CRE stakeholder categorisation -

Origin and nature of the four views scheme

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Slide 1

CRE stakeholder categorisation – Origin and nature of the four views scheme
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(Herman)

Welcome to this presentation about the origin and nature of the four views scheme
Since many years, we organise the real estate management course at our faculty following this four views scheme.

It positions the corporate real estate manager as the linking pin between the many views on accommodation that exist in an organisation.

But, the origin and the application of this scheme are not well documented. And this is what Tuuli and I want to achieve.

In the past months we organised interviews, read the original publications and applied the scheme on five cases.

Today we present you part of our findings. I will tell you about the origin of the scheme. Tuuli will tell you about the content of the four views.
In 1986 Hans de Jonge was working at the Dutch Government Building Agency. And he experienced a tension in the mission of the Agency.

There was

- a demanding user to be satisfied,
- there were rules to be followed, mainly financial ones,
- and there were the expectations of politicians to be met as well.

Together with his colleagues, Hans wrote a policy document about the future position of the GBA, that was submitted to the Dutch parliament.

The scheme on the right is taken from that document.

It contains the basics of the four views scheme:

- there is a demand for accommodation
- there is a supply
- and there is an agent that bridges the tension between both.
This demand/supply/agent concept settled well within the GBA.

And in 1995 Frans Evers, the director of the GBA, came up with this triangular scheme.

It repeats the concept of demand, supply and the agent in between, although in this scheme the buildings are made part of the middle.

But on the demand side distinction has been made between the practical needs from the users, and the long term goals of the politicians.

The arrow shows the tension that exists between these two.
In 2000 Peter Krumm and his colleagues-researchers at our department, published the version to which is referred mostly.

The triangle of Evers has become the familiar four views quadrant with the circle in the middle.

The scheme crosses two dichotomies.

On the horizontal axis there is the demand and the supply. They have been renamed business perspective and real estate perspective, in line with the core-activities discourse of the 1980’s. This divide is not so clear, however, as resources are an integral part of a business...

The circle in the middle represents the corporate real estate manager - nothing new there.

And on the vertical axis, there is the divide between the strategic and the operational focus in the organisation, and also this divide is not always clear.

Krumm named the four views as follows:
- general management and facilities management in the left column
- asset management and cost control in the right column.

This labeling was not consistent and it created a lot of confusion, not only with us and our students. It provoked also negative reactions from facility managers who considered their task not so different from the task of the CRE managers.
Ten years later, our colleague Alexandra Den Heijer uses the four views scheme in her PHD on organising corporate real estate management information.

Thereby

she keeps the overall concept intact,

but she adapts the content of the views;

she adds variables and representatives to them,

and also stakeholders and performance indicators,

she adds colours to the views, for better communication,

and she also extends the scheme to include the corporate real estate management context, which is not shown here.
My last slide shows our current understanding of the nature of the scheme.

The core of our knowledge is technical. This is why our students start with learning about the technical aspects of the built environment (bottom right).

User demand is then added (bottom left).

We then explain our students about the necessity to manage the built stock, at all scale levels of the built environment (circle).

We teach them about the strategic view, which is about the long term goals of the user (top left).

We deepen their understanding of the user activities, e.g. at workplace level (bottom left).

And we introduce the asset management view, mainly financial at this moment, but this might change if scarcity of other resources prevails (top right).

In the scheme as we present it here, we changed some labels as we think the scheme is more consistent in this way (asterisks).

Tuuli will now present the content of the four views.
(Tuuli)

I will briefly present to you the contents of the four views. To avoid confusion of names, I will refer to the views by using the two focuses (strategic and operational) and the two perspectives (business and resource).

There are four content aspects that I want to highlight.
The first content aspect are the stakeholders. Who are the stakeholders in each view?

In the view on the strategic level on the business side the stakeholders are the policy makers of the corporation. Those are the people actually interested in the realisation of the goals of the corporation.

On the operational level on the business side the stakeholders are the doers of the organisation. Those are the people on the work floor, engaged in the production processes and doing their activities there.

Then moving to the resource side, the stakeholders on the strategic level are the people who are responsible for the organisation’s resources. Those people are interested in how the scarce resources of the organisation are allocated.

Then finally on the operational level on the resource side, the stakeholders are those who are responsible for the physical asset management, typically represented by technical managers.
The second content aspect to highlight is the background of the four views and therefore the different ways the performance of the actors in these views is measured.

First the business side on the strategic level. This view is based on organisation management, and shareholder satisfaction is typically the way to measure performance.

On the operational level on the business side, the background is operational management, and the performance of the organisation is measured through productivity.

Then moving to the resource side. For the strategic level the background is financial management and the performance is measured through added value.

Finally on the operational level, the background is technical, and the performance measure of this view is the quality of the fit offered to the operations.
The third content aspect that I want to highlight is the division into demand and supply. I.e. which of the views represent demand and which of the views represent supply. So the business side of course represents the demand and the resource side aims to deliver suitable supply to this demand.

The fourth content aspect to highlight is the way accommodation is seen in these different views.

On the business side on the strategic level, the accommodation is seen – or should be seen – as the fifth resource of the organisation.

On the operational level, accommodations is seen as a facilitator to improve work processes and operations, to impact on employees satisfaction etc.

Then when moving on to the resource side, accommodation is seen on the strategic level as a financial product, whereas on the operational level accommodation is seen as a physical object.
To summarise the scheme, from this slide I want to stress three issues.

First, in this scheme the accommodation manager has the role of connector. His task is to balance the different views and to make sure they are all taken into account.

Second, the boxes are not separated as the scheme might suggest, but there is or should be interaction to maximise the value delivery, not only for the business but also for the external stakeholders.

Third, views and their labels represent the primary focus of the view. Overlaps exists between the different views. In this scheme the presented labels are the primary focus of this view and articulate the views.
Future research

Publications plan:
• Origin and nature of the 4 views scheme
• Application of the scheme on five documented cases
• Reflections on the scheme shown through alternative designs
• Annotated debate about the former three publications

(Herman)

This research will lead to a small series of publications.

The first paper will explain the origin and the nature of the four views scheme; this is an enriched version of what was explained above. This paper will be written in 2017.

The next publication will report on the use of the scheme for the analysis of the five cases of the book of Edwards & Ellison on Corporate property management: aligning real estate with business strategy published in 2004. This paper is foreseen for 2018.

The third publication will collect criticisms on the scheme and will design alternative presentations for it. This paper will probably be published in 2018 as well.

The last paper is foreseen to be published a few years later as this paper aims at collecting the comments and feedback on the three former papers. Therefore a discussion will be launched.
Slide 14

Thank you for your attention!

Thanks for listening!
Sources:
Interviews with Hans de Jonge, Alexandra den Heijer, Theo van der Voordt (spring 2017)

Cited publications:

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