

THE BUSINESS CENTRE SPECIALIST



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FEBRUARY 2017 NEWSLETTER

Welcome to my first newsletter of 2017. There are a few interesting reports and issues affecting our industry which I wanted to share which I hope you will find of interest.

2017 is going to be an interesting year and I am confident we will see further growth in the industry, more consolidation and more innovation.

I am always pleased by the response I get from these newsletters and I do hope you continue to find them useful.

COWORKING

Many operators are still unsure about coworking. Hopefully this paper will help you make up your mind.

It was produced by HOK in partnership with CoreNet Global with contributions from Instant. It is worthwhile reading as it gives a corporate real estate perspective on coworking.

<http://www.hok.com/uploads/2016/10/11/hok-coworking-report--a-cre-perspective.pdf>

The first results of the [deskmag](#) 2017 Global Coworking Survey is now available and can be viewed here. It charts the growth of coworking worldwide and shows that the growth of coworking continues at a great pace.

<http://www.slideshare.net/carstenfoertsch/the-first-results-of-the-2017-global-coworking-survey>

There is also an interesting article about why new businesses are opting for coworking which can be found here.

<http://www.itpro.co.uk/strategy/27538/why-new-businesses-are-opting-for-co-working>

A NEW TREND?

The flexible space industry is constantly changing and adapting to the needs of their clients.

Is one such trend that business centres start providing accommodation for their clients or their guests? This could be either on a short term basis or longer term as part of a live-work scenario.

It is one to watch.

GROWING YOUR BRAND

We all know that the flexible space market is dominated by a small number of brands yet there are a large number of small independent business centre operators. There is a distinct advantage in size, both in terms of developing the business and in marketing the product to new potential clients. This is particularly true if you have an outstanding reputation for customer service.

One way to do this is through franchising. However, if you are going to go down this route, you need to be able to offer not just a brand, but the systems and processes required to run a centre very efficiently.

There are many independent operators in the UK and an alliance of independent centres sharing systems and marketing could be a way forward to maximize efficiency and profitability.

Contact me if you are interested in discussing this further.

THINKING AHEAD TO 2019

In January 2019 the new lease-accounting standards come into force and all leases will be included in your balance sheet leading to an increase in both total assets and liabilities. It will affect the P+L account and financial ratios such as gearing levels as well as creating enhanced disclosure obligations.

Experts from JLL have been looking at how this will affect the property market and may include

Shorter-term leases to reduce balance sheet and profit impact on your financial statement - leases under 12 months are exempt which will clearly be a good marketing tool for flexible space providers.

More turnover rents – those that are uncertain will not need to be recognized on a balance sheet and will therefore be particularly attractive to occupiers.

Possibly more property ownership – This may be advantageous for those growing their business centre portfolio.

It is important that you start planning ahead particularly if you intend to grow and professional advice is essential.

TELEPHONE ANSWERING

I have always taken the view that smaller business centres which operate with two or less staff should not offer a telephone answering service, even when you have a phone system capable of handling it. Where they do, it is often the receptionist who answers the phone and if customers are at the front desk looking for service and he/she is constantly answering calls, the level of customer service deteriorates. And when only one person is on duty, during lunch times, holidays, sickness etc who can deal with all the other demands of running a centre, including the all-important task of viewings and letting space? Often, training on this task is not available.

So why offer a second class service? The answer is to outsource to a professional telephone answering company who can deal with this for you and allow you to make a mark up on their charges so that you are still making money. This can be used for resident clients and virtual clients.

It will also be useful if you operate a business centre staffed only part time or unmanned centres provided you have a suitable telephone system.

If this is of interest, please get in touch as I have contacts who you can outsource this to.

LEAD TO CASH: GROWING YOUR SHARED WORKSPACE

This is a link to an excellent e-book by Essensys. It covers many of the things I go through when undertaking a review of individual business centres operate although I relate my comments specifically to the individual property.

If you would like me to review your centre's performance, please get in touch.

essensys

<http://blog.essensys.tech/grow-your-shared-workspace>

BUSINESS CENTRE OPPORTUNITY IN SCOTLAND

I have a client who has a small business centre in Scotland for sale as a going concern. The neighbouring property can also be bought to increase its size. The operator has developed his own brand which is also available to buy.

Contact me for details

BUSINESS CENTRE SEMINARS



The fifth of our Business Centre seminars took place during January in Birmingham and again was very well received. Apart from my presentation containing my top 10 hints in developing and managing business centres, there were short presentations from Chris Price of IPX-Change re technology, Derrick Dickenson from Rio Designs on office design and co-working. Thanks to UBC for hosting the event.

They are exclusively for business centre operators. No date has yet been fixed, but if you would like to be invited, please let me know.

ABOUT TOM STOKES

Tom Stokes is a recognised expert in Business Centres and provides independent advice to operators of serviced offices and managed workspace. Details of all services offered and experience are on his web site.

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