



2ND Coworking Conference Berlin, Nov 2011

This is a selection of personal observations from the European Coworking Conference. Details at www.coworkingconference.com/ and www.facebook.com/groups/coworkingeurope/

DESKMAG GLOBAL COWORKING SURVEY REVEALS FINANCIAL STATE OF COWORKING SPACES.

This major study across nearly 1000 coworkers in the USA and Europe revealed that only about 40% of coworking sites are currently profitable, although another 23% felt they were breaking even. However, 75% of founders have additional incomes and activities, which suggests that some spaces are profitable only because their founders are not a drain.

The average start up spend was around €50k (US\$60k), although a number delegates thought this would be an under-estimate. This capital came from founders' own resources in 2/3rds of respondents.

US spaces are around 6000 sq ft and European spaces are a bit smaller. Membership list size ranges hugely from 40 to 400.

Cowork operators believe their primary competition is 'the home' by some margin (60%) and next comes traditional offices (22%).

Revenues come from three main streams: memberships (40%), meeting space (30%) and the remaining 30% coming from a mix of conventional space or events depending on the nature of the cowork.

Opinion on coworks for specific sector is that while a space might develop a theme or industry focus (mainly because members are drawn mainly from word of mouth), specific targeting of a sector is difficult and less successful.

www.deskmag.com/en/first-results-of-global-coworking-survey-171

COWORKERS ARE *NOT IN IT FOR THE MONEY*

Both *deskmag* and a survey presentation from *Emergent Research* uncover the attitudes of coworkers and other independent workers.



deskmag revealed that co-workers are 'not coworking for the income' but are drawn to spaces for the work-style, social environment and business circles. They choose a space for the people found there (80%) and also the location (60%). There is a strong affinity for their working space with respondents rating their spaces an average score of 8.4 on a scale of 10. There is a very low rate of churn, with some 70% of co-worker members resident for over 1 year.

Emergent Research's work found a similar attitude in their research on Independents and the self-employed (not limited to co-workers). The majority choose to work independently, are satisfied (80%) and state *it's not about money, it's about control*.

EMERGENT RESEARCH SURVEY ON INDEPENDENTS

This research finds some 55% of US businesses, and some 33% of European businesses, are using independent workers or self-employed. When you work that out in numbers, you get around 30 million individuals each. That's a lot of desks - the service office and cowork communities barely reach 1 million desks currently.

The researchers propose that these societies are at a point of structural or demographic shift. Employers want to retrench to smaller core staffs, thus using more independents. Many of those staff themselves want to be independent and take up what the researchers call *the burden of empowerment*. www.emergentresearch.com/

DANGEROUSLY ALEX

Alex Hillman brings analytical rigor to the philosophical principles ascribed to coworking, as evidenced in his blog *Dangerously Awesome* dangerouslyawesome.com/.

For his keynote speech, he presented rough-cut video interviews with about 10 co-workers from the IndyHall space he founded in Philadelphia.

Certain attitudes keep reappearing in the off-the-cuff dialogue: *escape-from-corporate, social, people, community, lifestyle, environment, a place to go*.

Even more revealing is the word *care* which keeps repeating in different guises: *want to care, a place that lets people care, a not-directed place, a place where it's OK to fail*.

It is often said that Generation-Y (aged 20-35, roughly) show values of self-confidence, a rejection of social conventions, place a low value on personal privacy and exhibit a dependency on interactions via social media. While the IndyHall members may appear as an outlier to many, even so their generation will soon become the major independent group of occupiers. These



videos contain a challenge for any space operator to consider whether community values could or should be consciously strengthened in their spaces.

Videos at dangerouslyawesome.com/2011/11/coworking-eu-keynote/. IndyHall at indyhall.org/

LISTING SERVICES

Three listing services were represented. Interestingly none yet can complete the payment cycle although they can make bookings. There are perhaps 10 other desk listing services in the world plus also serviced office and virtual office listers, and meeting room listing services.

Feedback from the services is that not many desks are booked this way so far – perhaps a few percent.

- Loosecubes www.loosecubes.com/ aimed at co-workers
- Deskwanted also for co-workers – www.deskwanted.com/
- Worksnug, designed more for coffee shop workers, with buy in by corporate; works nug.com/

We have offered to maintain a list of APIs at thirdplacemakers.com

CORPORATE USE OF COWORK, UNIVERSITY COWORKS

One strand of debate is the use by corporates and large organisations of coworking spaces for their staff. This is currently the target of a campaign by Regus of course ([here](#)), but there is an angle that a cowork with a strong sense of community is a ‘reward’ or benefit for corporate employees who need a base an n option on commuting. Otto Group from Germany reviewed their use of coworking, pointing out such issues as booking services, reliability and consistency expected by corporates.

There are a number of examples across Europe of universities funding externally operated coworks for students to experience real work conditions during projects.

POINTS IN BRIEF

- WeWork has 250ksqft of coworking in NYC and San Francisco. Serviced office operators might find it hard to distinguish WeWork from their own spaces and examination of the rate card (*pricing*) is informative. wework.com/
- Tilt in UK are “CoDesigners” who have a process for design of the furniture and physical space in a cowork. www.tilt design.co.uk/. Points to note: think in zones, rapid prototyping is best, open



curve desks lead to easier space sharing, use of social media by members to source 'low cost' suitable furniture.

- Liu Yan operates a cowork in Shanghai. She has 6000 members, but the entry level membership is free hence they sign up. They don't get to use the space but are invited in sometimes to participate. This approach has some scope at enhancing word of mouth.
- The Betahaus book on how to create a cowork is at <http://www.booki.cc/betahaus-ein-coworking-handbuch/> - it is not yet in English yet but Google Translate can get you started.

PLUG FOR AUSTIN UNCONFERENCE ON CoWORKING

This is being held Thursday March 8th in Austin, TX, USA. Yes it's in the same city and the day before another major event, the South by South West. Talk to Liz Elam at <http://www.austingcuc.com/>

Tony Freeth