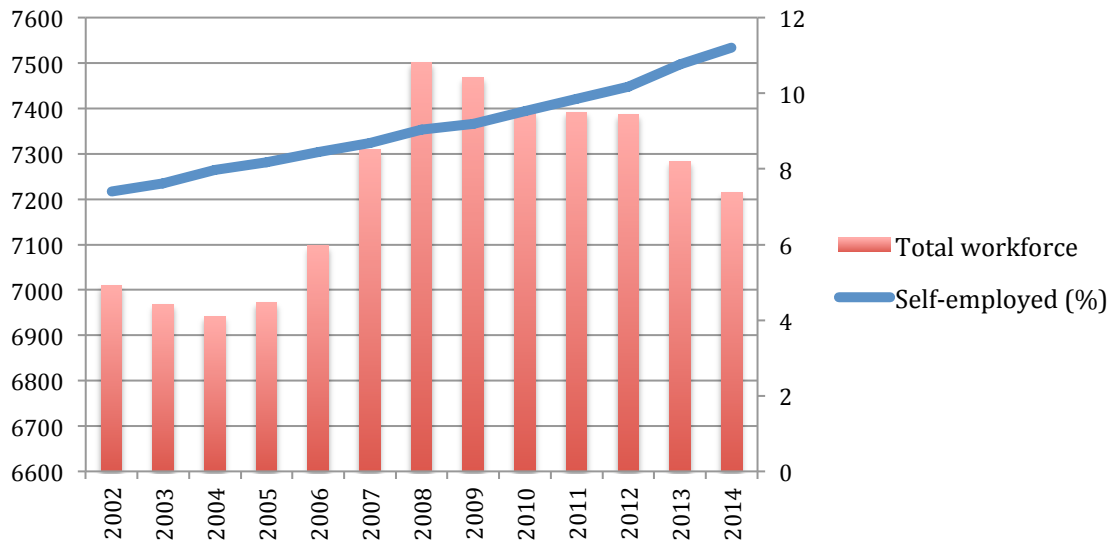


## CREATING COMMUNITIES OF INNOVATION

In the past decade, the number of self-employed professionals has grown rapidly. In 2014, more than 800,000 people in the Netherlands were self-employed, which amounts to 11% of the total workforce.

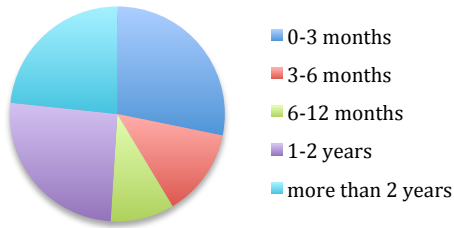


Although many self-employed professionals started out working from home, they have increasingly begun to use public spaces and co-working spaces as a place to work and to meet others. One such provider of co-working spaces in the Netherlands is Seats2meet.com (S2M). In 2014, S2M operated around 70 locations throughout the country. This report presents the results of a large-scale survey among the users of S2M, many of whom are self-employed professionals. By providing them a place to work, S2M not only solves a very practical issue, they also facilitate interaction and collaboration among co-workers. By doing so, these co-working spaces have the potential to act as communities for innovation.

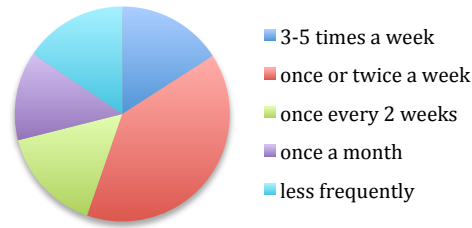
### The use of Seats2meet.com

The users of S2M are very diverse in terms of age and occupation. Most users are between 26 and 35 years old, although the youngest respondent in our sample was 18, while the oldest was 68 years old. As for occupational background, almost 50% are self-employed professionals (no employees), 10% are small business owners, 15% are students, and almost 20% are currently in paid employment. The average user of S2M is highly educated (more than 90% has a higher vocational or university degree). Although S2M has been operating co-working spaces since 2007, there is still a lot of growth potential as indicated by the amount of new users; the figure below shows that almost 30% of the co-workers have started to use S2M less than 3 months ago. At the same time, there is also a vast amount of recurring users: 50% of the respondents has been using S2M for more than a year, and half of them even for more than 2 years.

### Since when have you been visiting S2M?



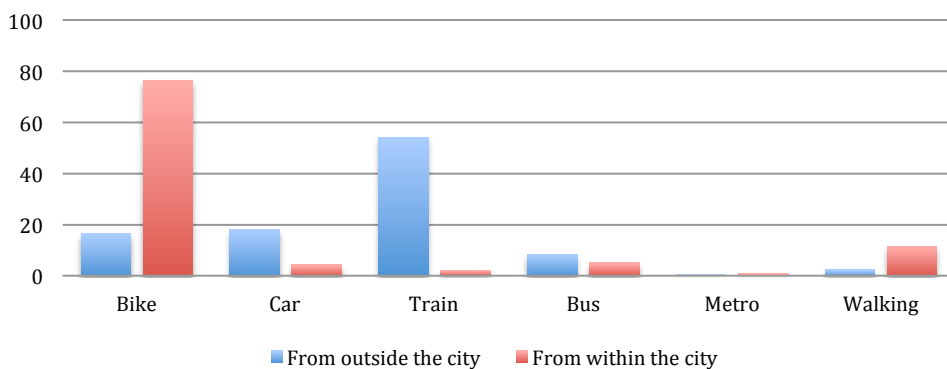
### Frequency of use



For many of the visitors, working from S2M is an alternative to a working day at home or in the office. More than 50% percent of the co-workers use the workspace at least once a week, while more than 15% even works from a S2M location three to five times a week. Moreover, more than forty per cent of the co-workers spend a good working day of 7 to 8 hours at the S2M location.

Co-working serves a regional purpose. Not having an office of their own is one motivation to come to S2M, but for those who seek more flexibility in their working careers, working from home or from a local co-working space cuts out time in traffic and contributes to a healthier work-life balance. Many S2M users live within the city where they use the co-working space (55%) and most users spend less than 20 minutes commuting to the co-working space. Moreover, from the users within the city, more than 75% comes by bike and another 12% by foot. In this way, co-working contributes to typical large-city issues such as pollution and congestion. Due to the central location of many of the co-working spaces, even the more distant users prefer commuting by train (55%) to coming by car (less than 20%). See below for a graphical depiction of these numbers.

### Mode of transportation

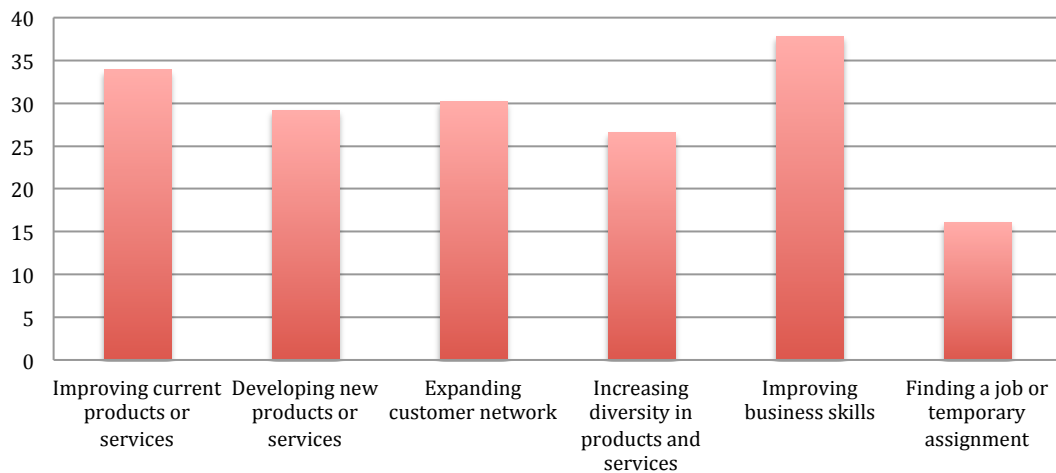


### Outcomes

Co-working leads to positive outcomes for the workspace users. As indicated below, co-working contributes to improving current products and services (34%), expanding

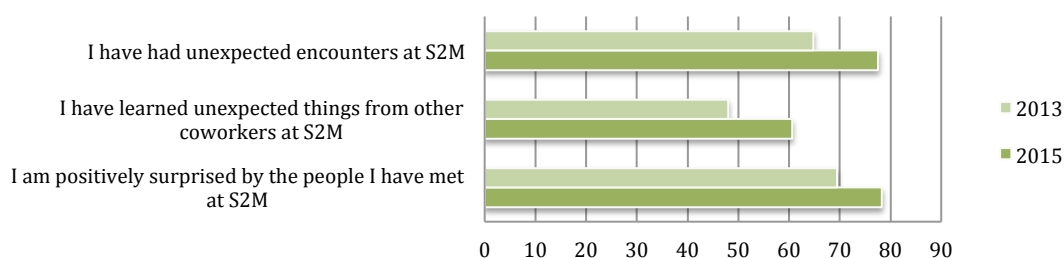
customer networks (30%) and the development of business skills (38%). More importantly, working at S2M can also help in finding a job or a temporary assignment, as indicated by 16% of the respondents. These outcomes are important as they show that the value of joining a co-working space go beyond the need for a suitable place to work or combatting feelings of isolation; they show that co-working has the potential to contribute to the development of individuals, business and society.

### A myriad of positive outcomes



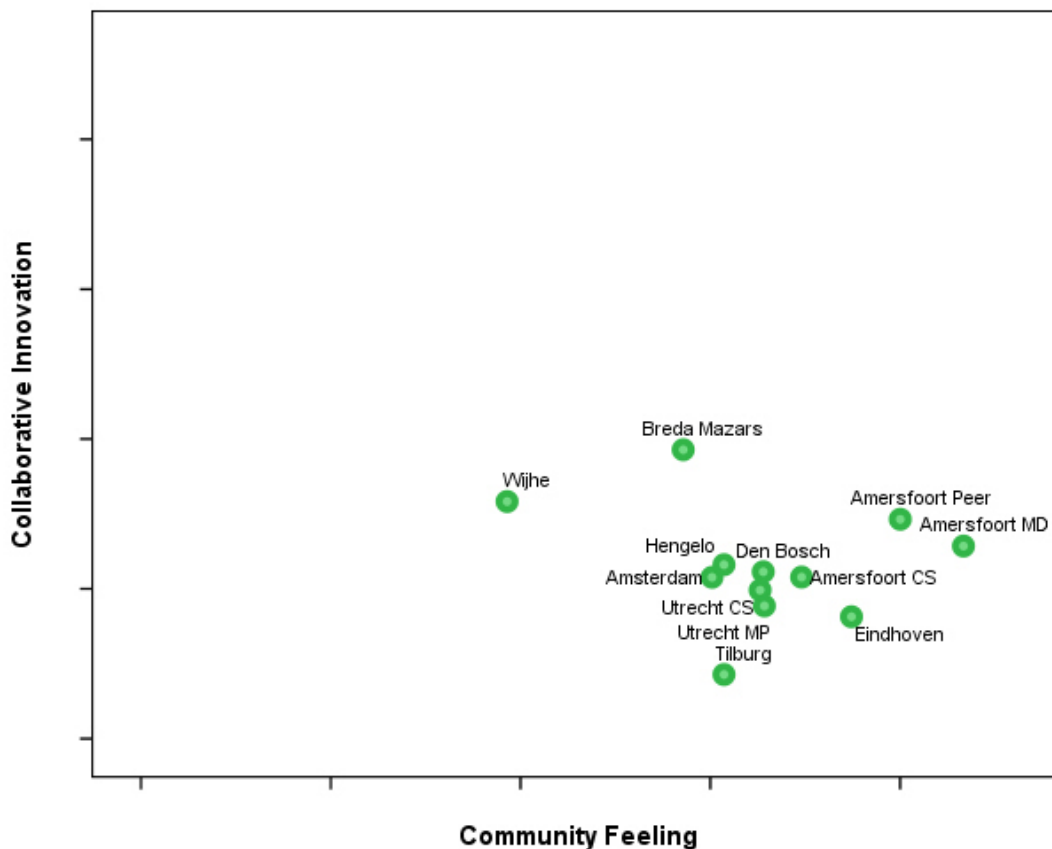
Two important drivers behind the success of coworking are serendipity and the creation of communities. Serendipity refers to unexpected, yet positive events. In our questionnaire, we captured this by a series of questions regarding the encounters that people had and the things they have learned from other co-workers. The results are very positive. Almost 80% of the respondents indicates that they have had unexpected encounters at S2M and that they have been positively surprised by the people they have met at S2M. Sixty percent of the respondents also indicate that they have learned unexpected things from other co-workers. These results show the powerful potential of co-working and suggest an important role for co-working spaces as serendipity orchestrators. Often designed as flexible workspaces, with movable furniture, comfortable couches, and different style of tables, the co-working spaces of S2M create an informal and vibrant atmosphere that facilitates interaction and sharing. The free coffee and lunch that are provided by most of the co-working sites further enhance the likelihood that people start a random conversation with another co-worker. These spontaneous conversations offer a breeding ground where unexpected connections are more likely to happen.

### Serendipitous encounters



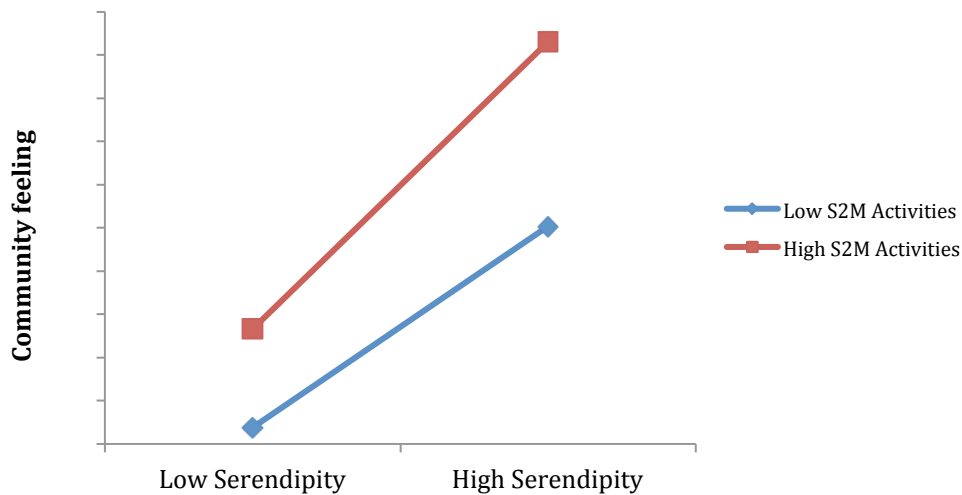
## Unleashing the power of the community

One of the goals behind the S2M network is to connect people and thereby to create a value network that drives entrepreneurship, knowledge sharing, creativity and innovation. These communities of innovation can play a powerful role in the development of businesses and entrepreneurs, but also in the development of cities and regions as a whole. Results from the twelve largest co-working sites in our study show that there is a strong connection between community feeling and collaborative innovation, showing that higher levels of community feeling are associated with higher levels of collaborative innovation. More importantly, there is also a strong and significant relationship between community feeling and collaborative innovation at the *individual level* ( $p < .000$ ).



However, despite the strong community feeling among the users of S2M (average of 4.28 on a 7-point scale), the level of collaborative innovation for the different locations is low (average of 2.15 on a 7-point scale). This suggests that locations are missing levers to increase collaboration. Results from our study show that informal networking has a positive effect on collaborative innovation. Talking to the person sitting next to you, engaging with someone in the coffee corner, going for an after hours drink with other co-workers are all examples of informal networking that contribute to collaborative innovation. Similarly, identifying the expertise of other co-workers also contributes to collaborative innovation. Activities organized by S2M on the other hand, have no direct effect on collaborative innovation. However, they do play a major role in enhancing the community feeling of co-workers at S2M, particularly in conjunction with serendipity. As the graph below shows, the influence of serendipity on community feeling is stronger

for those users that attend more events organized by S2M, such as the joint lunch, the Monday Meetup or the Social Friday. Although a large proportion of the respondents says that they regularly attend the joint lunch, many respondents indicate that they never participated in a Monday Meetup or Social Friday. One of the reasons could be that not all locations offer organized activities to the same extent, but it might also be an indication of low participation in general.



## Conclusion

Communities of innovation can play an important role in our society. The results of this study at S2M show that community feeling is an important driver behind collaborative innovation. Community feeling refers to the extent to which users feel connected to S2M, expressed for example by their interest in what goes on at S2M and the willingness to contribute to the development of S2M. This has implications for the users of these co-working spaces. First of all, as indicated by the results, informal networking plays an important role in explaining collaborative innovation. Moreover, organized networking activities such as the joint lunch, meet-ups, and seminars and workshops organized by S2M enhance the value of serendipitous encounters.

Do	Don't
<ul style="list-style-type: none"> <li>• Talk to the person sitting next to you or engage with others in the coffee corner</li> <li>• Identify the expertise of other co-workers at your location</li> <li>• Attend organized activities such as the joint lunch or Social Friday</li> <li>• Visit the co-working space frequently to increase your feelings of belonging to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Sit quietly in a corner without interacting with others</li> <li>• Ignore the knowledge and capabilities of the co-workers around you</li> <li>• Rush in and out – take time to immerse and be surprised</li> </ul>

## **The research**

This study was conducted using a questionnaire in two waves. The first wave (April-May 2015) consisted of a series of questions regarding the expectations, personality traits and demographic information of Seats2meet.com users. The second wave (May-June 2015) included a series of questions regarding behavior and outcomes. During wave 1, we collected 554 hard-copy questionnaires. At the end of the questionnaire, respondents were asked to indicate their willingness to participate in the second wave of the study and to leave their email address. Four weeks after the wave 1 questionnaire was returned, these respondents (408) received an email with a link to the follow-on questionnaire. We received 187 complete responses to the wave 2 questionnaire, corresponding to a 46% response rate.

## **Research Team**

Vareska van de Vrande is an associate professor of strategic management at the Rotterdam School of Management, Erasmus University. Vareska's research mainly focuses on collaborative innovation, external knowledge sourcing and inter-organizational relationships. Michiel Tempelaar is an assistant professor of strategic management at the Rotterdam School of Management, Erasmus University. His research focuses on multi-level antecedents and consequences of exploitation, exploration, organizational ambidexterity and -paradoxes. Janbert Aarnink, Arno Kowalinski and Olga Szafonov have provided excellent research assistance.