

# Case Profiles

The following profiles of U.S. coworking facilities demonstrate the concept's flexibility and range of applications, which vary depending upon the target users.

- **Workbar** in Boston and Cambridge, Mass., is making the leap from being a boutique coworking center to becoming a multisite brand as well as diversifying into “distributed workspace” locations within the excess space of corporations through its Outerspaces program.
- **NextSpace** in San Francisco is part of a chain of coworking centers that recently expanded from California to Chicago, the first of several planned to locations nationwide.
- **Impact Hub** is a worldwide network of social entrepreneurship-centered coworking spaces, with centers in San Francisco, Boston, and 40 other locations.
- **Serendipity Labs** in Rye, N.Y., is a hospitality-driven, corporate-oriented center that doubles as a franchise pilot site and demonstration lab for licensing coworking billing, scheduling, security and membership database management operational systems to others.
- **State Street Bank** in Boston is a coworking-style workplace and an example of the mainstreaming of the coworking concept within corporations.

# Serendipity Labs

Rye, N.Y.

Serendipity Labs is a corporate-oriented coworking center that has branded itself as offering all of the features of a corporate office with the convenience of being closer to home. Its administrative and hospitality services, secure personal and digital environment, and polished interior create a mini-headquarters workplace, with the added benefit of networking with fellow suburban executives and entrepreneurs. Serendipity Labs Inc. plans a rapid expansion through company-owned and franchised locations, as well as locations managed on behalf of corporate clients and real estate partners and licensing of operations management systems.

## The Basics

### Type:

Pilot site for a chain and/or franchise system

### Twist:

Emphasis on hospitality industry-level services including sophisticated, proprietary operational systems that it is in the process of licensing to the marketplace

### Market:

Corporate collocation, executive satellite office (director level and up), entrepreneurs, freelancers

### Formation:

- Founded by John Arenas, an executive suites entrepreneur (a veteran of Stratis, Regus and Worktopia) in partnership with office furniture manufacturer Steelcase
- 15 percent of the partnership is allocated to key staff, which serves to both incentivize and align interests

### Business Structure:

Three for-profit entities: Serendipity Labs Inc., which is a C-corporation, and two wholly owned subsidiaries, Serendipity Labs Franchise International and Serendipity Labs Management LLC

### Financing:

Equity funding, primarily from founder Arenas, with a minority investment from Steelcase

### Membership:

- 60 registered members in its first 10 months, 20 of whom are dedicated workstation members
- Target is 120 members



**Fee Structure:**

- Mobility Plans: \$49 for one visit/month or \$199 for five visits/month; includes undedicated use of an open desk and lounge space from 7 a.m.-7 p.m. weekdays
- Coworking Plan: \$499/month for unlimited, undedicated use of an open desk and lounge space from 7 a.m.-7 p.m. weekdays
- Resident Plan: \$799/month for unlimited, dedicated use of a specific desk, 24/7
- Office Plan: \$1,299/month
- Meeting/Event Space: fees range from \$29/hour to \$1,500/evening (four hours)

**Timeline:**

- Launched August 2012
- Occupied January 2013

**Income:**

- \$1 million target annual income for pilot at stabilization:
- 33 percent from dedicated desk members
  - 33 percent from floating desk members
  - 34 percent from events

**The Facility**

**Location:**

80 Theodore Fremd Avenue, Rye, N.Y.; in suburban Westchester County, near the Rye train station and a 35-minute ride via MetroNorth commuter rail from New York's Grand Central Station

**Location Criteria:**

- Near suburban executive housing or in a city center
- Just off the local main street or next to the prime location or prime floor of a building

- Demographics (high household incomes, education levels)
- Transportation (proximity to transit, highway access, parking)
- Founder Arenas believes that brokers are not beneficial; he “finds the landlord, the landlord doesn’t find me.” He prefers long-term leases because “you build equity in a location” with members.

#### **Features:**

- 7,000 square feet located in a free-standing retail building, formerly a car dealership; total cost of improvements was \$100/ square foot for buildout, furniture, fixtures and equipment, including technology
- 98 seats:
  - One-third casual seating (workbar, couches, nooks, desks)
  - One-third dedicated seating (offices and workstations)
  - One-third meeting space (doubles as casual seating)
- Conference rooms with advanced video conferencing
- Phone rooms
- High-speed, secure, redundant Wi-Fi
- Printer, copier

#### **Design Elements:**

- Architectural diversity, including varying floor levels and ceiling heights
- Plenty of natural light, as well as modulated artificial lighting
- Acoustic controls, with the goal of an audible but unintelligible sound level
- Flexible ergonomic furniture from partner Steelcase
- Spaces include the Ideation Studio (large spaces for collaborative work) as well as Enclaves and Private Retreats (smaller spaces that offer more privacy)

#### **Amenities:**

- Outdoor patio
- Kitchen/cafe
- Dedicated parking
- Nearby restaurants and services

#### **Support Services:**

- A proprietary, cloud-based technology platform that delivers Internet access, phone service, secure Wi-Fi and access control
- Included: weekday reception/concierge, high-speed Internet
- For an additional fee: mail address, VOIP telephone, teleconferencing, business services, event hosting

### Operations:

- Hospitality-driven front desk
- Uses and licenses its enterprise class services including: architectural standards, operating manuals, monitored security system and controls, software for scheduling, membership database, communications and billing
- Catered event hosting

### Lease Terms:

- Five-year term with three five-year extension options
- Rent: \$25/square foot
- Tenant improvement allowance: \$60/square foot

### Addressing Challenges

- Meeting the needs of both corporate and entrepreneurial cultures in a high-quality, corporate-style office initially seemed like a difficult task. Interestingly, however, balanced diversity in membership has worked well in practice. “The conclusion is, they are all here to improve their worklife,” says founder John Arenas.
- Quick resolution of system glitches and vendor issues is essential to Serendipity’s premium brand, so the company has devised systems that are redundant and/or can be internally diagnosed and repaired, rather than relying on external servicers to resolve problems.

