



COWORKING IN SONOMA COUNTY

Emerging Entrepreneurial Spaces

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Overview

In spring 2015, the Sonoma County Economic Development Board (EDB) began to investigate how changes in the wider economy could affect local business. Reports suggest that the global economy may be shifting away from the traditional “large firm” structure of employment, in which individuals previously worked set hours for big companies. New opportunities are opening up: as changing demographics fuel demand for customized goods, the way many workers “work” is adjusting. Companies such as Lyft and Uber place power in the hands of its drivers, freeing them from the constraints of normal working hours. These freelancers do not face constraints from the corporate world; they are free to pursue projects that match their passions and talents. Recently, they have begun to change the traditional perception of the workplace.

Certain sectors, such as law or medicine, might not face such changes, but parallel developments mean that all work is becoming more mobile. Doctors can consult over Skype, lawyers can advise via teleconferences. This independence and freedom adds an entrepreneurial dynamic to the labor force: people can choose where to work on the basis of which environment best suits their needs. Growing attention to the rapidly growing numbers of people choosing to work this way has recently resulted in several efforts to update the social safety net that has long protected workers in traditional employment.

The EDB focused on one emerging approach to mobile work – coworking spaces. These are professional facilities that reconcile the infrastructure of an office with the freedom, interaction and collaboration of more casual settings. Operators of coworking spaces can enjoy a viable business while providing communal resources (shared desk space, Wi-Fi connection, and coffee machines) at a much more competitive rate than individual office rentals.

Such open yet professional environments have generated success worldwide. Coworking now has become quite popular in North America, and similarly so in Sonoma County. From Sebastopol to Petaluma, coworking has provided a new way to work in Sonoma County, with new outlets for entrepreneurs to exchange ideas and build networks.

The EDB sought to understand the local impact by conducting two surveys: one surveying the users of coworking spaces in Sonoma County, the other surveying the operators of these coworking spaces. We found that not only are these spaces supporting entrepreneurship and generating significant revenues in our local economy, they are also growing.

The local business community; along with consumers, freelancers and entrepreneurs can maximize benefits from coworking if they support the spaces and the entrepreneurs who use them. Freelancers constitute the majority of local coworkers, and could be helped through further business assistance services. By embracing coworking, Sonoma County can promote its own economy as a hub of entrepreneurship and innovation. Initiatives such as the newly-founded Coworking Alliance of Sonoma County (CASC) and a possible Freelancer Forum could demonstrate our commitment to integrate these factors into our business community. An Annual Report could continue to raise awareness of the benefits of Coworking (and the associated economy) while encouraging investment into coworking.

Key Findings

Coworking makes a significant contribution to our local economy.

50% of coworkers who responded to the Economic Development Board's survey make over \$60,000 per annum, and almost a third earn revenue in the range of \$30,000-60,000.

Coworking provides important benefits to the local business community – and creates a stable hub for entrepreneurship.

The majority of coworkers in Sonoma County intend to stay at their current space for more than two years, embedding these enterprises into our economy. Local coworkers are primarily motivated by the professional benefits of these spaces – particularly the ability to share ideas.

Coworking is a growing and profitable business model in Sonoma County.

80% of surveyed spaces in the local economy have expanded over the past two years. This growth looks destined to continue, as more than 90% of surveyed coworkers believe that coworking is a growing trend in Sonoma County.

Freelancers are leading the way.

Freelancers – defined as individuals who sell work or services by the job, rather than work on a regular basis for a single employer – comprise more than 50% of coworkers in Sonoma County.

Coworking supports many industries, providing either specialist hubs for specific sectors or broad bases of entrepreneurship for all industries.

A wide range of industries have established a presence in Sonoma County's collaborative spaces, some of which are single-sector and some of which are heterogeneous.

Sonoma County coworkers are content, although the spaces themselves face critical business challenges that hamper development.

53% of local coworkers would like to see more space for coworking in Sonoma County, while coworking spaces report that access to capital is a challenge.

Local government is a necessary component for coworking spaces to succeed.

All surveyed coworking spaces see value in a public effort to increase awareness of coworking in Sonoma County.

There are a wide range of promotional tools for the coworking field, as they embrace new technologies and old tricks.

Word of mouth, social media and professional websites are all utilized by Sonoma County coworking spaces to promote their services.

Coworking and the "Freelance Economy" have challenged the traditional notion of work and benefits.

As workers shift away from employer/employee arrangements, policymakers have taken notice, and have begun to examine how to ensure a social safety net for independent and contract workers.

Key Opportunities

Coworking movement may offer significant benefits to the local economy. Many of the enterprises associated with this emerging field demonstrate high growth potential – and the spaces themselves follow a successful business model. Such opportunity can, with support from the community, be maximized to help the residents and businesses of Sonoma County. Below are some action areas interested parties may wish to consider.

Expand business support services to coworkers and operators of coworking spaces.

A joint effort by the Economic Development Board, the Small Business Development Center and other economic development agencies could target these coworkers to ensure that they can benefit from local resources. Options could include development of a workshop for freelancers that integrates coworking.

Promote Sonoma County as a hub of freelancing.

A high quality of life and Sonoma County's proximity to San Francisco and Silicon Valley are competitive advantages that could attract many freelancers and entrepreneurs. These factors could be marketed throughout the greater Bay Area – to attract, grow and retain critical talent.

Recognize Infrastructure Needs.

Stakeholders could support efforts to expand Broadband access in underserved areas of the county. Survey respondents cited a need for coworking facilities that serve outlying areas, for which connectivity would be a key component.

Create a Freelancer Forum.

The coworking movement is driven by freelancers – economic agents able to generate significant local business. This forum would provide a network that better supports these entrepreneurs and encourages more freelancers to work in Sonoma County.

Help develop and support the Coworking Alliance of Sonoma County.

The Coworking Alliance of Sonoma County (CASC) is a fledgling organization, but as a committed group of coworking operators from across the county it has great potential to improve the collaborative environment within our local economy and help enable entrepreneurship to thrive. The Economic Development Board could provide administrative assistance to the Alliance and connect the group to valuable resources, ensuring a closer and smoother relationship.

Produce an Annual Report on the local coworking economy.

Annual insight into the state of coworking in Sonoma County would drive confidence in our local movement and would help investors navigate the market. The Economic Development Board could build on the methods used in this report to conduct surveys and connect with industry stakeholders to provide an ongoing assessment of Sonoma County coworking.

Involve Coworkers in Currently-Planned Efforts

Integrate support for Coworking in plans for the upcoming 2016 Year of the Entrepreneur (YOTE). A member from CASC could serve on the YOTE Founding Taskforce, lending valuable insight and helping to inform plans for 2016.

The Global Phenomenon

COWORKING

noun

“The use of an office or other working environment by people who are self-employed or working for different employers, typically so as to share equipment, ideas, and knowledge.”¹

Coworking is changing the way we work. It replaces traditional methods of work, which some find individualistic and isolating, in favor of more collaborative styles that facilitate (and encourage) different workers to interact. In this environment, they share ideas and resources to increase productivity, affordability, achievement and enjoyment.

One fundamental benefit to coworking is that it builds professional communities: the emergence of “coworking clusters”. TIME magazine defined Coworking Spaces as hubs “where freelancers, entrepreneurs, and other independent workers pay a fee to share a workspace and benefit from working in the presence of one another”². These spaces can create skilled networks comprising relationships that extend across the professional and the personal spheres. Economic linkages form between coworkers as each brings a different skill to the table.

A Shifting Landscape

Before the coworking concept developed, traditional marketplaces foreshadowed certain features of this professional environment. As companies thrived in hubs of commerce, individual businesses began not only sharing resources but also sharing customers.

One retail example exists as La Joyeria Angelica, a Roseland area branch of retail spaces in Santa Rosa. The space hosts small enterprises within an indoor open-concept floor plan. Florists work alongside barbers, each drawn by the competitive advantages of operating in this space. Affordable rents and shared cleaning bills dovetail with its consistent stream of patrons to create a micro-economy, with businesses collaborating to offer their eclectic range of services from a single source.

The rise of the coworking movement has been attributed to the desire for the fundamental benefits that come with having a traditional job – structure and community, while satisfying the desire for independence that freelancers enjoy. Indeed, coworking’s roots trace back to in 2005 in San Francisco, when Brad Neuberg sought to create a space which provided a “nourishing” environment for freelancers. Neuberg removed the hyphen from coworking, creating an altogether new word. He then rented some space and began what would become a movement of significant proportions³.

Evolution of the global economy has helped to empower the coworking movement. As workers become increasingly mobile, The Economist magazine predicts the trend could “challenge many of the fundamental assumptions of 20th-century capitalism, from the nature of the firm to the structure of careers”⁴. There are currently 53 million freelancers in the US, comprising 34% of the workforce⁵.

Moreover, computers and mobile devices increasingly connect consumers to the “On-Demand Economy”. 69% of freelancers found that social media has drastically changed the dynamics of networking and 65% believe the internet makes it easier to find work⁶. Millennials appear to be driving this change further, with above-average levels of freelancing and more than twice the smartphone usage (for professional

¹ Oxford American Dictionary

² TIME, *Why Coworking is Hot*, November 19th 2014

³ The New York Times, *They’re Working on Their Own, Just Side by Side*, February 20th 2008

⁴ The Economist, *The Future of Work*, January 3rd 2015

⁵ Freelancers Union & Elance-oDesk, *Freelancing in America*, p.3

⁶ *ibid.* (*Freelancing in America*) p.7

purposes) than older generations ⁷ . These demographic trends may continue to shape the changing workplace landscape, while creating opportunities for freelancers and entrepreneurs.

It is in this context that the coworking movement is best understood. Such spaces provide an adaptable environment for the new economy – and the new generation of freelancers – to operate. 67% of coworkers find that this new approach improves their professional success and 82% have expanded their professional networks as a direct result of coworking⁸. The environment can also foster synergistic business relationships – 62% of coworkers around the globe report that they share knowledge and advice with fellow members⁹. Additionally, 42% regularly share job opportunities, and 26% work on common projects.

Coworking fits well with many different industries and sectors, from high tech to arts and crafts. Spaces are varied in their atmosphere, usually occupying a particular niche or fostering a certain “feel”. This enables coworkers to choose somewhere that not only has the functional requirements of office space but actively aligns with their values. 79% of coworkers in the US have expanded their social networks through these spaces, with 87% meeting other members for social reasons¹⁰.

Such transformations have led observers to declare “the 9-to-5 grind is over”¹¹, and coworking has been credited with ushering in a new work ethic, increasing productivity and connectivity alongside enjoyment.

While such benefits are celebrated and well-documented, there has been recent resistance by some who see a downside to the “gig” or “1099” economy. Traditional employment has long provided

workers with a so-called “Social Safety Net”, which has typically included not only health insurance, but other protections; including workers compensation, unemployment/disability insurance, participation in Social Security and more.

While freelancers and entrepreneurs may see increased work freedom as a worthy tradeoff, the popularity of contract work among workers and the businesses that hire them has caught the attention of law and policymakers.

With the Affordable Care Act entering its sixth year, exchanges have helped provide health insurance to a wide swath of individuals outside of traditional employment. Recently, Senator Mark Warner (D-VA), who helped found Nextel, called on Congress to examine changes to the safety net that would provide even more for workers in the gig economy. “Perhaps,” Warner said in a recent interview, “there needs to be a new category of protected workers - a hybrid between traditional employees and independent contractors.”¹²

⁷ *ibid.* (*Freelancing in America*) p.7

⁸ Emergent Research, *Coworking Spaces Are Human Spaces*, http://www.smallbizlabs.com/2015/05/coworking-spaces-are-human-spaces.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+SmallBizLabs+%28Small+Biz+Labs%29

⁹ DeskMag, *3rd Global Coworking Survey*

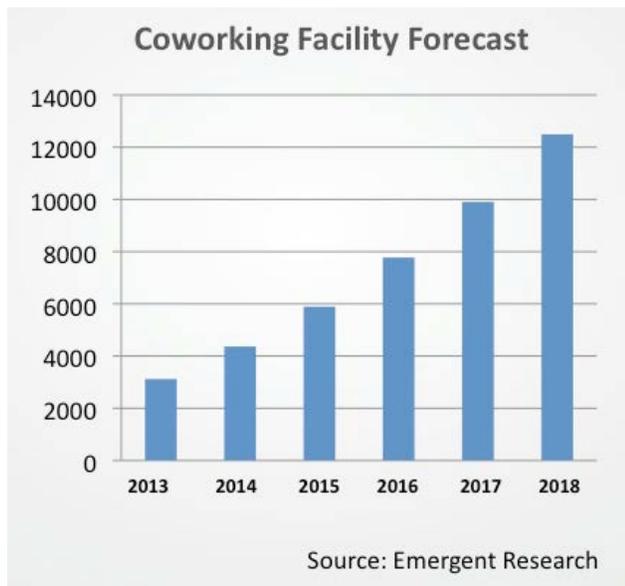
¹⁰ Emergent Research, *Coworking Spaces Are Human Spaces*

¹¹ Fast Company, *Why Millennials Understand the Future of Work Better than Anyone Else*, April 1st 2015

¹² The Virginian-Pilot, *‘Gig Economy’ Threatens Workers’ Safety Net, U.S. Senator Warns*, June 4, 2015

Growing Entrepreneurship, Wherever That Might Be

Entrepreneurship is thriving in coworking hubs. The movement reveals success stories across the globe, with a respectable number in the US. The consulting firm Emergent Research forecasted a growth in global coworking facilities of about 30% over the five years from 2014¹³. The forecast predicted that worldwide membership will surpass 1 million in 2018, with new spaces being both larger and more efficient in using space.



Spaces such as 1776, an incubator in Washington D.C., are not only providing the social and financial capital for promising enterprises to grow, they are also influencing public-private partnerships to improve corporate social relations. Its mission to support startups that seek to benefit society, through imaginative and technical solutions, has earned it worldwide recognition and visits from global leaders¹⁴.

The coworking phenomenon is truly global, extending beyond the frontiers of American commerce. Given the strength of coworking in Europe, new methods

have been explored through increasingly innovative approaches to space design and work culture. Mutinerie, based in Paris, has pushed the boundaries of independence, styling itself as the antithesis of conventional work. With the motto “free together”, this professional counter-culture hopes to stimulate greater entrepreneurial spirit and communal enterprise among freelancers.

Elsewhere in Europe, Talent Garden has congregated digital, tech and creative professionals with 10 locations spread around the continent. A new space just opened in Barcelona, with its signature features such as bubble chairs and foosball matches, which inspire the imagination and drive productivity. Such features, also embraced by large firms in the innovation and tech sector, have challenged conventional wisdom on productivity, and help to define Coworking as a new way to work.

Alternative workspaces have also begun to emerge on the streets of London, with networks supplying creative hubs to many districts in the city but eschewing their corporate culture. From rustic basement studios to TechHub’s ultramodern campuses, startups are blossoming in the entrepreneurial ecosystem¹⁵.

Coworking offers solutions for business, whether the local economy is established or still growing. A 2014 report from the World Bank estimated almost 100 coworking hubs have sprung up across the African continent, propelling the tech sector forward with homegrown entrepreneurship¹⁶.

¹³ Emergent Research, *Coworking Forecast: 1 Million Coworkers in 2018*, May 7th 2014

¹⁴ Washington Post, *British Prime Minister Cameron Tours D.C. Start-Up Hub 1776 Before White House Visit*, January 16th 2015

¹⁵ Creative Boom, *Top 10 Creative CoWorking Spaces for Freelancers in London*, May 13th 2015

¹⁶ World Bank: Information & Communications for Development Blog, *Tech Hubs Across Africa: Which Will Be The Legacy-Makers?*, April 30th 2014

By sharing the cost of rental and maintenance, capital-poor countries are able to facilitate an affordable environment for businesses to start their operations and learn from other enterprises facing similar challenges. The Economist magazine explains, “While coworking spaces are heralded in the rich world as trendy, open spaces conducive to networking and brainstorming, in Africa they serve a far more practical purpose: coworking spaces mitigate the exorbitant costs of setting up and running an office”¹⁷.

Coworking is not restricted to freelancers – established companies may also benefit from this model. Fast Company magazine reported that half of the Fortune 500 companies, including Google, Amazon and Twitter, offer coworking memberships to their staff ¹⁸ . According to a global survey, 47% of coworkers worldwide are not freelancers, a gradually growing proportion¹⁹. Certain benefits of the movement are universal for all modes of work, not just entrepreneurship. Large employers also value synergies and enthusiasm that characterizes these spaces.

Communication & Industry Support

Businesses are finding it increasingly easy to access the coworking medium. Whether a one-person enterprise or a corporate behemoth, it is hard to resist the allures and customized services. Technology and specialized infrastructure are interwoven into the coworking business model, producing a dynamic movement that is constantly evolving.

Communication has been a pivotal factor for the movement to service businesses across the spectrum. Promotional media has marketed coworking spaces to the freelancer community, helping entrepreneurs make the most of coworking resources. A number of podcasts have helped channel this awareness through

a conversational format, which resonates closely with the mission statement of the coworking movement. One such example, based in Sonoma County, *The Naked Freelancer* began broadcasting to mobile workers across the English-speaking world in 2015, and has run a trilogy of episodes focused on the coworking concept. The host, Melissa Geissinger, runs a coworking space and invites guest-speakers with prominent roles in the US coworking network. Other podcasts, notably *Coworking Weekly*, *Coworking Success*, and *Everything Coworking*, are delivering useful insight whilst also shaping changes in the coworking environment.

The Global Coworking Unconference Conference (GCUC) has created an inspiring forum for all actors to engage with the coworking phenomenon. From commercial realtors to desk manufacturers, industry stakeholders congregate to build professional networks, exchange best practices and better understand recent developments in the field. A clear message from GCUC 2015, held in Berkeley, CA, was that coworking spaces and professionals are collaborators not competitors, impressing the audience with a proactive focus on the future²⁰.

Broad initiatives, such as the Coworking Google Group and Open Coworking, seek to coordinate global attention and resources toward productive goals for the coworking community. Conversation threads are free to start and available for comment by anybody, giving the field an open feel and empowering mobile workers to shape the dynamic. In print media, *The New Worker* magazine, and similar publications, produce a thoughtful commentary that highlights relevant issues, enabling freelancers and managers alike to stay abreast of important news.

¹⁷ The Economist, *Homes for Africa's Tech Entrepreneurs*, March 12th 2015

¹⁸ Fast Company, *The Future of Coworking and Why It Will Give Your Business A Huge Edge*, January 15th 2013

¹⁹ DeskMag, *3rd Global Coworking Survey*

²⁰ The Best Workplace, *GCUC 2015 Coworking Conference Recap*, May 18th 2015

Building a Coworking Web through Alliances

Across the US, municipalities are recognizing the economic benefit of coworking. Based around collaboration and synergy, coworking is receptive to greater integration and cross-pollination among different spaces. Coworking alliances have been established to channel these efforts into productive social projects, encouraging spaces to work together addressing common challenges and exploring new opportunities for their communities.

From large projects across multiple cities to individual efforts in local communities, alliances and partnerships among key players in the freelance economy have made an impact throughout the US.

Phoenix, AZ has transformed itself into an entrepreneurial hub through a concerted effort including its elected officials. The 5K5Y initiative was unanimously supported by its City Council and Mayor, pledging to create 5,000 jobs in private enterprise over five years. Councilman Daniel Valenzuela has worked to promote the program across the country, meeting other coworking spaces around the US – and it has been working. “Phoenix is now firmly planted on the map,” says Valenzuela. “We looked at Silicon Valley and thought: why not us?”

In addition, collaborative relationships have been established with a broad range of spaces and mobile workers throughout Phoenix. One of the most prominent public-private partnerships is Co+Hoots, a coworking space that focuses on creating positive social externalities through its Foundation. The mission is “to influence and support community growth by engaging the power of coworkers, independent contractors and businesses”, integrating the non-profit community and providing educational resources. Efforts such as this, plus support from the public and private sectors coupled with the 5K5Y initiative have helped Phoenix become a visible entrepreneurial hub.

Alex Hillman, creator and presenter of the Coworking Weekly Show, has helped shape the US coworking movement through Indy Hall, a large space in Philadelphia. Hillman and his team have developed a close relationship with local officials, including the Mayor. He believes that building trust between private and public stakeholders has helped “bake the economic engine into our model” without the need for additional investment. Membership at Indy Hall has grown by over 350% since 2010, with new jobs created in the space each week.

Indy Hall’s economic impact is not limited to the confines of its own space. Alumnus companies have relocated throughout the city, contributing to the local economy. Those located within 2 blocks of Indy Hall have added nearly 100 jobs in the last 18 months alone. From Hillman’s perspective,

“My back-of-the-napkin math suggests Indy Hall generates north of \$50 million of local economic impact annually...and that doesn’t factor in the dozens of companies that have chosen to move to our part of the city specifically to be close to our community.”

Collaborative communities can connect across coworking spaces, covering larger geographic areas and encompassing more industries. The nature of collaborative spaces has encouraged many to cooperate, sharing ideas and resources to better serve their members. Some cities have begun forging formal alliances, creating bodies which can represent the collaborative community within a given locality. These alliances coordinate between the owners and operators of each space, and provide an easy point of contact with local authorities.

The Seattle Collaborative Space Alliance exists “to unify, support and promote the coworking and collaborative space movement”. Monthly business meetings ensure that communication and ideas flow throughout the freelance economy in Seattle, connecting mobile workers. Jacob Sayles, founder of Office Nomads, a coworking space and key stakeholder in Seattle’s Alliance, says, “the Alliance operates as a

useful matchmaking service: by providing people with a shop window, it enables coworkers to choose the space that will best serve them professionally, and therefore the one to which they will contribute the most”.

Most recently, a group of Sonoma County coworking spaces formed the local Coworking Alliance of Sonoma County (CASC). This group of seven diverse coworking organizations formed in June 2015, and works to foster connectivity and collaboration among the spaces and the people who use them. CASC launched a new website in July 2015, and each participating space offered free coworking for new members on International Coworking Day (August 7th).

Coworking in Sonoma County

Our local economy is beginning to see measureable benefits from this independent and collaborative model. Coworking spaces have sprung up around the county, offering customized environments to a wide range of freelancers and entrepreneurs.

Freelancers are a significant cornerstone of our local economy and offer huge growth potential amid a global shift toward the “on-demand” economy. In 2013, Sonoma County had 43,454 1-person businesses (nonemployers) generating more than \$2.2 billion²¹. Coworking spaces provide entrepreneurial hubs for freelancers and small businesses to establish their operations, benefitting from the affordable co-funded infrastructure (e.g. Wi-Fi) and other office amenities.

The collaborative economy has benefited from Sonoma County’s leading role in the “maker movement”. This surge in technical and skilled crafts brings light manufacturing work into our neighborhoods. Representatives from the Sonoma County Office of Education and Sonoma State University were among the guests of honor at a White House ceremony in June 2015, recognizing a local certificate program that seeks to integrate learning-by-doing into the school curricula²². Such a sustainable

approach to the maker movement encourages new, homegrown talent into the field, strengthening Sonoma County’s competitiveness.

Ultimately our local coworking spaces are set to benefit from their location. The proximity to San Francisco and Silicon Valley, coupled with a friendly community vibe and abundant natural beauty, make Sonoma County appealing to young professionals and families alike. With an above-average score on the Quality of Place Index²³, the area retains and attracts skilled workers.

Each coworking space in Sonoma County provided the short descriptions of their facilities, amenities and activities found below.

Chimera Arts

As Sonoma County’s own “maker space”, Chimera’s vision is to unite and empower the Sonoma County creative community. From welders to programmers, children to elders, Chimera Arts wants to provide a central accessible makerspace, where tools and technology can be shared, where people of all backgrounds can learn and have access to equipment, mentorship and resources.



Left and Right: Chimera Arts

²¹ US Census Nonemployer Statistics, 2013

²² The Press Democrat, *Sonoma County Proponents of Maker Movement Lauded at White House*, June 14th 2015

²³ Sonoma County EDB, *2015 Sonoma County Indicators*, p. 4,



From left: Share Space, SoCo Nexus, and Sebastopol Entrepreneurs Project sessions, including two introductory no-cost evaluation meetings. SEP also offers low-cost cowork space and holds regular free public educational classes and seminars covering a full range of business topics including marketing and sales, finance and accounting, legal and technology issues and learning how to thrive under the pressure of operating a business.

We believe that creating this collaborative space we will provide inspirational learning of practical skills, develop the arts culture in Sonoma County, keep our enterprising youth in Sonoma County, provide opportunities for outreach to under-served communities and act as an incubator for all kinds of innovative endeavors.

Santa Rosa Share Space

Let's face it, sometimes as a consultant or entrepreneur, you have to get out of the house and away from the piles of dishes and laundry. Coworking is a great way to focus, be productive and make new business connections. Founded in 2010, the Share Space Cowork and Local Economy Center is located in downtown Santa Rosa and features open coworking, dedicated desks, private offices, conference rooms and event space. For convenience, the Share Space is available hourly, daily or monthly and is welcoming to all professions, including consultants and the maker community.

Next door is the Made Local Marketplace, our shared retail space for North Bay artisans, makers, producers and manufacturers. The Marketplace functions as a retail incubator and facilitates business growth through our innovative North Bay Made program which helps entrepreneurs sell their products throughout the North Bay and beyond.

Sebastopol Entrepreneurs Project

Our mission is to support and grow local sustainable businesses by providing high-caliber individual advising

SEP offers low-cost office and shared work space, high-speed internet access, a conference room, on-site office equipment, a business mailing address for startup companies and a convenient kitchenette. These amenities can be rented by the day, week, or month depending on your specific usage needs.

SoCo Nexus

Our coworking space is ideal for people to grow and expand, just starting a business or looking to network with other entrepreneurs and innovators. SoCo Nexus is a broad reaching and fast-growing innovation community focused on empowering growth-oriented businesses and startups throughout the North Bay.

We are presently focused on four sectors of the North Bay business ecosystem: sustainable resources, medical technology, cloud-based technology, and manufacturing. At the same time, businesses at every stage of development and in any area of the economy are welcome and encouraged to join this exciting business community.

SpherePad

SpherePad (or SP for the cool kids) is an all-inclusive community of fresh like-minded, focused individuals who seek to create and inspire the world around them. With an array of members ranging from Attorneys to Tech Startups and a religious addiction to natural light, plants and open spaces across Pads, SpherePad creates the perfect environment to promote growth and long lasting connections.

SpherePad currently consists of four spaces – two in Santa Rosa and two more in beautiful North Beach in San Francisco. Stop by and experience the warmth for yourself in any (or all) of our unique locations!

WIMPspace

In the heart of downtown lies WIMPspace, a coworking and colearning space dedicated to supporting, connecting and educating members of the web and digital media industry. Those who rely on web technology in the daily operations of their businesses will also feel at home here. WIMPspace is a cozy and open space where all are welcome no matter what level of industry experience they have. It was built on the back of a larger community called WIMP, Web & Interactive Media Professionals.

Though the space is small, it's full of heart. When you become a member of WIMPspace you are connected to a community of over 1,000 people, over half of whom reside in the North Bay. We like to say "Cowork

by day. Colearn by night." While coworking hours are 9am to 6pm Monday through Friday, evenings and weekend are dedicated to all manners of collaborative learning. We host a variety of meetups that are always free to attend, classes, workshops and even full courses on web technology.

WORK Petaluma

Located in the heart of historic downtown Petaluma, we are a vibrant coworking facility offering convenient, flexible services to local businesses, entrepreneurs, freelancers, and telecommuters. With over 120 active members, WORK Petaluma is a hub for an eclectic and talented group of professionals.

Founded in 2012 by husband and wife team Matt Moller and Natasha Juliana, the couple set out to combine their extensive backgrounds in start-ups and architecture to design a coworking space that will make you *want* to go to work and a business that supports a triple bottom line. From swanky vintage furniture to lively Coffee Socials, our goal is to build a productive, enjoyable, and sustainable 21st century work life.

From left: SpherePad, WimpSpace and WORK Petaluma



Results: Survey of local coworkers

In spring 2015, the Sonoma County Economic Development Board surveyed 122 coworkers who utilize the local spaces to gain better insight into their experience. Our key findings are laid out below.

Coworking makes a significant contribution to our local economy. 50% of respondents make over \$60,000 per annum, and almost a third earn revenue in the range \$30,000-60,000. This is a preliminary indication of the impact that coworking spaces are having on the local economy. Capital is flowing through mobile workers, and business increasingly occurs in these entrepreneurial hubs.

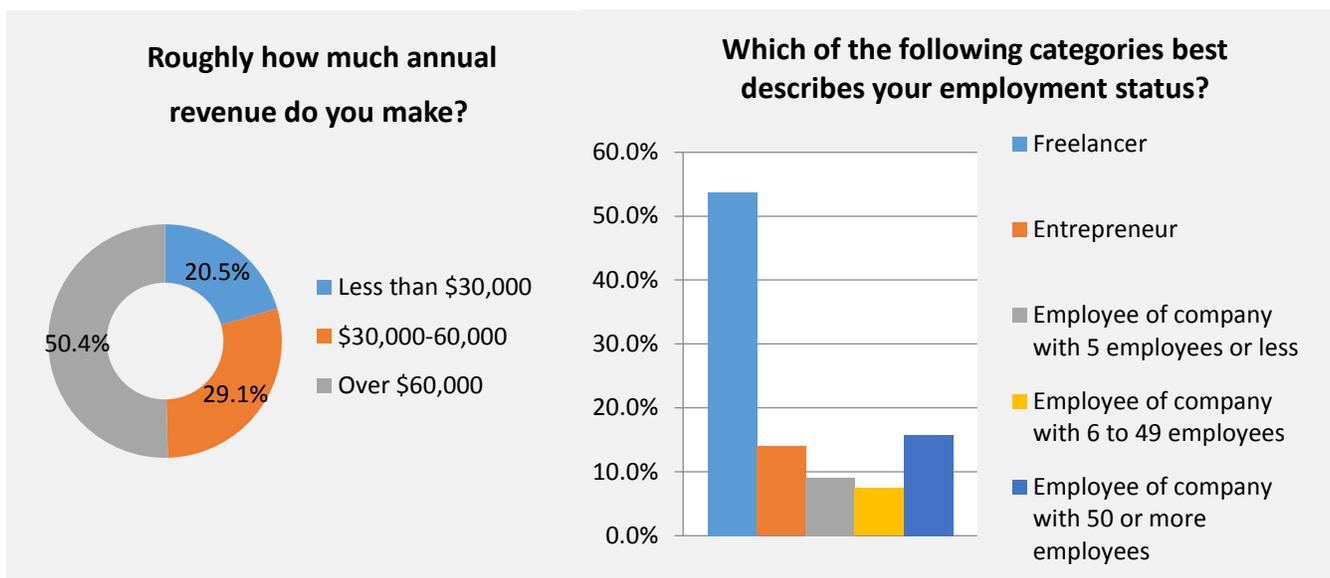
Due to the inclusive nature of the field, small businesses also have benefitted from this approach. The Sebastopol Entrepreneurs Project is dedicated to helping low-income enterprises. Coworking seems to have strengthened the entrepreneurial scene in Sonoma County, not simply through its approach to mobile work but by catering to all areas of the business community.

Coworking has had a positive impact on the local business community – and creates stability. 94% of the surveyed sample rate their experience as either “Extremely Good” or “Useful”, with the vast majority in the former category. Only 3% feel that their experience “Has not met expectations”.

Satisfaction translates directly to confidence in the field. With two thirds of respondents intending to stay for over two years at their current space, there is an established baseline for the coworking community in Sonoma County. There is a dynamic layer of 30% who plan to stay between 6-12 months, creating a flow of business people who might be seeking new opportunities at alternative coworking spaces.

Freelancers are leading the way. With 54% of coworkers describing themselves as freelancers, these spaces have become hubs for the ultimate entrepreneur.

However, there is also significant use from other categories of worker. This demonstrates that the coworking phenomenon has plenty to offer Sonoma County businesses across the spectrum – not limited only to small enterprise.



Coworking supports many industries. Respondents were split between more than 10 sectors, from Biotechnology to Engineer, Architecture & Design. This reflects the broad evolution of work toward a more mobile economy. As industries adapt to new demands from their employees, coworking spaces are able to provide more flexible, more inspirational work stations.

The top four sectors operating in Sonoma County coworking spaces are Computing & Electronics, Professional & Business Services, Education, and Publishing, Editing & Writing. Together, they comprise an aggregate 61% of coworkers. 30% of that cohort work in Computing & Electronics, which indicates a strong technology sector potentially fueled by proximity to San Francisco and other technology hubs.

Coworkers are primarily motivated by the professional benefits of these spaces. The top 5 reasons for choosing to work in a Sonoma County coworking space were due to professional advantages. Enhanced work conditions facilitate a better exchange of ideas and skills among colleagues at a better value for money.

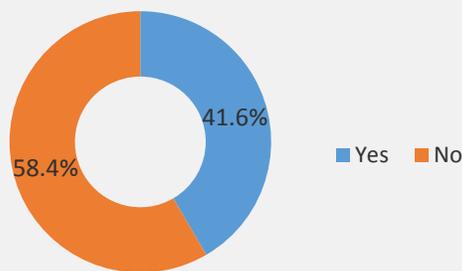
Nevertheless, there are also personal incentives to cowork. The emphasis on community is resounding, with almost one third of respondents citing the fun experience as one of their motivations for choosing a coworking space.

There is demand for growth – and people expect this will happen. The majority of coworkers in Sonoma County do not think that there is sufficient capacity for coworking needs in Sonoma County. A wider range of options is in demand, with requests for alternative membership deals and different amenities spread across other locations. Indeed 27% of coworkers believe that the features and benefits of existing coworking options are inadequate for their needs. However, this could in part be due to an awareness issue: many respondents were not aware of other spaces in Sonoma County besides their own.

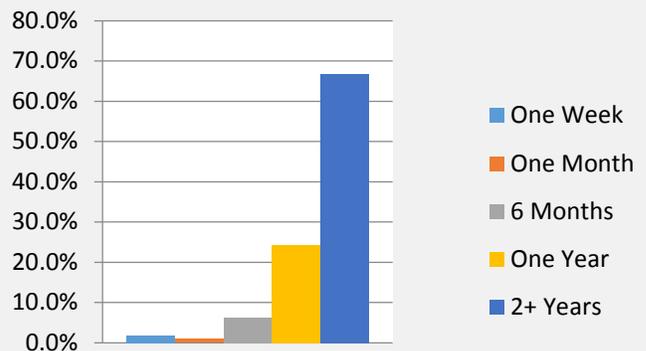
Over 90% of our sample believe that coworking is a growing trend in Sonoma County. Individual comments expressed hope for more spaces to accommodate the growing tech industry along with the wide array of other sectors that benefit from this new style of work.

Sonoma County coworkers are content, although they may like to see more options. Many respondents said they did not have any difficulty with coworking – and there was not a single complaint that was shared by more than a quarter of the survey sample. Issues do exist however, and this community seeks improvement in a number of areas. These range from parking issues to noise level in the spaces. One noteworthy observation was the “lack of coworking facilities close to home”.

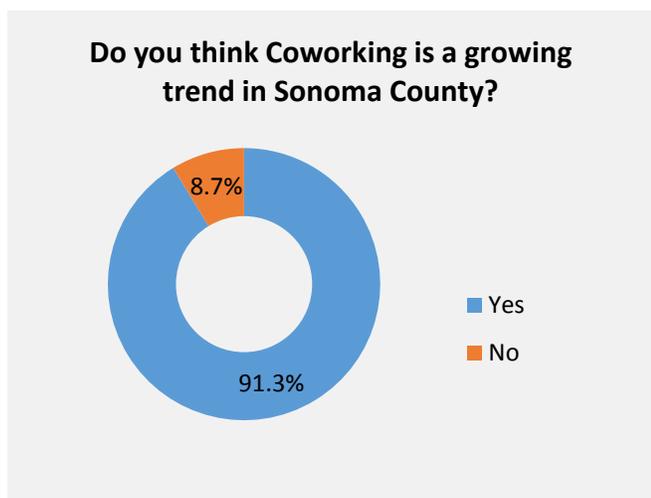
Are there enough different options and capacity for Coworking needs in Sonoma County?



How long do you intend to stay at this Coworking Space?



To fulfil this need, 53% of respondents indicated they would like more space for coworking in Sonoma County, and over 30% hope for more investment in coworking ventures. Answers suggest that users are committed to the economic value of coworking, seeking to professionalize the field further and expand resources for clients. The demand for these spaces alongside the desire for more business support suggests that they provide useful services to entrepreneurs and startups.



Results: Survey of local coworking spaces

In spring 2015, Sonoma County EDB surveyed five owners and managers of the local coworking spaces to understand the business climate. This included one not-for-profit, and the spaces ranged from recently established to operating longer than 2 years (a mature figure in this emerging field). The five trends below were revealed by the survey results

Coworking is a growing and profitable business model in Sonoma County. Four out of the five spaces we surveyed have expanded over the past two years. With no contractions, the field seems to be growing in Sonoma County, integrating well into our local economy.

Coworking spaces can provide either specialist hubs for specific sectors or, more often, broad bases of entrepreneurship for all industries. The surveyed spaces were split 4-to-1 in favor of multi-sector membership. Heterogeneous work spaces enable a balanced professional environment, and this inclusive approach introduces coworkers to new styles of work.

Nevertheless, specialized outfits play an important role. One of our surveyed spaces focuses on a narrow

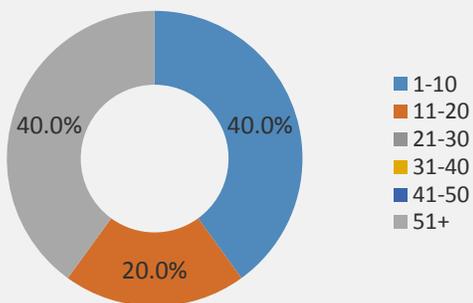
range of sectors, building a strong local nexus in this field.

The most important selection criterion for collaborative spaces is that the member shows enthusiasm for coworking. This willingness to participate fuels a culture of cooperation, openness and success.

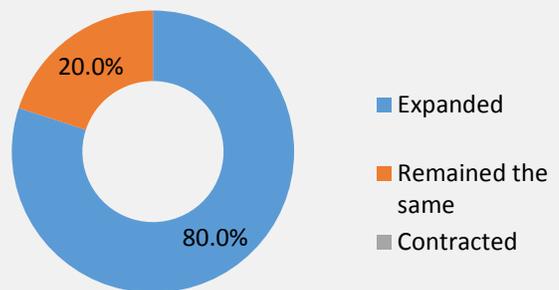
There are a wide range of promotional tools for the coworking field, as they embrace new technologies and old tricks. Coworking spaces have a fairly standard approach to member recruitment, although targeted campaigns are avoided, reflecting their broad appeal to all business disciplines. The most popular methods include social media and word of mouth, both relying on a more personal medium to appeal to potential clients.

Coworking spaces face a number of business challenges, which require support in order for them to grow. Poor access to capital and challenges with marketing may threaten the growth and vitality of coworking in Sonoma County. The array of issues reflects that this is an emerging business model, and the potential might be mitigated without necessary attention in certain areas. One respondent commented, “We are a non-profit and struggle with capital to expand to meet demand in regards of space and staff”.

How many clients currently use your Coworking Space?

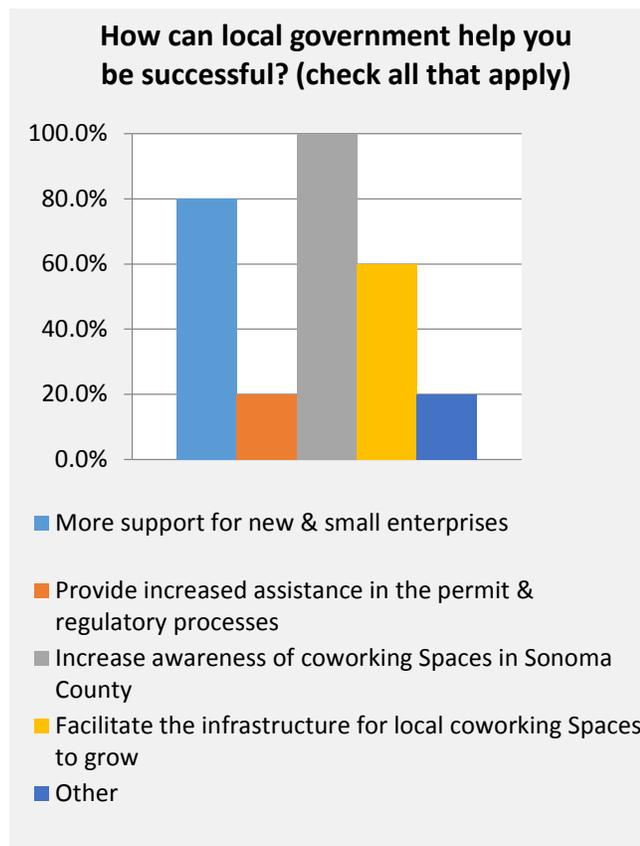


Over the past 2 years, how has your business changed?



Local government could partner to help coworking spaces succeed. The challenges that face coworking in Sonoma County can be addressed, at least in part, with the support of the public sector. All surveyed spaces prioritized marketing as an area for government support, and most spaces would like to see more local government support for emerging businesses.

Coworking infrastructure ranges from physical space and technological resources (such as Wi-Fi and video conference capability) to a professional culture that supports the collaborative community. Alliances often help embed coworking spaces into the local economy and foster a strong entrepreneurial spirit across these institutions.



Looking Ahead

Coworking in Sonoma County offers several opportunities to the local economy. From freelancers to large businesses, there is significant growth potential within this movement. There are four areas of focus on which may provide benefit for our community: promotion, customized services, internal coordination and insight into the movement. These different spheres overlap and mutually reinforce each other to efficiently improve coworking in Sonoma County.

As the collaborative work scene grows, Sonoma County has advantages that can draw increasing demand, with an excellent quality of life that entices many people out of urban clusters such as San Francisco and Silicon Valley. Joining the global movement is important to raise our profile. By encouraging local coworking spaces to participate in important events, such as International Coworking Day, we can demonstrate our strong culture of collaborative working.

Local providers of entrepreneur and business development resources can directly target coworking users and operators with business support. This will attract outside talent into Sonoma County and retain more home-grown entrepreneurs. The Economic Development Board and the Small Business Development Center can coordinate to provide workshops for local freelancers to highlight the benefits coworking spaces offer.

The burst of growth for the local movement requires careful coordination across its constituent parts. Initial efforts of the EDB to support the newly-developed Coworking Alliance of Sonoma County would help the organization become a vehicle for innovation among coworking spaces, facilitate shared solutions and serve as a focal point for industry discussions. It may also be of value to create a Freelancer Forum, which would acknowledge the sizeable role that freelancers play in the local coworking movement, and also the economic value of such independent entrepreneurs. This Forum

could help consolidate an otherwise disparate group of individuals who have the potential to improve local business across different sectors.

Insight into the movement may help coworkers and coworking operators alike, providing information about the status of coworking in the local economy. The Economic Development Board could author an Annual Report designed to build on the surveying methods used for this report and tracks changes and trends in Sonoma County's coworking community. This will help investors and clients respond to the market, enabling informed decisions.

Sonoma County is well-positioned for success as the global economy shifts into a new age of on-demand services. Our community can demonstrate its commitment to entrepreneurship by embracing coworking spaces and the freelancers that use them. If we integrate them into the fabric of our local economy, our prosperity will grow with theirs.

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Coworking Alliance of Sonoma County

www.coworksonoma.org/spaces

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www.chimeraarts.org

Santa Rosa Share Space

www.shareexchange.coop/santa-rosa.html

Sebastopol Entrepreneurs Project

www.sepyes.org

SoCo Nexus

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Spherepad

www.spherepad.co/downtown-santa-rosa

WIMPspace

www.wimpspace.com

WORK Petaluma

www.workpetaluma.com

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