Towards an Integrated Value Adding Management Model for FM and CREM

Purpose: To present an integrated process model of adding value by Facilities Management (FM) and Corporate Real Estate Management (CREM) that is a generalisation of existing conceptual frameworks and aims to be a basis for management of added value in practice.

Background: The growing research on the added value of FM and CREM over the last decade has resulted in the development of several conceptual frameworks and the collection of much empirical data in practice. However, the practical application of current knowledge has shown to be limited and difficult. The reasons seem to be that the different frameworks are too complex and lack of common terminology and clear operationalisations of intervention-impact relationships.

Approach (Theory/Methodology): A generalised Value Adding Management process model is developed based on a common cause-effect model identified in existing conceptual frameworks combined with the basic process model of input → throughput → output. The proposed model consists of interventions as input, management of implementation as throughput and added value as output/outcome.

Results and practical implications: The Value Adding Management model provides a simple framework which aims at supporting the practical management and measurement of added value. A typology with six types of FM/CREM interventions is developed from earlier research. The concept of Value Adding Management is investigated and the 12 most important added value parameters are identified.

Research limitations: The process model still has to be tested on its empirical validity and practical applicability. This is being done and will be presented in a forthcoming book on how to manage and measure value adding by FM and CREM.

Originality/value: The Value Adding Management process model condensates research in an original and simple model with the potential to make value adding management more applicable in practice.