

Co-location within the Ministry of Foreign Affairs

Co-location as a tool within the CRE strategy and as part of the CRE portfolio
that adds more value to the organization

Colophon

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P5 presentatie

Real Estate Management

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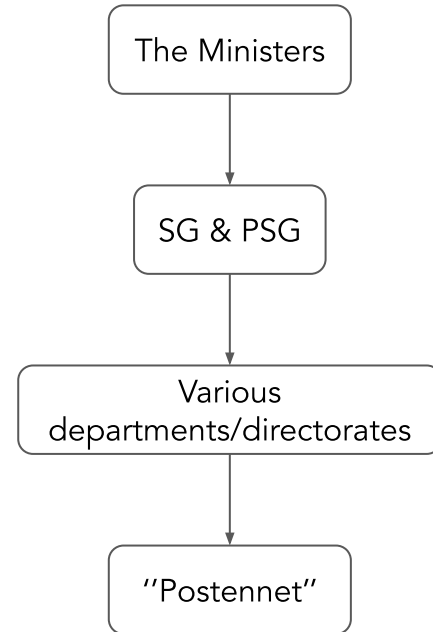


Introduction :Co-location

- Definition
 - Overarching concept
 - Separate independent organizations
 - Benefits
 - Shared property
 - Shared services, facilities, and resources
 - Different forms and layouts

Introduction :The Ministry of Foreign Affairs (MFA)

- Responsibility
 - Relationships
- Primary function
 - Help Dutch people abroad
 - Represent the Netherlands
 - Dutch interests and values
- CRE portfolio
 - "Postennet"
 - Diplomatic representations worldwide



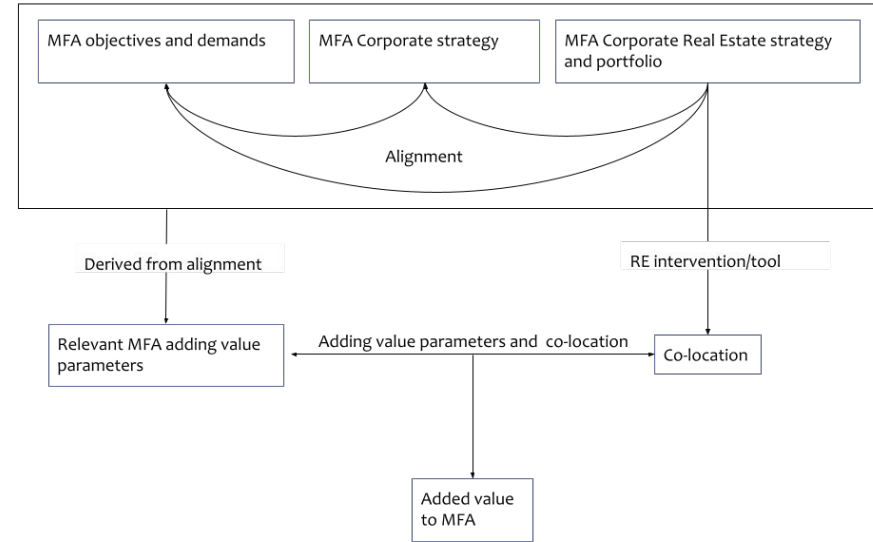
Why : The problem

- Gap in literature
 - Co-location in governmental agencies
- The Ministry of Foreign Affairs
 - 2012
 - No backing strategy, only guidelines: no, unless..
 - Limited adding value
 - Growing number, Need?



Why : Research objective and question

- Objective:
 - Improve implementation of co-location
 - Achieve demands
 - Add value
 - Step-by-step plan

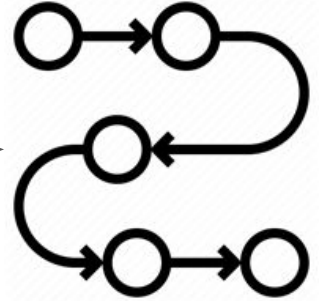


- Question:
 - How can co-location be used as a tool within the CRE strategy and as a part of the CRE portfolio that adds more value to the organization, specifically in the Ministry of Foreign Affairs?

How : Methodology



Ministry of Foreign Affairs



Theoretical background:

Co-location
Adding value

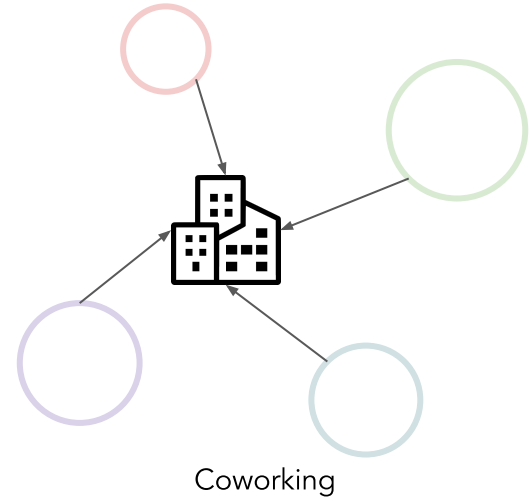
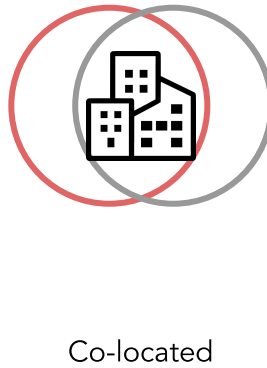
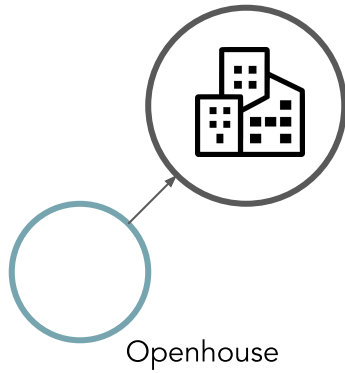
Current situation:

Stakeholder analysis
Corporate strategy
CRE strategy
CRE performance
Co-location (Surveys and interviews)

The step-by-step plan:

Decision tree
SWOT analysis
Success formula
Possible KPI's

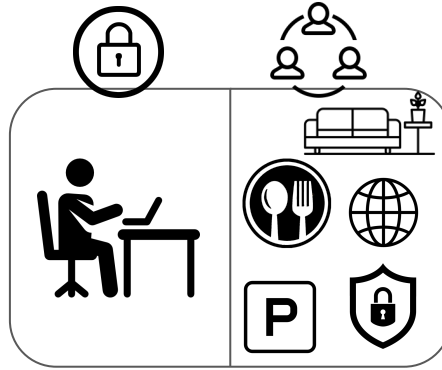
What : Co-location (1/3)



What : Co-location (2/3)



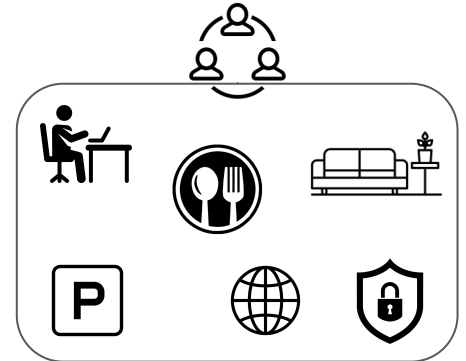
Executive suites



Serviced offices



Hybrid offices



Rented desks

What : Co-location (3/3)



The physical environment



Good working technology
Well-equipped spaces



Change of culture and
behaviour



Community building



Clear communication
Commitment
Strong leadership



Agglomeration

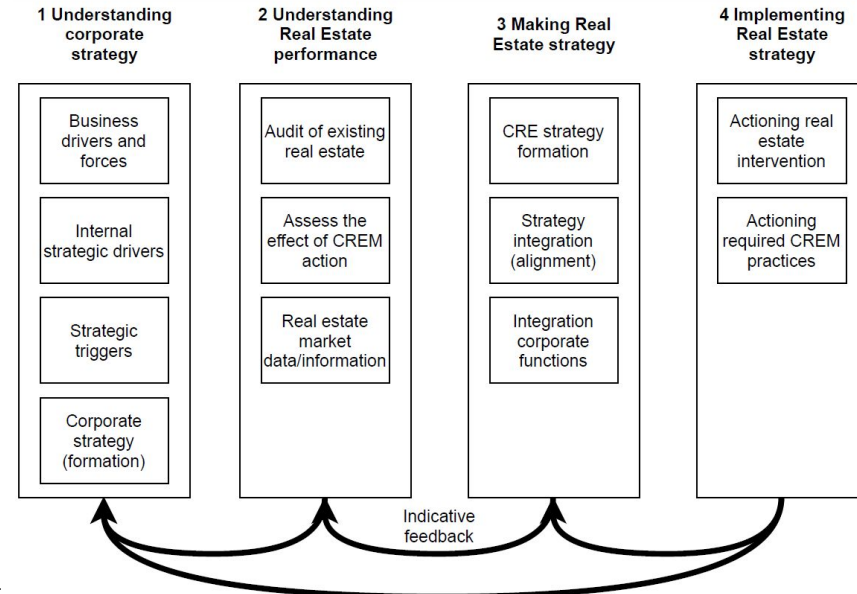
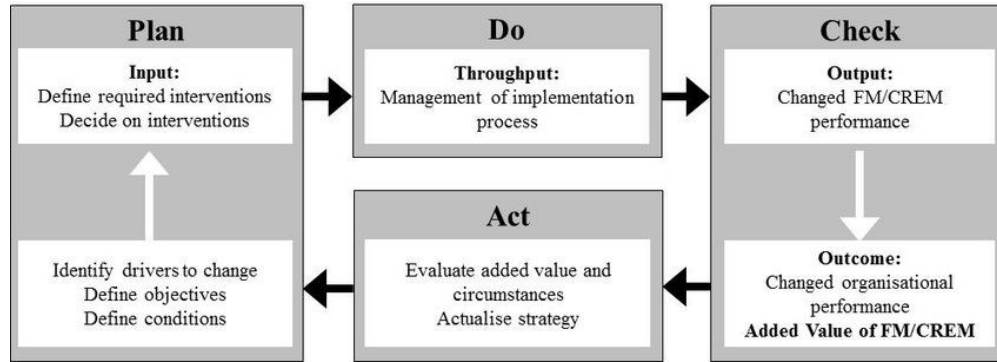


Freedom
Sense of control

What : Adding Value (1/2)

- Add value?
 - CRE that contributes to the organization
 - Alignment CRE intervention, CRE strategy, Corporate strategy, organizational demands and objectives
- 12 Adding value parameters*
 - Satisfaction, Image, Culture, Health and Safety, Productivity, Adaptability, Innovation and creativity, Risk, Cost, Value of assets, Sustainability, and CSR
- Value adding Management
 - Stakeholders
 - Alignment
- Models
 - Extended VAM model by Jensen & van der Voordt (2016)
 - 4 building block alignment model by Heywood & Arkesteijn (2017)

What : Adding Value (2/2)



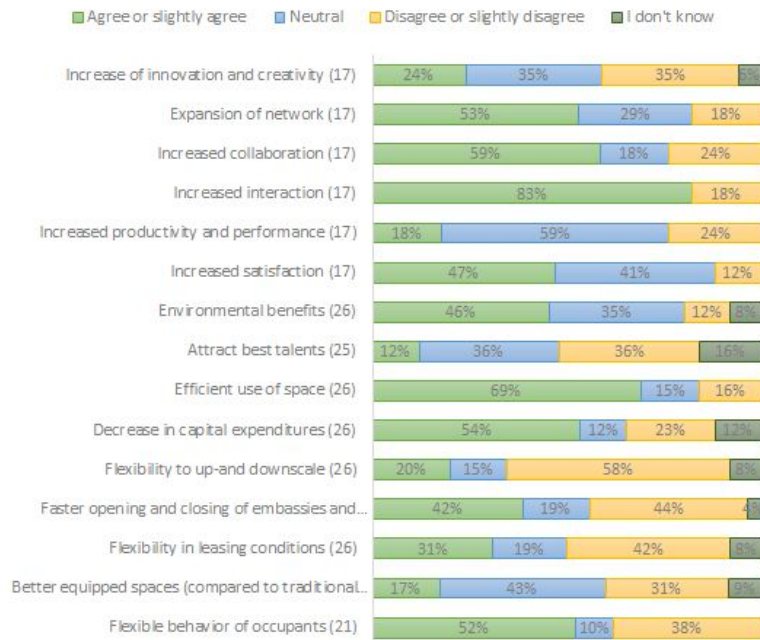
What : The Ministry of Foreign Affairs (1/6)

- Aligned
 - Demands, Corporate strategy, CRE strategy
- Relevant adding value parameters
 - All except value of assets
- Alignment in practice (Demand vs. Supply)
 - Room for improvement:
 - Faster opening and closing
 - Excess space
 - Important to maintain:
 - International relations and networks
 - Security
- Co-location to achieve demands?
 - Flexibility
 - Network
 - Representation
 - Excess space

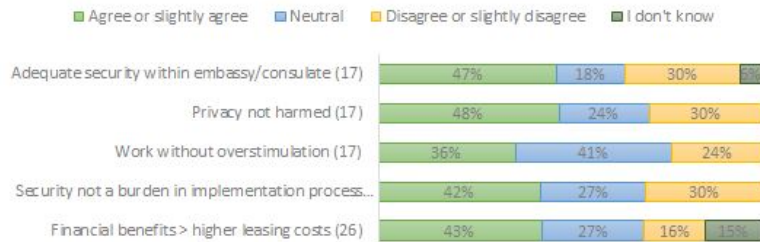
What : The Ministry of Foreign Affairs (2/6)

- Co-location
 - 33 external co-location cases
 - Semi-governmental organizations, countries, EU representations
 - Openhouse organized in property of MFA
 - No, unless...
 - Avoidance of operational disadvantages
 - Openhouse organized in property MFA
 - Private parties
 - Diplomatic, tax, rent, level playing field
 - Openhouse
 - Co-located
 - Coworking
 - Rented desks
- Survey
 - 10 Real Estate Managers
 - 7 responses
 - 33 embassies/consulates
 - 64 % response from the 33 embassies/consulates
 - 58 % response from the operational managers
 - 2% response from employees

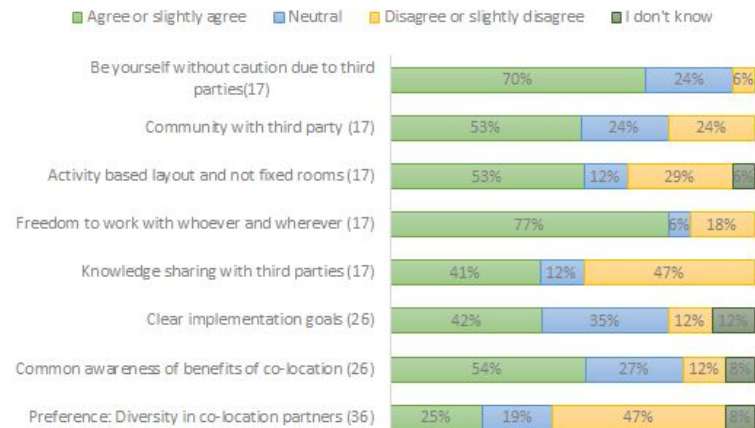
Advantages



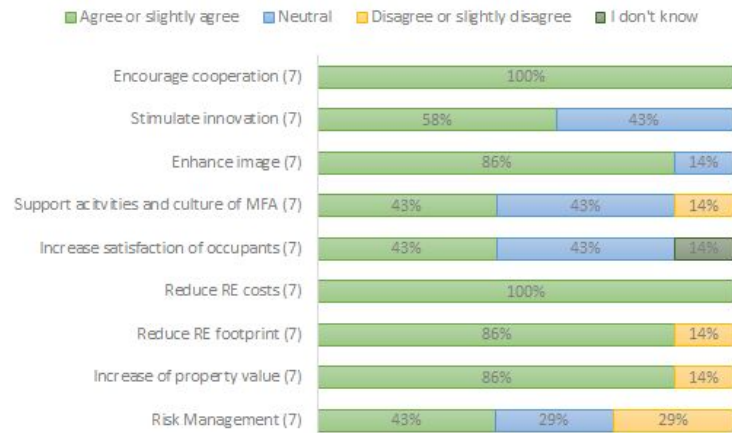
Disadvantages



Successfactors

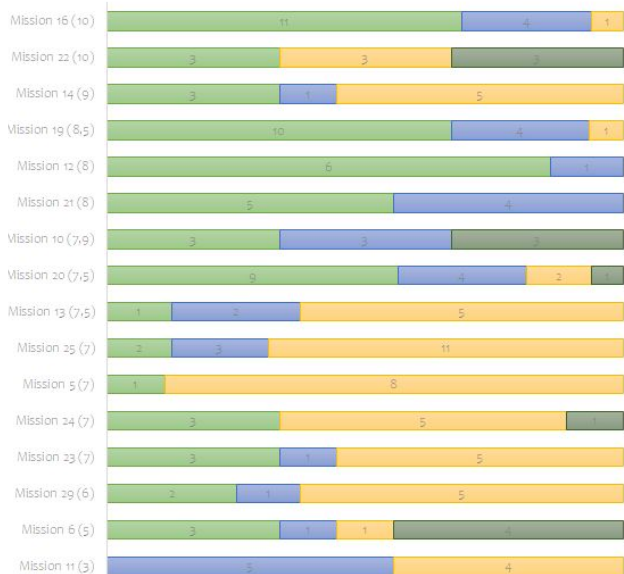


Adding value



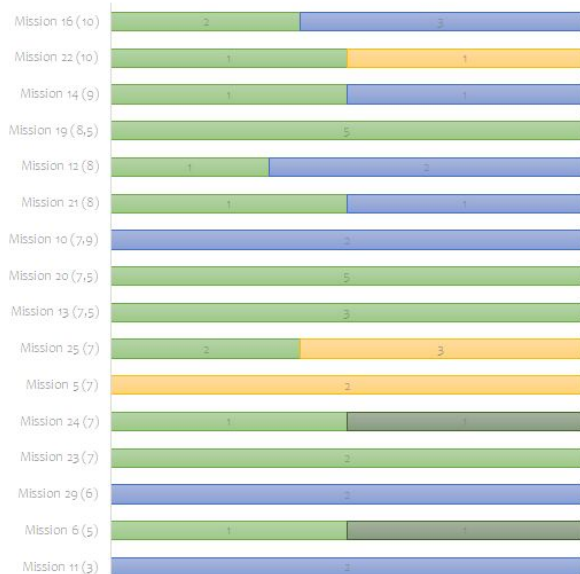
Advantages

Agree or slightly agree Neutral Disagree or slightly disagree I don't know



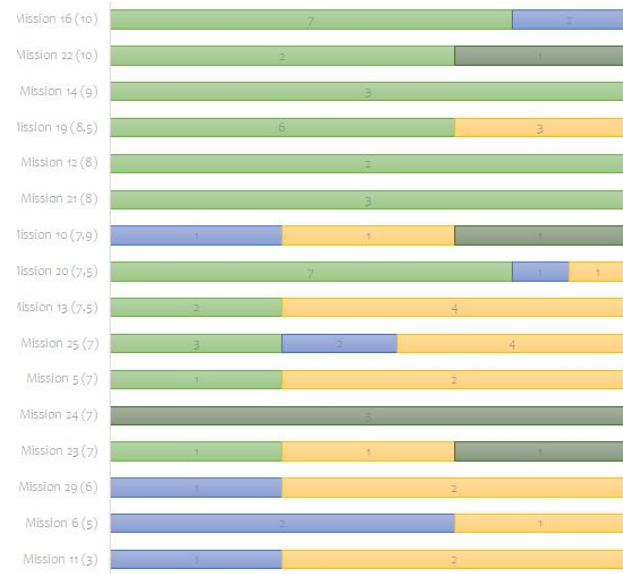
Disadvantages

Agree or slightly agree Neutral Disagree or slightly disagree I don't know



Success factors

Agree or slightly agree Neutral Disagree or slightly disagree I don't know



What : The Ministry of Foreign Affairs (5/6)

- Interview cases: 5
 - Diplomatic mission 16
 - Openhouse in organized in property of MFA
 - Country E
 - Hybrid office
 - Diplomatic mission 19
 - Openhouse in organized in property of MFA
 - Country F
 - Serviced office
 - Diplomatic mission 25
 - Openhouse in organized in property of MFA
 - Semi-governmental organization
 - Hybrid office
 - Diplomatic mission 30
 - Openhouse in third party's property
 - Country A
 - Serviced office/hybrid office
 - Diplomatic mission 32
 - Co-located
 - Country H
 - Hybrid office

What : The Ministry of Foreign Affairs (6/6)

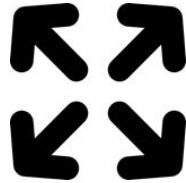
- Anecdotal success formula



Open and clear
arrangements



Open and clear
communication



Size of the
co-location



Support from
both parties



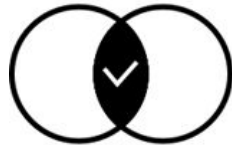
The layout



Mutual benefits



Do/build on
things together



Common ground



Extensive and
detailed preparation

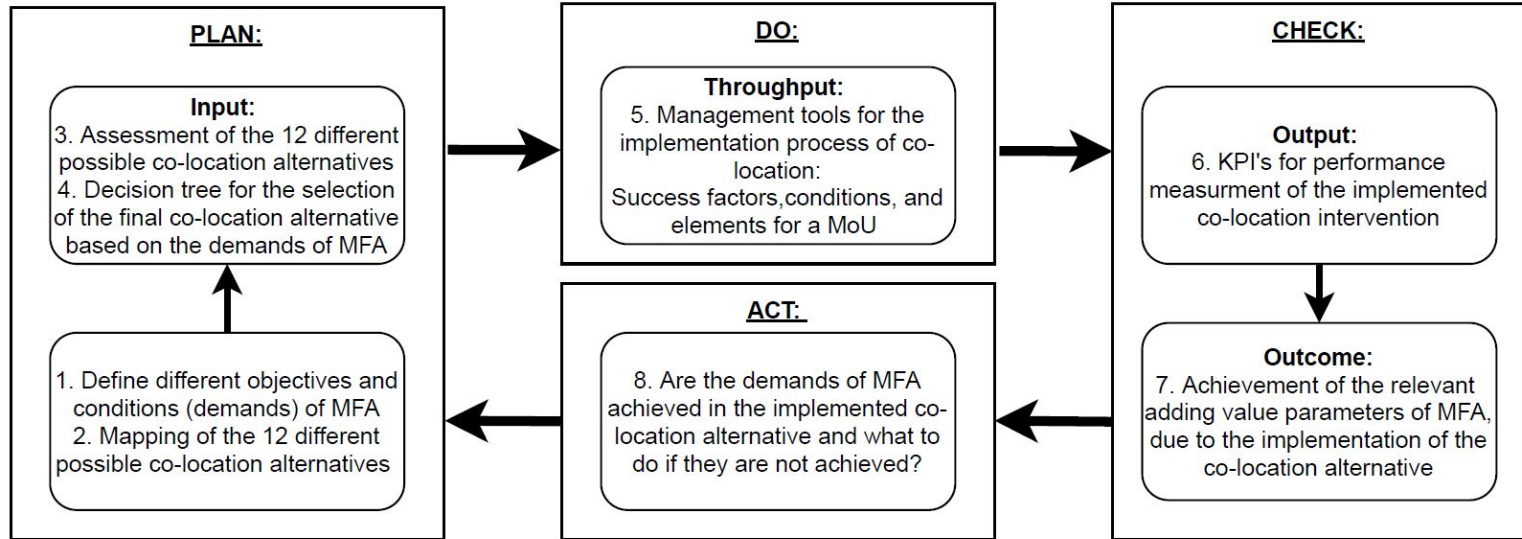


Take a neutral
stance: policy



Determine goals

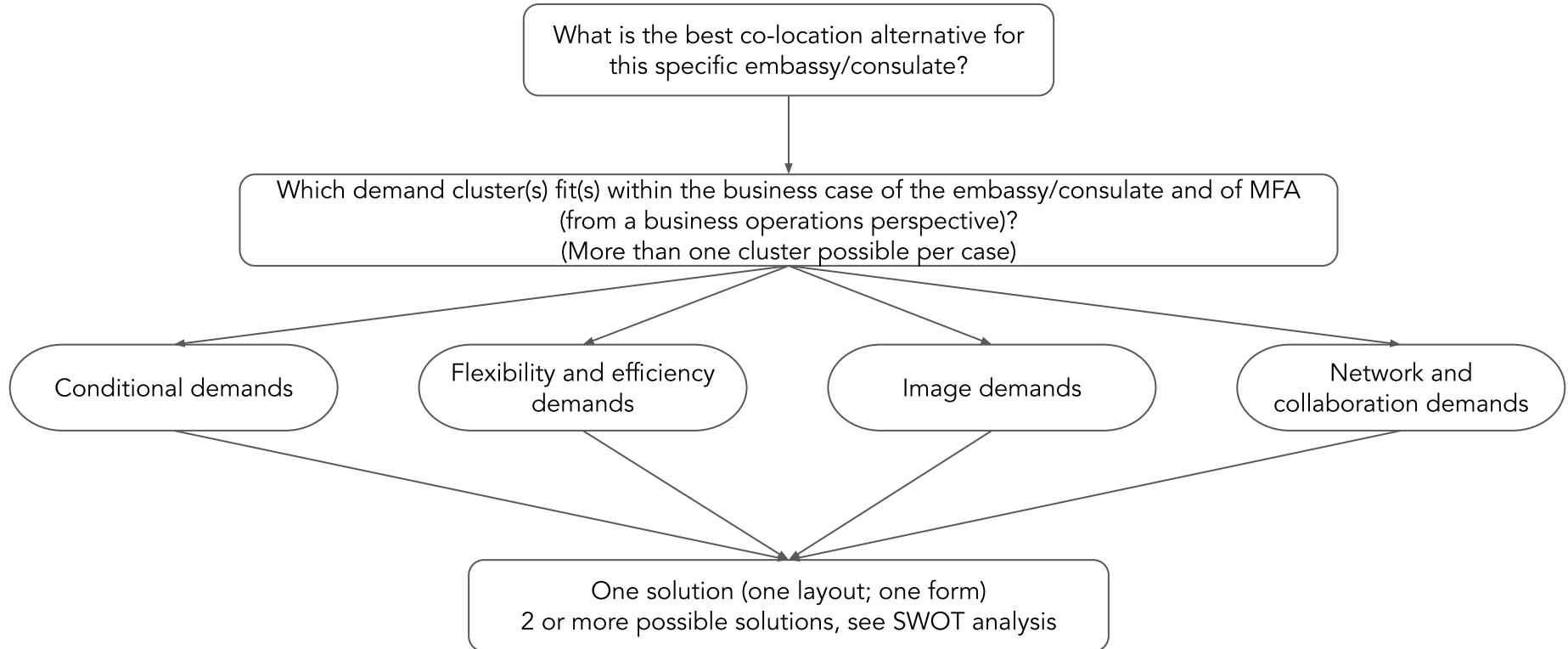
The solution : The step-by-step plan

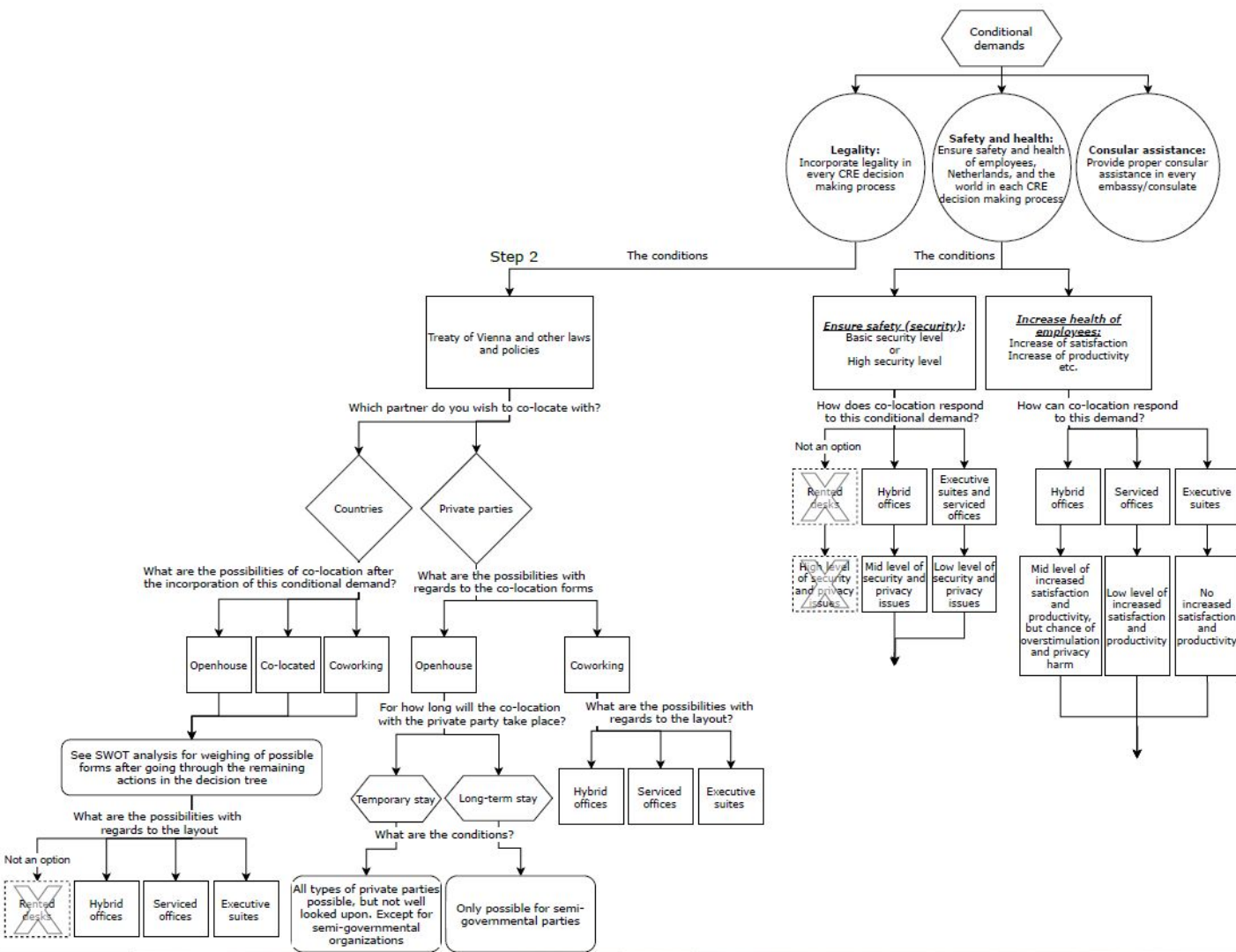


The solution : Case example

- Scenario:
 - Host country: Somewhere in Europe
 - Security level needed: Basic
 - Core objective: Strengthen, broaden, and diversify the network of MFA
 - Relevant demands: Conditional demands (legality and security), international demands and flexible network organization demands
 - Co-location partner: Private party
 - Long-term

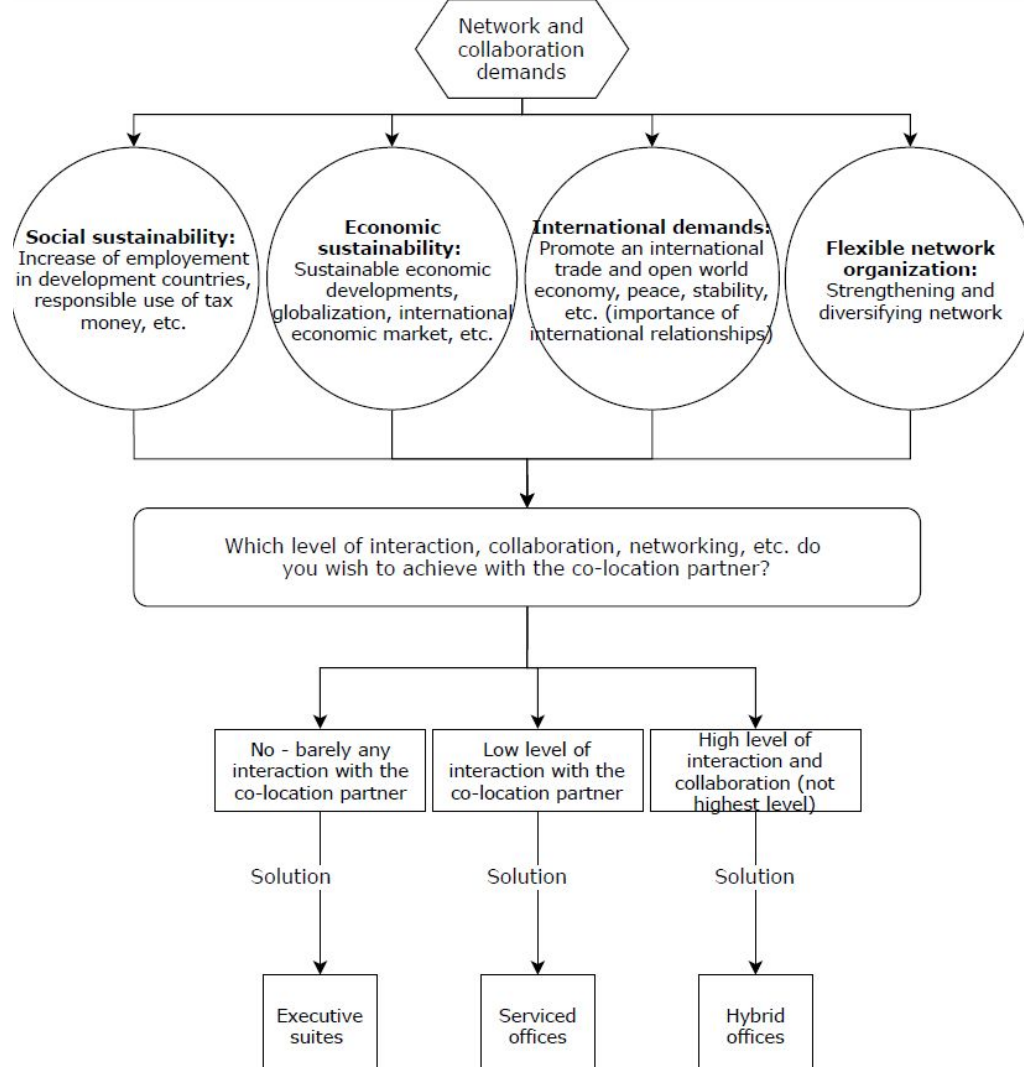
The solution : The step-by-step plan - decision tree





Leasing form options:
Coworking

Layout options: Hybrid,
serviced, executive suites



Leasing form options: Coworking

Layout options: Hybrid and Serviced offices

The solution : The step-by-step plan - SWOT analysis

<u>Coworking</u>	Executive suites	Serviced offices	Hybrid offices
<i>Strengths</i>	Unique selling point (openness and accessibility), Increased flexibility to up-and down scale, Increased flexibility to open and close (efficiency in time), Cost effectiveness, Stretches limits of RE, Decreased capital expenditures, Better equipped spaces, Low commitment	"....." Increased interaction	"....." Increased interaction, Increased collaboration, Expansion of network, Increased job satisfaction, Improve knowledge sharing
<i>Weaknesses</i>	Higher leasing costs, No social advantages	Higher leasing costs	Higher leasing costs
<i>Opportunities</i>	Attraction best talents, Optimization of portfolio, Environmental benefits, Good location and accessibility, Increased interaction, Diversity in collaboration	"....." Increased collaboration, Diversity in collaboration, Expansion of network, Increased job satisfaction, Improve knowledge sharing	"....." Diversity in collaboration, Stimulation of innovation and creativity, Increased productivity and performance
<i>Threats</i>	Lose representativeness in terms of old traditional architecture	"....."	"....." Harmed privacy, Security issues, Overstimulation

The solution : The step-by-step plan - Tailored success formula



Take a neutral stance: policy



Extensive and detailed preparation



Freedom
Sense of control



Determine demands



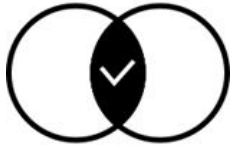
Support from both parties



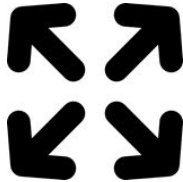
Mutual benefits



Good working technology
Well-equipped spaces



Common ground



Size of the co-location



The layout



Good and clear arrangements



Open and clear communication



Community building

The solution : The step-by-step plan - Check and act

- Check

- Achievement of relevant demands and related adding value parameters
- Case example KPI's:
 - Support collaboration and interaction in co-location embassy/consulate: open plan workspaces, shared rooms and facilities;
 - Diversity in room types ;
 - Presence collaboration and meetings rooms within embassies/consulates (internal and external collaboration);
 - Opportunities to collaborate or to concentrate;
 - Diversity in co-location partners;
 - How does co-location support the social responsibility of MFA (promoting international economy, strengthening international function);
 - Perception/reputation of image due to co-location: external parties;

- Act:

- WHY?

Conclusion

- Step-by-step plan
 - Improve decision making process and implementation process
 - Add value to MFA
- However,
 - Step-by-step plan has to be validated first

Questions

