more unpredictable

Research problem



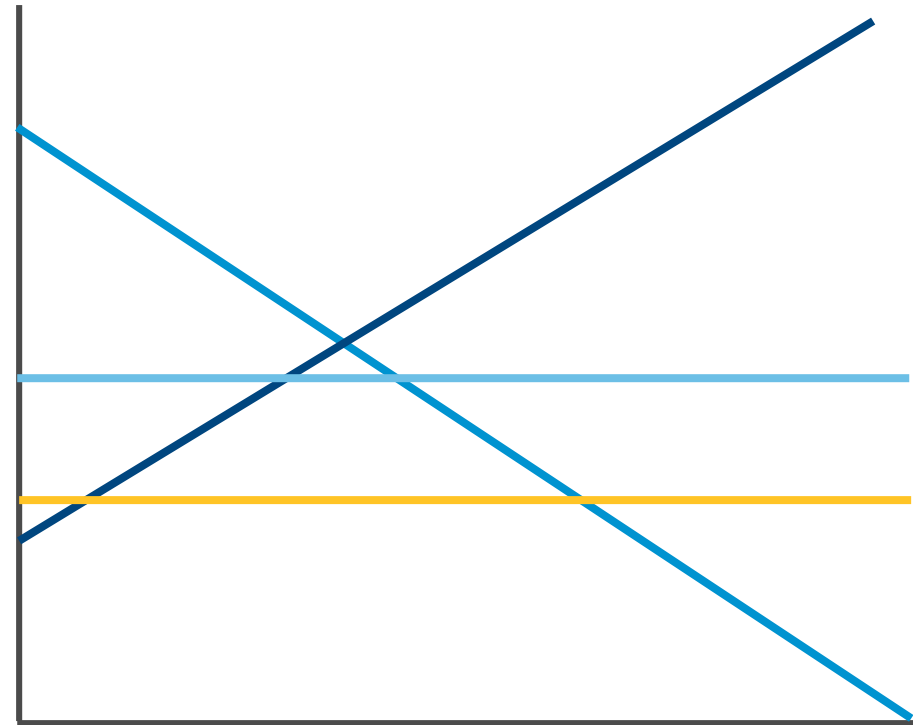
The relationship between a building (supply) and its users (demand) is constantly changing. Because the supply – demand relationship is changing continuously, most of the time there is a mismatch between what the building can offer and what an organisation requires.

Corporate Real Estate Management

“Objective of Corporate Real Estate Management is the alignment of the real estate portfolio of a corporation to the needs of the core business, in order to obtain maximum added value for the business and to contribute optimally to the overall performance of the organisation.”

Dewulf, De Jonge and Krumm (2000)

Corporate Real Estate Management



Changing supply



Servitization

Move from physical product to a service



Sharing economy

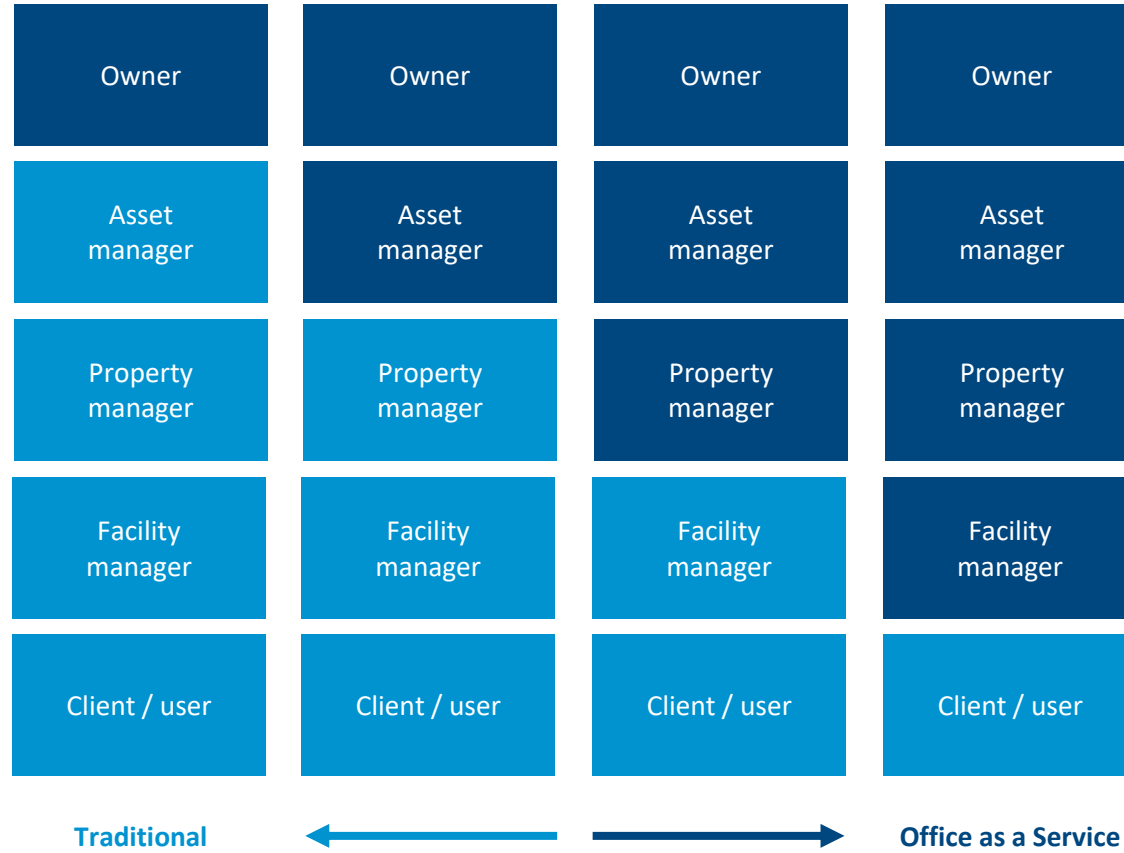
Move from ownership to access



Office as a Service

Obtain office space when and where the need is

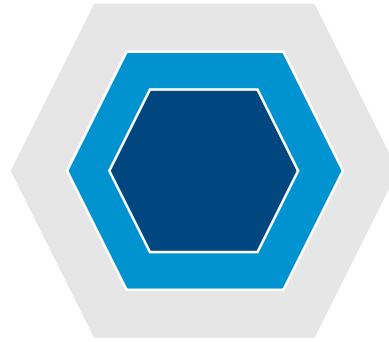
Office as a Service



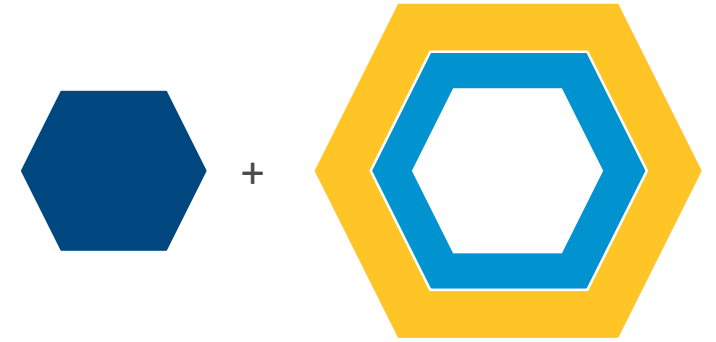
Internal or external



Internal flexibility layer



Do nothing



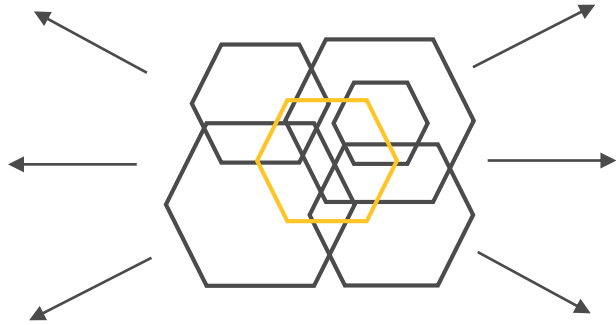
External flexibility layer

But what type of flexible office space is right for my organisation?

Research objective



A strategy for 'Office as a Service'



A strategic decision approach 'Office as a Service'

Develop and present knowledge on how 'Office as a Service' can be a strategic decision approach for an organisation to optimize their physical resources in order to obtain maximum added value.

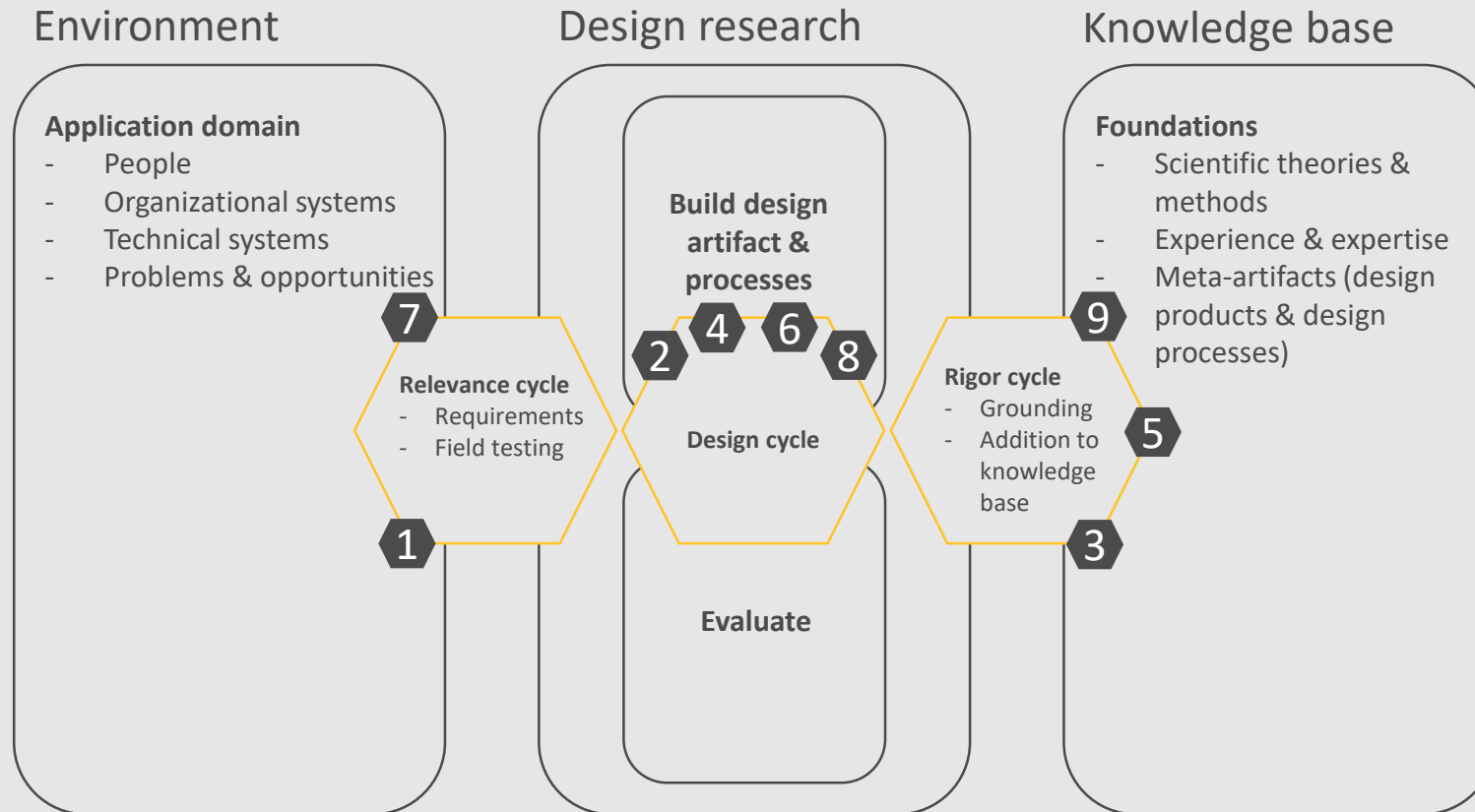
Research question

How can 'Office as a Service' be a strategic decision approach for an organisation to optimize their physical resources in order to obtain maximum added value?



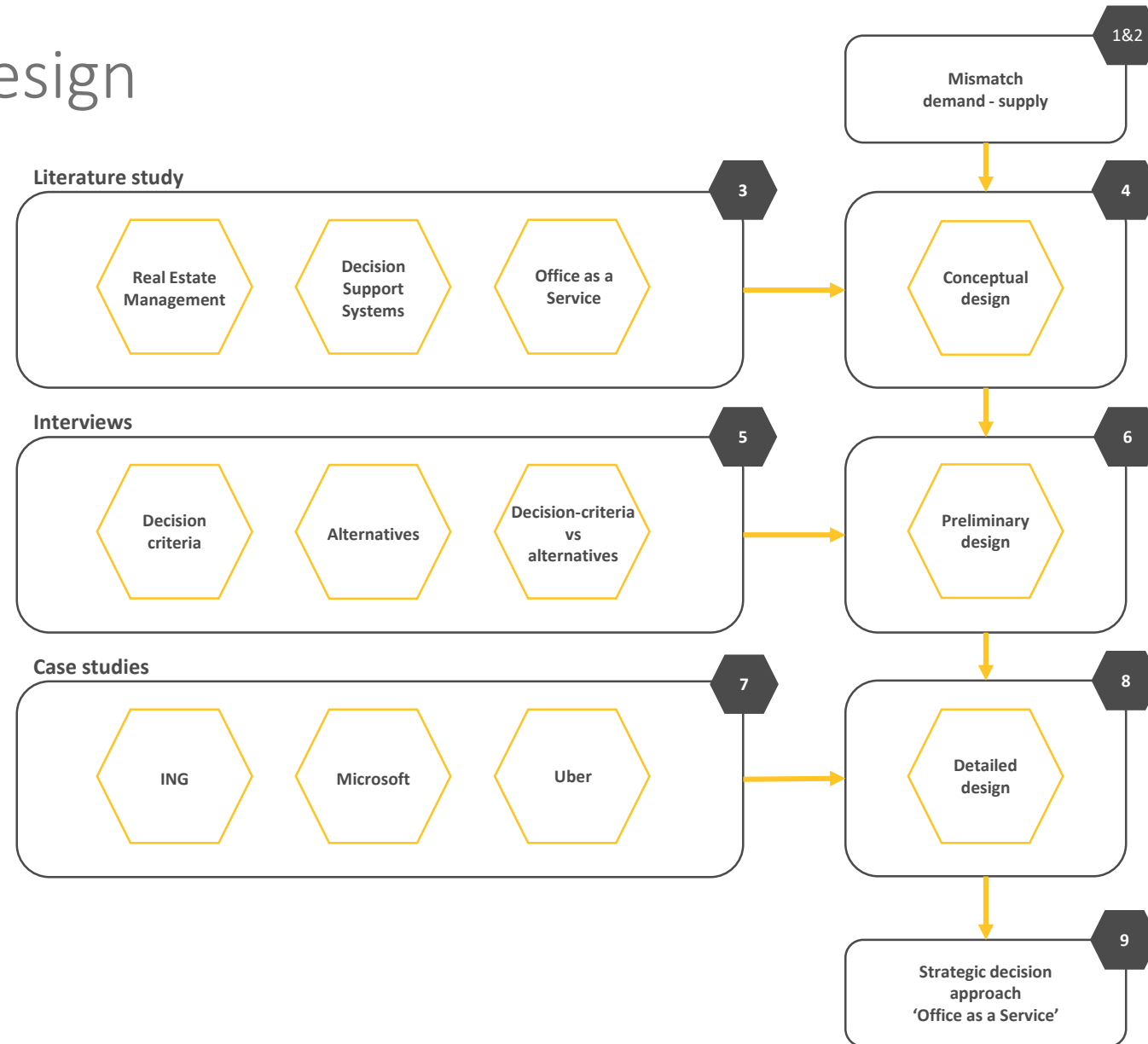
HOW

Research methodology



Design research cycles by Hevner and Chatterjee (2010)

Research design



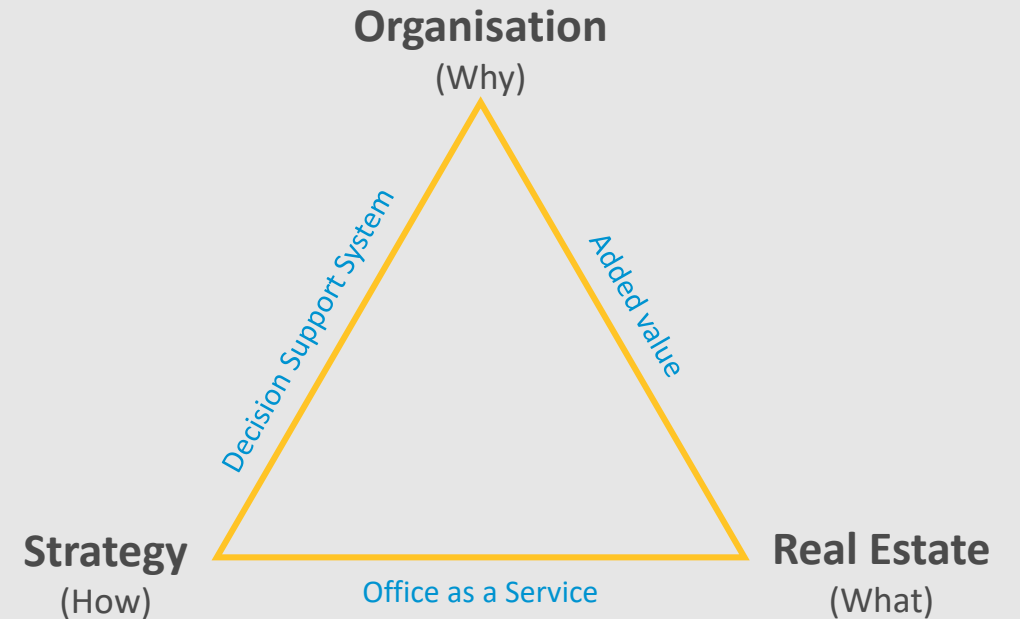
Literature study

Objective:

Form a basis of knowledge about the three relevant topics.

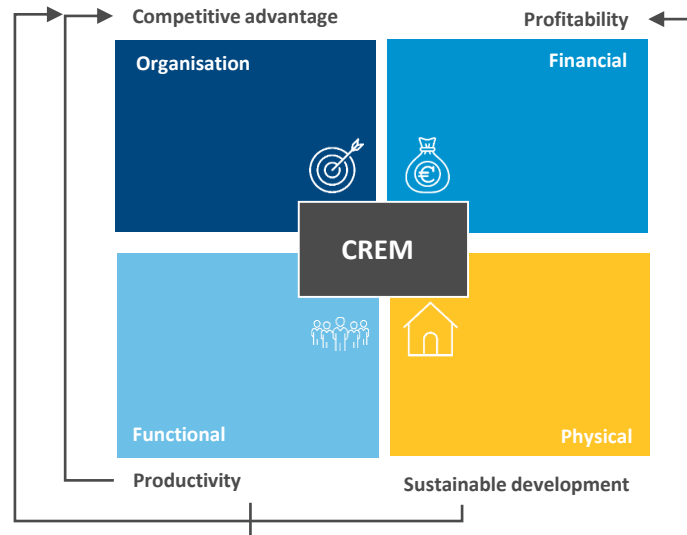
Relevant topics:

- Real Estate Management (why)
- Decision Support System (How)
- Office as a Service (what)



*How can 'Office as a Service' be a **strategic decision approach** for an **organisation** to optimize their **physical resources** in order to obtain maximum **added value**?*

Real Estate Management

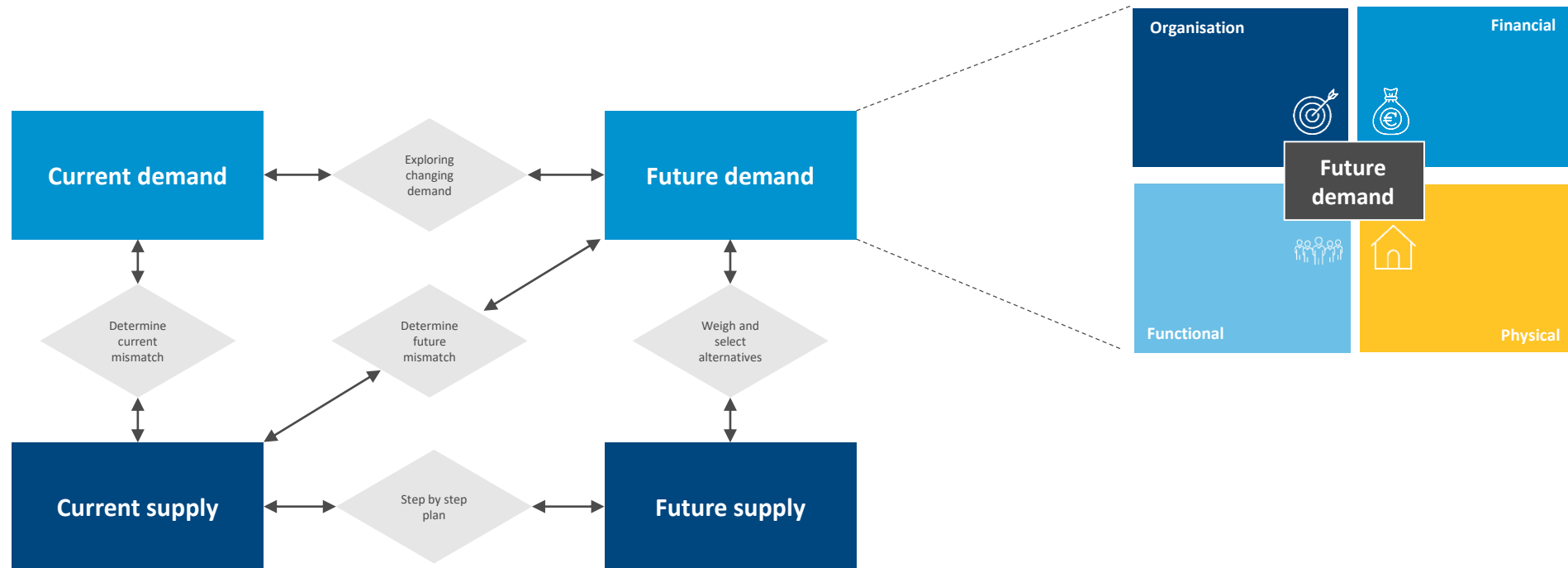


- Supporting image
- Supporting culture
- Stimulating collaboration
- Stimulating innovation & creativity
- Improving quality of place
- Controlling risk
- Decreasing cost
- Increasing value of assets
- Supporting user activities
- Increasing user satisfaction
- Increasing flexibility
- Reducing footprint (m2)
- Reducing footprint (CO2)

Stakeholder perspectives by Den Heijer (2011)

Presumed added values by Valks, Arkesteijn, Den Heijer (2019)

Real Estate Management







Designing an Accommodation Strategy frame (DAS-frame) by De Jonge et al. (2009)

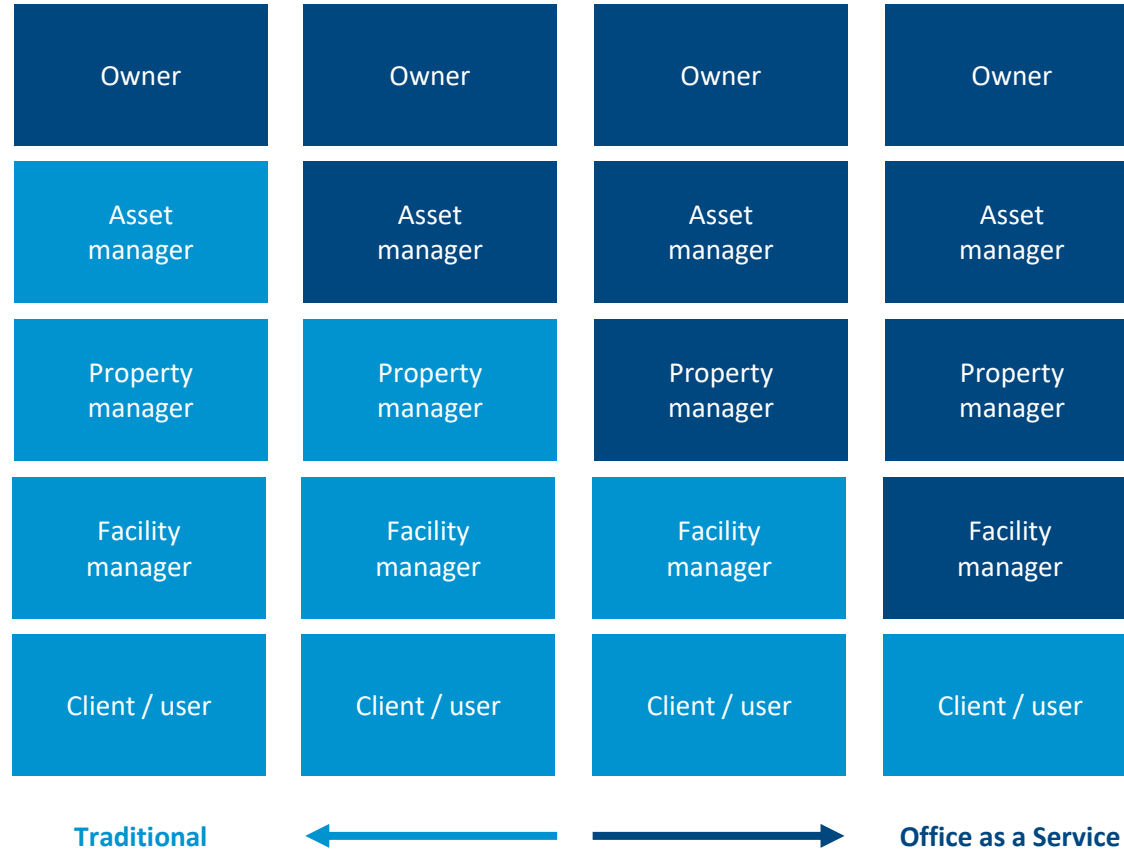
Decision Support Systems

Formal procedure of Multi-Criteria Decision Analysis (MCDA)

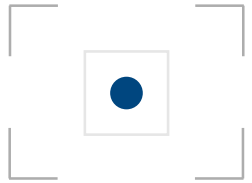
- 1) Specification of alternatives
- 2) Defining the decision-makers criteria
- 3) Rating the decision-maker preferences for each alternative in relation to each criteria
- 4) Assigning the decision-maker weight to each criteria
- 5) Using an algorithm to draw an overall preference scale

	Alternatives			
				
1				
2				
...				
n				

Office as a Service



Strategic



Traditional lease

Organisations has its own workspace



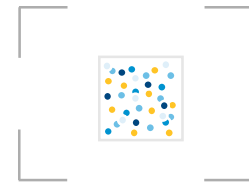
Open house

Organisation opens up its workspace to others



Colocated

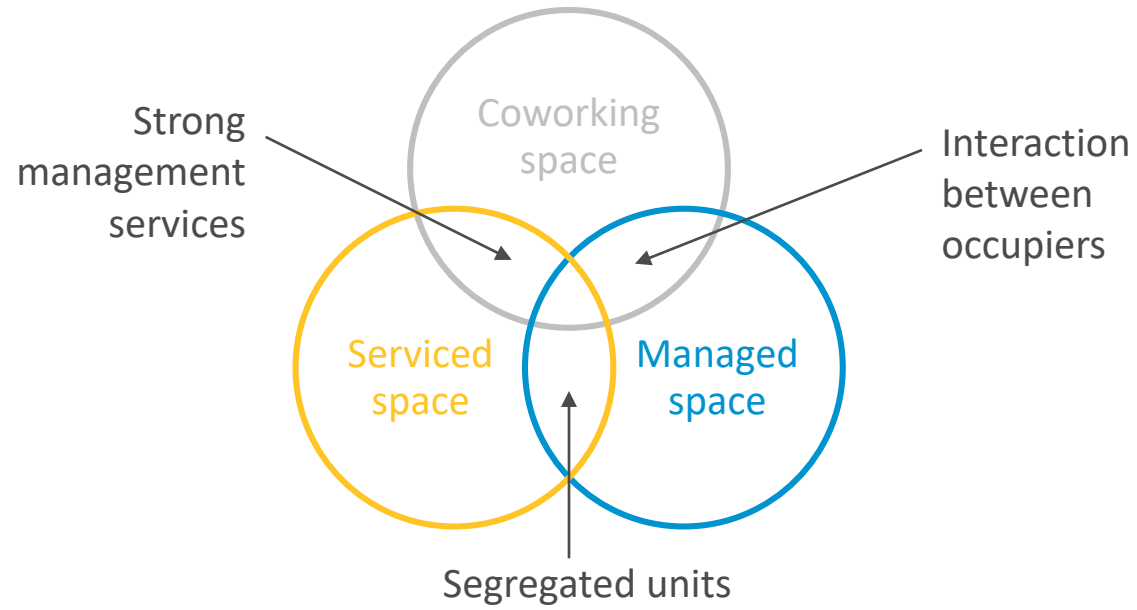
Groups of organisations share environment



Coworking

Individuals and smaller organisations work together

Tactical



Serviced space

Private room with shared facilities

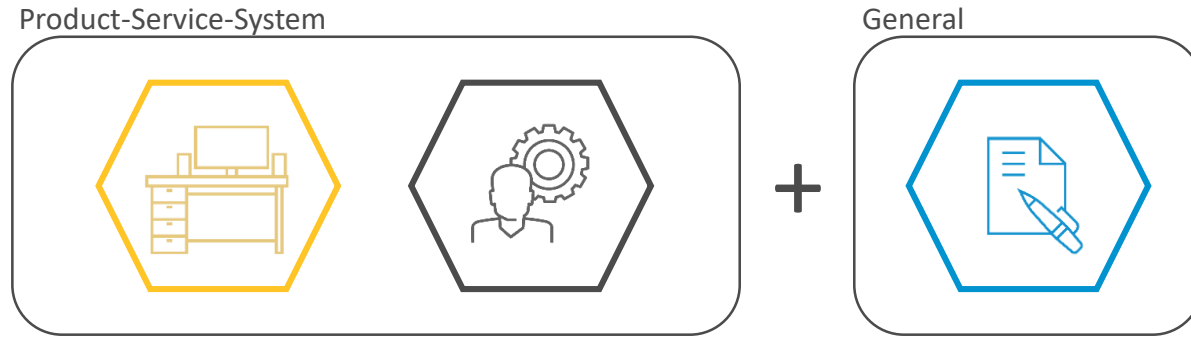
Coworking space

No private area, organized by branch focus on innovation

Managed space

Stand alone space, all inclusive office

Operational



Product

Location

Spaces

Accessibility



Services

Building

Food & Beverage

Work

Non-work



General

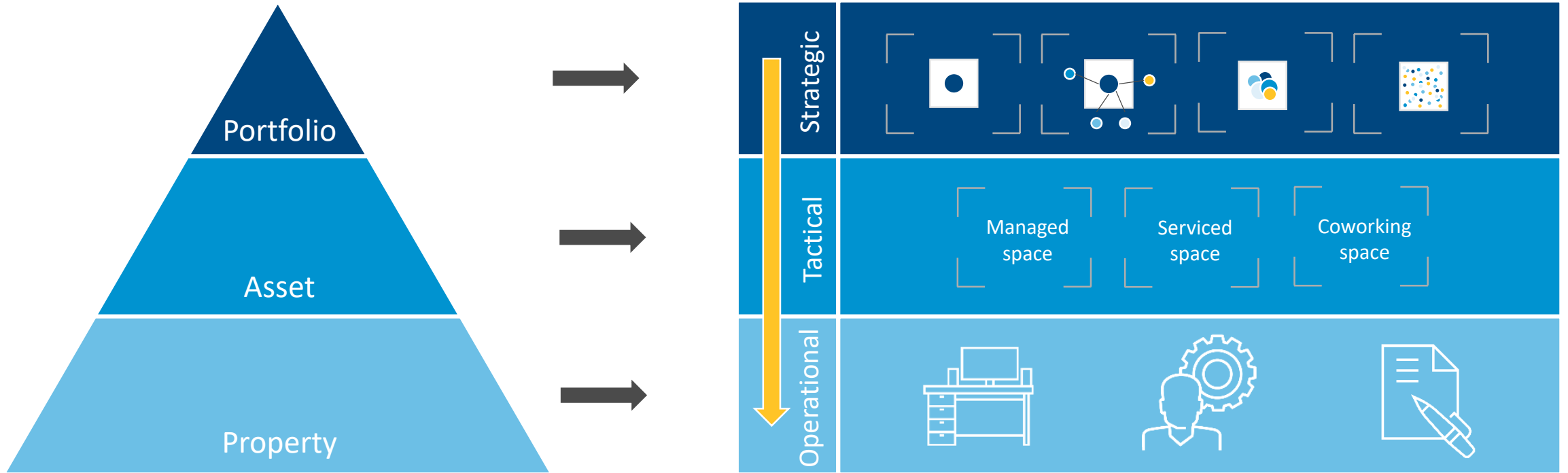
Demographic

Contractual agreement

Industries

Atmosphere

Office as a Service



Management triangle by Driel and Zuilen (2016)

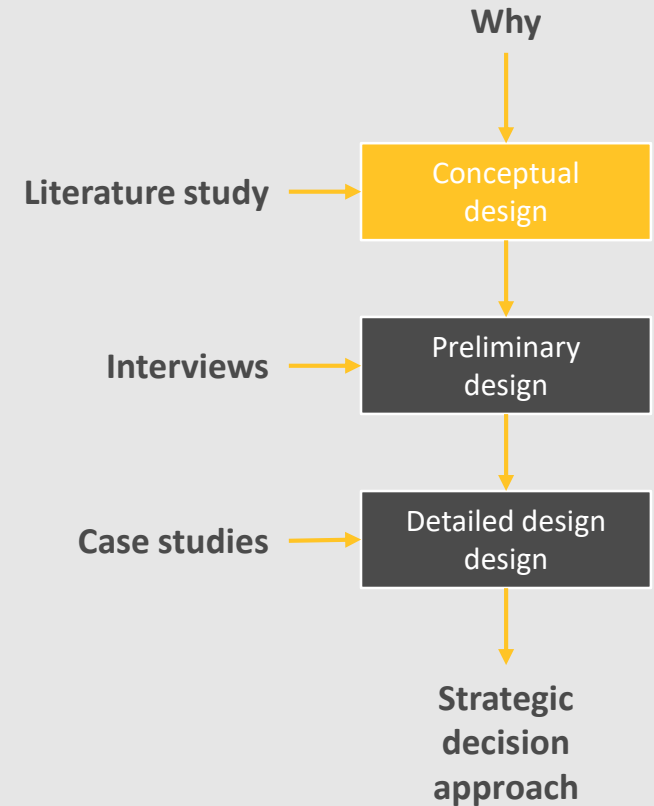
Conceptual design

Objective:

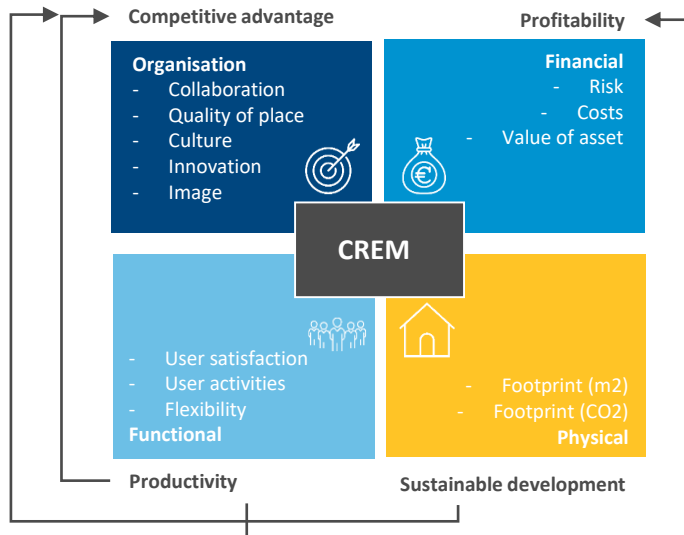
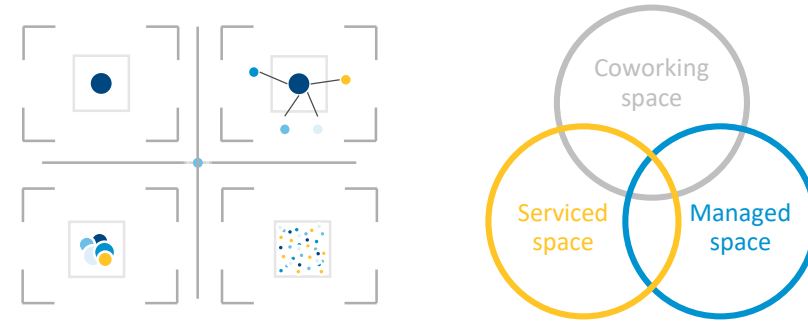
Develop conceptual design of strategic decision approach

Integration of the bodies of knowledge:

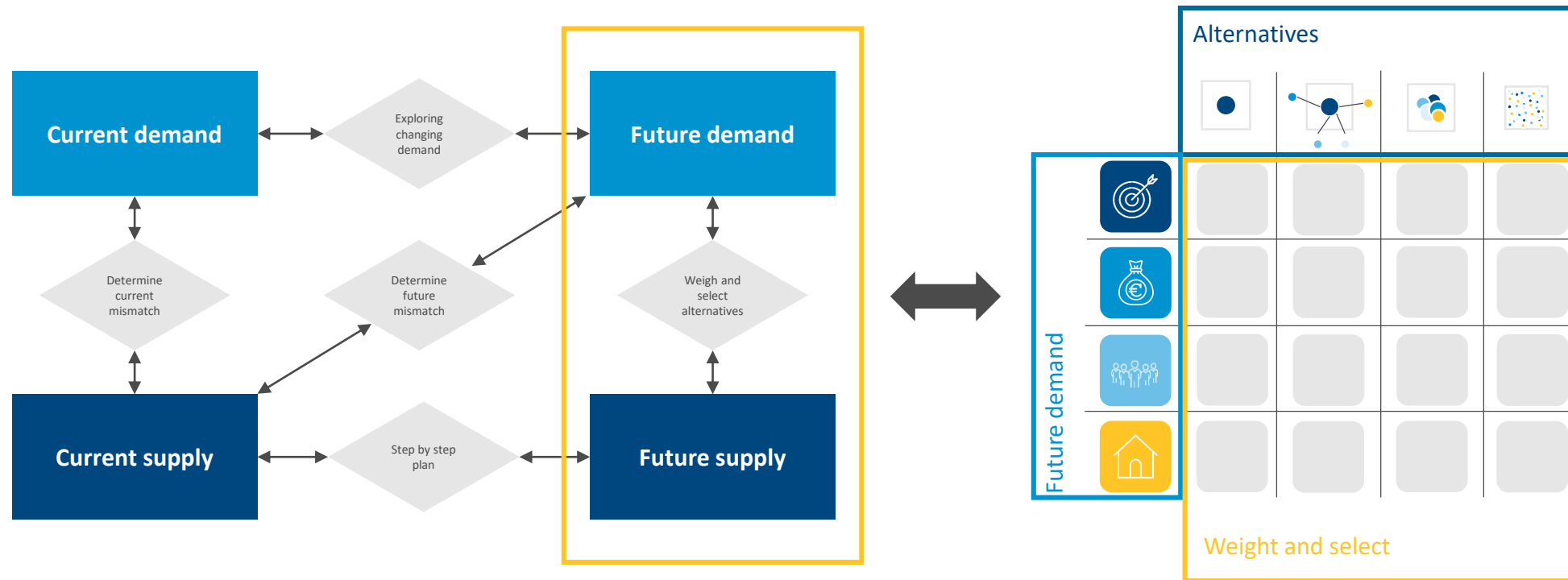
- Real Estate Management (why)
- Decision Support System (How)
- Office as a Service (what)



Model building



Model use



Conceptual design

		Ranking										
		O	F	F	P							
	Supporting image											
	Supporting culture											
	Stimulating collaboration											
	Stimulating innovation											
	Improving quality of place											
	Controlling risk											
	Decreasing cost											
	Increasing value of assets											
	Supporting user activities											
	Increasing user satisfaction											
	Increasing flexibility											
	Reducing footprint (m2)											
	Reducing footprint (CO2)											



WHAT

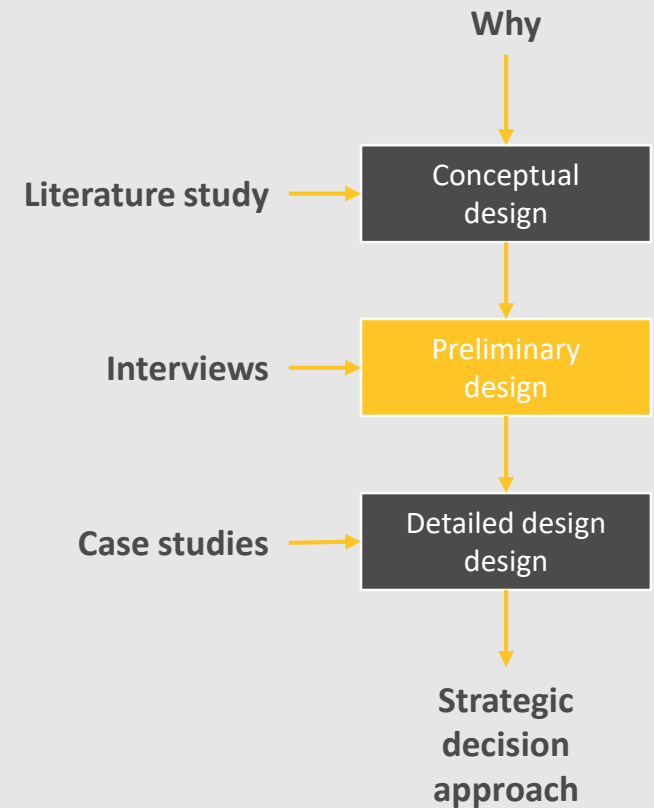
Preliminary design

Objective:





Verify, supplement, and refine first conceptual design of strategic approach.

Verification, supplementation and refinement of:

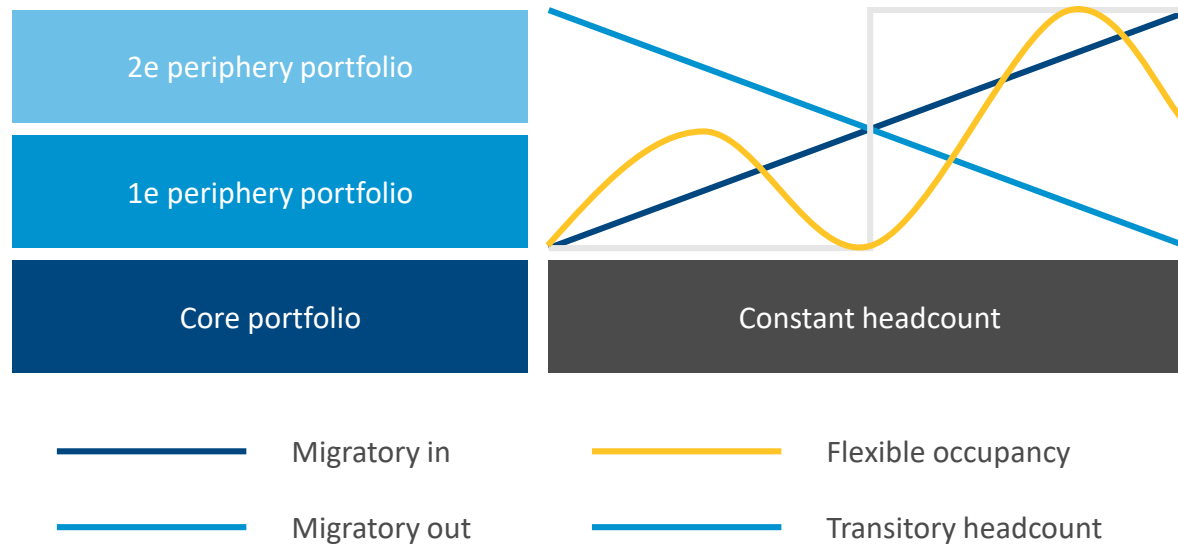
- Presumed added value of real estate (decision-criteria)
- Office as a Service strategies (Alternatives)
- Relationship decision-criteria – alternatives



Why: Added value






















	Supporting image		Intern > extern
	Supporting culture		Inter > extern
	Stimulating collaboration		Variety of people
	Stimulating innovation		Unplanned > planned encounters
	Improving quality of place		
	Controlling risk		Outsourcing
	Decreasing cost		Cost per desk
	Increasing value of assets		
	Supporting user activities		
	Increasing user satisfaction		
	Increasing flexibility		> Contract duration
	Reducing footprint (m2)		Square meters / desk
	Reducing footprint (CO2)		

Why: Occupier space demand



Core-Periphery model by Gibson & Lizeri (1999)

What: alternatives

Preliminary design

		Ranking							
		O	F	F	P				
Stakeholder weight (%)		Dark Blue	Blue	Light Blue	Yellow				
	Supporting image					2	1	3	4
	Supporting culture					2	1	3	4
	Stimulating collaboration					4	2	3	1
	Stimulating innovation					4	2	3	1
	Improving quality of place								
	Controlling risk					4	3	2	1
	Decreasing cost					1	2	3	4
	Increasing value of assets								
	Supporting user activities								
	Increasing user satisfaction								
	Increasing flexibility					4	3	2	1
	Reducing footprint (m2)					4	3	2	1
	Reducing footprint (CO2)								
	Migratory in					4	1	2	2
	Migratory out					4	1	2	2
	Flexible occupancy					4	3	2	1
	Transitory headcount					4	3	2	1
	Constant headcount					1	2	3	4

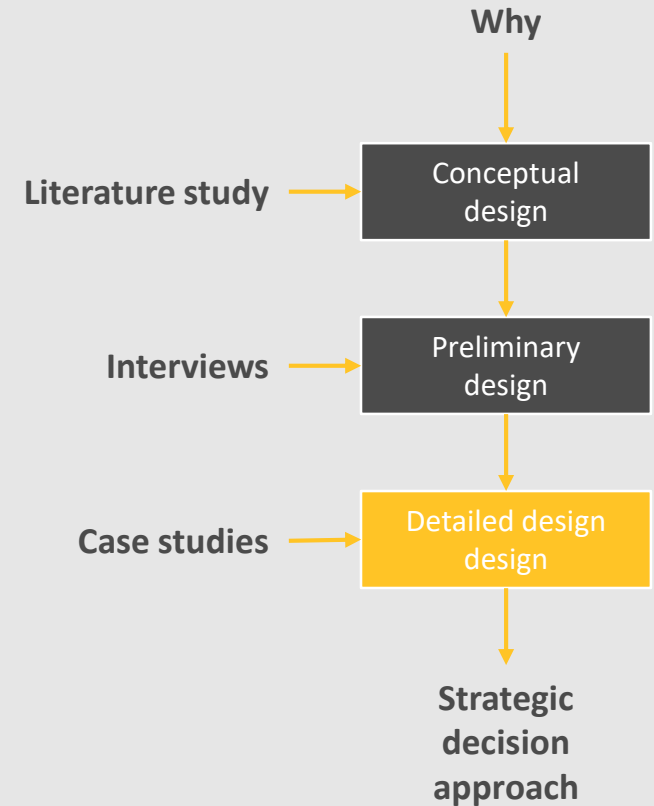
Detailed design

Objective:

Link this research to practice as it opts to solve real-life problems:

Verification, supplementation and refinement of:

- Presumed added value of real estate (criteria)
- Office as a Service strategies (Alternatives)
- Relationship criteria – alternatives



Case studies



ING

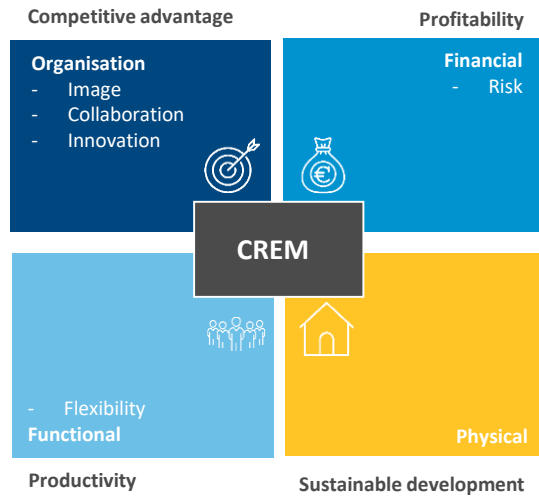


Microsoft

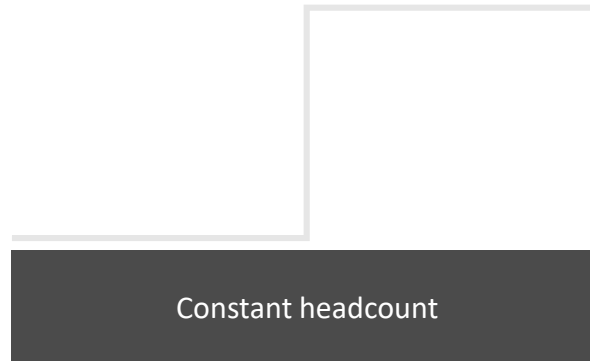


Uber

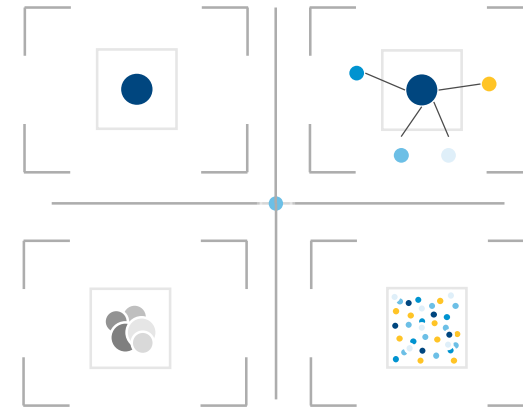
ING



Added value

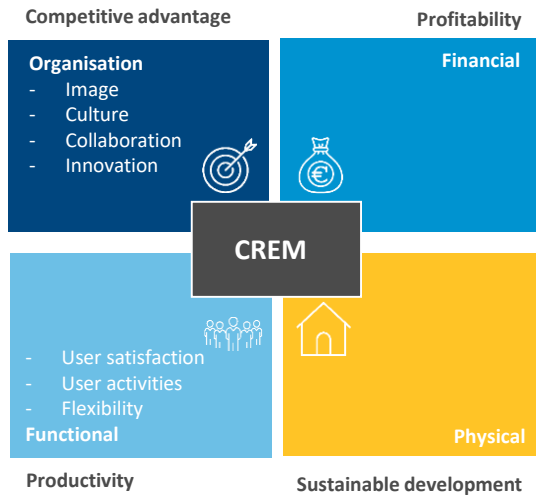


Occupier space demand

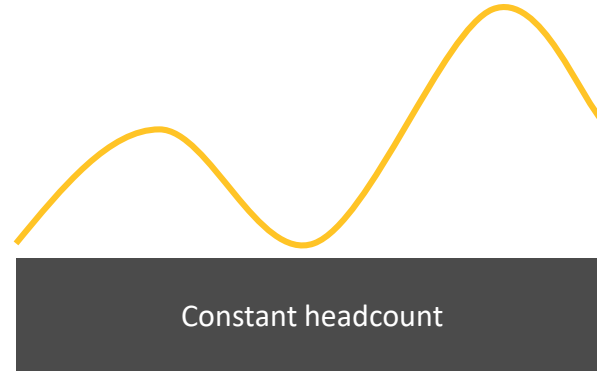


Office as a Service

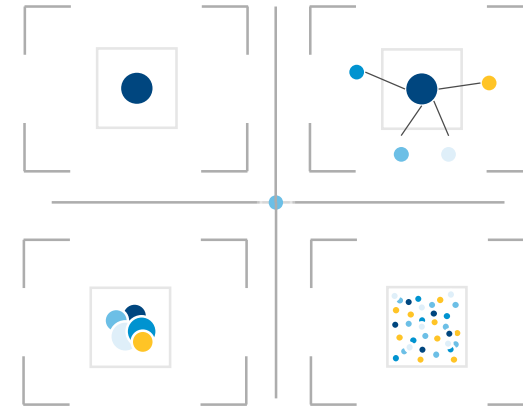
Microsoft



Added value

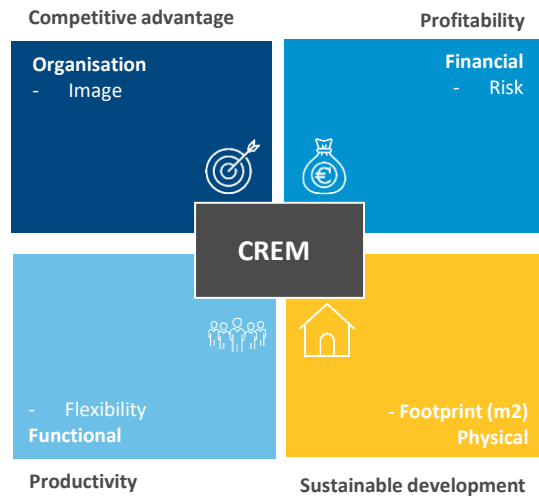


Occupier space demand

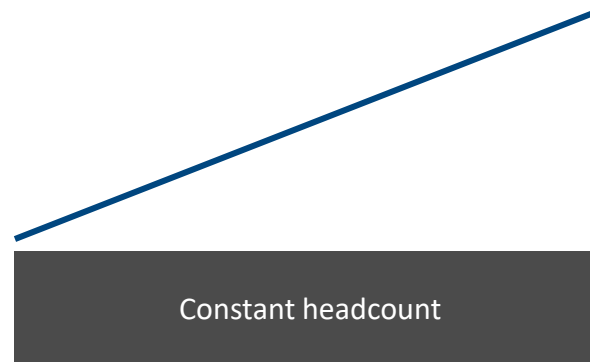


Office as a Service

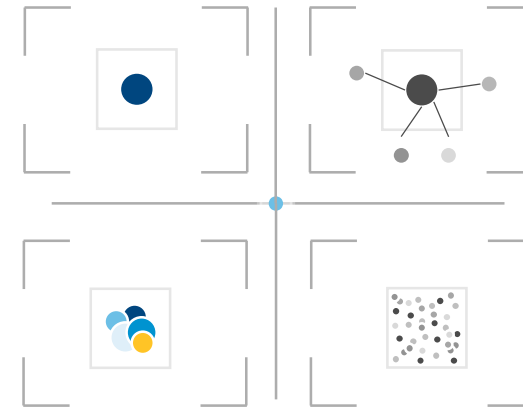
Uber



Added value










Occupier space demand

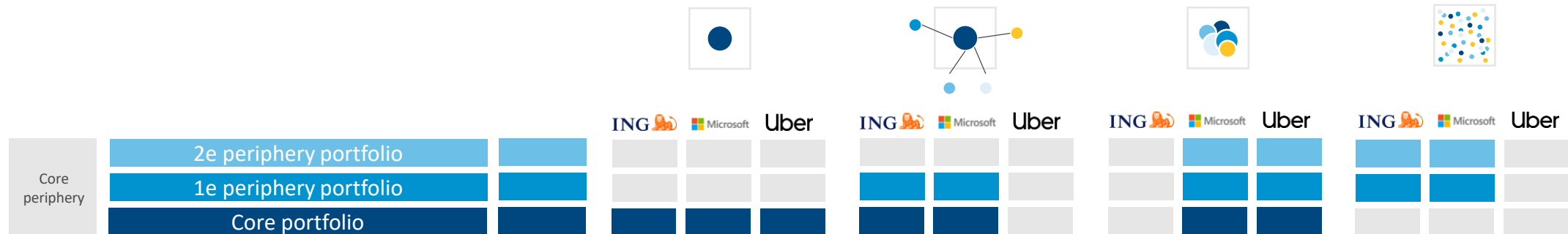


Office as a Service

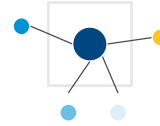
Cross-case 'why'









		ING 	Microsoft 	Uber
	Supporting image			
	Supporting culture			
	Stimulating collaboration			
	Stimulating innovation & creativity			
	Improving quality of place			
	Controlling risk			
	Decreasing cost			
	Increasing value of assets			
	Supporting user activities			
	Increasing user satisfaction			
	Increasing flexibility			
	Reducing footprint (m2)			
	Reducing footprint (CO2)			
	Migratory in			
	Migratory out			
	Flexible occupancy			
	Transitory headcount			
	Constant headcount			

Cross-case 'what'



Cross-case why-what



			ING 	Microsoft 	Uber 
	Supporting image				
	Supporting culture				
	Stimulating collaboration				
	Stimulating innovation & creativity				
	Improving quality of place				
	Controlling risk				
	Decreasing cost				
	Increasing value of assets				
	Supporting user activities				
	Increasing user satisfaction				
	Increasing flexibility				
	Reducing footprint (m2)				
	Reducing footprint (CO2)				
	Migratory in				
	Migratory out				
	Flexible occupancy				
	Transitory headcount				
	Constant headcount				
Core periphery	2e periphery portfolio				
	1e periphery portfolio				
	Core portfolio				

Findings

Literature

- 13 added values
- Collaboration -> Innovation
- Planned = unplanned encounters
- Increasing flexibility -> controlling risk
- Increase flexibility -> external

Preliminary design

- 8 added values
- Collaboration & Innovation
- Unplanned > planned encounters
- Increasing flexibility -> controlling risk
- Increase flexibility -> external

Cross-case analysis

- 9 added values
- Collaboration & innovation
- Unplanned = planned encounters
- Increasing flexibility -> controlling risk
- Increase flexibility -> external

Detailed design

		Ranking							
		O	F	F	P				
	Supporting image					2	1	3	4
	Supporting culture					2	1	3	4
	Stimulating collaboration					4	2	3	1
	Stimulating innovation					2	1		
	Controlling risk					4	3	2	1
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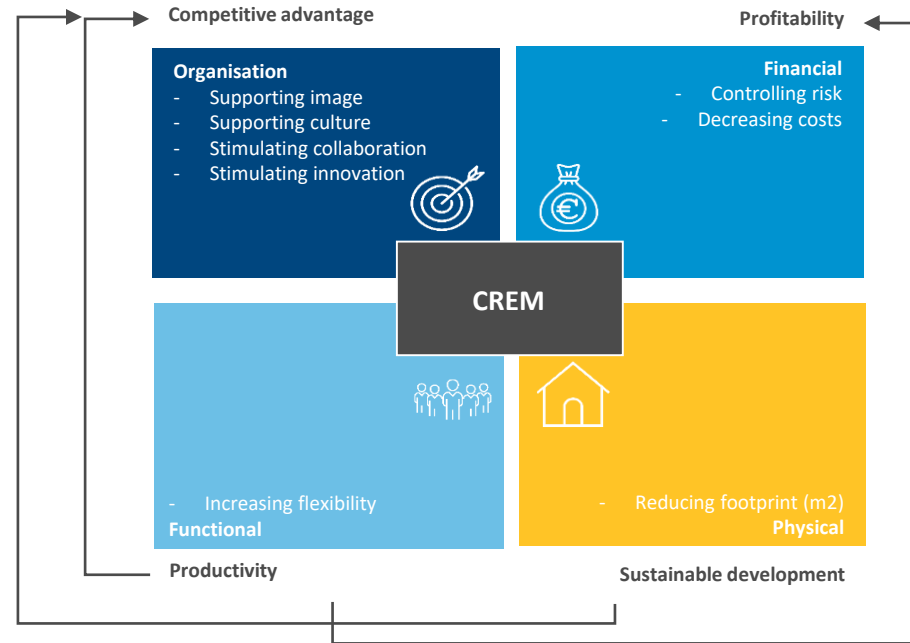


CONCLUSION

Conclusion

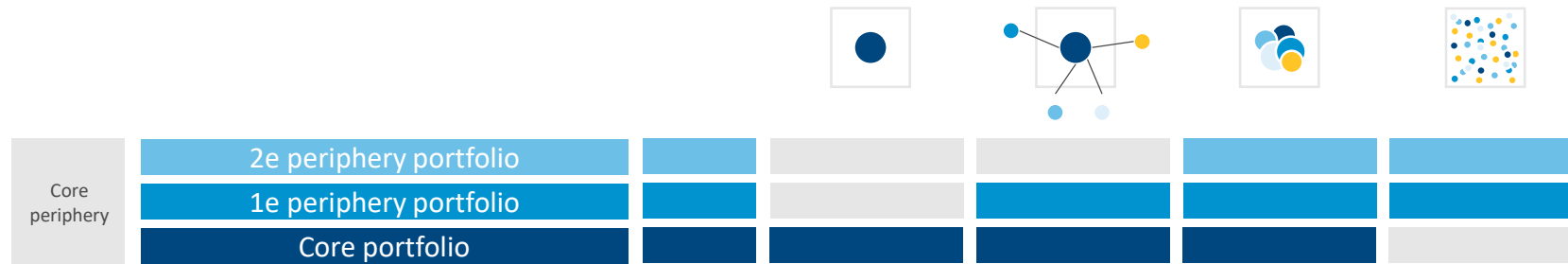
How can 'Office as a Service' be a strategic decision approach for an organisation to optimize their physical resources in order to obtain maximum added value?

Added value 'Office as a Service'



Based on the model of Den Heijer (2011) eight added values divided over all four stakeholder perspectives can be related to the concept of 'Office as a Service'

Occupier space demand



Based on the Core-Periphery model of Gibson & Lizieri (1999) in relation to the alternative 'Office as a Service' strategies results in the following interpretation: a stepped ascending relationship where the increase of flexibility is answered by a more external 'Office as a Service' strategy.

Strategic decision approach 'Office as a Service'

		Ranking							
		O	F	F	P				
	Supporting image					2	1	3	4
	Supporting culture					2	1	3	4
	Stimulating collaboration					4	2	3	1
	Stimulating innovation					2	1		
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	Transitory headcount					4	3	2	1
	Constant headcount					1	2	3	4

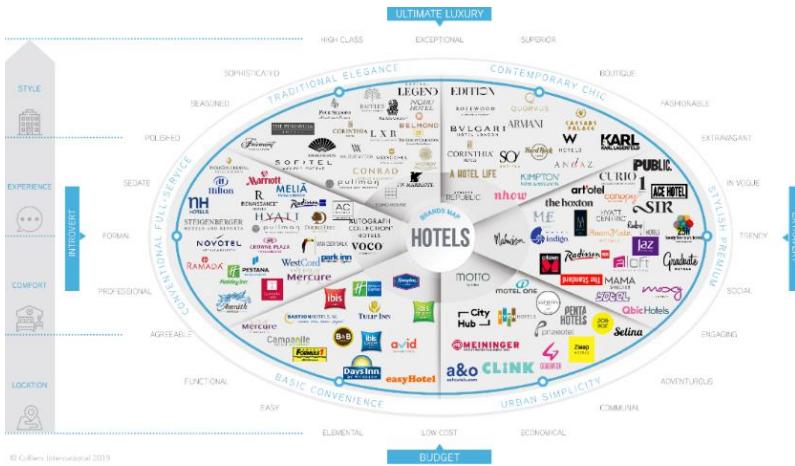
Recommendations for future research



Leesman (2019)

- 1 Increase validity
- 2 Operational usability
- 3 Optimal occupancy

Recommendations for practice

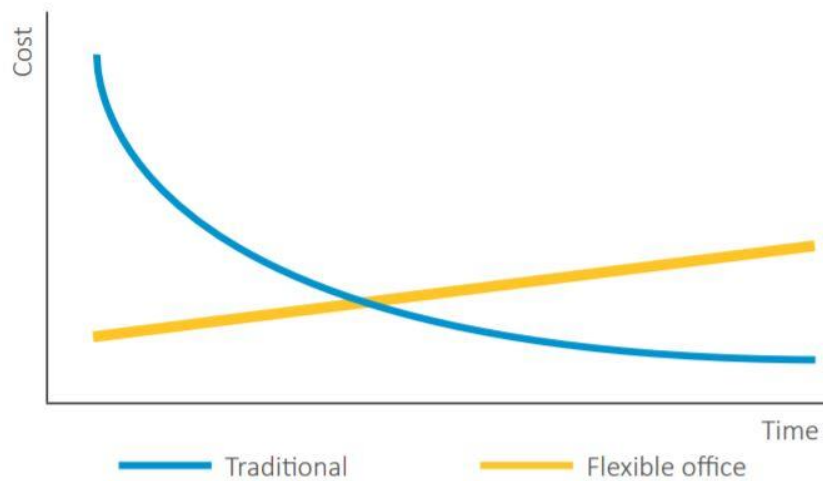


1

Office operators decision-making model

2

Financial decision-making model





Thank you

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