Building communities: Lessons in co-working for the enterprise world

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Chris Hood is Managing Director and Platform Lead for Occupancy Services within CBRE’s Global Corporate Services organisation. As a student of Alternate Workplace Strategies for more than 34 years, he shares his knowledge, experience and thought leadership with his clients, teammates and the industry. He is a past winner of CoreNet’s Global Innovation Award, a founder of both the CoreNet and International Facility Management Association (IFMA) Workplace Communities, and a frequent contributor at industry conferences around the world. In this paper, Chris offers his personal reflections on leveraging the growing co-work movement as a source of ideas for improving corporate workspace.

Abstract
As enterprises continue to wrestle with the relative balance of efficiency and effectiveness initiatives in their workplaces, the emerging co-working movement is providing useful experience to guide these decisions. Fundamentally a co-working centre needs to provide a workplace experience that individuals and organisations believe is worth the price of entry. It is a market drive exercise that only succeeds if they achieve the right balance. The founders and managers of co-working centres make tradeoffs each and every day along these lines in deference to a growing percentage of the workforce who have the ability to self-determine where, how and with whom they work. This article is not a promotion of co-working centres, although I do believe they offer some of the most inspiring and effective places to work, but an exhortation to understand them and the way they operate in the hope that we might bring valuable insight back into the enterprise workplace. Within cost-effective environments they have managed to create meaningful communities and a trail of business and personal success stories from which we can learn. Properly interpreted and understood, many of their operational principles are applicable to the corporate world and will likely add great value to our musings on the effectiveness versus efficiency dilemma.

Keywords: co-working, community, collaboration, employee-engagement, choice, connections

What do an attorney, a game designer, an accountant, an architect, a financial planner, a writer, a software developer and an ornithologist have in common? At Office Nomads’ co-working centre in Seattle they teamed up to encourage and support the development of a new food service and distribution company by a small group of new members who had just joined their community (Figure 1). The combination of experience, diverse skill sets and a common mindset to see others succeed was just the catalyst needed to launch a fledgling idea into reality. Stories like this are common in co-working centres that offer a nurturing environment rarely seen in the corporate world, and yet, although they offer a unique workplace proposition, typically to individuals or very small teams, the advances they have made are relevant to the large enterprise. The rapid rise of for-profit co-working spaces,
which are now emerging across the globe, is providing an increasing number of users with a highly valued workplace experience. Owners and managers of traditional office space have much to learn from these fresh and stimulating workspaces, including:

- the value of locating a workplace near labour;
- class-A office space is ripe for redefinition;
- ‘everything as a service’ is a new norm;
- consumerisation of the workplace and work experience has gained widespread acceptance;
- the value employers seek from the office is evolving increasingly towards more and better connections to others, improved ‘social context’ and the ability to benefit from the knowledge and experience of one’s workplace neighbours (and vice versa);
- innovation in large organisations also tends to start small and build through multidisciplined input; the author sees repeated evidence of this in his company’s dealings with technology and consumer products companies.

There are thoughtful corporate organisations working diligently to produce people-centric workplace propositions. For every one of these, however, there are scores of companies still pursuing efficiency-centric business models. Fiscal prudence is essential, as are balance and an understanding of the positive fiscal impact of motivated and engaged employees. With this in mind, this paper discusses the value of an emerging workplace experience type as seen through the prism of co-working centres: self-elected workplace solutions, born of individual choice and preference.

**DEFINING THE LANDSCAPE**

Co-working spaces can best be described as pay-as-you-go office space to which
individuals, rather than large organisations, subscribe. Ostensibly, users (commonly referred to as members) pay a monthly fee in return for various levels of accommodation (open work station, access to a common lounge, private office etc), but the real value is less in the physical environment and more in people. Dependent upon their ability to develop an attractive workplace experience, these centres are thriving (Figure 2). Their success is due in part to fostering an environment where co-workers sincerely care about each other — both as individuals and as successful business neighbours — it is their raison d’être. Given that their financial viability depends upon attracting sufficient members, it is vitally important that co-working space operators, while generating a great personal experience, also master the basic workplace tenets:

- accessible, safe and cost-effective location;
- environment in which members trust each other;
- physical environment and technology aligned with the outlook, preferences, affordability and expectations of the community they serve.

A SUSTAINABLE BUSINESS MODEL

This successful community establishment all needs to happen within the constraints of a sustainable business model. Co-working owners and managers are finding that they cannot simply overinvest in space, people or technology to attract members. Instead they become very creative and go to great lengths to understand what investments are most appreciated. The outcome tends to lead to heavily people-centric investments:

- quality coffee over economy coffee;
- exposed natural surfaces such as brick, wood and concrete versus stud walls and suspended ceilings;
- less space — more choice;
- simple, inexpensive furniture over traditional high-end systems furniture;
- human scale versus warehouse scale.

The diversity of people, backgrounds and experience holds the highest value. Stories of cross-discipline enlightenment abound, as do the new ideas that emerge from these discoveries. The people-centric focus promotes ‘belonging’ to something more substantial.
than a constantly evolving organisational structure and a carousel of shifting space assignments; for this members pay fees in the range of US$25–1,000 per month.

THE RISE OF CO-WORKING SPACES
Many are getting the balance right; that might explain why co-working operations are on a sharp growth trend (Figure 3). Their rise is further fuelled by the increasing conversion of full-time corporate staff to contract workers (Figure 4). Consequently, impacted employees become natural candidates for membership, particularly as they grow to appreciate the value of associations and connections lying outside their single-client relationships. Members enjoy the interaction and camaraderie often missing from more ‘corporate’ environments and, for many, it results in new business leads (Figure 5).

CORPORATE REAL ESTATE IMPLICATIONS
Implications for the design of buildings and services
Physical space configurations of all types of offices are becoming more creative and varied, and those which offer more choices to users are increasingly popular. While there may be entrenched views over the appropriateness of closed versus open environments, the most generally well-regarded solutions have developed a palette of space types (open and private) from which individuals can choose. Well-conceived choices bring delight and employee satisfaction to employees with varying roles, personality types and ‘busyness’. The emergence of value-added service offerings, such as a concierge desk and geek squads, is contributing to high levels of employee satisfaction. The author’s
observations suggest that there is no clear relationship between providing the highest quality facilities and having the happiest and most engaged employees. Indeed, examples abound of corporate environments of extremely high quality with low levels of employee engagement. It might be concluded that management styles, the culture of the organisation and the regard for people are significantly more influential than design. This is where co-working seems to score so highly. The way a workplace looks and feels has evolved over the years in interesting ways. A non-scientific review of over 1,000 pictures of co-working centres suggests that there is an attraction to spaces that do not look like quintessential Corporate America. Gone, in many cases, are the systems furniture, drop-in ceilings and recessed fluorescent fixtures in favour of exposed structure, natural materials and perhaps a quirkiness of character that distinguishes the space (Figure 6), making a marked contrast from the sameness of a cube environment.

**Choice**

The contemporary workplace is already exploring the matter of choice for employees,
particularly where mobility is in evidence (Figure 7). Examples include:

- a multitude of space options based upon demonstrated need, availability and personal preference: private heads-down spaces, open offices, formal and informal collaboration and social space;
- solutions for choice relative to the desire or need to be working alone and as a team, and for personal preferences such as having access to daylight or views, warmer or cooler parts of the building, working sitting down or standing up etc;
- beyond the layout and space-type options, well-configured co-working spaces also provide a further set of choices, including:
  - increased convenience of location (as in shorter, or easier, commute)
  - selecting the amenity/space/cost balance that works for the individual
  - tangible added business value such as: access to other resources, experts, ideas and disciplines and the opportunity to be surrounded by a close-knit, similarly motivated group of people through social context and common interests.

A human resources opportunity
Part of the success of the co-working model is because participants do not work for the same organisation. A forward-thinking human resources organisation could test this theory by clustering its employees into working groups of individuals from different business lines — in effect creating co-working hubs of employees who have distinctly different reporting structures and functional responsibilities. The idea would be to build an engagement-enhancing sense of community, increase cross-business understanding and break down the tension that can result from direct functional management oversight. Each community would be imbued with its own sense of micro-culture, control, protocols and practices. This does not exclude, in any sense, the notion of successful intra-departmental collaboration and engagement, but merely establishes a new model for the home desk.

Campus strategy
Is there perhaps a nascent co-working community proposition to be introduced within large campus contexts that avoids the need for a constant moving of furniture, boxes and equipment? Employees might belong to these communities in the same way that students belong to fraternity or sorority houses on an American university campus or to ‘houses’ in an English public school. From these fixed bases, employees could venture out to their varying commitments: to project studios, management clusters, financial hubs, marketing teams etc, on a daily basis. The destinations would change as the work and

An example of the potential of maker spaces is Mak3D, the world’s first co-working centre dedicated solely to the use, application and pursuit of business generated around 3D printing technology.
the organisation changed but the home base would remain the same.

More than just office space
Another model similar to co-working space that has recently gained traction is known as ‘maker spaces’. These spaces may include anything from machinery (mills, lathes, metal bending, moulding etc) to laboratory space and even kitchens. The investment in this infrastructure is designed to attract innovators and create communities of like-minded developers and testers. Whereas these spaces would be expensive for single users, by joining together like-minded entrepreneurs — and in effect sharing the costs — the owners of these spaces have found a business model that shows great promise (Figure 8). Artisan’s Asylum, TechShop and Fab Labs are all examples of this sophisticated and very fast-growing sector. A question for consideration is whether certain campus operations might benefit from similarly centralising and sharing certain types of space such as laboratories or fabrication facilities with other parts of the organisation or, even bolder, with the outside community. This would buck the common phenomenon of hoarding specialised spaces and limiting access privileges.

Furthermore, being surrounded by other inventors or developers working on similar, or different, challenges can be inspirational and instructive. This model is manifesting itself in multiple ways, even extending to cross-industry collaboration between the private sector and academia along these lines, albeit on a larger scale. An example would be the collaboration between Unilever and the University of Liverpool to explore mutually interesting research through a joint investment in robotics testing capabilities.

A new definition for workplace quality
Today, the modern class-A space carries with it visions of high-quality entries, smartly dressed professionals, a security presence, Leadership in Energy and Environmental Design (LEED®) certification, and clean and spacious bathrooms in a neatly landscaped plaza or campus. People want to work in class-A space because it is well-constructed, well-maintained and evokes an aura of success. Successive generations, however, seem to be reordering their priorities relative to the workplace and value a new and evolving set of attributes (Figure 9). Additional considerations include:

Figure 8 Maker’s Space, Seattle
Do I want to work here?........................................or here?

![Figure 9](image)

**Figure 9** Is class-A office space, as it is understood today, ready to appeal to the 40 per cent of the workforce estimated to be working independently by 2025?

- Can I walk to work or get there by public transportation?
- Do I get welcomed when I walk in through the door?
- Do I have choices as to where I work, and when?
- Do I value character over quality? Can I have both?
- Is there a sense of camaraderie or community?
- Do I feel comfortable socially?
- Do I learn from those around me (mentorship, networking, technical assistance etc)?
- Do I have a broad and expanded set of peripheral connections to others?

**THE FUTURE**

Although the number of co-working spaces and participants is still relatively small, there appears to be a very passionate, thoughtful and active body of entrepreneurs who will continue to refine how they identify target audiences, secure desirable locations and build communities that represent sustainable business offerings (Figures 10 and 11). The popularity and relevance of co-working centres will continue as business people seek alternatives to traditional corporate settings as well as an increased number of workplace options. Furthermore, adoption of co-working principles *within* large organisations could well impact corporate footprints and, at the same time, be used as a tool to reverse the generally low state of employee engagement (only 29 per cent of the enterprise population is positively engaged according to Gartner’s 2012 North American survey). The resultant work style could create new paradigms of on-campus teamwork and begin to include otherwise disconnected individuals. It is entirely reasonable to imagine co-working as a viable workplace option looking forward. The same sense of empowerment that drove individuals to take charge of the selection of their technological devices (*bring your own device*, BYOD) is beginning to be replicated in the selection of their workplaces. It also seems likely that other workplace offerings, such as serviced offices, corporate offices and even working from home, will strive to emulate, in their various ways, the people-centric accomplishments of successful co-working programmes.

Innovation clusters (networks of multiple co-working centres) are being recognised as business development catalysts in new growth areas formed where emerging talent and newly developed skill sets coincide. In Bournemouth on the south coast of England, for example, local and national initiatives are underway to take a vibrant and established seaside town and turn it into a global hub for...
the electronic film arts, leveraging the high quality of Bournemouth’s Film School offering with the attractive urban lifestyle of a ‘happening town’, its co-working centre incubation capacity and its growing reputation for innovation (Figure 12).

CONCLUSIONS

Co-working centres are increasing in popularity, in part because they offer what many traditional workplaces do not: choice. The founders are also getting smarter with their business models. As the recent US$355m financing round at We-Work demonstrated, co-working is becoming big business. A US$5bn market valuation and a funding level capable of opening 300 new sites each of 30,000ft² is testament to the rising tide. Most commercial real estate executives do not have the luxury of designing environments for like-minded, or purposed, individuals, they have to provide a ‘home’ for everyone. Nonetheless, there are lessons to be learned as to how one might begin to segment people and restack buildings along new and unconventional lines to create more engaging workplace environments and accelerate teamwork and knowledge transfer across the organisation. Co-working centres may well move inside corporations as a new space type as smart organisations learn to

How to build a community that members value!

- Talking about music, food, sport and places they have visited.
- Discuss their work and often do ‘show and tell’ exercises with other members to generate feedback and ideas.
- Lunch and learn.
- Build a rhythm of work that is understood and accepted by each other.

Figure 10  Building a valuable co-workers’ community

Figure 11  ‘It is NOT about the building, it is about the PEOPLE’

Source: Quote provided by Robin Bramman, Strategic Brand Consulting Partner

‘The day I stepped into the building I was greeted with smiles and warm welcomes by Jenny Poon, her eeko studio team and all the members. I always say, “it is NOT about the building, it is about the PEOPLE”. It is a place beyond the quiet solo home office where you find energy, inspiration and collaboration.’

‘I have been fortunate to have opportunities to work with many CO-HOOTians. I did brand and design gigs with Jenny Poon at eeko studio, I collaborated with Shane at Volo Digital on a brand and app deal and I hooked up with Beth Cochran, who runs SuccessLab’s meet-ups and podcasts. I am a lifelong learner and love to find someone new that I can learn from.’

Robbin Bramman, Strategic Brand Consulting Partner
generate their own thriving sub-communities in efforts to boost employee engagement. These organisations will recognise that this movement is more about providing viable, satisfying and personally-rewarding settings and less about real estate. Members are paying out of their own pockets for a total solution. As employees seek to reverse-engineer their workday into a contiguous set of positive experiences, they would do well to observe the priorities and skills existing in the co-working business as indicators of success. By concentrating on very human factors, employers are more likely to create greater rewards and success than by merely buying the best design, furniture and technology, and trusting that it will create enduring satisfaction. Traditional modes of working, and the work preferences of employees, are also changing rapidly, as are the very jobs themselves and the way in which they are contracted. As these trends become clearer, the qualities that define ‘great workplaces’ will be further redefined by the move towards user-centred choice. Class-A space may no longer be the people’s first choice, being supplanted perhaps by people-centric environments of wit, character and welcome. How to do this in the corporate environment is the challenge. It is not a design problem (although atmosphere and ‘look and feel’ are very important), but one of developing a business model that supports the hiring of talented enablers to make the community work. These people already exist, in today’s best co-working centres.