

Your space, my office

Flexible office spaces are gaining ground owing to growing demand

BY SHARMISTA CHAUDHURY

When Snigdha Rao set out to set up an office for her venture management company in Bangalore, she thought she was going to have a tough time finding one. She did not like the idea of working from home, neither did she want to take the trouble of leasing a space and furnishing it. "I did not want the headache of maintaining the office and handling housekeeping staff," she says.

To her surprise, Rao had no problem finding the right fit, thanks to the booming idea of flexible office space.

"This feels like any professional office, and all I need to do is come in and use the amenities provided," she says. She can meet clients and show them presentations in the peace of an office environment, but without spending a fortune on setting up one. "I would have had to pay 50 per cent more if I had rented a space all by itself," she says.

With businesses becoming more mobile, there is now a growing need for spaces that provide the amenities of an office without the permanence. Especially in the times of uncertainty, when the tide can change anytime for

businesses, a flexible space gives a company an office without a long-term commitment.

These spaces have become a hit among entrepreneurs and start-ups as they spare them the worries about overhead costs and capital investments at an early stage of business. Arunava Bajpai of the management consultancy Econstra says the arrangement is hassle-free and it helps having an office at a prominent address. "In the eastern culture it is necessary to have an office space. If you do not have a brick and mortar office, they will think you are a fraud," he says.



Smart options: Stylus offers flexi offices in Mumbai and Bangalore; (left) Apeejay Business Centre in Hyderabad

For Stylus, another space provider, the mix is a bit different as it targets small and medium enterprises, especially from the IT sector. It has clients also from the pharma and entertainment sectors. According to a spokesperson for the company, businesses working out of homes or garages are shifting to serviced office spaces as it enhances their professional reputation.

The key word, however, is flexibility. "The facilities and services ensure smooth functioning of the office. Flexibility in space allows them to upsize or downsize as and when required. Duration of arrangements ranges from one month to 11 months with easy renewal options. Compare this with a traditional office with a specific plan," says Kakkar. And there are significant savings, as the model follows the pay-per-use method. "Shared and centrally managed IT infrastructure, secretarial services and conference facilities can result in significant cost reductions," says

Interestingly, both traditional and new-age businesses are open to the idea of flexible office. Says Renu Kakkar of Apeejay Business Centre, a space provider: "We have hosted many MNCs across all our locations in India with 50 to 70 clients signing up annually. It is a mixture of IT, automobile and steel companies; there is no specific sector."

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Santhosh Kumar, CEO (operations) of Jones Lang LaSalle India, a real estate services firm.

These offices, however, might not be that helpful if you want to create a brand. "Serviced office spaces do not offer scope for customisation and a visible company branding like leased or owned office spaces do. Also, they obviously do not count as a company's assets," says Kumar.

While the last year saw a decline in the demand for commercial office space, flexible office spaces were sought after. "The growth and demand have been encouraging and professionals, with time, are realising its importance. Big corporates and business houses are now adopting the concept of flexible working which in itself shows the increasing demand," says Madhusudan Thakur, regional vice-president (south Asia) of Regus, an office space provider which has been in the business since 2005.

It is, however, not easy to keep up with the varying demands of the fast growing, yet evolving, sector. "An earlier trend was an independent office with a private office for the manager," says Kakkar. "The scenario has changed due to the market conditions. Currently, there is high demand for a single office desk or four workstation desks or for a shared office concept, which is more feasible and cost effective." ●