



Business
Location
Strategy

June 2018

Re: the consequences of Brexit

Dear sir / madam,

June 2018's leave vote marks a historic shift in Britain's place in the world with profound implications for the climate for business in the UK. The UK vote to leave the EU signifies the start of an untested negotiation process with unknown consequences for individuals and organisations.

It is these unknown consequences and uncertainty that make corporates with subsidiaries in the UK re-evaluate their location, especially when it comes down to European Headquarter (EHQ) functions.

At Deloitte, we are seeing an increasing demand for independent analysis of the current Real Estate footprint of our international clients. Many are considering their options and request independent analysis of their holdings compared to moving them to another country, The Netherlands, Germany (Frankfurt) and Ireland in particular. Within Deloitte we have an established Business Location Strategy team providing guidance just in these times and for these questions.

In the following pages of this document you will find an overview of our services highlighting our capabilities in business location strategy. Whether it is structuring your thinking around potential locations, providing insights in location attractiveness or negotiating favourable terms and conditions; we are ready to guide you.

We look forward to hearing from you.

Yours sincerely,

Jurriën Veldhuizen
Partner, Deloitte

Drivers for Business Location Strategy

Our proposition delivers value to corporate clients expanding & relocating business and optimizing & rationalizing real estate portfolios

Selected drivers

Brexit

- The UK vote to leave the EU signifies the start of an untested negotiation process with unknown consequences for individuals and organizations
- The unknown consequences and uncertainty makes it relevant for corporates with subsidiaries in the UK to re-evaluate their location

Growth

- Considering a new investment in a plant, SSC, Warehouse or (regional) HQ
- Entering new customer segments and markets require new investments where ecosystem partners that contribute to a company's value chain become more important

Optimization

- Considering optimization of the real estate portfolio
- Location decisions in the past don't necessarily match future business requirements and burden a company with high operating costs

Rationalization

- Considering opportunities for real estate portfolio rationalization
- M&A activities typically result in a real estate portfolio with limited rationale

Optimize business case

You relocation business case could benefit from cost mitigation, location option evaluation and real estate footprint evaluation

A

Mitigate transition costs



- Grants & incentives from public authorities



- Incentives from other authorities



- Real estate lease contract incentives

B

Evaluate Location Options



- Location characteristics
 - Talent
 - Regulation
 - Accessibility and infrastructure
 - Etc.



- Real estate characteristics
 - Availability
 - Development possibilities
 - Flexibility
 - Prices / rents

C

Optimize real estate footprint



- Evaluate standard square meter norms and working places per employee

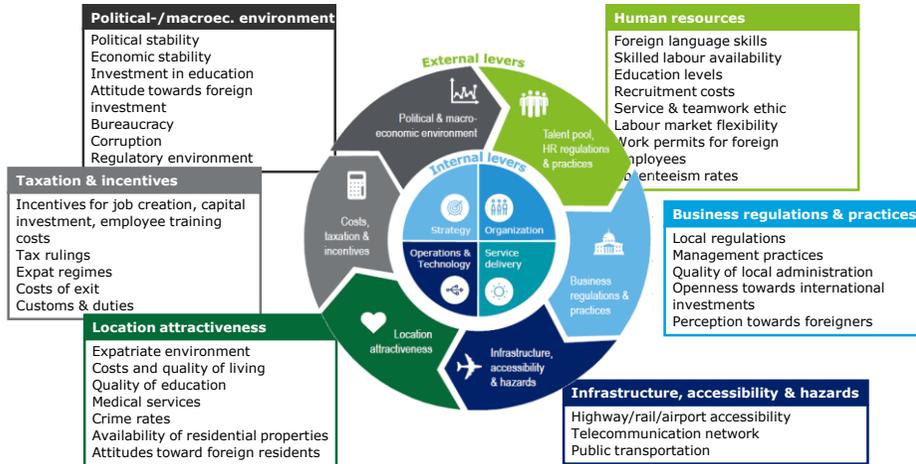


- Provide insight in potential savings in square meters

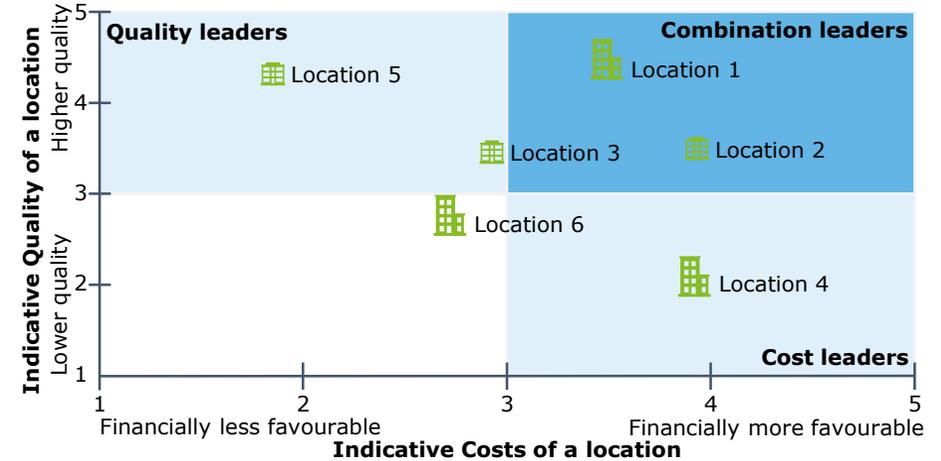
Business location strategy

Our six step modular approach provides an evaluation framework for decision making

Qualitative elements to consider



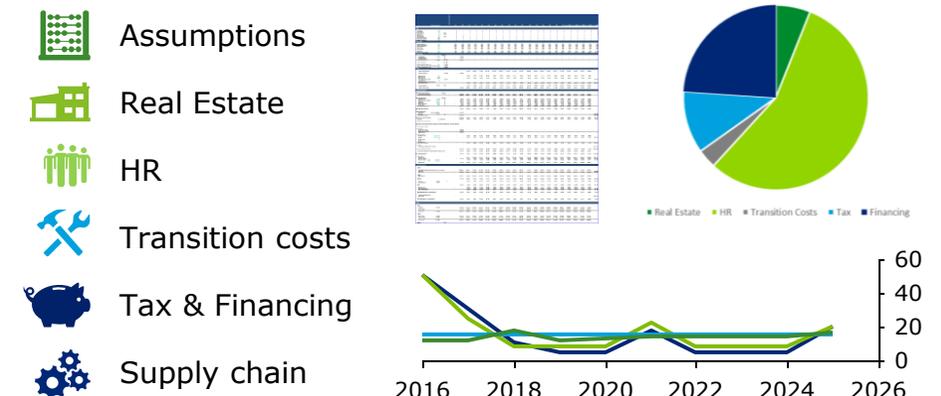
Typical location strategy evaluation framework



Approach for location strategy & site selection



Elements to consider in your business case



Selection of team members

Deloitte Business Location Strategy combines the strengths of various team members and is trusted advisor to many clients



Jurrien Veldhuizen
Partner

Jurrien Veldhuizen is responsible partner for Deloitte's Business Location Services in The Netherlands. Jurrien has over fifteen years of experience in project and process management regarding site selection, strategic site marketing, area development, public-private partnerships



Sjors Berns
Senior manager

Sjors Berns is co-leading Deloitte's Business Location Services. Sjors has over ten years of experience in advising corporate clients regarding location strategy and site selection. Furthermore, Sjors has been involved in numerous projects advising (regional) development agencies to optimize inward investment promotion and acquisition strategy



Mark Platier
Senior manager

Mark Platier is co-leading Deloitte's Business Location Services. Mark is a seasoned professional in project and process management regarding site selection, area development, public-private partnerships and strategic business case development

Selected prominent team members



Lambert Wiltink is an experienced team member with extensive experience in the real estate industry, in location strategy and in real estate cost modelling



Thomas van Bergen is a visionary team member with extensive experience in inward investment promotion and the chemical industry



Maxim Wolters is a dedicated team member with evident experience in location strategy and site selection



Ruud van Eijk, member of RICS, is a seasoned team member with experience in real estate footprint optimization and real estate transactions



Wouter de Wit is a dedicated team member with demonstrable experience with economic impact modelling and a focus on real estate and aviation



...and many others Our consultants are seamlessly teaming with amongst others International Tax, Supply Chain, Strategy and the Deloitte European CoE on Global Location Strategies in Brussels



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