



Pollinators Inc - CityHive Market Research

Executive Summary

Pollinators Inc has systematically and comprehensively researched the need and solutions relating to affordable, collaborative, central, professional working space in central Geraldton. The research identified specific and similar needs from a diverse range of organisations and individuals. These needs can be grouped into two broad sets: The first is for affordable, central, flexible, professional, environmentally sustainable working and meeting space, the second need is for a community and support services for micro-enterprises, and social entrepreneurs.

Pollinators Inc is 'a growing community of entrepreneurs' meeting the second need. CityHive is a project of Pollinators Inc created to meet the need for working and meeting space. Pollinators Inc conducted national and international research into socially, ecologically and financially sustainable solutions, focusing on community 'hubs', 'coworking' spaces and 'incubators'. Coworking spaces are the preferred model due to documented successes using a social enterprise business model.

Iterative testing with stakeholders of needs and feedback on features of the solution, inform a financially sustainable CityHive model that also supports Pollinators Inc other projects and activities. Pollinators Inc is now in a position pilot the model and undertake detailed design of CityHive as a social enterprise, confident that it will meet the needs of its target group and stakeholders.

Contents

Executive Summary	1
Pollinators Inc Launch (2010).....	2
International Case Studies (2010-11)	2
Stakeholder Engagement (2010-11)	3
Online Survey (2011)	4
Current solutions in Geraldton (2010-11).....	6
CityHive Design Day (May 2011).....	6
Discussion	8
Need.....	8
Target Market	8
Solution.....	8



Pollinators Inc Launch (2010)

In July 2010, Pollinators held a launch event that sought to engage the likely target audience in three of Pollinators Inc projects: 'Hub' (now CityHive), Coaching (support for social entrepreneurs) and an improved Market for investment for solutions to social challenges. The 30 invited guests gave feedback on the presentation, concepts and were invited to indicate their support for each. The 'Hub' concept received the most interest, so directing Pollinators Inc attention to focus on the project as a 'flagship'.

A report on the event, photos and the presentation are available here:

<http://wildpollinators.org/2010/07/24/pollinators-launch-and-the-sweet-aftertaste/>

International Case Studies (2010-11)

One of Pollinators Inc board members has worked in coworking spaces in Europe and researched other models extensively through international networks such as the online discussion groups. In 2010-11 the board member travelled to the USA, Canada and Melbourne to learn more about the social impact and financial viability of these facilities. Cases include:

- The Hub (global network of 25 coworking spaces) esp. San Francisco, London, Melbourne,
- Centre for Social Innovation, Canada,
- GreenSpaces, Denver, CO and New York,
- Social Enterprise Hubs as supported by Social Ventures Australia, including Parramatta,
- ReNew Newcastle, Spacemakers, and Meanwhile UK,
- And others: 10 Carden, ThinkSpace, Office Nomads, Le Bureau, The Network Hub, Indie Ballard, The Hive, La Ruche, Edgware.

A presentation on these locations around the world is available online:

<http://cityhive.org/2011/01/16/global-coworking/>

The mission and values of these organisations and facilities are such that they are open to sharing their lessons learned and details of their business models. Some key lessons learned and critical design features of their services and facilities have included:

- 'Community' as a critical service and success factor,
- Events, workshops, training programs and 'hosting' to enable community and collaboration,
- Act as a 'Hub' for members to access support from public and private organisations,
- Maximise usable space per sq. metre (enabling lower costs for users, lower environmental impact),
- Flexibility in usage with payment in advance, similar to a gym membership model,



- Attracting a 'core' of full-time individuals and useful organisations to the space,
- Shared facilities and equipment to reduce costs to members,
- Design that blends professionalism with co-created artistic style,
- Governance and membership that brings together a diversity of sectors, industries and organisations,
- Meeting spaces and casual workspaces to accommodate the diversity of users,
- Ensuring financial sustainability using a social enterprise, partnership or sponsorship business model.

These ideas have formed the basis of the CityHive model as an appropriate response to local needs. The entire process of governance, management, development and planned operations of CityHive will continue to be informed by both these models and the specific local needs and costs.

Stakeholder Engagement (2010-11)

Pollinators Inc has been engaging with a range of local, state and national organisations and individuals with a stake in economic development, city centre 'vibrancy', sustainability and community development – all outcomes that CityHive would contribute to. A detailed, written review of key organisations' strategic plans show CityHive would contribute to their outcomes e.g. City of Geraldton-Greenough, Mid-West Development Commission. Organisations that could be funders, partners, or members of CityHive and have expressed support for the project include:

- City of Geraldton-Greenough
- Small Business Centre Mid-West
- Mid-West Chamber of Commerce and Industry
- Mid-West Community Services Network
- Mid-West Development Commission
- Regional Development Australia Mid-West Gascoyne
- Geraldton Regional Community Education Centre
- Geraldton Resource Centre
- WA Museum Geraldton
- Social Innovation in Western Australia
- Social Traders
- Many Rivers Opportunities

Local organisations who support CityHive and have *already provided* in-kind support include: Tranmere, Not-A-Geek, West Coast Sustainability, Us&Them Studios, IndieAir, 10X and Our CFO, Social Dimensions, Ferart Designs, JAM Magazine, Narrative Connections, SeeChange, Vigilante Landscape Design, Dryland Permaculture Research Institute.

All these organisations will continue be involved in CityHive design and will be approached to agree on and quantify their specific in-kind or cash contributions.



Online Survey (2011)

Pollinators Inc and Not-A-Geek partnered to formally survey potential members of CityHive. The survey questions sought information on current satisfaction with workspace and availability and get feedback on the proposed CityHive model. The survey was available to complete online or in hard copy via face-to-face surveying. The survey was promoted to 130 existing Pollinators contacts, distributed via the Mid-West Chamber of Commerce and Industry weekly newsletters (3 ads, bi-weekly), and through the Mid-West Community Services Network mailing list. 58 responses were collected and the results included:

- 50% of 58 survey respondents had reason to seek an alternative workspace to their current location and 35% had tried to find office space in the CBD but had been unsuccessful,
- The most attractive characteristics for a new workspace included flexibility of use, availability of small private meeting rooms, fast internet and a professional entrance, reception and meeting spaces,
- If CityHive were to have these preferred characteristics, more than 30% of respondents said they would use such a facility part or full-time. The remainder indicated they would use it irregularly for meetings and events,
- 80% of respondents were supportive of a stronger community of social entrepreneurs, based on a short description of Pollinators Inc proposed mission and activities.

A separate, final report on the survey results and the raw data are available on the request.

Figure 1 SURVEY: Barriers to finding an office

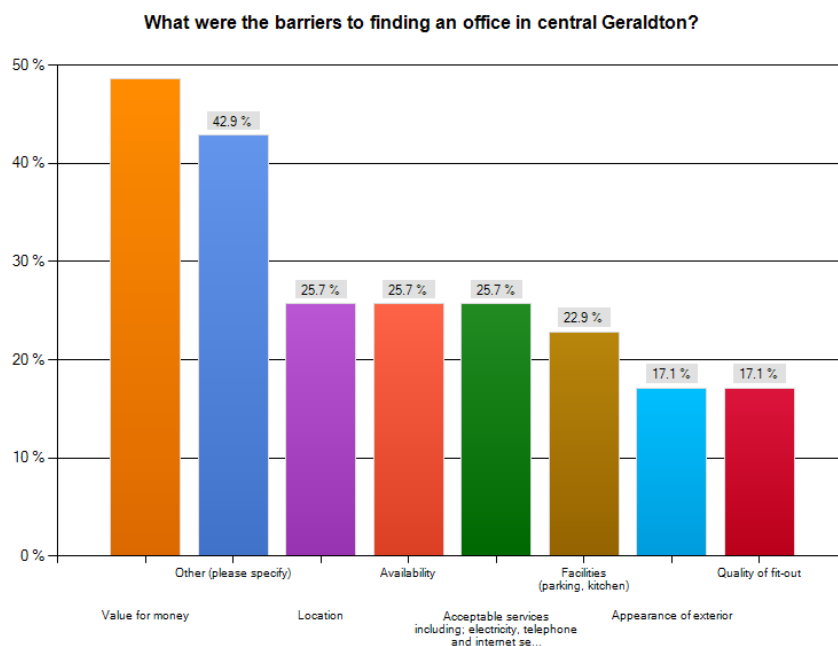




Figure 2 SURVEY: Characteristics of preferred workspace

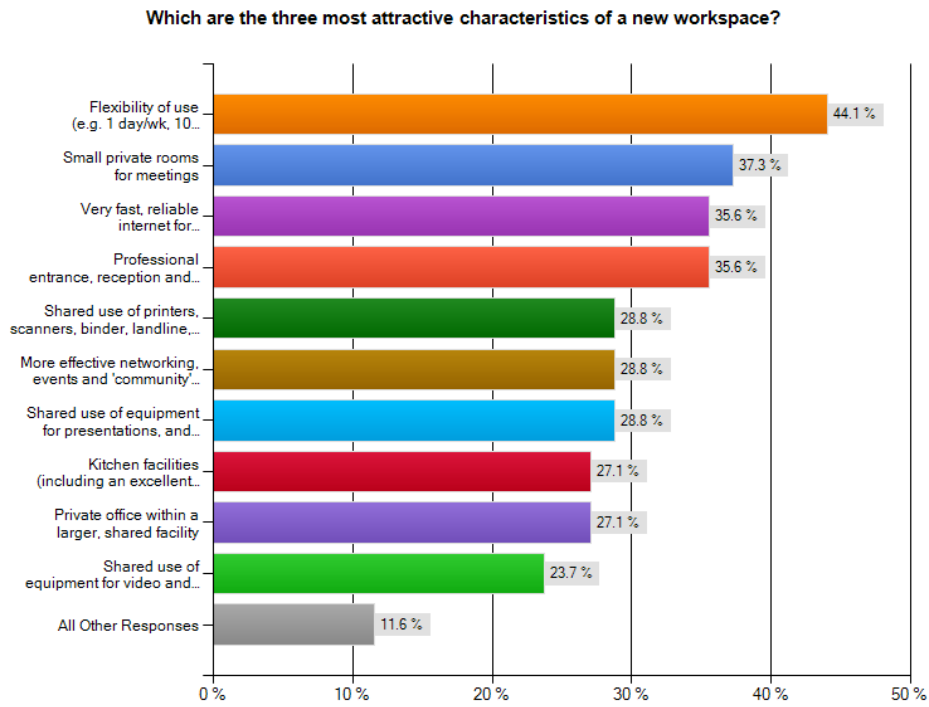
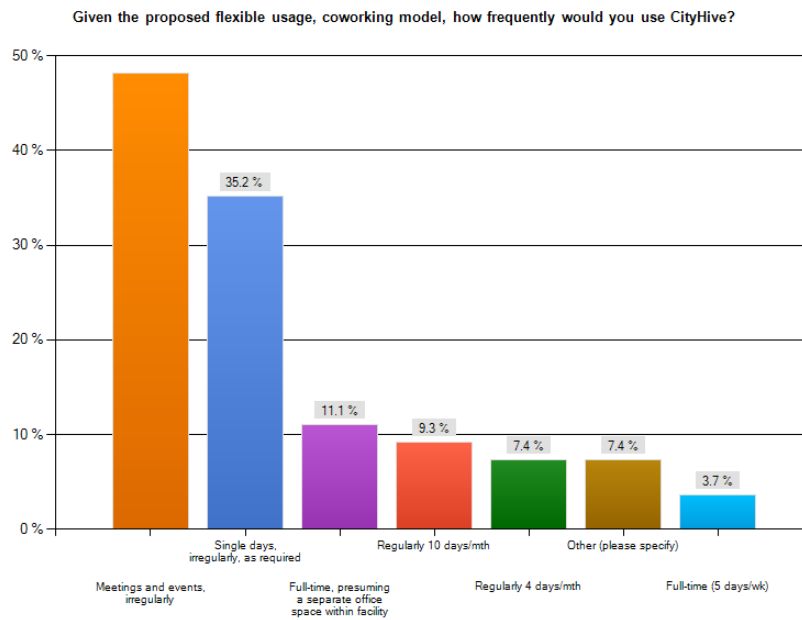


Figure 3 SURVEY: Intended frequency of use





Current solutions in Geraldton (2010-11)

Through all stages of the research and development process Pollinators Inc has investigated the existence of local organisations or services that could meet the identified needs. These investigations have included:

- Meeting with business support and community development providers to clarify their roles, services and target markets,
- Meeting with real estate agents, property owners and reviewing more than 25 potential locations for affordable office space,
- Meeting with peak representative organisations from the private, charity, community services and government sectors to understand their roles, target markets and services.

It has become clear that the needs identified in the market research are real, substantiated by other organisation's evidence and experience. Even with developments such as the new shared working facility at Lotteries House, new small business support services such as 'Business Growth Centre', and the 2029 and Beyond Alliance's Civic Evolution support for community leaders and projects, it appears the identified needs remain unmet and that meeting them will not be the priority of any other organisation in the near future.

CityHive Design Day (May 2011)

By May 2011 Pollinators Inc had advanced the project including:

- Review of more than 25 potential locations in Geraldton CBD,
- Identification of a preferred location and negotiations with the owner,
- Submission of funding applications and partnership proposals,
- Development of 3 year cashflow forecasts based on a social enterprise business model,
- Identification and negotiations regarding potential pilot locations,
- Project planning including timelines, risk assessments and procurement plans,
- Engagement of builders, architects and interior designers to develop designs for the space,
- Building a community of more than 150 interested supporters and members,
- Invested in branding and a new website for CityHive.

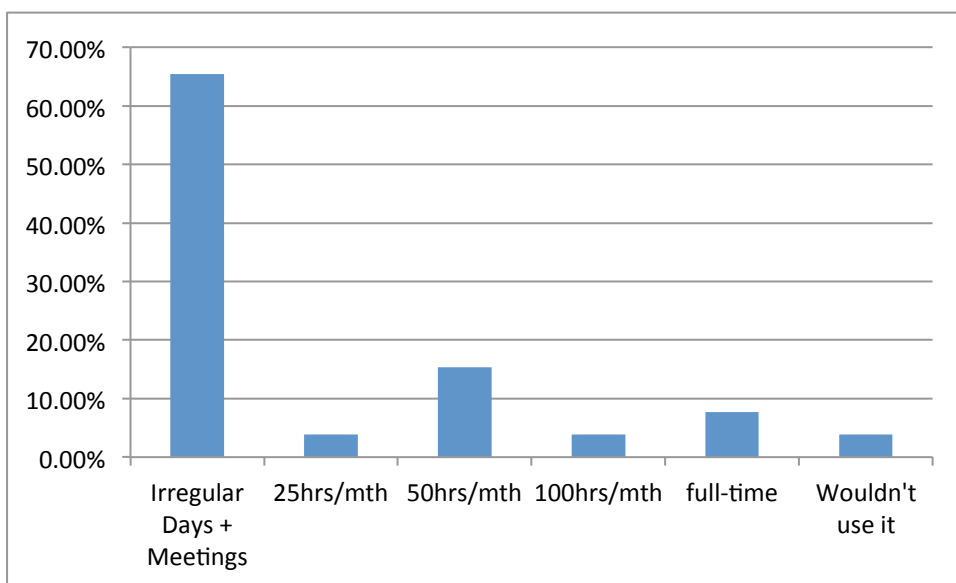
Pollinators organised a major event to work collaboratively with a range of professionals on the detailed layout and design of the space, followed by a presentation to get feedback from a range of potential members and users of CityHive (the background briefing provided to the designers, agenda and participants on the day are available on request).

At the evening session, 30 potential users of the space were walked through the preferred location, talked through the planned layout, features, services and social enterprise model. They were then provided with electronic voting cards and asked a range of questions intended to get feedback on

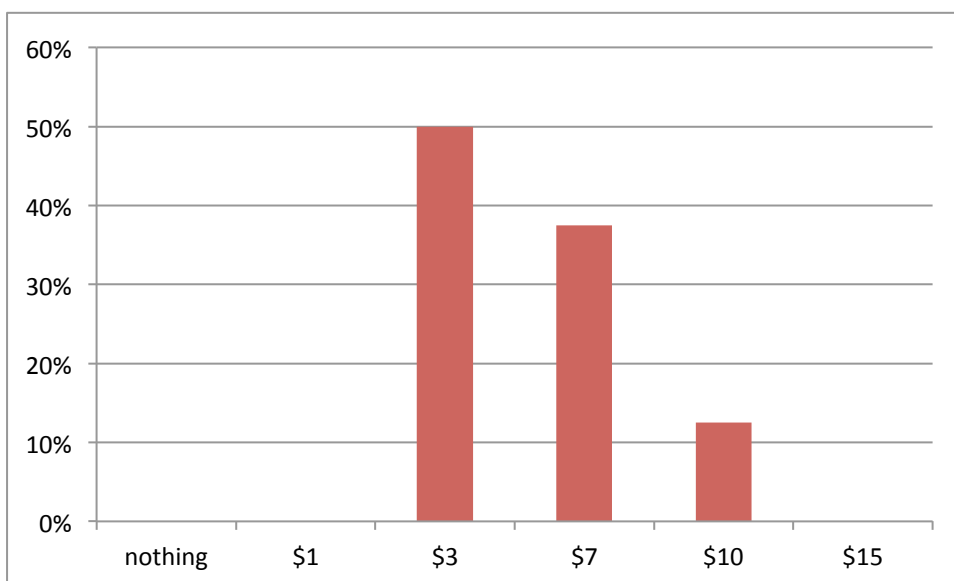


the model. Some of the questions were about design, but many were the same as the online survey, and asked to a majority different audience. Most results were similar to the online survey, indicating that CityHive as a concept is going to meet the needs of participants. Questions and responses from 27 respondents included:

- 61% thought there was a need for a better community, working and meeting space,
- 48% would use CityHive (plus 39% who said 'maybe'),
- 78% thought that more than 50% of the whole space should be coworking
- 78% supported a 50/50 mix of coworking space and private offices upstairs
- When asked how often they might use CityHive:



- When asked how much they might pay to use the services, per person, per hour:





Discussion

Need

The overall conclusion from the research is that there is strong demand for CityHive. Specifically:

- More affordable, professional working space in Geraldton CBD is needed,
- A stronger community and support for entrepreneurs is important to those surveyed,
- Shared, flexible, working and meeting space and office facilities that are in demand,
- Price, quality and other factors are real barriers to people and organisations meeting their workspace needs in Geraldton,
- The particular values, design and features of CityHive are more desirable for many potential members, compared to what is already currently available in the Geraldton,
- CityHive is aligned with institutional strategic plans and achieve economic, community and sustainable development outcomes of importance to the City and region's future.

Target Market

The results of this market research suggest a broad range of potential users. These included:

- Micro-enterprises, self-employed people currently working from home or other locations,
- Small organisations currently in unsuitable locations, facilities or with un-secure tenure,
- Individual staff from larger organisations seeking to work and engage with the community,
- Larger organisations seeking a more creative and innovative meeting and workshop space,
- Visiting consultants, trainers and others seeking temporary office facilities,
- Community groups seeking a central meeting space available after-hours.

The demographics, ability to pay and needs of these different user groups can be seen as quite different and have implications for pricing, design, preference for noise levels, preference for a 'private' office. CityHive's flexibility of use, flexibility of space and choice in equipment and design needs to reflect this range of needs, but also needs to reflect choices about priorities. As a '*growing community of social entrepreneurs*' CityHive's target market will needs to reflect that mission and definition. CityHive's design and membership must encourage and enable entrepreneurial, socially-beneficial, community/collaborative-orientation values and activities as a priority.

Solution

The feedback and insights from this market research are reflected in the CityHive design, development process, business plan and cashflow forecasts. Some of the features and decisions related directly to market research include:

- Attractiveness. CityHive's services and marketing of services must make it much more attractive than alternatives such as: working from home, meeting in a cafe, buying office equipment, renting a full-time office or remaining 'outside' the CityHive community.



- Community ownership. Pollinators must involve potential members in every stage of CityHive's development. This may include seeking in-kind contributions from partners and volunteer contributions from individuals so the design and services reflect their preferences.
- Programming. Organising lunchtime talks, networking events, member training, guest speakers and other activities is essential to enable communication, collaboration and the desired outcomes in terms of community and economic development.
- Calculated. In order to be a successful enterprise, Pollinators need to do detailed work to forecast and monitor the usage of time and space by different membership groups e.g. alternative scenarios for maximising use of the total hypothetical person-spaces-year.
- Values-focused. CityHive can become the 'home' for sustainability, innovation, creativity, community, entrepreneurship and other ideas or values. This can be through design, event programming, and partnerships. Creating this culture does not necessarily mean discounting prices or applying eligibility criteria to members. Being the home for those values and ideas is also of value to potential sponsors, funders or corporate members.
- Flexibility. Maximise the 'elasticity' of the space and services to accommodate different members and needs at different times e.g. using the coworking space for larger events and meetings, using kitchen and lounge areas as informal meeting spaces.
- Security. Create systems and have a 'hosting' person/team that gives a sense of security, predictability, privacy and control. This includes security settings on any wireless internet, lockable storage, accessible booking systems and calendars for meeting spaces and events.
- Privacy. Include high-quality, fully-equipped, private boardrooms, meeting rooms and some quiet workspaces. Although there is an expressed need for 'private offices', which is a relatively 'inflexible' use and is only compatible with the coworking model, at this stage.
- Pricing. Create membership and usage options that are both within reach of 'social entrepreneurs', (whether they be working in a for-profit or non-profit, or on a community project) and also appropriate for larger organisations. This can be achieved through offering a minimal time commitment, pre-paid with no contract for entrepreneurs, while also creating long-term sponsorship and funding options for larger organisations that are directly linked to the social value created e.g. sponsoring a place for a social entrepreneur or particular service or program to be offered, measuring social return on investment.
- Selective quality. Be selective in expenditure on different aspects of CityHive to reflect what is actually most valued and important e.g. Don't compromise on the speed and reliability of the internet connections or high-quality entrance and boardroom, but do use recycled chairs and leave the walls imperfect in casual meeting spaces.
- Design. Demonstrate commitment to community development, support for entrepreneurs and environmental sustainability through all aspects of the design, construction and fit-out.