



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.





ASHISH GOENKA
IS DIRECTOR, REDBRICK OFFICES.

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“With every interaction—through our community initiatives, our thoughtful design, the overall experience—that is actually what we are selling, not the space itself.” In part one of our Future of Work interview special, Ashish Goenka, Redbrick Offices, dives into the state of co-working today and its future tomorrow.

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

Ten years ago, when we started co-working, there was a huge need for shared offices. Café Coffee Day and Barista did not have good Wi-Fi, there were no other coffee chains, and mobile data speeds were abysmal. Now, with coffee shops all over the place and huge progress on mobile data speeds, we would expect migration to co-working to slow down—but that has not been the case. Over the last decade, the boom in start-up and freelancing culture and demand for high quality, flexible workspaces from corporates has continued to grow, and this has lent itself very well to co-working spaces. It is difficult to define the scale of migration to co-working, but it is safe to say that anyone looking for commercial property or an office space in tier I and tier II cities, is surely considering this as an option.

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

In our experience, customers do not keep switching—our average customer tenure is around 19 months. Brand building is tricky for all businesses in this day and age because of the digital clutter. However, in our business, clients do not really take a decision online, they come to our centers, meet our people, experience our space... and that is just the start of a relationship. I think brands in co-working spaces are built at the spaces. With every interaction—through our community initiatives, our thoughtful design, the overall experience—that is actually what we are selling, not the space itself. We put in a lot of effort in the design, the comfort, and the experience—and that is what helps strengthen our brand. We custom build 70 percent of our workspaces to suit the client’s needs.

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Our brand building efforts are surely paying off, as we get several clients through referrals—and high retention rates. We, of course, focus on the digital platform for discovery, but after that, it is all about the experience.

Does the air of informality affect productivity?

We do not build informal workspaces, we build collaborative workspaces that are designed to suit every work style. We believe that clients are here to work—and so we focus on creating private workspaces, built for focus and productivity. Collaborative spaces are available for our members to work in different ways, for example, an informal meeting, or a phone call in a phone booth, or just to take a break from a cubicle, or be inspired by a beautiful view. And when members find a space that suits their work style, they are automatically more productive and happy.

Building a co-working space requires intensive collaboration with multiple stakeholders such as real estate developers, interior designers, and service providers. What are the challenges involved in managing such a complex network?

The future of work demands intensive collaboration. Soon, stakeholders within an ecosystem will have to come together and work closer than they have before to further their common goals.

A couple of events such as IET's Engineering the Future of Work conference address this demand by bringing stakeholders from different ecosystems together to discuss the needs and challenges that our professional networks will inevitably pose.

At Redbrick Offices, we have an in-house design and build team. So, we design all our own spaces and fit

them out ourselves. We like to have this control and have built this capability in order to allow us to do the high degree of customisations that our clients have come to demand of us. Our expertise of over 40 years in the real estate industry has helped us to create a strong team, which gives us tremendous strength.

Our focus on Grade A commercial properties means we tend to deal with more professional landlords and have good working relationships with them. We tend to do clean leases, rather than revenue shares as we find it to be a simpler model of operation and a win-win for the landlord and ourselves.

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

I think the culture of every organisation is different—but being in a flexible, shared, community-orientated workspace forces people to be more social beings. It helps introverts to come out of their shell. It helps to combat loneliness. It helps to make friends. As we are increasingly spending more and more time at work, community-orientated, shared workspaces like Redbrick have a role to play in making the time spent at work more fun and less stressful, while maintaining high levels of productivity.

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

Almost 65 percent of our spaces are taken by large corporates including the likes of Slack, VM Ware, GE, BuzzFeed, CISCO, Freshworks, CBRE, amongst others. Redbrick Offices is focused on the premium, corporate

co-working segment. I think this is a huge growth market, as business dynamics are changing so rapidly that companies need more flexible space options than ever before.

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

Yes. Although the initial investment is high, there is a large discerning clientele who is willing to pay the price for a higher quality workspace. Redbrick has focused on this segment, building high-quality, customisable, flexible workspaces which help our blue-chip clientele not only work better, but also attract and retain top-quality talent. We have not raised any venture or third-party capital, and are pretty much debt-free. We could not do this without having a decently profitable business. We have grown from 2,000 to 10,000 seats in the last two years, and most of this has been through internal accruals. Those numbers speak for themselves.

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

It is something that is already in the works.

An informal setup opens up scope for new collaborations. Can you give us an example of a collaboration between two clients who connected through your co-working space?

There are several such examples. A specific one is where all members of our co-working space in Andheri got together to put together a wonderful video for the 2019 elections, with a message for everyone to get out there and vote. The video was made by Visscom, an agency that sat out of our space, and a freelance

songwriter, while most of the actors were members of our space. The shoot was largely held at our premises, and everyone from the center team to several of our members from different companies were involved. ScoopWhoop, another client, posted the video on their site to make it go viral. There have been several business collaborations, but this one was truly special.

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?

We own about 50 percent of our co-working spaces, which gives us some stability from rental price fluctuations. Since our design and build is in-house, that gives us another cushion. Services and amenities are a business risk, but since we are availing these services in bulk, we do have bargaining power which helps to cut good deals, which we pass on to our clients. ■

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