

Ensuring Operational Efficiency in Flex



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INTRODUCTION

Flexible workspace operators work under tight margins and experience higher turnover rates than most business models. That being said, the incredible growth of the industry and the demand for flexible workspace among remote workers post-pandemic, has opened up the eyes of many landlords and property managers. Whether your office has extra space to be converted into coworking or whether your building has new vacancies that can be filled with flexible workspaces, the time to enter the industry is now.

There are several key challenges and differences between operating a traditional office and a flexible workspace. Managing the IT infrastructure and Wi-Fi connectivity, including the proper hardware, is a major component of a flexible workspace. Having a booking and reporting system is vital to ensure maximum revenue and comply with capacity guidelines effectively. Creating a wireless, touchless, automated environment is also going to help ensure you are operationally efficient. The greater your efficiency, the more time can be spent on revenue-generating tasks and the higher your member satisfaction rates will be.

“Technology offers our staff something we all need more of - time. The team need to be client facing and present without spending hours behind a screen collating, invoicing and reconciling payments,” said Janthea Griffin, operations director at 2-Work, a provider of flexible workspace and hybrid work environments throughout the UK and Ireland.

As we said in our previous ebook, [Making the Move to Flex](#), there are plenty of key decisions to be made, starting with which operating model is right for you. It is important to determine the size and scope of your offerings and amenities as well but running an efficient and connected workspace is the primary way to attract new members, increase retention rate and grow and scale your business. Let's explore the major avenues to operational efficiency





“You don’t create efficiency by having a multi-stack environment where your vendors’ solutions aren’t talking to each other”

PAUL ORROCK, REGIONAL MANAGER



1. WIRELESS ENVIRONMENTS AND IT INFRASTRUCTURE

A wireless workspace reaches many of the most important components in your office. Primarily, your internet connection needs to be consistent and reliable.

As traditional landline phone conversations are replaced with Microsoft Teams and Zoom, your connectivity is more important than ever. During 2020, both Microsoft Teams and Zoom became the fastest growing apps for communication. Zoom meeting participants increased by 2900% and Microsoft added 95 million new users in 2020 with 145 million daily active users in 2021, up from 75 million in Q2 of last year.

Your Wi-Fi should also be interacting with your space from several perspectives. First off, door access control is continuing to grow to provide secure access to your main door, conference rooms or private offices. With automated door access, you can easily track occupancy, gain added revenue from meeting room bookings and offer 24/7 access to your space.

Secondly, the growth of IoT has created many new possibilities for increased efficiency and cost reduction. Connected systems through IoT drive more efficient heating and cooling systems, security, lighting and data analytics. Your coworking software provider uses AI and

IoT to track leads, improve budgeting and forecasting and improve the comfort of members inside the office.

“You don’t create efficiency by having a multi-stack environment where your vendors’ solutions aren’t talking to each other,” said Paul Orrock, Yardi regional manager.

Booking desks or meeting spaces should also be done via a mobile app or website. “Our members interacting with technology is a key part of our customer experience,” said Jonny Rosenblatt, co-founder of Spacemade, who in addition to operating flexible workspaces, also works to develop strategies and business plans to create or modify flexible workspaces for new operators. “Booking hot desks and meeting rooms, utilising our conference facilities or simply unlocking the office door with your phone - all these innovations enhance the customer experience we offer and we are continually reviewing our tech to drive it further,” Rosenblatt added.



Try to engage with a software provider that provides a single source of truth. Beyond the simplicity of using just one platform, it also eliminates the scramble of who to turn to for support on IT issues. "If something goes wrong from an IT or hardware perspective, you don't want to be engaging with a variety of vendors who will then play the blame game," Orrock said.

There are several important components to your IT package: Circuits, core networking infrastructure, bandwidth management, as well as voice, although traditional voice service demands are diminishing.

Your Wi-Fi connectivity also plays a key role in your infrastructure and your overall efficiency because wireless technology is requiring less equipment in your IT closet. Instead of having 12-14 switches in a communications room, you may be down to three, giving you less equipment to maintain and fewer pieces that can fail.

This reduction is caused by several factors: a drastic drop in the number of members requiring landlines for voice services, fewer devices that need to be plugged into ethernet ports and the fact that new fitouts are almost entirely wireless environments.



2. THE EFFECT OF DIFFERENT OPERATING MODELS

In Making the Move to Flex we discussed several operating models especially relevant for a new wave of interest in flexible workspaces now that many people are returning to offices.

With the growing popularity of joint ventures, it's important to understand the standards the other party is expecting, especially from a hardware delivery point of view. How much tech and operational knowledge are they bringing to the table? Is my tech experience going to carry at the forefront of this partnership? A JV goes beyond the pounds; it needs to be the right fit. Naturally, the better the partnership, the more seamless the operational components will become.

For an acquisition, operational efficiency will largely depend on what or who you're acquiring. What contracts are you requiring from a tech point of view? Are there caveats in the contract that could give you a break clause? Is the other party involved in a contract that you would be required to take on? A good example is if someone wanted to acquire a Yardi flexible workspace client, they would need to take on our contract as well. That can certainly affect negotiations, especially if the buyer is not previously involved in the industry and would greatly lean on the tools and support that the software provider entails. The acquiring company also needs to understand in detail how up to date the technology is in the workspace(s), if and when they are due for a refresh and whether they would want to replace a cabled environment.



IMAGE: A 2-WORK PROPERTY



IMAGE: A 2-WORK PROPERTY

From the DIY perspective, it's hard to replicate the breadth of experience that software providers can instill. Be aware of the importance of experience in flexible workspace, because making a workspace operationally efficient without practice can be a challenge. You would save up front if you chose to go at a business venture alone, but you may pay in the long run if your business isn't generating sufficient leads or retaining members at a high rate, or if you choose individual disconnected systems to handle separate components of your operation. Even massive commercial operators can be challenged in the differences between traditional space and flexible workspace.

Providing members and guests with the same experience at any of your locations is a major driver of member satisfaction and operational efficiency. For example, allow members roaming capabilities using the same Wi-Fi credentials across locations and ensure each centre delivers the same quality connection. This will eliminate the need for someone to deal with reception or support. The same concept applies to conference room and desk bookings, where if the process is the same across your locations, members and guests will feel more confident working from any of them and it will increase retention rates.



“The technology we implement across our building operations, sales, marketing and accounting platforms is key to storing and analysing data to remain operationally efficient”

JONNY ROSENBLATT, CO-FOUNDER

spacemade

3. BOOKINGS AND REPORTING

Bookings are the biggest source of income for a flexible workspace operator. This includes meeting rooms, hot desks, dedicated desks, event space, private offices and any other space that can be reserved and monetised.

Since the inception of coworking, operators have been seeking the most efficient way to manage bookings and it's truly a two-way street. Having an interactive system gives both parties visibility to the availability of rooms but also the rooms you have to attend to, set up or clean up. Real-time availability is also key in our current stages of capacity restrictions because you may have to show certain areas are blocked or some rooms or desks cannot be filled to capacity. Providing members and guests the self-service option of booking through a portal or mobile app is a significant benefit to them and your staff.

“From a reporting standpoint, I would want to be focusing on customer management, lead management, billing, payments, GL, vacancies and contract expirations,” Orrock said.

You'll also want to focus on bandwidth management and which customers are using the most bandwidth, as described in a 2020 Yardi Kube report. This will let you move some users onto a new plan, not only increasing your revenue, but also benefitting the heavy bandwidth user and increasing the available bandwidth for other members.

Reporting is also important from a door access control perspective. You can easily track who is in and out of the space and when your busiest times are. Reporting in some areas is also more useful now than pre-pandemic, as facilities management and maintenance are at the forefront of office reopening and member safety.

CRM is a big part of operational efficiency – how are you capturing leads and bringing them into your workflow? How are you assigning those leads internally? How are you ensuring that leads are being followed up, up-to-date and closing at a good rate to bring ROI? A CRM platform is going to facilitate many of your tedious day-to-day activities and remove or reduce spreadsheets and time-consuming sales processes.

Financial reporting comes down to what information is most important for you to know. No two operations are the same. “There are some standard reports out there that suffice, but don’t be afraid to ask your software provider to customise reports for you,” Orrock added.

These providers have the ability to provide you with advice and detail on reports you may need for compliance purposes, investor management or other specific needs.

“We are a data driven business. It is key to making any commercial and operational decision. The technology we implement across our building operations, sales, marketing and accounting platforms is key to storing and analysing data to remain operationally efficient,” Rosenblatt stated.



IMAGE: A 2-WORK PROPERTY

CONCLUSION

“The ideal solution is something which could [largely] provide self-service for clients themselves with our team there to support or answer any queries,” said Griffin.

That is the ultimate goal. Streamline operations to the point where members and guests feel empowered and capable of handling just about anything on their own. Partnering with a software provider who handles all aspects of financial, operational and IT components in a single connected solution maximises efficiency.

Whether your operational model consists of multiple locations, niche targets, corporate coworking, or any other type of flexible workspace, streamlining day-to-day operations will ease burden on staff and provide a rewarding member experience.

“The use of [automated technology] allows our clients to get on with what they do best – running their business – and us to do what we do best – support them,” Griffin said.



“The use of automated technology allows our clients to get on with what they do best – running their business – and us to do what we do best – support them”

JANTHEA GRIFFIN, OPERATIONS DIRECTOR

2-WORK



Thanks for reading!

We hope this smart guide helps you select our space management software that will really work for you.

WANT TO LEARN MORE?

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Making the move to Flex 24/11/2021



Start over