



At a time when the modern economy is knowledge-intensive and relies heavily on innovations, companies have become increasingly specialized and value chains became more complex. Innovation is no longer a closed process that companies and knowledge institutions go through independently.

They increasingly innovate and co-create together. This is done through a dynamic network of partnerships. This new way of innovating changes the needs for the (physical) environment in which companies operate. A network of interactions is created - a web of interconnected, interdependent, companies and organizations that together innovate and create value - "the business ecosystem".

The spatial translation of a business ecosystem are commonly dubbed campuses, valleys, and districts. The campus, as the workplace of the future, facilitates cooperation and joint innovation between and within parties. We see a trend of companies that increasingly and successfully work in campus-like environments. Campus development generates benefits for companies that want to innovate, grow and create a future-proof working environment. However, there is no blueprint for successful campus development.

Campus development

A campus is a clearly spatially defined area in which researchers and companies collaborate intensively. Campuses are often part of a larger ecosystem. Users have access to knowledge, facilities, and talent. Real estate is no longer only used by a single user, but (parts of) buildings are opened up to third parties and alternative functions. By opening up real estate, one can promote interactions between parties and individuals, stimulate engagements and cooperation, and learn from one another. The campus environment is,

therefore, a means for companies to achieve their broader objectives. The idea that companies have to do everything inhouse is outdated. Cooperation leads to progress. On the one hand, we see companies that become part of an existing campus. On the other hand we see companies that use their real estate to realize new campus environments.

Reasons for campus development

We have identified several reasons for companies to start with campus development:

Aspiration for cooperation and innovation:

New products and services are emerging, while at the same time existing products and services are disappearing. The search for cooperation can lead the way to new products, services and markets. The market shows that most successful innovations are developed with partners. This can be explained by the fact that in the early stages of an innovation process, there is a need for direct interaction and exchange of knowledge. That is, multiple cycles of developing, testing by third parties or potential clients, redeveloping and testing again, have generally proved to be more effective than linear in-house developments. Innovation activities are therefore often strongly spatially clustered. A campus offers the possibility to facilitate the required geographical proximity and cooperation between different parties. The real estate environment can therefore serve as a catalyst for innovation and lead to the development of new products and services.

A shift in housing: Nowadays companies require fewer square meters of housing, because of shared workplaces, co-location, flexible workplaces, smart building technology and more efficiency. By reducing their own footprint, companies create space for third parties within their properties, which saves costs and generates additional revenues. This also applies to shared facilities. Research has shown the campus-concept meets these workplace requirements of the future. The workplace of the future is focused on cooperation, sustainability, flexibility, shared facilities and entrepreneurship.

Soft exit: When relocating to a new location, companies want to make sure their existing buildings do not sit empty. To prevent vacancies and knowledge loss, they leave the old location in phases, while new companies gradually take over their place. Knowledge and facilities are then shared by a wide range of new parties.

Talent attraction: The campus model is also used to attract the increasingly scarce talent since it is a favorable working environment especially for young professionals. The campus can also facilitate education and programs to suit the demand and supply of talent better.

Benefits on different scales

While the strict definition of a campus is often linked to educational institutions and research, we see that the benefits offered by the campus model can be applied at different scales for all types of parties. We identify six layers of proximity:

- Geographical proximity: Being able to work together physically to consult and coordinate ad hoc.
- Social proximity: Being in, or being able to find contact with like-minded people (socializing).
- Institutional proximity: Belonging to a certain "subculture" or group with corresponding norms and values. It can have a virtual or physical component.
- Cognitive proximity: Access to people/databases, events, etc. with the same, related or relevant knowledge levels to make knowledge sharing easier.
- Organizational proximity: Reduction in barriers by belonging to the same organization/institution.
- Financing proximity: The possibility to get in touch with potential financiers and investors.

Campuses are a spatial translation of the emergence of local innovation ecosystems. However, only spatial proximity is not sufficient to exploit the benefits of the campus environment and to facilitate innovation. The benefits of working in a campus environment are only achieved under certain conditions. Firstly, the cooperation that underlies innovation must also be facilitated by programming (for example, workshops, lectures, congresses, events, etc.) and by informal meeting places. Secondly, the physical space must be arranged in such a way that cooperation is encouraged. This includes a strong organization that actively shapes the cooperation. Thirdly, a clear content driven profile that is supported by the various users is also essential to make optimum use of the benefits that a campus environment can generate.

Conclusion

To be able to keep up with the pace at which innovation is taking place, it is crucial to recognize that leveraging third parties' resources, generates more benefits within a shorter timespan than doing everything in-house.

A campus as a physical environment can facilitate the development of new partnerships and innovations and can attract scarce talent. Parts of the campus concept can be beneficial for several parties that want to create a future-proof working environment. The benefits of a campus are such that more and more parties are opting for a campus solution. There is no blueprint for "how a campus, valley or district is successfully set up". This depends on the type of organizations and the goals they want to achieve. Specific knowledge of real estate in combination with how to set up partnerships is essential for creating a successful campus.

Authors

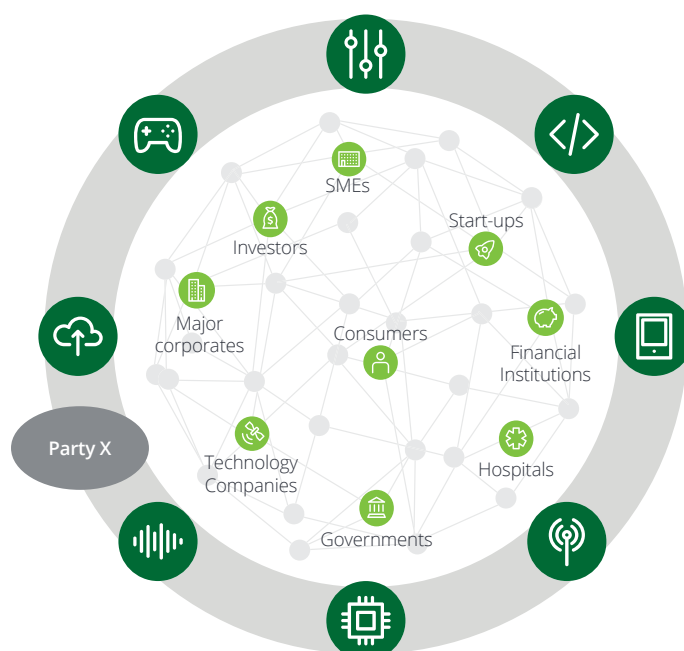
Sofie Woldring
Manager | NL
swoldring@deloitte.nl

Mark Platier
Director | NL
mplatier@deloitte.nl

Contact

Wilfrid Donkers
Real Estate Predictions leader | NL
WDonkers@deloitte.nl

Value creation is increasingly taking place in ecosystems





Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.nl/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.nl.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.