**GROUP CONSULTANCY REPORT**

**Executive summary**

The below topic leads to demonstrated knowledge regarding the business model involved by WeWork, and the effective background of the company. Instruction that helps the company and reader that what models need to be changed and what new models should be implemented by the company to gain more customers and perform better in a global world.

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# Introduction

WeWork is a company that provides people with coworking space including virtual and physical shared spaces. The below topic aims to provide a change in the business model used by WeWork and also analyse its importance. A short description of WeWork will be provided with its current used business model. The importance of change in the business model and the changes will also be elaborated on in the below topics. The report will help readers to know about the important business model that can be helpful for WeWork.

# About WeWork

WeWork is a company that provides people with hybrid solutions and also does the groundwork for solving the faced problem including shared workplaces, traditional offices and office suites. The WeWork business was **founded in 2010 in New York** and provides a solution to small-scale organisation and entrepreneurs. The company is distributed globally and has its faces in different states and countries. WeWork is almost in **700 different locations globally** with the different **150 cities and 38 countries**. The company mainly aims to provide its customer with a co-working space for different meetings arrangement and different tasks (WeWork, 2023).

# Current business model

The company uses different types of business models which help it to develop its standing and working efficiency of the company, such as

***Co-Working space provider:*** WeWork lease or owns commercial properties and convert them into shared workshops, providing individual or group office space for business, entrepreneurs and freelancers on a membership basis (WeWork, 2022). Members have asses to various amenities, such as office furniture, meeting rooms, internet facilities and community events.

***Membership-based revenue:*** WeWork generated its revenue by providing membership to others and the charges are taken from them. Members have different options to choose different plans, such as hot desks, and shared workspaces on a first come first served basis. Membership plans have different differential desk priorities such as a dedicated desk or private office with various pricing tires based on location, amenities and services.

***Flexible Lease Agreement:*** WeWork typically signs long-term leases with property owners but provides short-term lease agreements to its members providing them with the flexibility to scale their office space up or down based on their needs. This allows WeWork to benefit from the difference between its long-term lease obligations and short-term membership fees.

***Value-added services:*** WeWork offers additional services such as IT support, event space rental, office supplies and business consulting which also generate additional revenue streams for the company. WeWork also partners with various companies to provide discounts and benefits to its members, enhancing the overall value proportion of its membership (Arenas *et al.,* 2019).

***Global Expansion Strategies:*** WeWork has adopted aggressive global expansion strategies expanding its footprints in major cities around the world. This allows WeWork to attract multinational corporations, startups and remote workers and leverage its global presence to generate revenue from the diverse market.

***Branding and community building:*** WeWork focuses on building a strong brand image and fostering a sense of community among its members. This is achieved through community events networking opportunities and online platforms that help to connect members across different locations. The strong brand and community help attract and retain members, driving recurring revenue.

***Technology Interaction:*** WeWork leverages technologies to enhance its operations, members' experiences and data-driven decision-making. This includes providing a digital platform for membership management, facility access and community engagement, as well as utilizing data analysis analytics for optimizing space utilization and members' satisfaction (Bouncken and Tiberius, 2023).

All the business model is currently used by WeWork and provides better services to its users with better experiences.

# Importance of changes in the business model of WeWork

WeWork needs to implement change in its business model like other competitors which will help it to address various challenges, capitalize on opportunities and ensure its long-term sustainability, the reason implements the importance of changing in WeWork's business model is

***Competitive Landscape:*** The coworking industry has become highly competitive with new players entering the market and existing customers expanding their offerings. To maintain a competitive edge, WeWork may need to adapt its business model to differentiate itself provide a unique value proposition and stay ahead of the competition (Cheah and Ho, 2019).

Market demand and members' preferences: it can change over time as WeWork may need to evolve this target market and business model to align a better market that is targeted. For example, if there is a growing demand of growing for specific types of workshops and services. WeWork may need to adjust its offering according to to meet its demand.

***Financial stability:*** WeWork has already faced financial challenges in the past, including high lease obligations and needs to reevaluate its business model to ensure financial stability. This may involve optimizing lease agreements, managing operational costs, and improving revenue streams to achieve profitability and long-term financial stability.

***Changing work pattern:*** After COVID-19 different business has improved their business patterns and promoted more online business and hybrid work models. WeWork needs to accept the business model and cater to the changing work pattern and performance of its members, such as offering more flexible membership plans remote work options and virtual services.

***Diversification and expansion opportunities:*** WeWork may explore diversification and expansion opportunities to tap into new markets and industries. This may involve expanding beyond traditional office spaces to offer specialized coworking spaces for specific industries or vertices or exploring partnerships with others to expand its service offering and revenue streams.

***Technology and innovation:*** technologies lead to evolving rapidly and WeWork may need to incorporate new technologies and innovation into its business model to enhance members' experiences, optimise operations and stay relevant in a rapidly changing business landscape. This may include leveraging technologies such as artificial intelligence, the Internet of Things and virtual reality to create innovatively and differentiated offerings (Kraus *et al.,* 2022).

***Sustainability and ESG consideration:*** Environmental, social and governance considerations are gaining importance in the business world and WeWork may need to incorporate sustainability practices into its business world and WeWork may need to incorporate sustainability practices into its business model. This may involve adopting sustainable building practices, incorporating renewable energy sources promoting social responsibility and incorporating ESG metrics into its operations and reporting.

***Members' retention and satisfaction:*** Members' satisfaction and retention are critical to the success of WeWork’s business model. Addressing feedback from members improving customer experiences and enhancing members' satisfaction can lead to higher retention rates and increased referrals. WeWork may need to continually evaluate and adjust the business model to ensure member retention and satisfaction.

# Recommended changes to the company business model Canvas

| **Key Partners** | **Value Proportion** | **Cost structure** |
| --- | --- | --- |
| **Commercial partner:**   * Landlord * Owners * Referral partner | **Core offerings:**   * Dedicated spaces * Open working spaces * On-demand membership | * Location operation expenses. * Direct cost * Local team cost * Direct corp, overheads |
| **Technical partners:**   * Engineers, architects, decorators and designers | **Enterprise offering:**   * Custom build-outs * Headquarters | * Another operating cost * Sales and marketing cost * Growth and new market development * Pre-opening cost |
| **3rd party provider:**   * Food, lifestyle * Technology * Business service * Education | **VP to business:**   * Flexibility * Focus on business * Low barriers to entry * Talent attracts | **Customer relationship:**   * Social media * Support team * Dedicated customer * Team * Marketing and sales |
| **Revenue Streams**   * Software * Membership * Collaboration * Events and rentals | **Channels:**   * Branding * Teams * Loyal customers * Sales and Marketing | **Customer Segment:**   * Individual * Newly formed businesses * Organisation |

The above business model Canvas includes different segmentation of customer and channels with its key partner, value proportion and cost structured by WeWork. Relationship of the customer indicated by the business to form direct channels for the branding of sales and marketing in WeWork. More customer support and indication and diversification of expansion opportunities to tap into new markets and industries.

# Justification of any recommended changes to the business model

Based on various challenges in the industry that is undertaken by WeWork, the company needs to evaluate and make changes to the business model which can help customer to involve with different customer facility.

***Diversity revenue streams:*** WeWork can explore diversifying its revenue stream beyond traditional co-working membership. This could include offering additional services such as virtual office solutions, event space rentals, and business consulting or even partnering with other companies, to provide specialized services to its members. This would help WeWork generate new sources of revenue and reduce reliance on membership fees alone.

***Flexible Lease Agreement:*** WeWork could consider offering more flexible lease agreements to its members to meet their changing needs. This could include shorter-term leases, flexible expansion or contraction options and even offering pay-as-you facilities to the customers. This would provide an increase in flexibility to members and attract businesses with varying workspace requirements.

***Focus on profitability:*** WeWork may need to prioritize profitability over rapid expansion. This could involve optimizing its existing portfolio of properties, renegotiating lease terms to reduce cost and implementing cost control measures. WeWork should also ensure that its pricing strategy aligns with market demand and takes into consideration local market conditions to avoid overpricing and improve profitability.

***Enhance health and safety measures:*** In the post-pandemic world health and safety have become a critical consideration for office space providers. WeWork could invest in implementing robust health and safety measures, such as improved air filtration systems, increased cleaning protocols and touchless technologies to ensure a safe and healthy work environment for its members. This will help to restore confidence among the members and attract new customers.

***Strengthen Brand and Community:*** WeWork should focus on rebuilding its brand and fostering a strong sense of community among its members. This could involve organising more community events, networking opportunities and industry-specific programmes to encourage collaboration and engagement among members. By cultivating a vibrant and supportive community WeWork can differentiate itself from competitors and attract members who value the community aspect of co-working.

***Embrace Technology:*** WeWork should continue to leverage technologies to optimize its operation and enhance members' experience. This could include investing in user-friendly digital platforms for membership management facility access and community engagement. Additionally, data analytics could be used by the company to gain insists into space utilization, members' preferences and market trends, enabling data-driven, decision-making for business strategy and growth.

***Sustainable real estate strategies:*** WeWork could consider adopting sustainable real estate’s technologies such as green buildings, certification, energy-efficient technology, and waste reduction measures. This would not only contribute to the environment but also appeal to environmentally conscious businesses and members potentially attracting them to choose WeWork as their workspace provider.

# Conclusion

The above topic concludes that WeWork needs to have various changes and include different patterns that can be incorporated for its better performance and involvement of different candidates. WeWork also leads to developing its technologies which help it to work more effectively with its customer acquisition and involve different patterned and engagement enforcement. Involving different functionality that can be inducted in the different panels and also has laid to improvise different associations and involvement of faces. More coworking spaces can be formed with better technological implementation.

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