



The Evolution of Coworking Spaces

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WORK PLACE EVOLUTION



The experience of the traditional workplace has always been one of slow evolution.

However, the recent and growing popularity of alternate options means the future of working could be a bit different than we previously envisioned. With the adaptation of remote working platforms, advances in technology, and the ever-changing global workforce approach, these options are becoming widely offered and practical now more than ever.



Surveying the Coworking Landscape

There will always be a need for the traditional headquarters office as a means of establishing corporate identity, culture-building, and a physical touchstone for all the virtual interactions taking place ubiquitously in our everyday lives. Still, when the world was thrust into a pandemic, the topic of working remotely quickly became unavoidable, and necessary to many companies. Geoff Wood, founder of Gravitate Coworking in Iowa, says, "The pandemic made all of these companies who didn't know they could be remote, or believe they could be remote, realize that they can be," and we couldn't agree more. Some have drawn a hard line in the sand and said that they will, indeed, return 100% to in-office, just as before the pandemic. But in doing so, are also inevitably anticipating some push-back from employees enjoying the non-commute, laundry over lunch, and comfortably adapted spaces within reach.

A counterpoint is the need to socialize, reinforce culture, and mentor newly onboarded staff; things that are more difficult as a distributed network of node points, all working independently. Haphazard home offices, interrupting kids, barking dogs, and a lack of supervision have likely fostered the incubation of a few "less than efficient" habitual working patterns. True, there are those who flourish when given free rein, but they likely do so in the office as well, dragging lesser performers along in their wake.

Considering Legacy & Constant Evolution

A great deal of effort has been poured into anticipating the next iteration of the work-from-home versus return-to-office challenge, but what about options that fall in between? The cultured hybrid has some merit to it. Let's consider the creation of Place #3 as a business model. Starbucks built a coffee empire on the creation of the 3rd space; a temporary touchdown which existed in-between work/home/school and enabled a landing space for a variety of activities. Networking, casual business meetings, friends, families, and acquaintances all intermingled in these nodes, giving us not only a safe and predictable space to have such encounters, but a buzzing and active environment with a dash of anonymity that provides many of us with just the right balance to produce, create, and excel. Perhaps because it's akin to educational environments, which first forged our individual patterns of learning/creation, or maybe it is just because at heart, we are social creatures.

Removing the corporate plan to sell generously priced coffee and pre-packaged food, let's take stock of what remains:

- Work conducive environment (not too loud)
- Providing a wide array of seating, postures, and work options; some desks, tables, private offices, and conference spaces

- Refreshments and restrooms, so there isn't any reason to leave
- Convenient locations, distributed throughout different strata of society (always one 10 minutes away)
- The ability to reserve space, establish a presence, and become a regular in a community of like-minded professionals
- A blend of work and social opportunities; it's never a homogeneous experience in any coffee shop, or it would feel like you're in someone's office
- Easily accessible at nearly any time of day
- Creates a separation from home, curating a healthier balance between work and life.

Toss in the ability to have your name on the door, receive mail and be a member and you've synthesized a successful coworking space. Now, there is a bit more of a nuance to the equation, but all the fundamentals are there. These aren't just office spaces, which are readily available in thousands of buildings in every village, town, and city; there is a nucleus of activity at the center, which people want to be a part of. "What has worked for us is having a mix of open offices and also team offices," Geoff Wood, Founder of Gravitare Coworking in Des Moines, says.

"I think that something that may have been overlooked in those early days [of coworking], is that people who have those offices still want to be a part of something bigger. They don't want to go out and get an office by themselves, they want to be a part of this collective" says Wood.



Photos by Ben Easter Photography, Gravitare Coworking, Des Moines

Coworking Isn't the Exception Anymore

The rise of the coworking space is about to hit a completely new stage of development. We have reached a point where it's about community and collaboration. The quality of the space has become more important than the quantity of spaces. Initial coworking spaces were targeted as creating easy, flexible, open spaces which were the incubation points for startups, newbies to local markets, and sole proprietorships to clump together and share resources for the sake of economy and critical mass. Now, in the era of the pandemic, a new model is beginning to emerge.

Picture the scenario....

Large corporations established work-from-home protocols as a necessary reaction to the pandemic. Investments were made in new technologies, laptops, documents, training, and processes (all of which were meant to be temporary).

As time passed, the workforce adapted this 'temporary' solution and became more efficient, leading this to become the new norm. Rather than continue to expand corporate office footprints, large groups shed excess office space, capitalizing on a newly adapted workforce who had little desire or need for sprawling open offices, individual workstations, and café services.

Offices become smaller, workers utilize a hybrid model, typically on schedules to ensure that built resources are not overloaded at any point by a surge of in office meetings. The rest of the time, workers have to transport their computer, belongings, and lives between home and a rigid office schedule. This pattern has been difficult (at best) to merge with a hectic home life, which is the norm.

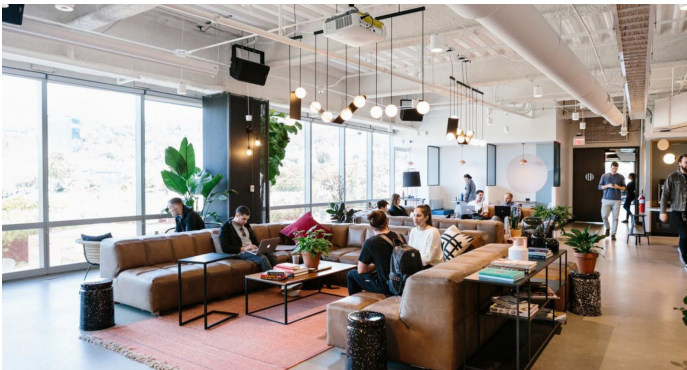
Let's spoil the ending of this short story: no one is happy with this equation. Everyone comes up short. The middle ground isn't as much about who is in control of the space, but rather...what is the proximity? A major consideration for companies looking for employees is, "Where is the talent?" Likewise, the employee is looking for a job that isn't "too inconveniently" located. We will all commute a bit further for a better job, but there is always a functional limit.

Bridging that gap with distributed coworking is one way that companies and cities of all sizes are seeing a shared win. It is exceedingly difficult, time consuming, and expensive to establish a large corporate headquarters. It is nearly as challenging to keep one up to date with technology, evolving business models, and ever shifting employees/clients. Additionally, corporate real-estate is an undertaking that has dogged the steps of growth since the industrial revolution. The new alternative is to let the technology backbone spread across a larger area and bridge the gap between layers of business giving their teams better access to the resources that surround them. It also allows companies to expand into new markets with lower associated risk.

Balancing the Equation

In any office of size, there are divisions, most of which will function largely independent of one another (in a corporate setting), passing one another in the halls, and sharing a conference room. Save the weekly managers meeting and the occasional “all hands.” What stipulation says that these divisions need to be located in the same building?

A corporate location in a downtown metro will carry an FTE cost of $\approx 1.7x$ the salary of the person just to keep the doors open and a nominal profit rolling. If that same person were to work in a less costly space, spend less time driving, less cost of living, and have the ability to (if they so choose) work further from downtown, that’s a model that any accountant can get behind. Smaller, under-utilized spaces in outlying areas are becoming the next horizon of office expansion. A coworking space in a less corporate market may only require an FTE multiplier of $\approx 1.4x$. It has all the same advantages of supervision, supporting facilities, corporate identity, and culture, while giving the employee back a lower cost of living, lesser commute, and a space customized for their needs, rather than a corporate hive, which must be flexible enough to house any silo at any time.



WeWork 11 Park Place, NY



WeWork Pacific Design Center, CA

When moving to hoteling, flexible work areas, and providing soft amenities, corporate offices were emulating a coworking model, albeit limited to internal departments, but mixed, flexible, and productive. Employees who were empowered to make decisions on where and when their internal teams would meet and how they would utilize their time became the remote managers leading the charge through a rapidly evolving landscape. There are ways that we can tailor the next generation of workspaces to leverage more efficient, dispersed, and empowered workforces, providing a balance for the spectrum of work styles.

Locations, Locations All Around

The bleeding edge “tech companies” which have long set the bar for innovative and cutting-edge workspaces have set about artificially synthesizing the internal corporate version of main street living. This approach is built around individual nodes, providing meeting rooms, lounge areas, recreation, café, and weaving them together with common areas and soft green space. This wide array of environments contain programmatic elements which speak to an inherent cultural scheme consistent with remnants of our recent past.

Revisit Existing Framework

Construction of new buildings has slowed dramatically due to the lack of demand and the increased global cost of materials. Perhaps it’s time that we look inward to create buzzing hives of activity which are as convenient as a local coffee shop and more productive than following rush hour downtown.

Rather than artificially creating all of these individual nodes in a controlled environment (at exceptional cost), perhaps a shift of focus may yield unexpected results. These opportunities are all around us, growing out of everything from single, large floor-plate corporate buildings to historic Main Streets and interestingly adapted use buildings. Who wouldn’t want to have a coworking space with a few lanes from an old bowling alley or the high ceilings and original brick of an old warehouse? A coffee shop which is not emulating historic fabric, but reveals a bit of history by scratching away the paint?

In recent years we have seen an increase in coworking spaces created for niche markets. With this approach, some coworking spaces have created a community of businesses that share a common interest or goal. A cohesive place with resources for people of all ages and backgrounds to share industry specific knowledge or even create a network of mentorship opportunities associated with their specific market.

Imagine a coworking kitchen for example - the possibilities are endless to the amount of information that could be shared. Maybe you have a new chef looking to expand their knowledge and expertise or an entrepreneur looking to start their own restaurant.

By surveying the existing infrastructure, one is likely a typological fit more akin to such a niche application than a synthesized solution from a generic template. Locations with similar history will carry inherent community memory, providing a subtle, but noticeable support interest when these structures revitalize. When applied to various vertical industries, markets, and communities, there are limitless opportunities for collaboration, mentorship, or partnerships to form by bringing intermingling interests and reinforcing those which provide mutual benefit over time.



Photo by Ben Easter Photography, Fidelity & Guaranty Life, Des Moines



Photo by Ben Easter Photography, Affiliates Management Company, Des Moines

A Wider Perspective

Distributed coworking is expanding beyond the single city model and is ripe to extend into a neglected lapland of economic development. All around the country, small to mid-size cities have struggled to maintain and/or attract

businesses of significant scale due to competition from incentive and amenity attractions put forth by much larger municipalities and build-to-suit developers. As such, there is a surplus of available real-estate in affordable markets, widely distributed, and ready for use. These communities are not only great partners, but eager advocates for their communities in attracting complimentary businesses to a market, often offering incentives specifically targeted at kick-starting these underutilized structures.

Embracing coworking as a regional concept brings us full circle, to a point where neglected downtown cores, industrial facilities, warehouses, walkable neighborhoods, and storefronts old & new are part of the future face of both the corporate campus and small business alike. Such actions breathe new life into businesses, communities, and infrastructure long dormant and rich with history, personality, and possibilities.

The challenge in such an approach is connecting the dots and matching the appropriate concepts to their complimentary locations. Doing so means setting aside some expectations and embracing the potential lying just beneath the surface of a few coats of paint. Fortunately, there are talented and experienced professionals eager to turn these challenges into successful business stories, Economic Development Teams, Realtors, Developers and Design Teams all play pivotal roles in such successes. As part of such teams, it is a gratifying and rewarding part of our mission to ensure a brighter future for both the remnants of yesterday and the entrepreneurs of tomorrow.

Where does one start in ascertaining the potential and what it could mean to the future of your community, existing business, or new concept?

Seek out the experienced, those who have tread before; both successful and not, lessons are plentiful if one learns to ask the questions. Look for positive collaborators and seek assistance of those not only executing the action of creating a coworking environment, but those who are vested in the success of your vision, whatever it may be.

A Better Way to a Better Space

SHYFT
Collective