



illustration by Nilesh Juvalekar

The concept of co-working spaces is finding an increasing number of takers. We explore the impact and potential of co-working spaces on the business landscape of today and tomorrow, through three exclusive interviews.





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co-working is a new way of thinking about our relationship with work

“The workplace and how we approach our work are going to see a drastic shift in the coming decade. We need to equip ourselves with the skills and tools necessary to survive these changes.” In part three of our Future of Work interview special, Varun Chawla, 91springboard, offers insights on the current state of the co-working sector in India and his vision for the days to come.

What is the scale of migration to co-working spaces in India?

Co-working spaces are gaining momentum across the country. As many as 13 million people—equivalent to the current population of India’s Silicon Valley, Bengaluru—are expected to work out of such offices across India by 2020 as per a JLL report. The demand for flexible offices, including co-working spaces and serviced offices, is growing faster in the Asia Pacific region than anywhere else in the world.

While the trend began with start-ups and freelancers, we are now witnessing the shift from large scale businesses as well. Instead of having to rent an office space and invest in expensive office equipment, high security deposits, and maintenance of the space, businesses can just pay a monthly fee to the co-workspace provider and save on operations costs. A

company can save as much as 30 percent on the operational cost alone. Besides, the lock-in period for co-working spaces varies between one and three years while companies lease conventional office spaces for five years followed by another five years, or for three years.

What are the challenges of brand building in the co-working space (since customers keep switching)?

Today, co-working is used as an umbrella term to define various types of workspaces like bespoke offices, managed offices, and niche spaces limited to coders, artists, etc. There is immense competition from organized as well as unorganized players. Hence, it is critical to clearly define our value propositions and offer people a hassle-free space that allows them to grow.

We at 91springboard offer an ecosystem that thrives on community. We provide working professionals a space to enrich themselves, not just professionally, but also on a personal level. We offer career assistance, networking opportunities, learning and development activities, and much more besides conventional advantages such as lower costs, hassle-free infrastructure, and flexibility.

Further, when we talk about India, it is a highly value-centric market where affordability plays a key role. The success of brands like Maruti in the automobile segment and Xiaomi in the smartphone segment is proof of that. Our model is targeted to a similar audience.

Being in the service industry, we do come across challenges in terms of identifying the right talent and ensuring they are well-trained to offer our members the 91springboard experience. We have invested in several training programmes and have a strong employee engagement programme in place to ensure there is less attrition and our employees are happy.

Does the air of informality affect productivity?

The idea of co-working originated in 2005 when technology was facilitating gatherings in unprecedented ways. Co-working is a new way of thinking about our relationship with work. While it is made possible with technology and design, it is rooted in our innate need to share, help, and socialize with like-minded people.

There are several studies that showcase that people working from these spaces are more productive than those working in traditional office spaces. They feel like they are a part of a community and more driven to perform in an environment that is constantly buzzing with other people performing tasks, brainstorming, and exchanging ideas and thoughts.

How is the advent of flexible workspaces changing the future of work? What skills does the manager of the future have to learn in order to efficiently handle a team where members are not physically together?

Some skills that will be critical for the manager of the future are:

- **remote working protocols:** While remote working

sounds like a great way of increasing productivity, it does bring with it some concerns like the lack of social cues that creates anonymity and deindividuation in teams. A smart manager must know when to connect with his team remotely and when to connect with them face to face so that productivity is not hampered.

- **rethink how employees upskill:** The millennial workforce is constantly looking to learn new skills and can get bored easily with the same set of tasks at hand. A manager must be on the lookout for new trends for his team members to upskill and assign challenging tasks to them to ensure that they are motivated to learn more.
- **adaptability:** The new age manager must be able to quickly adapt to market fluctuations and make quick decisions. He/she must be informed and educated with innovative technology, HR trends, and market conditions, and make changes in the system and processes accordingly.

The workplace and how we approach our work are going to see a drastic shift in the coming decade. We need to equip ourselves with the skills and tools necessary to survive these changes. Some industry events such as IET's Engineering the Future of Work conference are addressing this evolution in the workplace that sometimes goes ignored.

Does a culture of flexible working spaces guarantee less stress, better work-life balance, and improved productivity?

A co-working office brings together people from different businesses and industries. When you rent a co-working space, you get a desk space within the open plan environment with shared use of amenities and meeting rooms. But co-working is not just about the physical layout of the office! It is a sociable style of working that encourages collaboration, community, and connection. Co-working stimulates creativity, boosts happiness, and saves small teams and individuals from feeling isolated and uninspired. When many goal-oriented and accomplished people share the same space at work, there are chances of meeting great thinkers, established businessmen, and entrepreneurs.

Shared working spaces might be an attractive option for startups and SMEs. Would they be a feasible option for large corporates?

Co-working spaces bring in the efficiencies of scale when it comes to workspaces and offices, so they make sense from that perspective both for small startups and large corporates. It is a format where the companies can focus on doing what they are good at, which is their core business, and leave the rest—managing workspaces, electricity, internet, and such—to us.

In our experience, no company, be it large or small, has been able to predict its resource requirements accurately. Many a times large companies either under or overestimate their requirements and that leads to an increase in expenses if they rent out a traditional office space. However, when they opt for a co-working space, they have the flexibility to increase or decrease their capacity without any hassle.

So, the answer is: a good co-working space is a good idea for any company which believes that collaboration with people from different walks of life will help everyone grow.

Is co-working a profitable business model considering the deep investments required to keep such spaces up and running?

All of our locations are cash flow positive within six months and at target EBITDA within nine to twelve months.

Would you consider replicating the co-working business model in the co-living sector?

Co-working is a relatively new concept in India but it has

gained popularity in the past few years. It is a new way of thinking about our relationship with work. While it is made possible by the latest technology, infrastructure, and new-age facilities, it is rooted in human nature. Our innate need to share, help, and give back to the community we live in. Right now, we are focused on building a collaborative community through co-working that offers our members the privilege of economies of scale and we would like to continue with that.

In terms of the market, the Indian office space sector is about 1.2 billion square feet. We believe all of it can be converted into co-working spaces over a period of time. These spaces will be able to cater to companies of all natures, be it startups, SMEs, or large companies, offering them a hassle-free work experience.

Currently, we do not have plans of venturing into co-living.

India is a price-sensitive market, but real-estate, services, and amenities are expensive and constantly fluctuating. How do you balance these two opposing factors?

Since the beginning, we always focused on profitability and have managed to balance out the opposing factors by offering a product that enriches members professionally as well as on a personal level. We have provisioned for fluctuations through various agreements with our vendors and a robust knowledge about real estate markets. ■

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