Participation drivers for urban redevelopment
business plan principles for urban redevelopment processes

Spanjers, T.A.T.

Award date:
2009
Graduation report

Participation drivers for urban redevelopment.

Business plan principles for urban redevelopment processes

Definitive
20 February 2009

Author: ing. Twan Spanjers
Studentnr: s020623
Commision: Drs. C.J.T.M Kokke
            Prof. dr. L.H.J. Verhoef
            ing. G.J.M. Heemskerk
Businessplan principles for urban redevelopment processes

Colofon

Titel Participation drivers for urban redevelopment
Subtitel Business plan principles for urban redevelopment processes

Keywords Urban renewal, redevelopment, businessmodels, success factors

Institution Technical University of Eindhoven
Company Twynstra Gudde

Commission Technical University of Eindhoven
Drs. C.J.T.M Kokke
Prof. dr. L.H.J. Verhoef
Twynstra Gudde
ing. G.J.M. Heemskerk

Author Twan Spanjers
Studentnr. 0614873
Email t.a.t.spanjers@student.tue.nl

Rapport Coursecode 7cc30
Status Concept
Graduation date 4th march 2009
Contact Technische Universiteit Eindhoven
Faculteit Bouwkunde, CME
Den Dolech 2
5612 AZ Eindhoven
Postbus 513 5600 MB Eindhoven
Tel. 040-247 9111

Twynstra Gudde
Afdeling Ruimte
Stationsplein 1
3818 LE Amersfoort
Postbus 907
3800 AX Amersfoort
Telefoon: 033 4677777

This thesis is available for Library use on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement
Preface

In front of you lies the research written by Twan Spanjers. This research is about private party participation for successful redevelopment of urban areas. The research is done as the last Master thesis for the Masterstudy Construction Management and Engineering. The research is held at Twynstra Gudde, department spatial planning.

During the research insights in the redevelopment processes as well as insights in business models is gathered. The research has been held under the new requirements within a graduation atelier. This leaded to a strict planning which has been accomplished, but also influenced the result. The result and the process of doing the graduation process gave me another viewpoint on Construction Management. Construction Management is a subject which is going through many changes, but also needs to change a lot to meet the current needs and cope with the future questions. The change is crucial for the sectors successful future and this will be a challenge for this and the next generations.

I have been working with pleasure on this research and want to thank everybody who was supportive in this period. Especially I want to thank Gregor Heemskerk as supervisor of Twynstra Gudde, and Kees Kokke and Leo Verhoef as supervisors of the Technical University of Eindhoven, who guided me through the whole process. Also the possibilities of using expert knowledge in the network of Twynstra Gudde were relevant for my research and thanks for these possibilities. At last I want to thank fellow students who have been listening and reflecting my work several times.

I hope you enjoy reading this research.

Amersfoort, 20th February 2009.
Summary

The theme of this research is urban redevelopment. (Re)-development of urban areas is a complex process in which more and more situations need large investments. In ten years time in the Netherlands more then 126 billion euro’s of investments is needed for 30 cities of the “Grotenstedenbeleid”. The ISV (investeringsbudget stedelijke vernieuwing) for investments of city development will be brought down the coming years. This will result in less trigger money to create chances for investments. The financial means to invest in public space by the public parties will therefore decrease. Budgets for public space are not sufficient and maintenance of these spaces cost too much but can not be minimized. Public parties can not cope with these large investments and ask market investments for these projects. These private parties need to invest in projects which run for more then ten years and do not have clear outcomes for their investment. This can be a bottleneck for private party participation and there is also no clear view on how to valuate an urban area that needs redevelopment. This impedes the progress of redeveloping urban areas. Therefore it is interesting to investigate the drivers for participation and look for businessmodel concepts to achieve successful redevelopment.

An open research is done to get insights in problems and possible solutions. This research can be characterized as a qualitative explorative research. The tested hypothesis is: “Urban area redevelopment can be successful through private party participation.”

Urban redevelopment is needed to prevent the decline of inner city areas. The redevelopment process needs to take place along the three pillars social, economic and physical development. This leads to complex situations in which many stakeholders have their share, but it is also the way to create value in the process and in the end successful redevelopment. Most important is to acknowledge the urge of the problem and assign this to the different involved parties. The most important stakeholders are: residents, local authorities, corporations, businesses and investors. They all have different interests and objectives and the decision-making process and preparation time becomes complex, but to direct the process from one perspective is impossible.

Value features can describe the value we add to an urban area. The value features describe on which features we can create value and with the creation of this added value, creating successful redevelopment processes. Increased value should be captured by the different stakeholders to quantify the intervention results. The value features which can be seen as the value proposition of the area are:

**Unique selling points:** Liveability, Sustainability, Social infrastructure, Social environment, Facilities, image, Knowledge infrastructure, Employement, Education, Income, Safety and Market position.
Unique welling points: Accessibility, Building properties, Quality public space and environment.

To have a successful redevelopment process different critical success factors need to be achieved. These factors can be seen as the most important for project success and therefore need to be taken into consideration when executing a redevelopment process. The factors can be grouped into environmental, stakeholder and project/process factors. Environmental success factors are determining project success but can hardly be influenced. These are described as fixed influences which are always threatening or supporting redevelopment success. The most important factors in this group are commitment by the politics and the image redevelopment processes have. Stakeholder success factors are easy to influence from the parties own viewpoint and difficult from the opposites viewpoint. Both, public and private, parties see the commitment by governmental parties, the vision of the authority as well as the influence or ground positions in the area as most important success factor. Another important stakeholder factor is the clear and visible communication to residents. Residents are a strong stakeholder within the process and need to be kept informed at all times. Project/process factors are related to the product or service offering. These factors can be influenced by the organization executing a redevelopment process. The most important factors are here according public and private parties relative location quality as a project factor and communication as a process factor.

To setup an organization that executes the redevelopment process a business model can be chosen to describe the organization. The business model has the core elements that describe how value is created and how this value can be captured. A uniform business model consist of the following elements: insourcing, core resources, value configuration, value proposition, distribution channel, customer segment and finance aspects.

An alliance is the best contracting type when trust and mutual respect describes your business culture and your business challenge is complex. This is the case in redevelopment processes where private parties and public parties cooperate with each other and have to share goals. The challenge becomes complex because of the presence of residents within the process and unprofitable situations which need to be financed. The private parties should be involved in the businessmodel. They need to participate in an alliance in which they share their goals. This results in sharing profits and losses. The influence they have as insourcing parties is clearly set and when participating in an Alliance structure they should have the intention to continuously improve and set business performance. Risks and uncertainty should be addressed to the party who can control them best. Redevelopment processes continuously change and are characterized as an ongoing business for many years. The redevelopment process takes place through the three different pillar view. This means that different parties need to collaborate with each other over time and that relationships are changing. This can be compared with an open innovation. An open innovation can be defined as the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and
Business plan principles for urban redevelopment processes

expand the markets for external use of innovation. The use of different sources and capabilities of partners lead to eventual success and can create the highest rate on value for money. An **alliance with open innovation** is the best input for an urban redevelopment business model. A **business plan** describing these elements can attract parties to participate within this organization.

The business plan for an urban redevelopment area should be consisting of the following **principles** next to the **uniform business model elements**.

- **Introduction** - Introduce the organization and redevelopment concept
- **Value proposition** - Describe on which items you are increasing value and describe the strong elements of your redevelopment product. Describe them along the value features of the urban area.
- **Study of the market** - Investigate the surrounding areas. Find political commitment and describe how you achieve it. Address the organization an image positive to the current redevelopment views.
- **Challenge** - Setup a vision, this vision is combined vision of the public and private parties. Describe how the organization compromises to the vision, mission and scope.
- **Strategy and business model** - Set up clear and realistic objectives which can be tested at all times. Describe how communication flows within the public private partnership and set up a model on how parties achieve value and getting paid.
- **Winning team** - Describe the qualities of the public private partnership team. Most important is the commitment to the partnership by the different parties and describe the added value of them. At least describe the positions and political power parties have.
- **Roadmap** - Describe the redevelopment process clear and set up a communication plan and describe how support and future security will be achieved.
- **Financials** - Describe the Cash flows, ratios and results and differentiate them for each single party who is cooperating.

Concluded can be that **urban redevelopment is successful** through private party participation when the success factors mentioned in the research are taken into account. These are crucial and need to be elements of discussion considering a partnership. This research gives guidance to set up a partnership. A business plan describing the business model and the crucial elements needed is guiding a partnership. When following these principles and take the drivers of the different parties into account successful redevelopment through private party participation can be established.

But to get parties convinced extra research can be done in methods to check up performances over time. The Balanced scorecard method can be used to do performance measurements on the organization which is setup for the redevelopment process. It is recommended to take these **performance measurements** into account.
# Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLOFON</td>
<td>2</td>
</tr>
<tr>
<td>PREFACE</td>
<td>3</td>
</tr>
<tr>
<td>SUMMARY</td>
<td>5</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>8</td>
</tr>
<tr>
<td><strong>1 INTRODUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 CAUSE OF INTEREST</td>
<td>10</td>
</tr>
<tr>
<td>1.2 HISTORY</td>
<td>10</td>
</tr>
<tr>
<td>1.3 READING GUIDE</td>
<td>12</td>
</tr>
<tr>
<td><strong>2 RESEARCH DESCRIPTION</strong></td>
<td>13</td>
</tr>
<tr>
<td>2.1 PROBLEM DEFINITION AND QUESTIONING</td>
<td></td>
</tr>
<tr>
<td>2.1.1 Target</td>
<td>13</td>
</tr>
<tr>
<td>2.1.2 Main subject</td>
<td>13</td>
</tr>
<tr>
<td>2.1.3 Research hypothesis</td>
<td>13</td>
</tr>
<tr>
<td>2.1.4 Sub-questions</td>
<td>13</td>
</tr>
<tr>
<td>2.2 DEFINITIONS</td>
<td>14</td>
</tr>
<tr>
<td>2.3 FOCUS</td>
<td>14</td>
</tr>
<tr>
<td>2.4 TYPE OF RESEARCH</td>
<td>15</td>
</tr>
<tr>
<td>2.5 RESEARCH MODEL</td>
<td>16</td>
</tr>
<tr>
<td>2.6 EXPECTED RESULT</td>
<td>17</td>
</tr>
<tr>
<td>2.7 RELEVANCE</td>
<td>17</td>
</tr>
<tr>
<td><strong>3 THEORY URBAN REDEVELOPMENT</strong></td>
<td>18</td>
</tr>
<tr>
<td>3.1 CURRENT SITUATION</td>
<td>18</td>
</tr>
<tr>
<td>3.2 STAKEHOLDERS</td>
<td>20</td>
</tr>
<tr>
<td>3.3 FINANCE PROBLEM</td>
<td>21</td>
</tr>
<tr>
<td>3.4 CONCLUSION</td>
<td>22</td>
</tr>
<tr>
<td><strong>4 THEORY VALUE AND SUCCESS FACTORS</strong></td>
<td>23</td>
</tr>
<tr>
<td>4.1 DEFINING VALUE</td>
<td>23</td>
</tr>
<tr>
<td>4.2 VALUE FEATURES</td>
<td>24</td>
</tr>
<tr>
<td>4.3 VALUE CAPTURING</td>
<td>27</td>
</tr>
<tr>
<td>4.4 ASSURANCE OF VALUE</td>
<td>28</td>
</tr>
<tr>
<td>4.5 SUCCESS FACTORS</td>
<td>30</td>
</tr>
<tr>
<td>4.6 CONCLUSION</td>
<td>33</td>
</tr>
<tr>
<td><strong>5 SURVEY SUCCESS FACTORS</strong></td>
<td>34</td>
</tr>
<tr>
<td>5.1 INTRODUCTION</td>
<td>34</td>
</tr>
<tr>
<td>5.2 SUCCESS FACTOR DIVISION</td>
<td>34</td>
</tr>
<tr>
<td>5.3 SETUP SURVEY</td>
<td>36</td>
</tr>
<tr>
<td>5.4 SURVEY RESULT</td>
<td>36</td>
</tr>
<tr>
<td>5.5 CONCLUSION</td>
<td>38</td>
</tr>
</tbody>
</table>
Businessplan principles for urban redevelopment processes

6 BUSINESS ANALYSIS ........................................................................................................... 39
   6.1 CASH FLOWS ................................................................................................................... 39
   6.2 EARNINGS ....................................................................................................................... 40
   6.3 COLLABORATION .......................................................................................................... 41
   6.4 BUSINESS MODEL ......................................................................................................... 43
   6.5 CONCLUSION ................................................................................................................ 46

7 CONCLUSIONS AND ANSWERS TO SUB QUESTIONS .......................................................... 47
   7.1 ANSWERS TO THE SUBQUESTIONS ........................................................................... 47
   7.2 CONCLUSION ON REDEVELOPMENT PROCESS ......................................................... 49

8 DESIGN .................................................................................................................................. 50
   8.1 INTRODUCTION ............................................................................................................. 50
   8.2 BUSINESS MODEL ........................................................................................................ 50
   8.3 BUSINESS PLAN PRINCIPLES FOR URBAN REDEVELOPMENT ................................ 51
   8.4 USEFULNESS DESIGN .................................................................................................. 54
   8.5 ANSWERS TO THE SUB QUESTIONS .......................................................................... 54

9 CONCLUSIONS AND RECOMMENDATIONS ............................................................................ 56
   9.1 CONCLUSIONS ............................................................................................................... 56
   9.2 RECOMMENDATIONS .................................................................................................... 56

IV. APPENDIXES .......................................................................................................................... 59

10 REFERENCES ......................................................................................................................... 60

11.1 SUCCESS FACTORS .........................................................................................................
11.2 BUSINESSMODEL QUESTIONS .....................................................................................
11.3 INTERVIEWSCRIPT .........................................................................................................
11.4 UITNOGING INTERVIEW ............................................................................................... 
11.5 SURVEY SETUP ............................................................................................................... 
11.6 SURVEY RESULTS .......................................................................................................... 

12.1 INTERVIEW ROBERT BOOM, ADVISER TWYNSTRA GUDE ............................................
12.2 INTERVIEW GERLINDA TIJHUIS, PROJECTMANAGER GEMEENTE DEVENTER .............
12.3 INTERVIEW PETER ROELOFS, DIRECTOR URBAN DEVELOPMENT, STAOSGENOOT AMSTERDAM
12.4 INTERVIEW ED KOLE, ADVISER TWYNSTRA GUDE ....................................................
12.5 INTERVIEW HENK HOOGMOED, ADVISER TWYNSTRA GUDE ..................................
12.6 INTERVIEW KLAAS BOSMA, ADVISER TWYNSTRA GUDE .......................................... 
12.7 INTERVIEW JEROEN DEN UYL, ADVISER TWYNSTRA GUDE .....................................
12.8 INTERVIEW SYDNEY MAC GILLAVRY, ADVISER TWYNSTRA GUDE............................
1 Introduction

1.1 Cause of interest

The theme of this research is urban redevelopment. (Re)-development of urban areas is a complex process in which more and more situations need large investments. In ten years time in the Netherlands more then 126 billion euro’s of investments is needed for 30 cities of the “Grotenstedenbeleid” (Wassenberg en Bosch, 2008). The ISV (investeringsbudget stedelijke vernieuwing) for investments of city development will be brought down the coming years. This will result in less trigger money to create chances for investments. The financial means to invest in public space by the public parties will therefore decrease (KEI-partners, 2008). Budgets for public space are not sufficient and maintenance of these spaces cost too much but can not be minimized (Lengleek, 2007). Public parties can not cope with these large investments and ask market investments for these projects (Adair et al, 1999). These private parties need to invest in projects which run for more then ten years and do not have clear outcomes for their investment. This can be a bottleneck for private party participation.

1.2 History

More and more is the housing sector depending on urban redevelopment. Until a few years ago housing of the people was mostly done by expanding cities on the outside, but because of the scarcity of land and the value we add to nature city expanding becomes an inner city problem. After the VINEX period a new era in housing development is coming. Inner city area or urban area should be revitalized, redeveloped or regenerated. This will lead to the need of new concepts and approaches for inner city problems. Inner city development is more complex then greenfield expanding. Figure 1-1 shows the difference between this greenfield and brownfield development.

After the Second World War, many new quarters have been build and used for 30 to 50 years. These quarters are developed on old standards and public space is organized obsolete. In the Netherlands within 18 cities, forty quarters were marked as problem areas.

![Figure 1-1 Difference greenfield development –brownfield development (Faling et al, 2006)](image-url)
that need extra attention and need direct regeneration. These areas can be seen as quarters who can not cope with the social, economical and physical development. They will need transformation and transition to a standard level. This is visualised in Figure 1-2.

A need for new concepts and approaches for inner city problems is created. A few years ago the measures were physical related to the buildings and build environment and separated from each other. As from today the regeneration process becomes more integrated and complex. The social and economic pillars become more and more important for the success factors of a regeneration process. Problems with urban regeneration rise, as for example the growing amount of notes of objection, time taking procedures and extra costs because of the periods of boom. (Wassenberg en Bosch, 2008)

The problems in the quarters have been subject of research many times. Problems are addressed to physical features as empty houses, technical depreciation, pollution of the environment and lack of support for facilities. A second cluster of problems are related to the social environment and behavior of residents. High rates of residential flow lead to less social cohesion and interest in the quarter. Criminality, leaving of high income families and inflow of low income families are seen as factors for creating problem quarters. Unemployment and different backgrounds can also lead to problems. And at last, the quarters have a bad image which scares of outsiders, which strengthens the problems. (Adriaanse, 2004)
1.3 Reading guide

This research report can be read as follows. First the research problem is defined and the research questions are formulated. The objective as well as the type of research is presented. A research model is conducted and presented. This can all be found in chapter 2.

In the next part the theoretical subjects are described. These subjects are the cause of interest for the research. The subjects are explained and are the elaboration for the investigation. The next part is based on literature reviews and interviewing experts.

Urban development is needed because of the growing population. Also redevelopment is essential to create liveable cities. Urban redevelopment consists of interventions within an urban area. These interventions need to be initiated by public or private parties and these interventions are investments in society, but need some sort of finance. The current situation of urban (re)development will be described in chapter 3.

With urban redevelopment and financing redevelopment, valuation and decision making factors are concerned. Decisions to finance interventions need to be underpinned and need valuation methods for underpinning. Defining value features and success factors of an urban area are described in chapter 4.

Chapter 5 presents the survey held under a population of interested persons on public private partnerships in urban development. For the survey the APPPLE network is used, which contains of 250 experts in the field of PPP.

To attract parties to participate in the redevelopment process, business plans can be conducted. The business model and the needed elements are described in chapter 6.

Chapter 7 presents the answers to the sub-questions which could be answered after the main research part.

The chapters 8 and 9 present the design and the conclusions of the research. The design is the third phase of this graduation report and tries to setup a solution for the problems defined earlier in this research. With the information and data gained in the previous chapters principles for redevelopment processes are framed on a businessplan concept. In the end conclusions and recommendations will be set in this part.

In chapter 10 the references can be found.

The appendix consists of two parts. The first part consists of models and data analysis results. The second part consists of expert-interviews and are set confidential.
2 Research description

2.1 Problem definition and questioning

The theme of this research is success factors within urban redevelopment. There is no clear view on how to valuate an urban area that needs redevelopment and how redevelopment processes can be successful through private party participation. Public and private parties do not have clear views on why they should participate together in an urban redevelopment process. This impedes the progress of redeveloping urban areas.

2.1.1 Target

To get insights in the urban area redevelopment process of quarters and setup business plan elements to create opportunities for executing these urban redevelopment processes.

2.1.2 Main subject

The process of urban area redevelopment through new business models

2.1.3 Research hypothesis

Urban area redevelopment can be successful through private party participation

2.1.4 Sub-questions

- What are the characteristics of an urban redevelopment area?
- Which types of stakeholders are involved in an urban redevelopment process and what is their interest?
- What are the value features of an urban area?
- Why do urban redevelopment quarters cope with financing problems?
- Why do urban redevelopment processes need private party participation?
- What are the success factors for parties to participate in an urban quarter redevelopment process?
- How should private parties participate within the process?
- How should a business plan look like for an urban redevelopment area to attract parties to participate?
2.2 Definitions

In this report some definitions are used which distinguish the context. The definitions within this report will be defined as follows:

- Problematic quarters: Urban areas which are in declining stages and which do not meet the required standards as accepted by the current living standards.
- Value creation: Performing activities that increase the value of goods or services to consumers.
- Success factors: Factors which are reason for success.
- Project success: Return on investments for every involved stakeholder. This can be financial or social returns.
- Intervention: An interrupting procedure, with the goal to change a subject.
- Redevelopment: an integrated approach to give a quality impulse to an urban area so that it can fulfill its needs in the future. Through this approach the urban area can get into a new phase of the lifecycle.

2.3 Focus

In this research the following focus will be set:

- The urban redevelopment process is focussed on residential districts (Figure 2-1);
- The urban areas in this research mentioned can be described as the problematic quarters with special attention as mentioned by the Dutch government (Vogelaarwijken);
- The lack of finance in the future of these quarters is an assumption;
- Assumed will be that the business plan will run within the institutional laws;
- Within the quarters there must be the opportunity to change destinations;
- This research will focus on physical intervention in residential property as well as infrastructure and facilitating services.

![Figure 2-1 Focus](image-url)
2.4 Type of research

An open research will be done to get insights in problems and possible solutions. This research can be characterized as a qualitative explorative research. Many factors can influence the problem and an exploration of these factors is needed. Shortly the following methods are used:

- Literature study;
- Semi-structured interviews;
- Survey;
- Business plan design.

Through a literature study, theoretical boundaries will be set. To avoid the loss of crucial information different experts on these problems will be interviewed. Analyzing this literature and these expert interviews will give insights in the problems. A survey is set up to investigate which success factors are most important for parties to participate in a redevelopment process. Through the survey extra data will be collected to make a business plan. The outcomes of the survey will be the basis for the business plan setup. With the business plan the outcome of the research can be tested. A triangulation on resources and methods is achieved doing the research this way. (Figure 2-2 Research model)
2.5 Research model

![Figure 2-2 Research model]
2.6 Expected Result

In this report the answers on the main and sub questions will be given which will give the following result:

The result of this research will present insights in possible solutions for problems of urban area redevelopment processes and defines the success factors for private and public parties to participate in the redevelopment process. In the end principles for urban redevelopment process participation are set.

2.7 Relevance

The research is relevant for the master Construction Management and Engineering as well as for Twynstra Gudde.

The master Construction Management and Engineering in Eindhoven is focussed on urban development and especially on the processes within this theme. The discipline Construction Management in Eindhoven is focussed on the combination of urban development and technology management. New innovative business concepts are needed and the study is focussing on exploring these new concepts. A graduation thesis is always executed in the field of business analysis and urban development. This research will investigate the success factors of these urban development processes and tries to explore new innovative business concepts. (Website CME, 2008)

Twynstra Gudde is an organization with a department focussed on spatial planning. Advising on urban development is their core-business. They are strongly involved in the redevelopment of quarters and looking for new concepts to solve problems in these quarters and increase liveability. With the outcome of this research they can create a wider view on urban development.

Then there is also a social relevance. The theme problematic urban quarter is in some municipalities an actual issue. In the national politics a lot of attention is addressed to the forty problematic quarters and even ministers have to resign because of the incapability of solving problems in these quarters. This addresses the importance and actuality of the issues. More insights in these problems and possible ways to find solutions to these problems can be a step forward to more liveability.
3 Theory Urban redevelopment

Redevelopment of urban areas is needed. But why is redevelopment needed and how can urban redevelopment be defined? In this chapter urban redevelopment is described and the most important stakeholders involved are presented.

3.1 Current situation

As said by Wassenberg and Bosch (2008) the urban regeneration processes are changing. From the physical pillar perspective it widens to a physical, social and economic pillar perspective. Also a research of Reede et al (2005) describe that the perspective is changing to a three pillar view. The three can be described as follows:

Social pillar
- Liveability
- Social inconvenience and vandalism
- Sustainability

Physical pillar
- Quality residents
- Quality physical and non-physical environment

Economic pillar
- Income, jobs and education
- Value creation
- Ground position (Meulen, 2007)

Seidman (2005) confirms the need of the integral solutions within the three pillars. He says: “Commercial revitalization initiatives should be combined with housing improvement and development projects; sustained crime reduction efforts; improved health, education, and family support services; and education and workforce development programs that link residents to job and career opportunities throughout the regional economy as part of a comprehensive effort to create neighbourhood wide revitalization that substantially benefits existing low- and moderate- income residents.”

Furthermore, there will always be quarters that need regeneration. Breejen et al (2006) say that urban regeneration will be a permanent activity, because there will always be quarters that will be in a state that is defined problematic compared to the status of others quarters. Also a growth is predicted on the need for investments in urban regeneration. In the next figure the growth is predicted for almost thirty percent of the urban regeneration projects.
Urban regeneration can be defined as follows:

"Urban regeneration as a concept encapsulates the perception of decline in inner city economies, in the quality of the environment and in social life as well as incorporating the process of renewal to establish a basis for economic growth and social well being. The focus of urban regeneration is therefore, a response to both the problems and the new demands created by economic, social and physical change." (Adair et al, 1998)

The main goals of urban redevelopment are:
- Increase of variation and differentiation of living environments
- Settle specific populations who find difficulties finding appropriate housing
- Prevention of involuntary segregation;
- Improving the environmental quality;
- Careful, sustainable and intensive use of space;
- Preservation of cultural and historical values;
- Improving the physical conditions for economic activity;
- Improving the environment;
- Strengthening of social infrastructure

Achieving these goals will lead to successful redevelopment. (Breejen et al, 2006)

Integrated area development
When more than one function in an area is (re)developed complex situations appear. When these developments are related to each other integrated area development is created. (Suurendonk, 2008) According Jansen Klomp (2007) Integrated area development is the solution to create value within urban development processes. An urban area should be integrated steered, developed and maintained over a long period. This will lead to complex processes and value creation in which the eight success factors mentioned earlier all need to be met.

Redevelopment costs.
Redevelopment costs can be specified for the physical pillar and have clear stages in which costs are made. The following figure shows the redevelopment costs aspects of the physical interventions. (Bertram, 2004)
3.2 Stakeholders

Inner-city redevelopment processes own a lot of stakeholders. Many of them are concerned with the environment and are organized in groups with own interests and objectives. The decision-making process and preparation time is complex and to direct the process from one perspective is impossible. (Eidonk, 2005)

Within redevelopment the presence of governmental actors is high. Local governments, corporations and inhabitants are depending on each other in redevelopment quarters. This political triangle is responsible for starting and taking initiative in redevelopment projects. Private parties don't have the motivation to participate because of the high process-risks and lack of financial returns. This makes getting extra financial means difficult. (Zuiderwijk, 2006)

The urban area has many stakeholders. The influence and participation of stakeholders depends on the relation they have with an urban area.

Inhabitants

Inhabitants are one of the most important players within an urban area. The backgrounds of inhabitants identify the urban area and they control the liveability of such an area. They live in the urban area, which consists of sleeping, recreate, doing groceries and having social contact moments.

Corporation

The corporation, in the Netherlands, makes social housing possible. Their core business is to set up social housing projects and exploit these projects. Within almost every Dutch urban area you can find these social housing projects. They primarily invest in their own property and sometimes in their direct surroundings.
Municipality
The municipality has the most influences within an urban area. Through ‘destination’ plans they determine the destination for a certain area. This way restrictions and preferences are set up. Physical intervention like setting up infrastructure and facilities are run by the municipality. Maintenance and management of these areas are a responsibility of the municipality and in the end redevelopment also is mostly initiated by this stakeholder. Although these responsibilities processes are changing and market intervention is becoming possible.

Businesses
Businesses within urban areas are responsible for employment. Employment and entrepreneurship is characteristic for an urban area and pictures the vitality of an urban area. Through employment the urban area has got future perspectives. (Rijker, 2008)

Investors
The investors of an urban area are a new stakeholder. They are related to the area and invest in the area because of future returns. This can be direct-returns or indirect-returns. The perspective is always focussed on creating extra value.

Market participation
The largest threats and bottlenecks for market participation of project developers is the difficulty to participate and get involved in the regeneration process, because of the limited ground positions. Most of the buildings in an urban regeneration area are in possession of corporations. Also the high complexity and uncertainties are threats for market participation. (Woerkom, 2004)

3.3 Finance problem
Within the urban redevelopment quarters there is a finance problem, but this is more the result of an urgency problem. When stating why problems need to be solved and describe the urge of cases, investments by the most important stakeholders will follow. The most important stakeholders within the urban area are the local government and the residents. When the need for redevelopment rises to a specific level finance will follow and until that specific need is not recognized by parties, the financing will not take place.
It is important to describe the urban area, before talking about financing problems. Urban areas can be build up in two ways. One way is that the urban area consist 30% of social housing and 70 % is free market housing. Another way is that the urban area consists of 70% social housing and only 30% free market housing. Between these two ways there is a turning. This is the turning from free market into government intervention. This determines which party has the most urge of intervening and acknowledges the finance problem. The value of an urban area is subjective. As said
before, the priority determines whether investments are executed. Every party in a redevelopment process evaluates whether he wants to take control, take the risks and what are the returns. These are the three decisions-making pillars. (Expert interview, appendix 12.7 and 12.8)

3.4 Conclusion

It can be concluded that urban redevelopment is needed to prevent the decline of inner city areas. This redevelopment process needs to take place along the three pillars, social, economic and physical development. This leads to complex situations in which many stakeholders have their share, but is also the way to create value in the process and in the end successful redevelopment. Most important is to acknowledge the urge of the problem and assign this to the different involved parties. The most important stakeholders are: residents, local authorities, corporations, businesses and investors.
4 Theory Value and success factors

To understand when the redevelopment process is successful, definition of the product redeveloped need to be set. The value features of an urban area are defined and success factors for redevelopment processes are tested in the next chapters.

4.1 Defining Value

The definition of value is hard to determine. A much easier definable subject is the price of something. The price of something is determined by the market and becomes real and definable in terms of a currency. The value of an object is subjective, time based, changeable and determined by the situation. This makes the value of an object the probable price in the market depending on the physical, economical, social and juridical quality. The difference between value, price and costs is visualized in figure 4-1. As you can see, the difference between the price and the costs presents the profit and the use of a product is the difference between the costs and the value added to it by the user or buyer. (Hilgers, 2008)

The definition of urban value is also hard to determine. When is an urban quarter valuable and what are the conditions for a quarter to become valuable? These questions will be answered in the next paragraphs. In general valuable quarters are quarters where safety, livability, economic vitality and the amount of facilities are on a high level. The quarters serve the inhabitants, visitors, institutions and companies to its qualitative needs and give them opportunities and a safe surrounding. (Suurendonk, 2008)

Figure 4-1 Difference between value and price (Hilgers, 2008)
4.2 Value features

Value features describe to users the value added by a product. The features are measurable items and makes comparison between products possible. For urban quarters such value features have been defined and can be used for distinguishing an urban area. The value features of quarters can be divided under the three pillars namely social, economic and physical. Redeveloping a deprived area should focus on the cut of these three pillars.

![Diagram of value features]

Figure 4-2 Dimensions of value features of a quarter (Meulen, 2007; Hilgers 2008; Suurendonk, 2008)

The value features of the deprived area then can be divided under social economical, Physical-economical and social-physical vitality. Figure 4-2 Dimensions of value features of a quarter defines the three category value features.

The physical value features of a residential building are depending on the building and the environment. These physical value features determine price of a building and show what a building is worth under certain conditions. The physical value features are building features, physical surrounding features, functional surrounding features and social surrounding features (Hilgers, 2008). These can be described relative concrete and can be compared to other areas. For example, you either have or do not have a park within your quarter and your building conditions can be described by the year of construction. Economic value features are described by employment, welfare and commercial potential in an urban area. These features are more difficult to measure. They change over time and are depending on human actions. But still by observation and questioning these features can be captured and compared with other areas. Social features are the most difficult to measure. They depend on perceptions of people and are therefore influenced by personal feelings and less objective. Social features can be described by for example liveability and safety feelings.
The main goal in urban development projects is to create value. The various parties working together want to create value for themselves, for the organization they work for and for the specific area that is subjected to various interventions (Suurendonk, 2008). The value of the different aspects described in the previous paragraph need to be upgraded and scaled to higher level. The effects of the various interventions need to be calculated to the different features and describe the up scaling of a feature. Successful redevelopment can be defined if on all three pillars an increasing value is accomplished. Jansen Klomp (2007) says that the influence on the value of an area is determined by the following factors:

- Accessibility;
- Image;
- Building properties;
- Quality public space;
- Facilities;
- Liveability;
- Social environment;
- Knowledge infrastructure (Jansen Klomp, 2007).

Increasing value on these factors will meet with the goals of urban redevelopment. The redevelopment process can therefore be described along these factors and these factors can be the definition for success at the end of a process. To meet the goals value must be created. The next paragraph describes the value creation process.

Value creation

Value creation is the effect of doing interventions within the deprived quarter. Value creation leads to actions as investing and achieving return on investments. (Figure 4-3)

![Figure 4-3 Value creation](image)

By investing in the three pillars different effects can be recognized. The costs of redevelopment are made with the intention to deliver effects. The effects can follow the costs and can be divided on the three pillars. Figure 4-4 describes the different effects that can be reached through interventions in an urban area.
Businessplan principles for urban redevelopment processes

Social economic effects by investing in people are increasing welfare and less degradation. The increasing welfare creates liveability, but liveability is also accomplished by investing in social maintenance. Investing in real estate and environment will lead to the following effects: manageability of problems and achieving more quality and attraction to the area. Other physical economic effects are a better image which leads to a better market position. (Meulen, 2007)

Mulder (2006) has a clear changing theory on this value orientated process. On the one hand area exploitation is feeded by high returns because of investments to the residents as consumer and producer of value and on the other hand lower costs followed of investments that make residents healthier. The image of a healthy quarter leads to a more wanted place to live which ends in higher real estate values. (Figure 4-5) By describing the phases of value creation, the project life-cycle becomes visible. According to Paquay (2006) the life cycle consists out of almost the same steps as the value creation process. An important phase in the project life cycle is the transaction. This is the moment when becomes clear what the value is of an object and whether interventions have been or going to be successful. The project life-cycle can be divided in four phases which are the preparation, the transaction, the realization and the exploitation.
According to Eldonk (2005) the process of value creation in urban development can be described in three phases. These phases are the ground exploitation, the development and the exploitation in the user phase. (Figure 4-6) Between processes transactions are made and values are quantified. The different phases can be executed by different parties, public or private and even combinations. The different phases also can be executed through the same party.

![Diagram of development process and value creation process](image)

**Figure 4-6 Execution process versus value creation process (Eidonk, 2005)**

With this process it becomes clear when value added on the different features can be captured. The added value on the physical features is present in the first phases of a project life cycle and can be captured within the transaction moments. The value added on the social and economic features are less easy to capture. They are present in the exploitation phase and need to be captured periodly over a long time. Through overlap between different phases chances become available to execute value capturing. With value capturing new finance possibilities become available.

### 4.3 Value capturing

Value capturing is an overall name for methods that create the possibility to capture the value added, through public handling, and bring it back to the actions that were responsible for the value creation. (Offermans and van de Velde, 2004; Hilgers, 2008) Often projects have large financial gaps which make it difficult for the government to take the project forward. In general private parties prefer the situation in which a project will be developed with only small margins instead of no development at all. This creates opportunities to attract these private parties and deliver solutions for the governments’ lack of financial sources.
Public Private Partnerships become more common and within these partnerships value capturing is used. This means that private parties miss some of their profit because of investments made. This is less attractive then financing through local authorities, but still more interesting instead of making no profit at all. Private parties have to accept that value capturing is becoming more common and both private and public parties can use value capturing instruments to attract each other to participate in a redevelopment process.

As said above different sort of value capturing instruments exist. Figure 4-7 show the different Value capture instruments.

Number 1 to 9 represent capture instruments to capture from the developer.
1. Benefit sharing
2. Concession leases
3. Connection fees
4. Developer contribution
5. Land leases and air-rights development
6. Administrative guidance
7. Development charges
8. Development rights
9. Municipal land disposal/leasing

Number 10 to 12 present methods to capture from the community.
10. Assessment Districts
11. Impact fees
12. Tax increment financing

What is most interesting is capture from within through a super developer. With value capturing new chances become available. Capture from within through super developers leads to increasing investment budgets. Strictly this is not value capturing because the value is kept within one company. Although it makes it possible to level low profit project with high profit projects, making the projects as a whole profitable. (Faling et al, 2006)

4.4 Assurance of value

Jansen Klomp (2007) designed a theoretical model to describe how the different value assumptions can be met. Within the model he describes the process as follows:
First the value creation is determined by the area quality for the user/inhabitant. This user meets his quality through some decision actions. To create optimal value, these decision actions should be met. Different parties can influence these decision actions
and therefore some kind of corporation within a process should be started to get optimal value. For this corporation a director is important as well as the surrounding opportunities and threats. (Figure 4-8 Theoretical model for area value assumption)

The success factors for the director are: influence in the area, strategic network, leadership, vision and support. To determine whether an organization has the qualities to do a successfull urban redevelopment the DOKBIM-model can be used. The DOKBIM model describes the organization along 6 different aspects. These are: purpose, organization, expert knowledge, commitment, influence and motivation. When an organization positively scores on the different themes within the DOKBIM, it is capable of doing a successfull integrated urban area redevelopment. (Jansen Klomp, 2007) These six items make clear what an organization should be capable of and are essential for project success. The capabilities are essential to describe the project organization of urban redevelopment processes.
4.5 Success factors

Urban redevelopment is successful when the value added satisfies the consumer and the interventions have costs less than the revenues collected. But how do these processes get successful. Redevelopment processes know success factors which recognize the project success. Jansen Klomp (2007) describes eight success factors on which an urban redevelopment project is depending on. These are:

- Influence in the area
- Support
- Leadership
- Money and time planning
- Vision
- Quality
- Market orientated
- Flexible (Jansen Klomp, 2007)

Success factors have been mentioned many times when investigating successful development. As said by Verweij (2008) urban development is most successful when there is one owner of the project with a vision. The vision for an urban project determines the success of the process. The interference of different governmental parties can be disastrous for the development process and should be minimized to the maximum of one party.

Success factors of projects determine project success. Human and organizational aspects are influencing project success and can be measured. Critical success factors are used to judge whether projects are successful. When there is insight in these success factors reasons for investing can be explained. Fortune and White (2006) created a list of critical success factors for projects. The complete list can be found in appendix 11.1. The critical success factors are listed in decreasing order of importance. They are based on a review done on 63 publications on CSF (critical success factors) by Fortune and White. These factors are common factors for projects in the largest content of the phrase. The five most important critical success factors are:

- Support from senior management
- Clear realistic objectives
- Strong/detailed plan kept up to date
- Good communication/feedback
- User/client involvement

Success factors for redevelopment are also researched more specific. These factors for redevelopment can for example be brought back to two dimensions. The dimensions are collaboration within the process and resident’s participation. Focussed on redevelopment van Beekhoven (2007) lists the following success factors:

- Collaboration
- Clear division of tasks
- Clear financial terms
Businessplan principles for urban redevelopment processes

- Flexibility within the plans
- Set up performance agreements
- Create process memory
- Trade of residential possessions between corporations

Resident's participation
- Future security for residents
- Avoid inconsistent local authorities
- Explain rights and duties of residents in advance
- One point of appeal at the corporation or local authority
- Use the network of residents organisations
- Involvement of residents and create visible results
- Set up a management group
- Make sure that there is mandate at the authorities
- Do not deny residents wishes
- Keep communicating
- Residents organisations need to represent the residents and participate
- Support investigation through a independent party

Redevelopment is human interaction. According to van Beekhoven are values and respect core concepts for successful redevelopment in urban areas. (van Beckhoven, 2007)

Adriaanse (2004) also did a study on success factors. The success factors do have much in common with the previous mentioned outcomes. In an explorative study on success factors of urban quarters Adriaanse addresses the following factors as most important to success of an urban area: landownership, location, accessibility, urban planning, green areas and positive attitude of residents. According the literature success of redevelopment processes is depending on more than only the value of an area. Processes determine a large part of the success too and need to be acknowledged when discussing project success.

Because of the continuous changing attitude to redevelopment of urban areas different experts have been interviewed on what they think of influencing factors for redevelopment areas. The experts interviewed were related and involved into redevelopment processes. The full interviews can be find in appendix 12.

From different expert interviews the following success factors can be concluded:
- There is one councillor who maintains its position
- The corporation has the nerve to take his changing role
- Within the process each others powers are used
- Trust in the corporation by the municipality
- Local commitment
- Quality real estate
- Typology
- Relationship of ownership
- Program (facilities, etc.)
Business plan principles for urban redevelopment processes

- Economic (work, income)
- Urban structures (public space)
- The quarters need to be precious (pride of the stakeholders, branding)
- Ability of accommodation changes
- Planning (the ability to take other parties plans into account)
- Location (relative location quality)
- Increasing working program
- Profit from value creation
- CSR (secondary reason)
- Trade opportunities (goodwill to customer)
- Rising ground prices

According to Fortune and White (2006) the success factors can be framed onto a Formal System Model. It defines the decision-making process of a system and can investigate failures. This system also has three levels which are: the system, the wider system and the environment. In the system different decision-making subsystems are present. These can be described as the project and the process running. In the system decisions on why actions take place are made and resources are quantified. This system is always influenced by a wider system in which different stakeholders have their interests. These stakeholders directly influence the system and therefore the process and project. Surrounding this system and wider system is the environment. Systems always take place in the environment and are therefore influenced by it. The environment can be seen as the context of the system. The success factors can be divided into three groups. These are environment success factors, stakeholder success factors and project/process success factors. (Figure 4-9)

According to Kaats (2008) the success of a partnership depends also on three factors. He qualifies them as players, process and context. A successful partnership is always influenced by one or more success factors out of these categories. This can be compared to the formal system model of Fortune and White. Because of the large amount of success factors, the factors need to be grouped. To check in which way the factors influence project success, they will be framed onto the Formal System Model. For the further investigation the division as in the formal system model will be used, this
because of the clear division and the proof of concept by Fortune and White (2006). The success factors will be grouped and tested in the survey set up in chapter 5.

4.6 Conclusion

Value features can describe the value we add to an urban area. The value features describe on which features we can create value and with the creation of this added value, creating successful redevelopment processes. Increased value should be captured by the different stakeholders to quantify the intervention results. To have a successful redevelopment process different critical success factors need to be achieved. These factors are explored in the previous chapter. To determine which factors are most important to parties a survey will be held under experts. The factors of this chapter are used as framed on the formal system model. This leads to a decision-making process and describes possible success.
5 Survey success factors

5.1 Introduction

To get a reliable investigation a survey is held under experts. To address success factors to certain groups the survey is held under private and public parties. These success factors are related to the literature and interviews of experts. With the survey reasons for successful redevelopment can be stated in a business plan.

5.2 Success factor division

The success factors as said before by Fortune and White (2006) can be framed onto a formal system model. This will lead to three groups of success factors. The success can depend on stakeholder, environment and project/process factors. For redevelopment the following list occurs according to the literature and interviews held.

*Environmental success factors:*
- Political commitment
- Long term political stability
- Political trust in market parties
- Positive tendency in the market
- Competition on the market of redevelopment
- Rising ground prices
- Economic vitality of the environment
- Image of redevelopment
- Social cohesion in the area

*Stakeholder success factors (public and private parties)*
- Political power
- Ability of initiator
- Set up future scenarios
- Commitment by the governmental parties
- Willingness to take risks
- Vision of the governor
- Leadership of private parties
- Increasing of working program
- Profit from value creation
- CSR (Corporate Social Responsibility)
- Influence in the area (positions)
- Knowledge development redevelopment process
- Long term focus
- Support of higher management
Business plan principles for urban redevelopment processes

- Relationship and good performance by suppliers/contractors/consultants
- Past experience

**Stakeholder success factors (users and residents)**
- Future security
- One point of appeal at the corporation or local authority
- Use the network of residents organisations
- Involvement of residents
- Clear and visible communication
- Possibilities for living career within the area

**Project success factors**
- Quality real estate
- Typology
- Ability of accommodation changes
- Area accessibility
- Relationship of ownership
- Program (facilities, etc.)
- Flexibility
- Urban structures (public space)
- Location (relative location quality)
- Strong business case
- Clear and realistic objectives
- The quarters need to be precious (pride of the stakeholders, branding)
- Rising ground prices
- Area location

**Process success factors**
- Communication
- Support within the process
- Monitoring / feedback
- Competent project manager
- Realistic schedule
- Adequate budget
- Planned closedown/review/acceptance of possible failure
- Limit amount of actors
- Create process memory
5.3 Setup survey

The survey uses the input of the different interviews with public and private party experts. Combined with the literature study on the different aspects the success factors are questioned in the survey. Chosen is for closed questions. The survey sums all the probable success factors for urban redevelopment and gives the responder the opportunity to choose the most important factors according to their experience. This way the importance of success factors to groups is tested. The success factors are grouped in the Stakeholder factors, environment factors and process/project factors. This according to Fortune and White (2006) and Kaats (2008) as described in chapter 4.5. The survey can be found in appendix 11.5. The most important success factors will be the basic input for the business plan.

5.4 Survey result

The outcome of the survey is as follows. Thirty-eight people responded on the question to fill in the survey. The responders were divided as follows:

Private parties:
- 1 investor
- 1 contractor
- 2 project developers
- 5 corporation employees

Public parties:
- 6 local governors

Independent:
- 15 advisers
- 8 students in the field of construction management and engineering

These responders have together done over a hundred redevelopment projects and because of this, knowledge and experience on success factors of redevelopment projects is present. The complete outcome can be found in appendix 11.6. In this appendix the percentages of chosen factors are presented as well as the background of the responders.

The public and private parties within the population were acknowledging the following factors as most important. Political commitment and the image of redevelopment were seen as most important environmental success factor by both parties. If political commitment can not be reached, both parties will doubt if project success can be reached. This is because the politics decide whether to support or not support long term interventions and have a strong position in stimulating or dull the process. The image of redevelopment is a direct influence on this political commitment. The image is mostly inspired by the results of redevelopment in the past and the experience parties had with it. Private parties have an extra critical success factor in this category and that is economic vitality of the environment. The area which is subject to redevelopment should in some way have clear definable possibilities to grow economically and surrounding areas which are potential to economic growth.
The stakeholder factors which public and private parties both acknowledge as most important are commitment of governmental parties, vision and influence within the area. The vision of the different participating parties leads to commitment of others and should be clear at the startup of a redevelopment process. Having a vision leads to conversation about participation possibilities. This is according both parties crucial for project success. Another stakeholder factor that is crucial for project success according the public and private parties is having influence within the area. Positions or ground positions by the different is crucial for project success and these positions are subject to negotiate on before deciding to participate. Another stakeholder success factor both private and public parties acknowledge is the clear and visible communication to and with residents. A redevelopment process can only be successful according them when residents are involved and informed correctly.

One of the most important project success factor is according the public parties the relative location quality. This factor describes the potential success of an area in comparison with the surrounding environment. The influence of surrounding value features as facilities and accessibility factors describes the relative location quality. The process factor which private parties see as most important is a competent project manager, where public parties choose monitoring of the process as most important.

Together all responders choose the following success factors as most important.

*Environmental success factors:*
- Political commitment
- Economic vitality of the environment
- Image of redevelopment

*Stakeholder success factors (public and private parties)*
- Political power
- Commitment by the governmental parties
- Vision of the governor
- Leadership of private parties
- Influence in the area (positions)

*Stakeholder success factors (users and residents)*
- Future security
- Clear and visible communication

*Project success factors*
- Relationship of ownership
- Location (relative location quality)
- Strong business case
- Clear and realistic objectives

*Process success factors*
- Communication
- Support within the process
- Competent project manager
5.5 Conclusion

These factors can be seen as the most important for project success and therefore need to be taken into consideration when executing a redevelopment process. When these factors are taken into account and considered both public and private parties believe that the redevelopment process will be a success. That is why they can be used as input for the organization to setup a successful redevelopment organization. In the next chapter this organization is further explored and defined.
6 Business analysis

To understand why parties participate in processes technology management features are explored.

6.1 Cash flows

Within urban redevelopment different cash flows exist. These cash flows are needed to create value and redevelop the area. To understand the reasons for participating and investing in urban redevelopment these cash flows will be explained shortly. Every transformation process needs resources and with the use of resources products are made for the sale market. The transformation process of these resources has costs and need to be financed. This can be done through attracting finance from the capital markets. This way the following cash flows as described in figure 6-1 arise. The need of attracting finance from the capital market is one of the issues in this research.

![Cashflows diagram](image)

Figure 6-1 Cash flows (Kokke, 2008)
Urban redevelopment needs resources. As described in chapter 3 local authorities have a lack of resources to finance these redevelopment processes. The need is there to start redeveloping the areas, but lack of financial means delivers stagnation. To attract resources different financing alternatives are possible. In urban redevelopment processes financing can be done through different alternatives. The most common alternatives will be financing through third parties or attracting long term equity investments. There are five factors that influence investors’ perceptions on their investment. These factors are the uncertainty of projected outcomes, asymmetrical information, assigning a value to the product, dynamics of the industry and the financial marketplace and finally the concentrated of wealth in a project by the organization while investors will have a diversified portfolio. To find an aligned investor these factors need to be compared by the different parties. (Dorf and Byers, 2008)

6.2 Earnings

Within a business plan different elements have to return. One of these is the earnings models. The earnings model can be schemed as follows. (Figure 6-2)

![Figure 6-2 earnings capacity](image)

The added value can be measured through the value of real estate. This is one of the measures which can be used to define the added value. When the added incomes are positive to added costs and investments with an acceptable ratio which defines the growth of capital, success is achieved for a private party. A public party achieves success in other and different ways. Success can be measured according to costs declines or achieved liveability within a quarter. Success is achieved when doing interventions with private parties decline costs or achieve higher standards. One of the most important factors therefore will be the value development of real estate.
6.3 Collaboration

Within the urban redevelopment processes different forms of collaboration can be chosen. The way to collaborate is most often chosen by the party who has the most ground positions within an area. When the private party is the initiator he can choose to redevelop it private or start collaborate with the public parties. This can also be the case for the public parties. This way collaboration options start to arise. A short summary on the different collaboration forms are shown in figure 6-3.

Public private partnerships in urban development are differentiated on influence and risk allocations. The responsibilities are shown in figure 6-4. Within a Joint venture model the cooperation is the most intensive and this asks many social skills from both parties.

<table>
<thead>
<tr>
<th></th>
<th>Public development</th>
<th>Bouwclaim model</th>
<th>Joint venture model</th>
<th>Concession model</th>
<th>Private development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground purchase</td>
<td>Local authority</td>
<td>Local authority purchases of private party</td>
<td>The Joint Venture</td>
<td>Local authority</td>
<td>Private party</td>
</tr>
<tr>
<td>Ground division</td>
<td>Local authority</td>
<td>Local authority to private party</td>
<td>The Joint Venture</td>
<td>Local authority to private party</td>
<td>Already possessed by private party</td>
</tr>
<tr>
<td>Development (Bouwrijp)</td>
<td>Local authority</td>
<td>Local authority</td>
<td>Together</td>
<td>Private party</td>
<td>Private party</td>
</tr>
<tr>
<td>Planning</td>
<td>Local authority</td>
<td>Local authority and private land owners</td>
<td>Together</td>
<td>Private party</td>
<td>Private party according destination plans</td>
</tr>
<tr>
<td>Ground exploitation risk</td>
<td>Local authority</td>
<td>Local authorities have to take them from private parties</td>
<td>Together</td>
<td>Private party</td>
<td>Private party</td>
</tr>
<tr>
<td>Development risk</td>
<td>Local authority</td>
<td>Private party</td>
<td>Together or private party</td>
<td>Private party</td>
<td>Private party</td>
</tr>
<tr>
<td>Influence</td>
<td>Local authority</td>
<td>Local authority</td>
<td>Together</td>
<td>Private party</td>
<td>Private party</td>
</tr>
<tr>
<td>Capacity</td>
<td>Local authority</td>
<td>Local authority</td>
<td>Together</td>
<td>Private party</td>
<td>Private party</td>
</tr>
<tr>
<td>Competent</td>
<td>Local authority</td>
<td>Local authority</td>
<td>Together</td>
<td>Private party</td>
<td>Private party</td>
</tr>
</tbody>
</table>

Figure 6-3 Public Private Collaboration

Figure 6-4 Responsibilities (Weerd, 2007; Woerkom, 2007)
To start working together a business model must be chosen for the organization executing the redevelopment process. Alliance principles can describe such a business model. Adopting an alliance is according to Turner and Simister (2001) only interesting under the following criteria. This is the owners approach to business performance. Continuous improvement and breakthrough performance are key notes for starting an alliance. This is within urban redevelopment processes one of the key notes as well, because interventions on the different pillars will be continuous over time and run as a process to keep the area up to a wanted social level. Creating continuous increasing value on the different values is the primary goal. Other criteria which Turner and Simister (2001) mention are the availability and capability of partners and project risk and uncertainty. This last criteria is present in urban redevelopment. Risks must be present and worthwhile to be shared by the different parties. The uncertainty for success of the redevelopment process is one of these risks parties want to share. Turner and Simister (2001) show in figure 6-5 how risks and business culture lead to different contracting approaches.

As seen in figure 6-5 an alliance is the best contracting type when trust and mutual respect describes your business culture and your business challenge is complex. This is the case in redevelopment processes where private parties and public parties cooperate with each other and have to share goals. The challenge becomes complex because of the presence of residents within the process and unprofitable situations which need to be financed. Successful alliance project have the following features:
- Apart from certain obligations (e.g. the requirement for the owner to reimburse project costs) that inherently must rest with one party, performance obligations are stated to be collective.
Business plan principles for urban redevelopment processes

- All parties win or lose together. Reimbursement to the non-owner participants ("NOPs") is 100% open book and structured so that the NOPs receive an equitable sharing of gain and pain depending on how actual outcomes compare with pre-agreed targets in cost and noncost performance areas.
- All decisions made by the Project Alliance Board ("PAB") are to be unanimous. The PAB comprises of 1 or 2 senior representatives from each participant.
- All members of the integrated project team are selected on a "best for project" basis, headed by a Project Manager.
- There is a strong commitment to resolve issues within the Alliance with no recourse to litigation, except in the very limited class of prescribed "Events of Default".
- All aspects of project delivery are focused on high performance teamwork and "breakthrough" outcomes founded on an Alliance Charter that sets out the mission, objectives and behavioural commitments of the participants. (Ross, 2001)

Public and private parties have different viewpoints on this type of cooperation. Public parties have difficulties with executing the contractual relationships. They agree with alliancing concepts in theory, but find it difficult to prove it is in public interest. Private parties have difficulties to address the real benefits to the type of cooperation. The sharing of risks is understood but the willingness to share losses is something parties are afraid to commit to. (Clinton and Duffield, 2006)

6.4 Business model

To develop an organization a business model is needed. The organization containing different parties should be started from an overall business model. The following researchers describe the basic elements of such a business model.

Morris et al (2005) has developed a six-component framework that characterises a business model regardless of venture type. Appendix 11.2 Business model questions present the six questions that underlie a business model. The main themes in this model are:
- Factors related to the offering: How do we create value?
- Market factors: Who do we create value for?
- Internal capability factors: What is our source of competence?
- Competitive strategy factors: How do we competitively position ourselves?
- Economic factors: How we make money?
- Personal/investor factors: What are our time scope and size ambitions?

According to Shafer et al. (2005) a uniform business model should consist of the following components: Strategic choices, value network, create value and capture value. Dorf and Byers (2008) describes the elements for a business model as follows: Customer selection, Value proposition, Differentiation and control, Scope of product and activities, Organizational Design, Value capture for profit and Value for talent. Magretta (2002) defines a business model as a set of planned assumptions about how a firm will create value for all its stakeholders. Amit and Zott (2001) also see the creation of value through
the exploitation of business opportunities as the core element of a business model. The concept of a business model is to describe how the business creates value and captures this value.

A concept business model which clearly describes the basic elements is schemed by Osterwalder, Pigneur and Tucci (2005). This concept is presented in figure 6-6.

For the research these basic elements will be used for the concept business model. To specify a business model for urban redevelopment processes, the influence of partnerships need to be described clearly. Redevelopment processes continuously change and are characterized as an ongoing business for many years. As described in chapter 3, the redevelopment process takes place through the three different pillar view. This means that different parties need to collaborate with each other over time and that relationships are changing. This can be compared with an open innovation. An open innovation can be defined as “the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation” (Chesbrough, 2006, pg 1). The use of different sources and capabilities of partners lead to eventual success and can create the highest rate on value for money. In the urban redevelopment process this can be seen as the same process. Over the time different stakeholders have their inflow and can capture value created. Their interests and influences are essential for project success and can not be kept for themselves but need to be shared to be successful.
As said in the beginning of this chapter financing of projects and products can be done through private equity and debt investments. To attract investment business plans can be written for a product. A business plan describes a business model to demonstrate that investments are sound, that it can be executed within time and costs, that it provides the intended benefits and it is aligned with the business strategies. A business plan is different to a business case. The business case describes a cost model for a certain case, while a business plan describes the business model for an organization. The differences are summed in the next figure.

<table>
<thead>
<tr>
<th>A business case</th>
<th>A business plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is organized around</td>
<td>A single action</td>
</tr>
<tr>
<td></td>
<td>An organization, or the whole enterprise</td>
</tr>
<tr>
<td>Predicts</td>
<td>Cash flow results and important non-financial impacts following from the action.</td>
</tr>
<tr>
<td></td>
<td>Business performance of the organization, especially in the main categories of the income statement.</td>
</tr>
<tr>
<td>Is based on</td>
<td>A cost model and a benefits rationale, designed for the case and applied to one or more action scenarios.</td>
</tr>
<tr>
<td></td>
<td>The business model for the organization and expected trends.</td>
</tr>
</tbody>
</table>

*Figure 6-7 Difference between Business case and business plan (Schmidt, 2002)*

So to attract different parties into an urban redevelopment process a business plan can be written according the above mentioned reasons. According to Verhoef (2007) the aim of a business plan is to:
- Determine the feasibility of the invention
- Ordering the various ideas and grouping them in a company aim
- Translated the direction of the desired development in business functions
- Improving communication with third parties
- Convincing third parties like investors, suppliers, banks, subsidy providers.

To meet the goals earlier set a business plan should contain the following elements according Verhoef (2007):
- Business format
- Value propositions of the company
- Study of the market
- Challenge
- Strategy and business model
- Winning team
- Business roadmap
- Financials
This is a typical setup for a technology venture. To set up the business plan for a redevelopment process additional elements are needed to describe the business model. To find out the components needed in a business model success factors of the product are needed. The unique selling points of redevelopment of urban areas can be measured by success factors of these processes and described through value features. Success factors deliver proof for the reliability of the business plan concept.

6.5 Conclusion

To setup an organization that executes the redevelopment process a business model can be chosen to describe the organization. The business model has the core elements that describe how value is created and how this value can be captured. A uniform business model consist of the following elements: insourcing, core resources, value configuration, value proposition, distribution channel, customer segment and finance aspects. A business plan describing these elements can attract parties to participate within this organization.
7 Conclusions and answers to sub questions

The main subject of this research is the process of urban area redevelopment through new business concepts. To get insights in this theme redevelopment processes were analysed. Within the previous chapters the different theories on redevelopment, stakeholders involved, value features, success factors and business analysis are described. A survey is held under a population of experts in urban development. All this information lead to a vision on redevelopment processes and the information filtered can be used to answer the following sub questions.

7.1 Answers to the subquestions

What are the characteristics of an urban redevelopment area?

Urban redevelopment areas are characterized by the need for redevelopment. The present situation does not fulfill the needs of the current population and current standards are not met. The areas need a transformation to an average level to compete with other areas and create liveability. This need is there in a social, economical and physical manner.

Which types of stakeholders are involved in an urban redevelopment process and what is their interest?

In an urban redevelopment process the next stakeholders are strongly involved, each with their own core-interest:
- Inhabitants – Liveability in their environment
- Corporation – Liveability for their customers and efficient exploitation of their property
- Municipality – Liveability for their citizens and getting votes
- Businesses – Making profit with their business
- Investors – Making profit with their capital
- Contractors – Making profit through getting building contracts

The involvement of multiple stakeholders makes the redevelopment process complex. But when redevelopment processes become integral value creation becomes possible. The integral redevelopment process asks cooperation of the different parties. This can be difficult because of different interests and priorities. To catalyze the process parties need to be convinced of the urge of the problem and their responsibilities. Only when the priority is addressed to parties, cooperation can be started.

What are the value features of an urban area?

The value features of an urban area are:
Liveability – How is a liveable environment created? Variation and differentiation are key elements in this feature. The liveability can be described as a feature that presents the care of people for their environment and how much value they add to that environment.

Sustainability – The sustainability feature describes how sustainable an environment is. The more the area is able to adjust itself to the future the more sustainable it is.

Social infrastructure – The social infrastructure describes the potential social career people can make within an area. The infrastructure gives people the opportunity to integrate in a social network.

Social environment – The social environment describes how the population is divided in an area. A right mix of different types of persons lead to a successful social environment.

Accessibility – Accessibility describes in which way the area is accessible. The presents of public transport and distance to major roads are the measures for this feature.

Image – Image of an area is determined by its social environment and by the perceptions others have on the area. An image can be positive as well as negative.

Building properties – The building properties can be described along the elements of volume, year of construction, isolation, ground surface, number of rooms, etc.

Quality public space and environment – The quality of the public space is determined by the opportunities to spend time in the area out on the street and the elements added value on having a goof feeling using the environment.

Facilities – The presence of facilities and the distance to it.

Knowledge infrastructure – The opportunity to bring and increase knowledge in the area.

Employment – The amount of employed people in the area and their level of employment

Education – The possibilities to be educated and the level of education

Income – The average level of income of families within a quarter

Safety – The feeling of safety within a quarter. The possibilities for children to play safe, low criminality and low rate of accidents

Market position – The market position describes the value of a quarter compared to other urban areas. The will of residents to live in a specific area and the influence of it on the real estate values.

The value features describe on which features added value can be achieved. These features can be seen as the unique selling points of an urban area. Comparing the features to other areas gives a measurable value to review the area and the interventions which need to be done.

Why do urban redevelopment quarters cope with financing problems?

Urban quarters cope with finance problems because budgets addressed to the quarters are insufficient. The quarters build in the past have been drift down and missed the interventions needed to stay on an accepted social and physical level. The backlog created in the meanwhile has risen to a not accepted level, that redevelopment
becomes inevitably. But because of the lack of intervening, the needed redevelopment process becomes that large that financial means are insufficient. Another reason why urban redevelopment quarters cope with financing problems is because stakeholders do not feel responsible for the problems and do not feel the urge of the problem. No responsibility is actually addressed to a party. Therefore does the redevelopment process not deliver direct losses when not executed.

Why do urban redevelopment processes need private party participation?

Private party participation can deliver equity to the redevelopment process and create market influences in the process. Participation lead to shared goals in the process, which makes executing the redevelopment process less difficult. Conflicting interests can be eliminated or discussed when being partners. Other reasons why redevelopment processes need private party participation are efficiency and expert knowledge.

What are the success factors for parties to participate in an urban quarter redevelopment process?

Redevelopment process success is determined by different critical success factors. These factors can be grouped into environmental, stakeholder and project/process factors. Environmental success factors are determining project success but can hardly be influenced. These are described as fixed influences which are always threatening or supporting redevelopment success. The most important factors in this group is commitment by the politics and the image redevelopment processes have. Stakeholder success factors are easy to influence from the parties viewpoint and difficult from the opposites viewpoint. Both, public and private, parties see the commitment by governmental parties, the vision of the authority as well as the influence or ground positions in the area as most important success factor. Another important stakeholder factor is the clear and visible communication to residents. Residents are a strong stakeholder within the process and need to be kept informed at all times. Project/process factors are related to the product or service offering. These factors can be influenced by the organization executing a redevelopment process. The most important factors are here according public and private parties relative location quality as a project factor and communication as a process factor.

7.2 Conclusion on redevelopment process

Redevelopment processes are needed in the problematic quarters. The quarter can be described according a list of value features. The different stakeholders involved want to increase these value features or have interest in increasing them for financial returns. This leads to situations in which different parties have to cooperate which each other and join an overall organization. Joining this process is for the different parties not obvious and they need participation drivers which underlie the redevelopment process.
8 Design

8.1 Introduction

With the results of the theoretical background of the literature study and the results of the interviews and survey held under experts a concept business plan can be developed. The design of the business plan can be a reason for parties to participate in the redevelopment process. A business plan is written to prove that private party participation in urban redevelopment can be successful. The phase to develop a business plan can prove the concept and will lead to real options for urban redevelopment. The figure below schemes the steps to follow. (Figure 8-1)

![Diagram showing steps for business plan development](image)

*Figure 8-1 Steps business plan development (Reifer, 2002)*

8.2 Businessmodel

To develop a business plan concept for urban redevelopment success factors of redevelopment processes are investigated for different parties. These factors are used as input for the business plan, this because they describe the most important actions for the organization to follow and define success. As described in chapter 6 a business model for the organization needs to be chosen. Because of the uncertainty and risks of a redevelopment process and the continuous improvement needed within the complex
business challenge an alliance principle in which public and private parties are cooperating is preferred. This alliance model can be seen as the overall business model in which different parties are involved during the redevelopment process. The alliance can therefore be described as an alliance with open innovation. The business model then will look as presented in figure 8-2.

Figure 8-2 Businessmodel urban redevelopment

The insourcing describes which parties need to cooperate within the alliance. To attract the private and public parties to participate in this business model a business plan can be written. With the value features of chapter 4, the business plan setup mentioned in chapter 6, the success factors investigated in chapter 5 and the business model described in the previous paragraph the principles for a redevelopment business plan can be conducted.

8.3 Business plan principles for urban redevelopment

Projecting success factors and value features on a business plan format gives the following new principles for urban redevelopment. The unique selling points and unique welling points can be described along the value features of a quarter. This leads to the following principles for the value proposition:
Unique selling points

- Liveability
- Sustainability
- Social infrastructure
- Social environment
- Facilities
- image
- Knowledge infrastructure
- Employment
- Education
- Income
- Safety
- Market position

Unique welling points:

- Accessibility
- Building properties
- Quality public space and environment

The success factors framed on the business plan creates a clear view on the principles for urban redevelopment participation. This presented in figure 8-3. The combination of the different principles delivers an extra dimension to the participation driver. The model as a whole defines the added value to parties and all parties participating have to find drivers within the model. By dividing the success factors on the business plan elements a clear list of principles is conducted which are preferred to take into account starting up an alliance with open innovation for redevelopment processes.
### Businessplan principles for urban redevelopment processes

<table>
<thead>
<tr>
<th>Elements</th>
<th>SuccessFactors</th>
<th>Principles for Urban redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td></td>
<td>Introduce the organization and redevelopment concept</td>
</tr>
<tr>
<td>Value proposition</td>
<td>- Unique selling points - Unique welling points</td>
<td>- Relationship of ownership - Location (relative location quality)</td>
</tr>
<tr>
<td>Study of the market</td>
<td>- Important trends - competition analysis</td>
<td>- Political commitment - Image of redevelopment - Economic vitality of the environment</td>
</tr>
<tr>
<td>Challenge</td>
<td>- Vision - Mission - Scope - Main objectives</td>
<td>- Vision of the governor</td>
</tr>
<tr>
<td>Strategy and business model</td>
<td>- Value chain - Getting paid - Network - Graphs - Coherence and sustainability</td>
<td>- Clear and realistic objectives - Strong business case - Communication</td>
</tr>
<tr>
<td>Winning team</td>
<td>- Entrepreneurial qualities - Internal situation - External layer</td>
<td>- Commitment - Political power - Vision of the governor - Influence in the area (positions) - Leadership - Competent project manager</td>
</tr>
<tr>
<td>Roadmap</td>
<td>- Market - Distribution channel - Products - Organization - Resources</td>
<td>- Support within the process - Clear and visible communication to residents - Future security</td>
</tr>
<tr>
<td>Financials</td>
<td>- Cash flows - Ratios - Summary of balance and operations - Standard operational results</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 8-3 Businessplan principles*
8.4 Usefulness design

The first causes of interest of this research are the problems within Dutch urban quarters which need redevelopment, but where progress is impeded. For this problem many solutions can be brought and one of these solutions is letting private parties participate in the process. A clear reason for participating and terms which recognize the cooperation need to be set, before parties are convinced working together. To get successful cooperation each others goals and interests need to be understand. Why and under which conditions parties agree to participate are given in this design. The principles for a urban redevelopment business plan are set. The parties which consider participating in an alliance for urban redevelopment can take these principles into account and with answering the questions in the business plan set a clear vision on why they think the redevelopment process will be successful.

8.5 Answers to the sub questions

How should private parties participate within the process?

The private parties should be involved in the businessmodel as presented in figure 8-2. They need to participate in an alliance in which they share their goals. This results in sharing profits and losses. The influence they have as insourcing parties is clearly set and when participating in an Alliance structure they should have the intention to continuously improve and set business performance. Risks and uncertainty should be addressed to the party who can control them best.

How should a business plan look like for an urban redevelopment area to attract parties to participate?

The business plan for an urban redevelopment area should be consisting the following principles next to the uniform business model elements.

Introduction - Introduce the organization and redevelopment concept
Value proposition - Describe on which items you are increasing value and describe the strong elements of your redevelopment product. Describe them along the value features of the urban area.
Study of the market - Investigate the surrounding areas. Find political commitment and describe how you achieve it. Address the organization an image positive to the current redevelopment views.
Challenge - Setup a vision, this vision is combined vision of the public and private parties. Describe how the organization compromises to the vision, mission and scope.
Strategy and business model - Set up clear and realistic objectives which can be tested at all times. Describe how communication flows within the public private partnership and set up a model on how parties achieve value and getting paid.
Winning team - Describe the qualities of the public private partnership team. Most important is the commitment to the partnership by the different parties and describe
the added value of them. At least describe the positions and political power parties have.

*Roadmap* - Describe the redevelopment process clear and set up a communication plan and describe how support and future security will be achieved.

*Financials* - Describe the Cash flows, ratios and results and differentiate them for each single party who is cooperating.
9 Conclusions and Recommendations

9.1 Conclusions

In the research setup the following hypothesis is made: *Urban area redevelopment can be successful through private party participation.* Urban redevelopment is successful through private party participation when the success factors mentioned in the research are taken into account. These are crucial and need to be elements of discussion considering a partnership. This research gives guidance to set up a partnership. A businessplan describing the businessmodel and the crucial elements needed is one part of guiding a partnership and the other part describes the matching success factors which can be participation drivers for both parties. When following these principles and take the drivers of the different parties into account successful redevelopment through private party participation can be established.

9.2 Recommendations

In this paragraph the recommendations will be presented. The research process leads to various recommendations for further investigation.

*Validate the design*

The design which has been made in this research needs to be validated by experts. To validate the design, an actual case study can be held filling in the different components of the business plan and actually try to convince parties to participate. This will lead to new data on the usefulness of the design. This can be done by taking a problematic quarter and find the partners with the highest urge for redevelopment. Setup the businessplan and find actual partners to participate and ask them why they would or would not participate.

*How to add value to the value features*

It is recommended to do further investigation on how the value features can actually be increased. The interventions compared to the value creation deliver crucial information for the participation drivers and therefore need to be researched.

*Make the success factors tangible*

The success factors are used on an abstract level and should be made concrete. Filling in and describing what they mean when executing is a next step to make a working concept of this businessplan for urban redevelopment.
Evaluate the principles through balance score card method.
To keep parties interested and give them reasons for participating over time a check up method needs to be considered. With the 7S model of McKinsey the ‘perfect’ organization can be described, but to measure each year the organisation performance the balanced scorecard can be used. The Balanced score card measures in four perspectives. These perspectives are:
1. The financial perspective
2. The customer perspective
3. The internal process perspective
4. The learning and growth perspective
They align each other very well and show common features. In the next table Kaplan (2005) shows how the Balanced ScoreCard (BSC) complements the 7S-model of McKinsey.

<table>
<thead>
<tr>
<th>7-S model</th>
<th>BSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Describes and measures the strategy, including balance between short-run cost savings and long-term revenue growth, the customer outcomes expected from a successful strategy, the customer value proposition at the heart of the strategy, and the critical internal processes that create and deliver the differentiated customer value proposition</td>
</tr>
<tr>
<td>Structure</td>
<td>Applying BSCs to diverse, decentralized units allows alignment across these units and to the corporate value proposition that enables synergies to be created, along with accountability for contributing to local and global performance</td>
</tr>
<tr>
<td>Systems</td>
<td>Organizations use the BSC to design their communication, reporting and evaluation systems for their unique strategy. Also, the BSC allows organizational systems such as incentive and reward, planning, budgeting, and resource allocation to be focused and aligned on successful strategy implementation</td>
</tr>
<tr>
<td>Staff</td>
<td>The BSC’s learning and growth perspective identifies the critical job families that have the greatest impact on the strategy, and establishes measures for the knowledge, skills and experience of staff performing the most strategic internal processes</td>
</tr>
<tr>
<td>Skills</td>
<td>The BSC’s internal process perspective measures the organizational skills, competencies, and processes that are most critical for the strategy to be effectively executed</td>
</tr>
<tr>
<td>Style culture</td>
<td>The BSC provides the agenda for leadership meetings, and keeps executives focused on the most important tasks for strategy implementation. Specific measures in the organizational capital component of the learning and growth perspective enable an organization to specify and measure the leadership style and skills it desires</td>
</tr>
<tr>
<td>Shared values</td>
<td>Communicating the BSC throughout the organization creates shared understanding and commitment about the organization’s long-term</td>
</tr>
</tbody>
</table>
objectives and its strategy for achieving them. Adherence to values and cultural norms can be measured within the learning and growth’s organizational capital component (Kaplan 2005).

To measure the performance of the alliance, set up for the urban redevelopment process, the balanced scorecard method can be used. Setting out a unique corporate strategy and value propositions for the alliance delivers, every time the balanced scorecard method executed, participation drivers for the different involved parties. “The scorecard tracks the key elements of a company’s strategy from continuous improvement and partnerships to teamwork and global scale” (Kaplan and Norton, 1992). This totally follows the open innovation within the business model and is therefore a possible method to use and work out the open innovation element. Research on how to implement this balanced scorecard method in the business model is recommended.
IV. Appendixes

Appendixes 10: References
Appendixes 11: Main part
Appendixes 12: Expert interviews (confidential)
10 References


Adriaanse, 2004, Succesfactoren van wijken die werken, Verkennende voorstudie OTB, onderzoeksprogramma corpovenista

Beckhoven, 2007, Herstructurering succesvol, Factoren die bijdragen aan het succesvol verlopen van herstructureringsprojecten, onderzoeksprogramma corpovenista, Stade advies BV

Bertram A, 2004, De kosten in beeld, de kosten verdeeld, een afsprakenkader voor kostenverdeling bij herstructureringsopgaven, publicatie Ministerie VROM

Breejen F. den et al. 2006, Stedelijke vernieuwing: kosten en baten, Eindrapportage onderzoek VROM


Eldonk A. van, 2005, Financiële regie in binnenstadelijke gebiedsontwikkeling, Masterproof Amsterdam School of Real Estate

Faling et al, 2006, Governance, onderzoek van ReUrbA2

Faling et al, 2006, Value oriented planning, onderzoek van ReUrbA2
Businessplan principles for urban redevelopment processes

Fortune and White, 2006, Framing of project critical success factors by a systems model, International Journal of project management, vol. 24, pp. 53-65


Jansen Klomp, 2007, De waarde van de stad, Bedrijfsopdracht ADMS, TU Eindhoven

Kaats, 2008, Presentation on successful partnership, outcome of a phd research Bestuurders in allianties en netwerken, Twynstra Gudde 21-11-2008

Kaplan, 2005, How the balanced scorecard complements the McKinsey 7-S model, Strategy and Leadership, VOL. 33 NO. 3, pp. 41-46,


KEI-partners, 2008, De toekomst van het stedelijk beleid - Reacties op het nieuws over mogelijke halvering van het ISV na 2009, KEI Dossier financiering

Kokke, 2008, Lecture graduation atelier, TU/eindehoven, 2-12-2008

Lengleek, A. 2007, Stedelijkheid als rendement – Privaat initiatief voor publieke ruimte,

Meulen, 2007, Marktcontrair investeren in binnenstedelijke herstructurering, Afstudeerverslag Master City developer, Erasmus University Rotterdam


Offermans and van de Velde, 2004, Value capturing, Afstudeerverslag, Erasmus Universiteit Rotterdam


Paquay, E. 2006, De public private comparator, Financien België, vol 66, nr.3

Reifer, D, 2002, Making the Software Business Case: Improvement by the Numbers, Addison-Wesley Publishing Company

Rijker, 2008, Stedelijke vernieuwing vanuit een sociaal perspectief, Afstudeerrapport Technische Universiteit Eindhoven


Seidman, 2005, Inner city commercial revitalization: A literature review

Suurendonk, 2008, Aansturen van waardecreatie bij gebiedsontwikkeling, Eindverslag Stan Ackermans instituut


Verweij, 2008, Presentatie van 14 oktober 2008 op de TU/e, waarin toegelicht werd wat Wereldhave doet en wat de bijhorende visie is van de heer Verweij CEO Wereldhave op gebiedsontwikkeling


Weerd R. van der, 2007, Organisatiemodellen voor gebiedsontwikkeling, Afstudeeronderzoek Civiele technologie & Management Universiteit Twente

Woerkom M. van, 2004, Marktparticipatie bij stedelijke herstructurering - Meerwaarde of onzekere factor?, Afstudeerverslag Master Planologie, Katholieke Universiteit Nijmegen
Businessplan principles for urban redevelopment processes

Zuiderwijk, 2006, Waardeontwikkeling in de herstructurering, Afstudeerverslag Master City developer