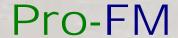
## Critical Book Review

Facilities Management and Corporate Real Estate Management as Value Drivers

How to manage and measure adding value

CFM's 2<sup>nd</sup> Nordic Conference

29.-30. August 2016



Olav Egil Sæbøe

www.pro-fm.no

## Q: What does the term "Added Value" mean to you?

### A:

- "... it depends very much on the client's perception."
- "... it is no hard science, but key is the trade-off between cost and benefits."
- "... it concerns the innovative part of FM with impacts on the primary activities."
- "... I base it on a microeconomic definition of economic value and value chain."

"The added value of FM/CREM is its contribution to cope with customers' interests..."

"It is related to the contribution for the achievement of the objective of an organization."

"Being conscious about costs but also benefits for the company's products and services."

"The meaning of Added Value depends on the nature and the objectives of the business."

"... I find the term difficult. Compared to whom or what is something "Added?"



#### What is then Added Value?

FM: (EN15221-1):

"the integration of processes (...) to maintain and develop (...) services which support and improve the effectiveness of its primary activities"

CREM (Dewulf et al 2000):

"the alignment of the real estate portfolio of a corporation or public authority 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"

#### Book:

"... added value is a perceived trade-off between the benefits of FM and CREM ..."

"To create Added Value it is necessary for CREM and FM also to develop accommodation, facilities and services so that they improve the effectiveness of the primary activities in an efficient way ..."



"General Process Model":

Input → Throughput → Output → Outcome = Impact = Added Value

...further developed to a generalized extended Value Added Management model:

Intervention → Management → Added Value.



# Part II Value parameters

Satisfaction

Image

Culture

Health and safety

**Productivity** 

Adaptability

Innovation and creativity

Risk!

Cost

Value of assets

Sustainability

Corporate social responsibility

