

GUIDE TO OPENING A COWORKING SPACE



RUME2

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With the moving tide of workers out of city centres into satellite towns, and an increase in demand for flexible working practice, there is a growing need for safe but inspiring local workspaces for individuals and smaller teams.

At Rume2 our mission is to help freelancers, microbusinesses, entrepreneurs and remote workers enhance their working lives through safe networking, collaboration and knowledge share.

In the spirit of our mantra **WORK. TALK. GROW** we thought we would share some of our learnings through our own journey of setting up and running a successful independent coworking space.

Whether you are a landlord looking to utilise empty space or an entrepreneur looking to set up your own business, read on for our top tips to setting up and running a worthwhile coworking space that will really make an impact.





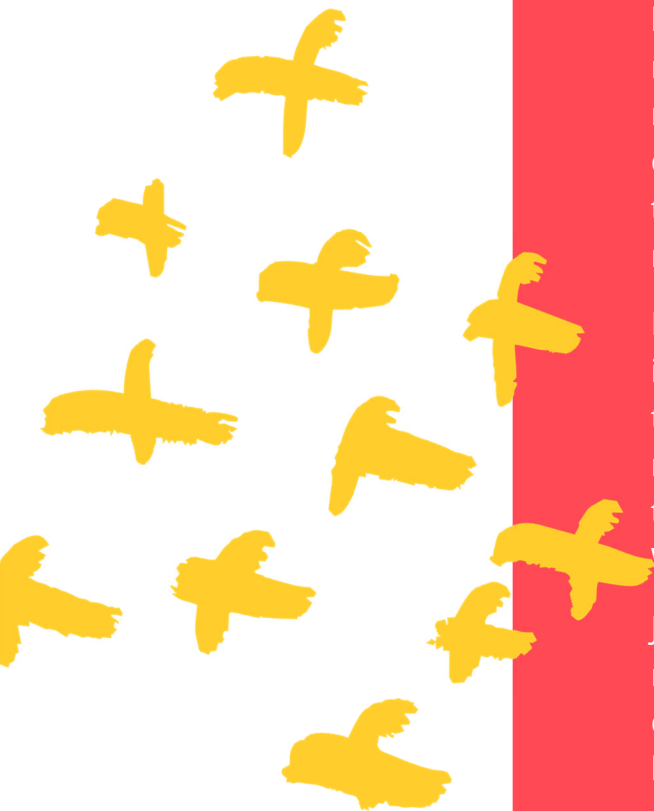
MARKET RESEARCH

2 INSIGHT

Whilst there is a growing demand across the country for flexible coworking spaces don't just assume that if you open one people will come. People from different areas have different demands. In some areas the demand may mainly be for individual coworking, in other areas the majority may want private offices. In some areas your customer base will consist of individuals wanting to limit their commute to big cities, in others most of your membership may be freelancers or small businesses.

Before you make any decisions about space it's important you take the time to do your research. Speak to the local council about the population and business mix in the area. How many people commute out or into the area every day? What are the transport links like? What types of business operate in the area?

Join local business and networking groups and ask members what type of services they would want from a coworking provider. Get a survey out online to local business people and use the results to map out the size of your market and the coworking facilities you should be offering.



DECIDING YOUR OFFERING

Following your research, you should have a good idea of the people and industries most likely to use a coworking space in your area. This will give you a good basis on which to develop the type of space you want to open.

Every coworking space is different and requires a different design and vibe to suit its membership. If your space is mostly going to be full of creatives or freelancers, it will need to feel different to a space that is focused more on blue-collar workers or businesses. Likewise, a rural area demands a different feel to an urban centre.

Getting the feel and brand of your coworking space right from the offset to appeal to the right kind of people is crucial.

It is worth getting branding and design specialists on board at this point to make sure you have your proposition nailed.

This is not only the basis of your space design and feel, but also your messaging and marketing which is fundamental in getting “bums on seats” and keeping them.

FINDING & PLANNING YOUR COWORKING SPACE

Once you have confirmed the type of space you are going to offer and to what types of people you can now start planning your space.

You may want to begin with comparing space available in your area and working out how you could utilise that space in the right way. When planning a space these are the elements you should be considering.

- Location is key, your space must be located in a popular area (or have sufficient free parking if more rural). Look at transport links and who, what and where your nearest competition is, what they are offering and how you can stand out.
- Access and fire safety are also a crucial consideration. Does the space have disabled access? Are there enough fire exits? Does the building have good ventilation and heating? The success of your space relies on your members being as comfortable and safe as possible at all times. There is no point in the space looking great if the desks are too hot or the toilets too cold.
- Internet! A coworking space will live or die on the quality of its internet connection. If the space you are looking at has no easy access to a fibre line it may not be the right place to open unless you are prepared to wait for and pay for a proper connection (which can take many months).



- Furniture, mainly the number of desks you can fit into each space, allowing for desk size and chairs with adequate space. Official guidelines tend to state a minimum of 70sq ft per person to allow for enough desk, communal and meeting space but you may want to build in more or less depending on the layout of your office and the kind of business people you want to attract.
- Types of desks you want to use (size, fixed or moveable, low or standing, breakout booths, private phone booths). With COVID guidelines currently in place it's worth considering a range of desks that can be moved as social distancing rules change.
- Breakout space is important for a happy coworking community. Where are you providing space for people to take a break from their desks, chat and collaborate? A range of comfortable seating is an important part of any layout as for many, coworking is a lifestyle choice. You need to be offering a comfortable place to work and meet others.
- Food facilities are a must however there are many ways in which you can offer these facilities in your space. Whether it is a simple water, tea, coffee station, a larger kitchen space with cooking facilities, or even a bar for larger events it's important you create enough of these areas to happily accommodate the number of members you expect in at any time. You should also consider whether you will staff these as a café or whether their use is self-service.
- Toilets and showers. Most modern coworking spaces offer unisex toilet and shower facilities. You need enough to easily service the numbers of members present at any given time. You may also want to build in changing facilities if you are going to have gym facilities within your workspace.



FINANCIALS & FORECASTING

Before signing on the dotted line for any space you must consider the financial implications and put a proper forecast in place.

Once you have a layout, work out the revenue that layout could generate by considering what types of memberships you will be offering and how much revenue that will generate per desk at varying levels of occupancy.

It is unlikely that you will be offering just one type of membership. Most coworking spaces offer ad hoc, daily or hourly rates as well as differing levels of monthly memberships.

When setting prices make sure you do your research around other spaces in the area or similar areas to make sure you are pricing yourself correctly.

Set out your different membership options according to your customer base and then calculate the revenue that can be generated with different percentages of desk usage coming from different memberships.

Here is an example of the type of revenue scenario planning we would advise:

	Cost per desk per hour	Number of available desks	Example Scenario 1	Example Scenario 2	Example Scenario 3
Ad Hoc Membership	x	x	25%	10%	50%
Monthly Coworking Membership	x	x	25%	40%	40%
Monthly Dedicate Desk Membership	x	x	25%	25%	5%
Monthly Private Office Membership	x	x	25%	25%	5%

Once you have mapped out potential income you must also plan for occupancy levels initially well below 100% capacity.

Occupancy is likely to rise gradually from launch. Make sure you have factored this into your cash planning. You should also factor that coworking spaces usually sell more hot desk space than they have available as many people use less than their allocated time.

Other costs you are likely to have that you need to take into account in forecasting are:



Rent/mortgage



Maintenance



Business rates



Utilities



Food & drink



Staff wages



Cleaning



Internet



Marketing costs



Event costs



Software & security



Insurance & compliance



Accountants & legal support for lease and contracts

FIT OUT

One area you must set adequate budget is the fit out of your space. If you are going for a shoestring option you may fall short of the required level of comfort and facilities for potential members.

Whether you are going to fit it out yourself or get contractors in you must plan your space in fine detail. Make sure you think about the following:

- Internet – space for servers, cabling and ceiling mounted WAP (wireless access points) for optimum coverage.
- Power sockets – you can never have enough power points, ideally a double socket per desk station as well as all the normal wall units for hoovering, kitchen equipment, printers, screens, lights, projectors, chrome casts etc.
- Lighting – this is extremely important, think about comfort of your users day to day but also events, so ideally include a combination of ceiling coverage, event lighting and decorative lights.
- Heating/air con – make sure you have sufficient radiators and air flow.
- Flooring – hardwearing commercial grade floor covering carpet is best for noise control. Hard surfaces like commercial grade vinyl is best for kitchen and bathrooms.
- Partitions – it is important to have as much flexibility as possible and a mix of open plan and more private areas (individual phone booths, zoom rooms, private offices, meeting rooms, podcast rooms, classrooms e.t.c.). Try to use acoustic grade materials. Retractable walls to create larger or smaller meeting rooms are great if you have the budget.
- Decoration – This will depend on who you want to attract as members but consider future maintenance as you will need to freshen up regularly.



- Desk positions – make sure you have enough desk space to generate enough revenue without making people feel like they are uncomfortably close to their coworkers.
- Furniture – consider a reception area for staff to work, meeting rooms, breakout areas, sofas, armchairs, bars, shelving, 1-2-1 catch up areas, larger tables for teams working together.
- Office equipment – space for white boards, screens, flip charts, printers, projectors, laminators, stationary, microphones, staff computers.
- Decorative accessories – this is where you have some fun and create a unique space, you can always add and change this look and feel as you go along. Bring nature in and use plants as they are good for oxygen and air purification and can also double up as screens between areas.
- Kitchen accessories – tea/coffee urns, crockery, cutlery, kettles, microwaves, fridges, ice machines etc
- Waste – space for bins often gets forgotten, think recycling, confidential waste, food waste – this will depend on how your local authority splits the waste in your area.
- Lockers - coworkers love lockers to store equipment and personal items when not in the space or at their desk.
- Storage – enough storage for consumables, toilet roll, kitchen supplies, cleaning equipment, printer paper, office supplies e.t.c.
- Coat hooks – you don't want wet coats draped all over the desks and chairs, allow a dedicated area for coats and wet umbrellas.
- Toilet fit out – consider showers and changing rooms, this is key for coworkers who like to gym, before, during or straight after work.



SECURITY & ACCESS

As much importance should be placed on the technology infrastructure as how the workspace looks and feels.

High speed secure internet is a crucial component, many coworkers require high security on their data. You will require strict firewalls and your team will need to be knowledgeable in this area for those questions. Get an IT expert on board to support you.

Make sure you have CCTV in place to protect your members and their equipment when in your space.

Get a good access system to prevent non-members from accessing the space and allowing members to access easily.

HEALTH & SAFETY

Ensure you follow all regulations and build out your health and safety and risk assessment policies as you go. Your insurance will require robust policies in this area.

Get an expert on board to advise you early on so there are no hidden extras further down the line.

MARKETING YOUR SPACE



Networking

Getting involved with local business networking groups and support organisations will allow you to meet directly with potential customers and let them know about your space. You may want to collaborate with such organisations by offering their members an initial offer.



Website

It goes without saying an effective website must give people a window into your space, your offering and give them an easy way to enquire, get in touch or even book space directly. Your website is also a place you can start to capture interested parties email addresses to market to in the future. Just building a website will not ensure people find it though, you will need to ensure that you optimise the site to appear in relevant searches on Google and this requires expert SEO advice.

Imagery and video of your space is the best way of giving people an idea of what it is like and what it would feel like to work there. Having strong visual assets will also give your social media efforts more impact.



Google Business Listing

Make sure you have a well optimised business listing set up as this will help you to appear for localised searches on Google and is a good place to give people immediate information about your space with no need for them to click through to your website. You can add images, reviews and blog posts.



Paid Search

Advertising on Google will give you immediate visibility but is not something to attempt without expert advice. There are a range of ways in which you can target and test adverts according to searches, location, demographic and behaviour on your site. Many top-level searches are dominated by big office space players so you will want to be clever with your targeting to avoid getting into a price war and wasting a great deal of money.



PR

Local press will increase your brand awareness to residents in the area and is often a very affordable way of advertising.





Social Media

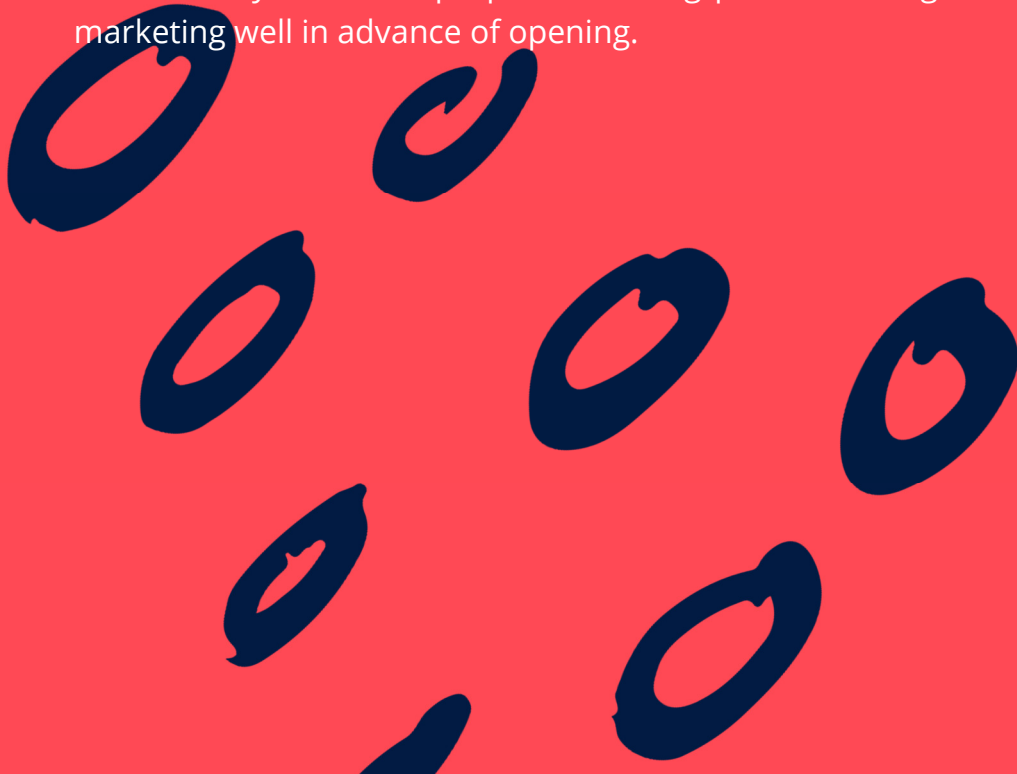
If done well and tailored to the channels your target audience use, then social media is a good platform to showcase your space, what it is like to be a member, the benefits of coworking and what you have going on within your coworking community. A good social media presence can also be enhanced with a targeted social ad campaign that can be used to direct people to your social media, your website or collect email addresses.



Email

Another good and affordable channel to use to regularly communicate what it is going on in your space. There are a number of cheap platforms that can be used that don't require you to be a technical expert.

With so many channels available to get the word out and engage with your future audience it is crucial you have a proper marketing plan and budget in place and you begin your marketing well in advance of opening.



MANAGING YOUR COMMUNITY

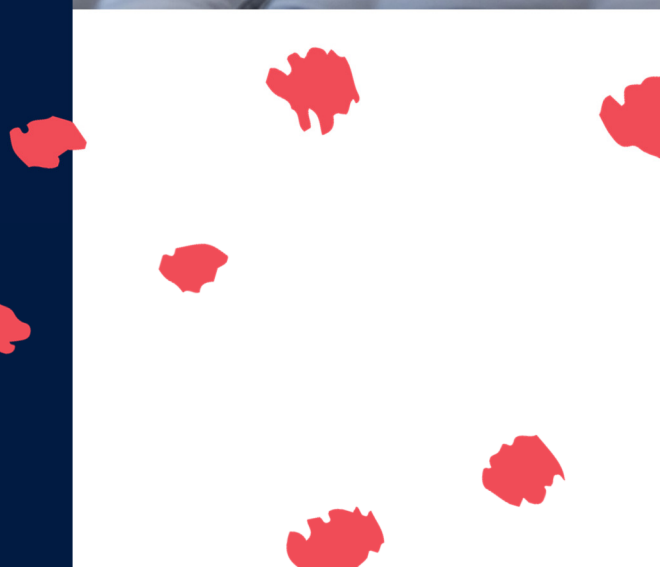
Don't think that the hard work is done once you open your doors. This is when the hard work really begins. Hopefully, you will have a growing number of people and it is your responsibility to keep them happy. Many people join a coworking space to avoid the loneliness of working from home or to be part of an interesting community with learning and collaboration opportunities.

Therefore, as the owner of your space, you make sure that members are given every opportunity to meet each other. Whether that is through individual introductions, a community board or a range of events, you will need to be on top of growing the community emotionally as well as physically.

As a coworking space you are also part of the wider local business community and this needs to be part of your daily planning too. Make sure you know what is going on in the area, support local independent businesses and utilise your standing to promote your members to other local businesses.

There will also be the day to day management of member enquiries, making sure they know how everything works in the space and ensuring they are using the space in the right way. How you or your team interact with members and support them is the backbone of your business. You will need to make sure all staff are fully trained in communication skills as well as the admin of running the facilities on a daily basis.

As a rule, you should have a friendly and helpful person at reception to meet and greet and answer questions at all times you are open.



ADDING VALUE FOR YOUR MEMBERS

A good coworking space is NOT just a place to work. It is a community that will bring added value to all members through:

- Improving mental health and wellbeing
- Improving work life balance
- Improving efficiency
- Helping collaboration with other businesses
- Aiding business growth by creating opportunities
- Providing a place to learn and add to business skills

Everything you do on a daily, weekly or monthly basis should be focused on the value and benefit you bring to your members. This is the way your community will continue to grow and prosper and the ultimate positive impact of your space on the business economy occurs.

GET EXPERT SUPPORT

If you are looking to open your own coworking space and are looking for expert advice to help you create a successful business plan, hold your hand to launch and ensure online growth and profitability please get in touch on hello@rume2.co.uk