

SMALL PRACTICE SUPPORT PROGRAMME

SMALL PRACTICE MONTHLY BULLETIN – NOVEMBER: THE BENEFITS & CHALLENGES OF SHARED OFFICE SPACE



This bulletin addresses two of the recommendations of the Crowe Market Study of Sole Practitioners and Smaller Legal Practices: Recommendation 5 (networking) and Recommendation 11 (finding efficiencies and cost savings).

Although both recommendations deal with very different functions of the practice, a fresh approach to your practice's office space, in the form of co-working, is one action that could potentially help your practice make greater strides against both recommendations. Sharing office space with another practice(s) or business(es) should be considered as both the supply and variety of shared office space increases and practices find themselves operating in an increasingly competitive environment.

This bulletin will provide you with a greater understanding of co-working spaces and what they have to offer. It also aims to introduce you to some of the benefits and the considerations that might be associated with a decision to move your practice to a co-working set-up.

WHAT IS CO-WORKING?

The sharing of office space, often referred to as co-working, is a relatively new but rapidly growing phenomenon. It is an arrangement by which self-employed individuals and/or businesses of varying sizes, share a building or office space, along with the servicing costs, equipment and amenities. These spaces are typically owned, managed and serviced by property management companies.

Brad Neuberg has been credited with the creation of co-working in 2005. His motivation and vision for co-working spaces was that an individual could work for oneself, while also being part of a larger community.

The early adopters of co-working spaces were predominantly within the tech and entrepreneurial sectors. However, the popularity of co-working has exploded and co-working now attracts a wide range of businesses, from SMEs to larger blue-chip companies, including Fortune 500 companies such as Microsoft, IBM, Puma and Barclays. This is in part due to the growth and development in the range of building types, office spaces and services on offer, and in part due to the benefits having been proven and understood more widely by businesses. The growth of co-working is showing no signs of slowdown.

OVERVIEW OF THE LOCATIONS, RANGE OF OFFICES/BUILDINGS AND VARIETY OF DESK SPACE AVAILABLE

There is such a wide and growing selection of co-working spaces today that there is something to suit most types and sizes of businesses in many locations, regardless of their stage of development or their budget.

In terms of location, co-working spaces are available across the country. There is currently a much higher concentration of co-working locations in larger cities, such as Dublin and Cork. However, as co-working continues to grow, new spaces continue to launch and grow in every county. Location options vary from highly sought-after urban centres to commuter belts, and more remote or rural locations.

The types of building/office space are also wide and varied, ranging from older Victorian-style buildings to converted warehouses and newly-built contemporary buildings. Some shared office spaces consist of a room(s), floor(s) or section(s) of a larger building, while some are entire buildings with capacity ranging from tens to thousands of people.

The office/ desk options available generally fall into three categories:

- **Hot desk/floating desk:** This option allows you to book a desk within the co-working space as and when you require it. The location of the desk itself will typically change with each booking, as will the individuals at the desks in close proximity to you. You typically have full access to the facilities and amenities within the co-working space but don't have a dedicated, secure desk space which allows you to bring and store your personal belongings.
- **Dedicated/permanent desk:** This provides you with a desk space that is yours (or a group of desks that is assigned only to your employees) for the duration of your rental/membership. You typically have full access to the facilities/amenities within the co-working space and have a dedicated, secure desk space which will not change location and which allows you to bring and store your personal belongings.
- **Private office:** This gives you access to a private, lockable office within the co-working space. Office options vary in size from those suited to individuals, a small group of employees and in some instances much larger groups. You have full access to the greater co-working space and its amenities and services whilst also having a dedicated, private secure, customisable space.

The type of space that is most suited to your practice will depend on factors such as:

- the number of employees you have,
- your budget,
- the proportion of time that you spend in the office/at your desk versus externally or in meeting rooms,
- storage and security requirements,
- confidentiality considerations,
- your practice's adoption of paperless office, and more.

Desk options are typically secured through a rental agreement or a membership plan, with both options generally incorporating not just the desk but the wider facilities and services offered within that particular space.

WHAT SERVICES AND AMENITIES ARE PROVIDED?

The amenities and services offered through your rental or membership will vary from location to location and

provider to provider. It is advisable to check what each individual space provides before committing, as the services mentioned below are only examples of what different locations offer. The most common services/ amenities on offer include, but are not limited to:

- Meeting rooms: large boardroom style to smaller meeting rooms or 1:1 spaces and even brainstorming rooms with facilities such as whiteboard walls,
- Event spaces, large and small,
- Outdoor spaces such as balcony, gardens and decks,
- Common areas and breakout spaces, some with activities included such as pool or table tennis,
- Wellness rooms, including prayer rooms, feeding rooms, meditation spaces.

Office Services & On-site Assistance

- Reception and reception services,
- High-speed broadband connectivity and IT services,
- Security and CCTV,
- Meeting and event spaces equipped with projectors, AV, sound systems etc,
- 24/7 access,
- On-site community support teams,
- Postage scanning services/mail handling,
- Printing services,
 - Personalised phone answering,
 - Cleaning services,
 - Waste management services,
 - Phone booths,
 - Lockable desk lockers and office and document storage.

Business & Community Development Services

- Organised networking events, training and learning opportunities,
- Calendar of frequent community events including social events, charity events and leisure and fitness events,
- Access to a database of co-working space users,
- Events allowing you to network with non-members.

Other benefits

- Bike storage facilities,
- Refreshments such as tea, coffee, water and soft drinks,
- Full kitchen facilities and dining spaces,
- Continental breakfasts,
- Showers.

EXAMPLES OF CO-WORKING SPACES



Co-working spaces have opened up in nearly every county Ireland. Below is a small sample of co-working spaces available:

- WeWork (www.wework.com)
5 offices in Dublin City
- CoCreate (www.cocreate.ie)
2 offices in Dublin City
- Portershed (www.portershed.com)
1 location in Galway
- Work Space (www.workspace.ie)
5 offices in Louth
- New Work Junction (<https://newworkjunction.com>) offices in Kilkenny, Carlow, Wexford and Rathmines, Dublin
- Coworkinn (www.coworkinn.com)
1 office in Sandyford, Dublin
- Iconic Offices (www.iconicoffices.ie)
15 offices in Dublin City
- Republic of Work (www.republicofwork.com)
1 office in Cork City
- Regus (<https://www.regus.ie/>)
14 offices in Dublin, Cork and Limerick
- Fumbally Exchange (<http://www.fumballyexchange.com>) offices in Dublin City, Balbriggan, Co. Dublin and Waterford

BENEFITS OF CO-WORKING

The benefits of co-working for small practices are far more wide-reaching than just the collaborative atmosphere and the community spirit, including:

- **Financial benefits:** The proportionate sharing of costs such as utilities or reception services, with the other users of the space, is likely to lead to a reduction in your overhead cost. Other savings can also be achieved through the enhanced ability to bulk buy items such as fixtures, refreshments and stationary. Monthly payments are also fixed, which makes for more accurate budgeting, cash-flow forecasting and financial planning. Savings delivered can be utilised for growing your business, for example, an additional recruit or on your marketing activities. Savings can also allow you to consider locations, such as highly sought-after city centre locations and/or office specs that may have otherwise been out of your budget.

As co-working spaces operate on a rental or membership basis, there is also no requirement for capital investment. This may be an additional financial benefit, depending on whether your practice currently rents or owns the office space it currently resides in.

- **Allows greater focus on case work and the development of the business:** Most of the day-to-day operational aspects of running the business premises are taken care of by the managing company. This is a big bonus for practice owners as it allows the practice principal and other key staff to focus their attention on working on the business and billable hours, rather than on non-core, non-billable operational aspects that are often highly stressful and outside their core competency.
- **Flexibility:** With shared office spaces, there is typically no obligation to enter into a long-term rental agreement. This provides the flexibility to take advantage of opportunities as they arise, such as scaling up or down your workforce or moving to a better office or location. Some larger co-working organisations also offer the flexibility to book hotdesks or meeting rooms within other locations, both within Ireland or abroad, offering you a flexible location when required.
- **Networking & business development:** Co-working spaces will give you an opportunity to network with other businesses within the space; informally through your day-to-day work and break-out interactions or formally through the events organised by your workspace. This opportunity may also extend to visiting clients and suppliers of the businesses you share with or to drop-in visitors who can sign up to join specified events. This could present you with business development or strategic collaboration opportunities. The type and range of sectors represented within your shared office space may also give you access to client types or client sectors that you had not previously represented, such as the technology, start-up or creative spaces.
- **Learning & development opportunities:** You have significant opportunity to learn from the businesses that you are surrounded by, through both formal and informal interactions. Learnings can span anything from gaining a greater understanding of other sectors, understanding contrasting work practices and processes and developing insights into other business cultures. This may lead you to tweak or adopt practices and processes within your practice or to introduce new innovations.

- **Recruitment & retention:** Modern, fully-serviced, collaborative environments such as co-working spaces may assist with staff recruitment and enhance staff retention. Similarly, there may be benefits to the perception of your brand, which could positively impact on client recruitment and retention.
- **Wellbeing enhancements:** The enhanced amenities, increased social interaction and community aspect of co-working spaces tend to have a very significant positive impact on health and wellbeing and, as a result, on morale and loyalty. There may also be improved work-life balance due to better geographic location, amenities provided, social aspects or reduced time spent on facilities and operational management.

CONSIDERATIONS WHEN ASSESSING THE SUITABILITY OF CO-WORKING FOR YOUR PRACTICE

Before putting time and effort into answering questions you may have about co-working, you should first establish whether or not co-working is appropriate for your practice. Ask yourself:

- Do I have any long-term commitments to my current office?
- Are there cost benefits to a move to co-working?
- Are there other benefits for my practice such as business development, flexibility, time efficiency?
- Are there geographically suitable locations for me to consider? Do these offer any advantages from a competitor, recruitment or client perspective?
- Will my employees be supportive?
- Will the culture of my practice fit in with the culture of a co-working space?
- Will it have any negative impact on any aspects of my service?

If you believe your business is suitable, you must then consider the potential spaces themselves, and whether or not they are suitable for your practice. Some questions to consider include:

- What type of desk or office would I require?
- Is there any long-term commitment to stay in the space?

This Bulletin is part of a series of Small Practice Business Bulletins delivered to you by Crowe as a follow on to the recommendations of the Crowe Market Study of Sole Practitioners and Smaller Legal Practices in Ireland. Crowe is a leading business advisory and accountancy firm in Ireland and is part of the Crowe Global network. www.crowe.ie

- Will the space be able to facilitate future growth of the practice?
- What's the most suitable location from a client and staff perspective?
- What frequency of meeting room access do I require and what size rooms?
- Are there opening/closing hours for the space?
- Is the space I would be renting customisable?
- Are there currently any competitors also using the same space?

OTHER OPTIONS

If you feel established co-working spaces aren't suitable for the current requirements of your practice or that they are a bit of a stretch from your current set-up, then another option would be to seek out another business with whom you can share an office. Rather than moving to a larger, fully managed and serviced workspace, you could find an appropriate office to rent with another practice or business and share the associated costs and responsibilities between you. This may still lead to reduced overheads, economies of scale, reduced administration and facilities management. However, it will require more research and planning at the initial stages, will typically have less flexibility and will require ongoing effort to manage and ensure optimisation of the arrangement.

IN CONCLUSION

Basing your practice from a co-working space has the potential to lead to cost savings and increased collaboration opportunities, both key recommendations from the Crowe report, and the potential benefits go well beyond just these two aspects. However, there are also a number of important considerations before ultimately deciding whether the collaborative and community environment of a co-working space is the best fit for your practice and the best way of achieving those cost savings and enhancing collaboration. Decisions for practices will be on a case-by-case basis, with each practice being suited to different arrangements. A first step is to simply consider co-working as an option and explore its possibilities before making any final decisions.

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