

## What Corporations Can Coopt from Co-Working

Companies seeking to attract top, young talent—and who isn't?—by creating dynamic work environments should look not only at the non-traditional spaces seen in large tech companies, but also at smaller incubators offering co-working spaces. Co-working originated within the corporate environment in the early 2000s to support “co-ope-tition”—collaborations and even partnerships between competitors with synergistic strengths (think of Microsoft and Cisco). In the past decade, however, the number of Gen Y and Gen X entrepreneurs has greatly increased. In fact, there was an 83 percent growth in co-working spaces globally between 2012 and 2013, according to the July 18, 2014, New Republic article, “Trying to Find Creativity Outside the Cubicle.”

Some people turn to co-working because of corporate hiring freezes or a lack of startup capital; others prefer it because they have an independent spirit and/or feel a resistance to the rigidity of corporate life. Co-working spaces appeal to younger workers by conveying a strong brand and providing lots of user choices as well as oppor-tunities for networking and idea generation—and companies competing for the type of talent drawn to co-working can learn a lot about attracting talent from studying what co-working spaces offer.

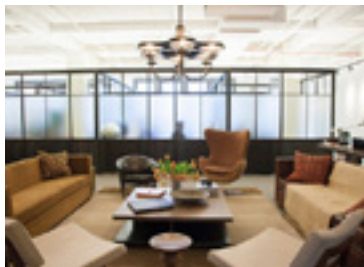
**BRAND:** As diverse in style as they are ubiquitous—from sophisticated to frat house, tech to artsy—the co-working concept is essentially founded on combining solo and collaborative work—in other words, blending the serious and the social. Yet each co-working space has its own culture, which is immediately evident to its users. In many instances, these spaces are similar in style, if not in substance to the companies with which they simultaneously collaborate and compete (think of mega-tech campuses like Google and Yahoo).

Each co-working space creates a strong customer experience that goes far beyond conveying a brand through a company's reception area and logo. Each element of a co-working space—its location, building type and design, functionality, amenities and policies—conveys the image of a particular industry and its constituents through visual, verbal and non-verbal cues. For example, at co-working spaces, just like at tech campuses, food is often a big part of the scene, drawing, nurturing and compelling people to stay at work.

CO-WORK SPACE #1



CO-WORK SPACE #2



Whether it's designed to be stark and open or plush and private, a co-working space's sensory cues attract a certain type of subscriber. For instance, Neuehouse, a David Rockwell-designed co-working space on East 26th Street in New York City, caters to people in the arts. Its reception area is like that of a posh hotel, which then gives way to smaller, multipurpose public and private spaces on several levels. Its overall design gives the user a sense of belonging to a private club. Using space as a total package to convey culture and brand is certainly something that companies can coopt to attract the type of employees they desire.

Occasionally, however, co-working spaces are not a good fit for entrepreneurs. For instance, in the recent New York Times article “Why I Ditched My Co-Working Space,” Rebekah Campbell confesses that she found that the completely open, unreserved environment of a co-working space un conducive to getting her startup, Posse, to its next stage. Ambient noise, uninvited interruptions, and nosy competitors were just some of Ms. Campbell’s complaints.

**CHOICE:** In the past 10 years, hiring practices in the United States have changed significantly, but the way space is planned and used has not. In order to be able to expand and downsize at will, companies are increasingly contracting freelance employees rather than making permanent hires, but the workplace is still largely designed around a fixed set of standards: private offices, conference rooms and open-plan workstations. I am referring specifically to the United States here because that is not at all the case in the United Kingdom or most of Europe (with the exception of Germany), and it is also far less common in other parts of the world (another topic for discussion). Co-working spaces are the antithesis of the fixed office environment. These spaces are designed to embrace and adapt to change—if they didn’t, they couldn’t stay in business. Co-working facilities include quiet rooms for private conversation, hideaways for thought generation and re-generation, “fishbowls” and media hubs that encourage people to drop by and contribute and, borrowing from the retail industry, pop-ups, which are designed to allow users to reconfigure the spaces at will. These alternative spaces are typically the first ones to go when companies densify, but in co-working facilities, these space types are currency and as such, must be both permanent and flexible.

**IDEA GENERATION:** IBM’s Accelerated Discovery Lab exemplifies what co-working within a corporation can be like. At the lab, reports IBM fellow Laura Haas, “strategic serendipity” brings “people together in a rich enough environment ... leveraging the connections in the room.” Designed to allow people to collaborate as well as to work alone or in smaller groups, the lab is an idea incubator for IBM’s employees and its clients, who work together there, often for extended periods of time, to accomplish common goals. Because a particular project’s tasks and personnel can change over the course of a month, week or even single workday, all of the furniture in the lab is on wheels so that it can easily be reconfigured by its users. Spaces like IBM’s lab also typically feature fewer hard walls and more softer space divisions, as well as offer plug-and-play technology, sound attenuation and user control of lighting and HVAC. Access to food, recreation and exercise are offered to keep both clients and employees content and productive during the long, often odd hours they may spend on a project.

**PUTTING IT ALL TOGETHER:** It’s perhaps not surprising that a tech giant like IBM has created an innovative ideas lab, but other companies are also catching on to co-working. For instance, one global real estate firm that caters to Fortune 500 companies, which is currently undergoing a headquarters renovation, is relocating its back-office functions to less expensive real estate properties in order to showcase a customer experience center that will attract new clients and talent. Taking a page from the co-working handbook, so to speak, this firm is disregarding traditional planning practices that seat disciplines together within a department. Rather, they are creating multi-disciplined, client-facing and potentially revolving teams. The new headquarters will feature not only many new amenities but an atmosphere of transparency and openness that will foster communication. The firm’s intention is to create a “destination of choice” that makes both employees and clients feel valued and inspired, with the ultimate goal of becoming “the Google of the real estate brokerage business.” That’s quite a leap for a traditional corporate culture that lined its perimeter with offices in its last renovation. But knowing that Gen Y will comprise 75 percent of the workforce in a short 10 years, this savvy firm is already planning for its future.



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## ABOUT THE CENTER FOR WORKPLACE INNOVATION

People are a company’s most valuable asset and in today’s business environment it is people who make the difference. Our mission is to combine real estate, technology and business processes to create exceptional spaces that empower people to do their best work. We align design solutions with actual business drivers and create performance metrics to establish a feedback loop that continues to inform. This builds agility into the workplace to support the way people work today while enabling its evolution to support the way they will work in the future.



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