

MGT1022– Lean Startup Management

J Component Report

A project report on

WorkCafe - A workspace based Startup model

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BACHELOR OF TECHNOLOGY

IN

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Submitted to

Saju B

VIT Business School

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DECLARATION BY THE CANDIDATE

We hereby declare that the report titled “**WorkCafe - A workspace based Startup model**” submitted to VIT Chennai is a record of bona-fide work undertaken by us under the supervision of **Saju B, Associate Professor Senior, VIT-BS, Vellore Institute of Technology, Chennai.**

ACKNOWLEDGEMENT

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We thank our parents, family, and friends for bearing with us throughout the course of our project and for the opportunity they provided us in undergoing this course in such a prestigious institution.

BONAFIDE CERTIFICATE

Certified that this project report entitled “**WorkCafe - A workspace based Startup model**” is a bona-fide work of us who carried out the “J”-Project work under my supervision and guidance for MGT-1022 Lean Startup Management

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Chapter 1: Opportunity identification

We researched the evolution of work and the workplace throughout India's history, beginning in the pre-colonial era and ending in the present. Focused, comprehensive information that specifically addresses the socio-cultural and economic factors that have defined and influenced the Indian workplace is not easily available. In response, we designed this study to begin mapping the changing Indian workplace. We relied on published third-party research, interviews, questionnaires with service sector industry leaders, workplace observations, and focus groups. Our research focused on shifts in demography, workforce, trade and commerce, politics, urban infrastructure, and technology.

Workplace design has a significant effect on employee performance and engagement. There is a growing realization, presently, that a maturing, global Indian workforce needs a workplace that speaks to its ethos and mores. As designers, we must respect this "Indianness" and reflect it sensitively and appropriately. What works elsewhere in the world may not work with the same degree of effectiveness in India.

The challenge in India is for both architects and corporations to recognize its rich cultural history, vast landscape, and how its evolution of work impacts the modern workforce. To understand how to improve workplace design in India, business owners, architects, and designers need to be informed by a deep understanding of workplace evolution, through time, as well as the forces that affected that evolution.

With the gradual shift to knowledge-based work, keeping employees engaged and motivated is the imperative Indian businesses and workplaces must face today. Employee engagement and satisfaction are affected by a variety of factors—and a workplace that speaks to one's culture is essential. Employees view their workspaces as a symbol of whether or not they are valued by their employers. Workplaces must respond to India's uniqueness and reflect solutions that come from within, celebrating cultural differences and identity.

Consumer analysis:

Consumer analysis is the process where information about the consumer is found out from market research like the needs of the consumer, the target market and the relevant demographics so that this information can be used in market segmentation for further steps of market research. It is very useful in predicting consumer behavior. Analyzing consumers is a very important aspect of market research.

This analysis will determine your marketing strategy by identifying your customer base and ascertaining their needs, something which helps you develop your product or service in a way that specifically meets or exceeds those needs. Customer analysis can also be used to draw new customers, and understand the current customer base in a better way. All of the information about customers can help you increase your sales, develop your customer loyalty and expand your business.

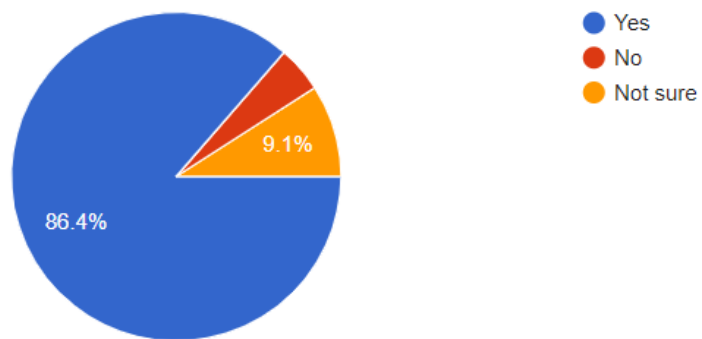
For our startup, we circulated a google form in which we got 50 responses. Out of them, 16 were working individuals. Out of working individuals, more than 30% are freelancers or solopreneurs. Some work with a small team and some work in a large company. Out of 50 responses, 23 said that they are willing to start their own startup in future.

Many of our respondents agreed that they and their employees will be able to work more productively together in an office-like environment, but don't have enough capital to spend on a rented building, or are unwilling to take the risk to rent it for a whole year. Also, the respondents showed a positive response when asked about the price they are willing to pay if they are given the facilities like free Wi-Fi, water, office like working environment, etc.

The number of entrepreneurs in India is going to increase significantly due to the presence of a large number of youth and growing awareness. Many people showed interest in starting their own startup in the future. But, lack of funds is one of the most common reasons for failure of a startup. Working together is important to increase productivity and to create professionalism. In the initial phase of a startup, instead of renting office space for their work, if a team uses a work-café, it can benefit them in their crucial phase.

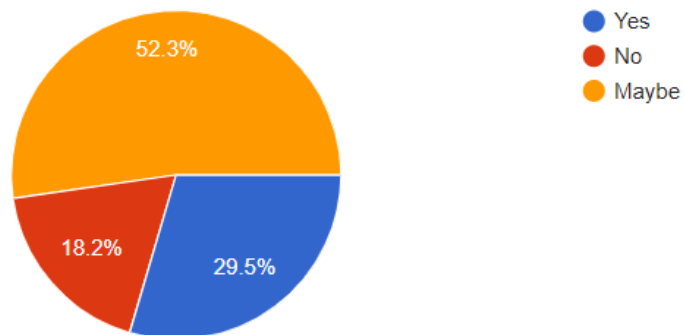
Will your productivity increase if you and / or your employees are able to work together in a office like environment?

44 responses



Can your startup afford to rent office space for your team on monthly/yearly basis?

44 responses



Chapter 2: Environment Scanning- Market conditions, Market sizing, Industry scanning, Technology trends

Flexible Workspace Market is growing at a faster pace with substantial growth rates over the last few years and is estimated that the market will grow significantly in the forecasted period i.e. 2020 to 2027

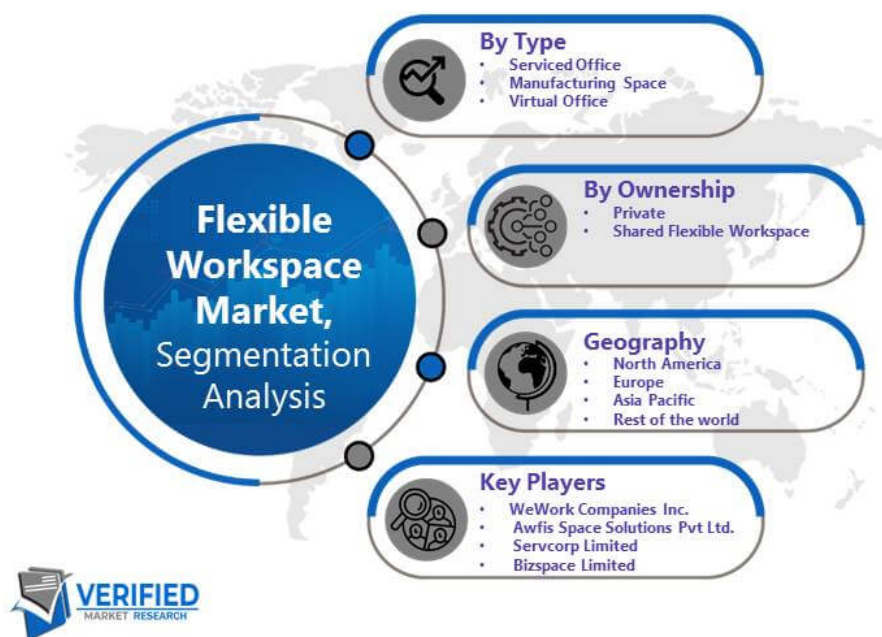
The Global Flexible Workspace Market is projected to increase due to increasing adoption and popularity by various advertising and media agencies, technology companies, and startups which are prime factors responsible to enhance this workspace market. The Global Flexible Workspace Market report provides a holistic evaluation of the market. The report offers a comprehensive analysis of key segments, trends, drivers, restraints, competitive landscape, and factors that are playing a substantial role in the market.

There are many ways to design a workplace. Companies are investing more and more in creating custom branded and interesting places. Technology continues to increase mobility and flexibility in the way employees work and offices should be designed accordingly. Thus, by creating a flexible and fluid workplace, investors can utilize each square foot in the office, and also, the productivity of the employee can be increased.

Since constant virtual connectivity is provided by mobile, tablets, and laptops, has diminished the need for face-to-face interactions at work. The flexible design also shows the impact on an individual to work independently and be more productive. As worker's comfort directly affects operational efficiency such as job satisfaction, productivity, and retention. A flexible workplace allows employees to be mobile, and comfortable and also they can switch up their surroundings.

The flexible workplace can also minimize the cost, if the company is growing and has a lot of part-time or adopt alternative work policies like hot-desking, and hoteling, in addition to incorporating communal areas and multi-use furniture, this can maximize spatial efficiency and also cut the costs. Various types of flexible workplaces are Collaborative Workspace, Serviced Office, Manufacturing spaces and Virtual Office.

The Global Flexible Workspace Market is segmented based on Type, Ownership, And Geography.



1. By Type

Based on Type, the market is bifurcated into Collaborative Workspace (Co-working, Hot-Desk, Touchdown Space), Serviced Office, Manufacturing Space, Virtual Office. The Collaborative Workspace segment held the largest market share. The factors can be attributed to the ease of operation and cost reduction factors.

2. By Ownership

Based on Ownership, the market is bifurcated into Private and Shared Flexible Workspace. The Shared Flexible Workspace segment held the largest market share. The factors can be attributed to the wide applications associated with Shared Flexible Workspace such as cost reduction and ease operation.

3. By Geography

On the basis of regional analysis, the Global Flexible Workspace Market is classified into North America, Europe, Asia Pacific, and Rest of the world. The largest share in the market will be dominated by North America. due to the occurrence of modern infrastructural capabilities and the presence of several top-notch corporate houses in the region. Also, there is a tendency between the Americans to adopt the latest technologies rapidly.

Key Players in Flexible Workspace Market

The “Global Flexible Workspace Market” study report will provide a valuable insight with an emphasis on the global market including some of the major players such as WeWork Companies Inc., Awfis Space Solutions Pvt Ltd., Servcorp Limited, Bizspace Limited, IWG plc., Garage Society, The Great Room Offices, and many more.

Our market analysis also entails a section solely dedicated to such major players wherein our analysts provide an insight into the financial statements of all the major players, along with its product benchmarking and SWOT analysis. The competitive landscape section also includes key development strategies, market share and market ranking analysis of the above-mentioned players globally.

Market Condition

In 2021, the Global Coworking Spaces Market’s size was valued at USD 8.25 billion and is estimated to reach USD 15.48 billion by 2028 and is expected to be growing at a CAGR of 4.9 % throughout the forecast period. In this report, 2021 has been taken as the base year while 2020 is the historical year. The forecast year for the report is 2028 to approximate the size of the market for Coworking Spaces.

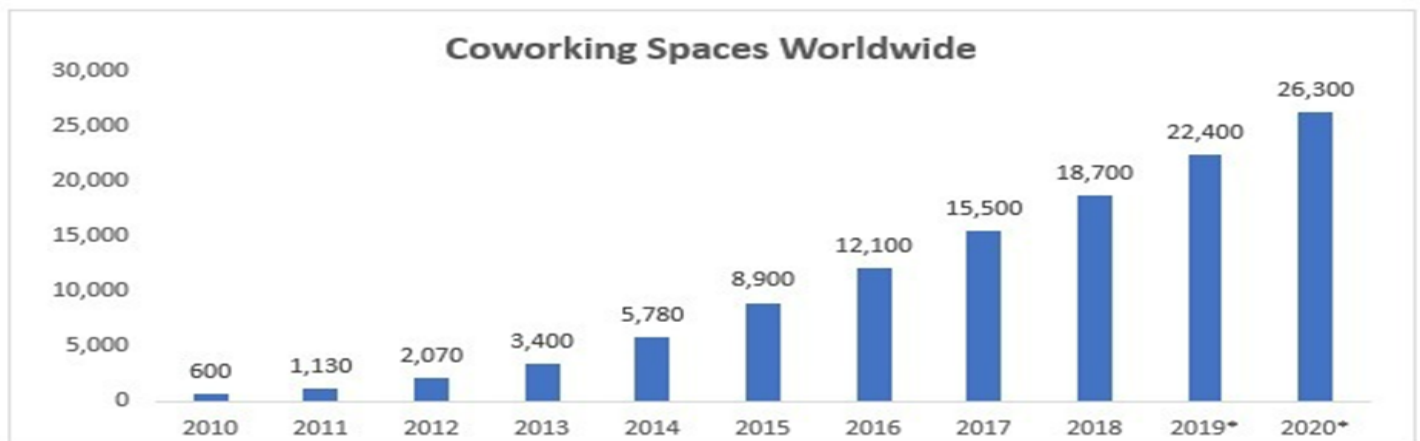
Icon Market Research’s report on Coworking Spaces studies the past and current opportunities of growth and trends to get a clear picture of the growth indicators of the market for the forecast period 2021 to 2028. The report also offers the revenue generated by the Coworking Spaces market considering 2020 as the historical year, 2021 as the base year, and 2028 as the forecast year. The report also consists of the compound annual growth rate (CAGR) for the Coworking Spaces market over the forecast period.

The study of the report divides it into several sub-segments and represents the whole manufacturing and construction industry. An estimation of the revenue generated by the entire manufacturing and construction industry and its sub-segments are also provided in the report. It decides the factors that affect the demand of the manufacturing and construction industry rapidly, including methods of development, growth networks, and the product model. The report also points out the greatest prospects for the growth of the manufacturing and construction market such as forecasting the growth of the market, the launch of new goods, and analysis of the product demand, purchase decisions, several economic factors that are important to determine the trend of Coworking Spaces market, and the attractiveness of the market. The report on the Coworking Spaces market will help in assisting the stakeholders in identifying high-potential customers, such as distributors and manufacturers.

Chapter 3: Startup's vision and Customer Value Proposition

Our coworking space offers our members a collaborative, engaging work environment that shares resources and ideas. We will provide consulting services to businesses looking to bring fresh ideas to their branding, marketing and workflow

- The necessities of the present coworking space make it perhaps the biggest cost our juvenile startup will confront. Furniture, stylistic theme, innovation, fixes and support, tidying these costs add up rapidly and can place a genuine imprint in your functioning capital.
- However, with coworking spaces, everything is dealt with. A group can stroll in, track down a spot to accumulate, take care of their responsibilities, and leave. For a low month to month expense that is significantly short of what you would pay assuming you kept up with your own office.
- At the point when you gauge the advantages of coworking space against the advantages of purchasing and working your own office, you'll rapidly see that a coworking space checks out.
- In a coworking space, there will never be any lack of motivation. You're generally encircled by novel people with new and inventive thoughts. Start up a discussion in the cafe or a table with an independent coder, essayist, or business person, and you're probably going to track down perspectives that you hadn't considered previously.
- Reducing loneliness is now a core value proposition of coworking spaces

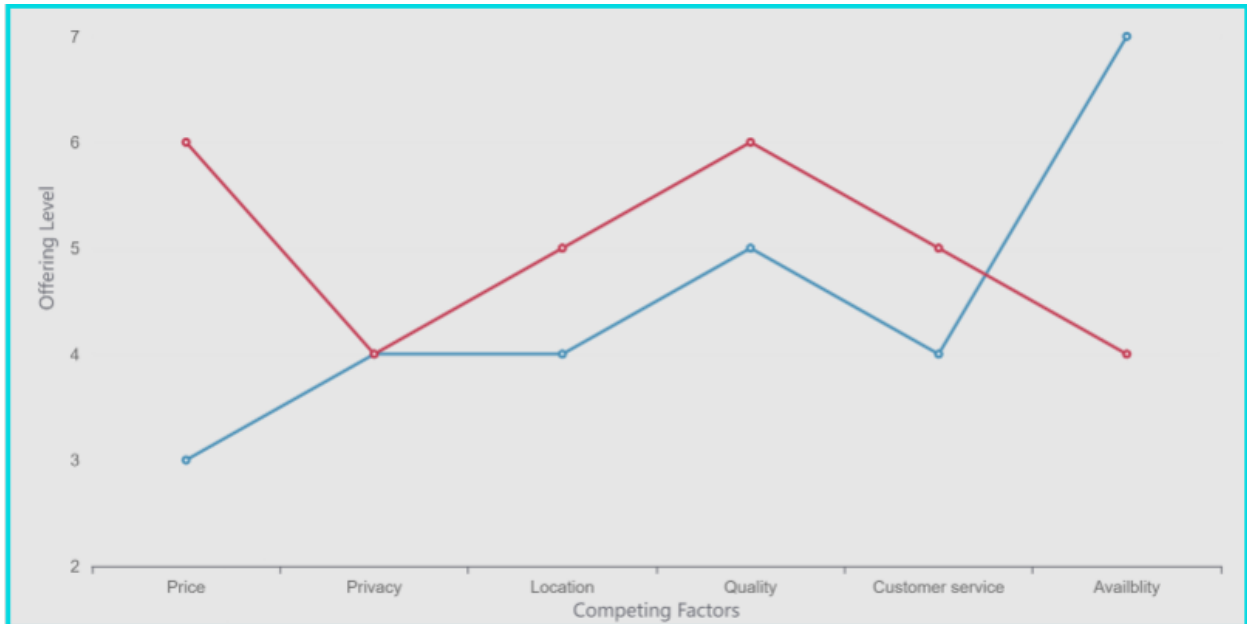


Source: Statista (*- forecasted figures)

- As shown in the graph the Coworking spaces are rapidly increasing in a year and it also helps them to improve their value proposition. It creates a new perspective, establishes a climate that encourages development and ideation. In this present reality where the main consistency is change, it helps our clients foster innovative ideas that put them in front of the current, ensuring they are leading the competition.

Chapter 4: Blue Ocean Value Curves

Blue Ocean Curve: The Value Curve, from Blue Ocean Strategy, has two purposes. Firstly, it shows the current competitive landscape in the marketplace as it exists today. This information allows you to see where competitors are heavily investing and how different products are being positioned to customers.



Red oceans are all the industries in existence today – the known market space, where industry boundaries are defined and companies try to outperform their rivals to grab a greater share of the existing market. Cutthroat competition turns the ocean bloody red. Hence, the term ‘red’ oceans.

Blue oceans denote all the industries not in existence today – the unknown market space, unexplored and untainted by competition. Like the ‘blue’ ocean, it is vast, deep and powerful –in terms of opportunity and profitable growth.

Factors:

1. Pricing:

Current global workspace providers like WeWork offer their services ranging from 30000. But our startup aims to provide Workspace for 17000 per month. WeWork can be considerably expensive as compared to local coworking spaces. Since it is a global chain, they have higher operating costs as compared to local coworking spaces. This can make the user feel less cheaper compared to other work space

providers present in India. This also has a predative pulling effect where one user may also recommend his friends or colleagues who also can become a regular user from then.

2. Privacy:

If you are availing a hot desk or flexible seating at WeWork, it can sometimes feel like a lack of privacy since the WeWork offices are huge with many members working together. Compared to that aspect of our startup with the help of cafe owners or investors we can have a partition door separating each user so that privacy can be achieved.

3. Location:

Since the competitor Work space providers has been established quite a while ago they are quite established in main metropolitan cities in India and have a quite a good hold in the market. In this aspect these Work space providers have an edge over our startup but after getting sufficient funds and prior experiences from investors we can expand our business by opening workspaces in cafes, etc.. Locationally, they are mostly situated in the best of areas in a city where there is good transport connectivity, surrounded by great restaurants to assist in great client meetings and business lunches or dinners.

Customer Service, Availability, Quality:

With a know-how of having successful coworking spaces in several countries globally, WeWork has mastered the dynamics of providing you with the most comfortable yet productive coworking offices. They are already aware of what works and have a smooth onboarding process, a well designed office space, conducting regular events to engage their members, etc. Using the same strategy our startup also aims to capture the market. By selecting our work space providers, there is the assurance of a certain level of service that you can expect at such spaces. There are lesser uncertainties and shocks awaiting you. Even WeWork ensures that you achieve maximum productivity because of smooth onboarding, established process flows for reducing time waste, etc. This also helps in networking with global or international diaspora. Having a 24*7 customer service helps the users in accessing the workspaces.

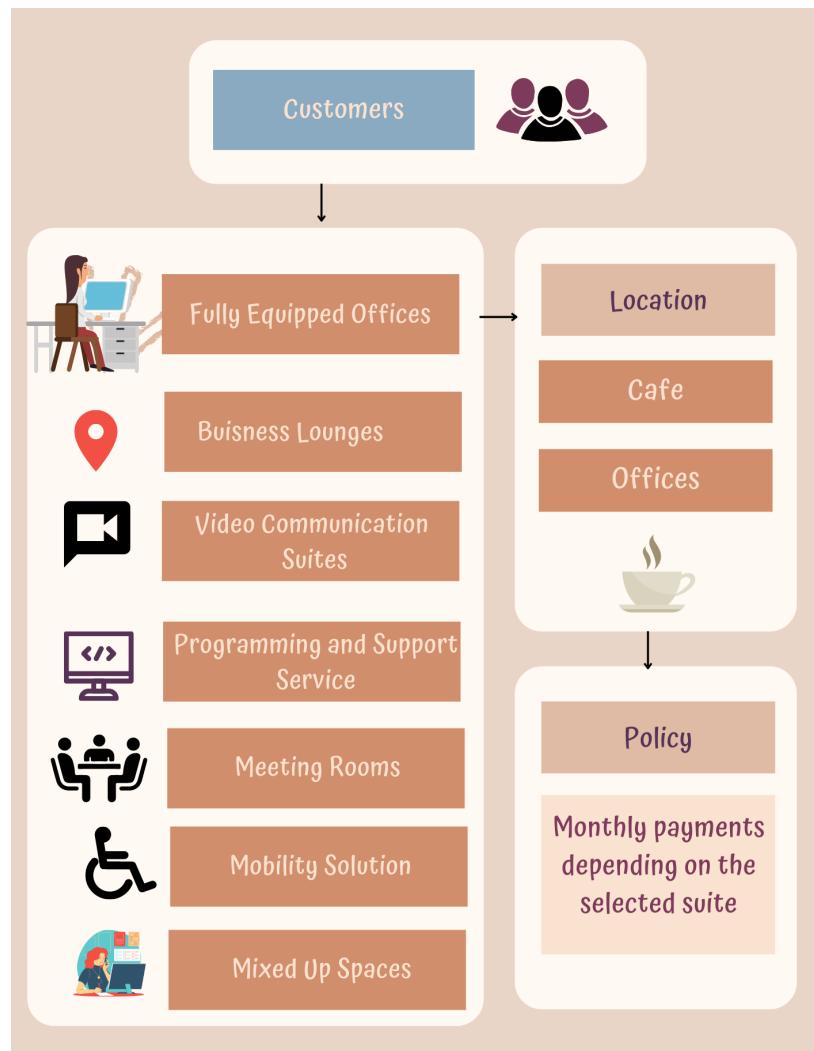
Chapter 5: Minimum Viable Product and Lean Model

NA

Chapter 6: Experiments - Model and MVP Refinement

NA

Chapter 7: Design of Product /service



Services Provided:

1. Open Workspace Layout

This contemporary office layout encourages teamwork and innovation. It has a physical (and psychological) openness about it, rather than the alienating cubicles and dreary office vibe. The open ceilings lend volume to the area, while the glass fronts let more natural light into the office. There's plenty of room for flexibility, and the layout avoids being too crowded. Employees do not bump into each other in an open workplace arrangement, which makes them feel less claustrophobic and institutionalized.

2. Tools for Collaboration and Visualization

The days of writing letters and utilizing telephones and fax machines are long gone. It's time to retire the old and welcome the new, because a modern office design would be incomplete without the usage of visual and collaborative technologies.

3. Acoustics

If there is one drawback to open-plan collaborative offices, it is that they can be noisy. Workspaces that closely adhere to open design can be distracting and may actually hinder innovation and productivity. As a result, you should keep in mind that a work environment like this requires a mix of open and enclosed rooms.

4. Versatility

A dynamic work environment is created by a flexible workspace, which allows teams to be more versatile. It's all about figuring out how to accommodate employees' preferred working styles and how to boost their comfort and efficiency. Assigned seating, for example, is uncommon in open floor plans. Workers are assigned a seat on a "first come, first served" basis or a rotating sitting arrangement. This gives everyone the opportunity to collaborate with others and perhaps eat at their favorite table near the window.

We consider purchasing folding conference tables to make a space more versatile. They can be tucked away when not in use, allowing you to utilize the area for other purposes. We also get a rolling cart with a handle to store and hide materials, as well as a presenting stand on wheels.

5. Space for Brainstorming

As previously said, open collaborative workspaces should still have seclusion and meeting rooms. These enclosed rooms, often known as huddle spaces, must provide a calm environment for meetings and concentrated work. They should also feature a few chairs, a table, audiovisual equipment, and communication tools for remote workers.

Huddle spaces in modern office design, on the other hand, are usually more appealing than traditional boardrooms or conference rooms, and they can accommodate groups of two to five people. Of course, you don't have to build barriers only to make these areas work. To divide a huge conference room into multiple huddle rooms, just install partitions.

6. Space for Socializing and Storage

While many conventional businesses have pantries, not all include cafes, nutritious foods and drinks, or food prep rooms like those found in modern office designs. A tiny kitchen can also be used to bring staff together and foster a sense of community. It's also primarily a no-work-talk zone where employees can unwind and engage in light discussion. Our collaborative workspace will have a place to store office

supplies like scissors, markers, and post-its, in addition to a room for storing and cooking food. It doesn't have to be a room; it could be a supply cabinet or a mobile bin storage unit. Spaces where supplies are housed, like a little kitchen, automatically bring people together and stimulate communication.

Chapter 8: Final detailed documentation including Marketing, operational and Funding Plan-Cost and revenue projections

WorkLite Strategic Initiatives:

With heaps of equity funding, WorkLite will rapidly expand and add new locations (cafe) and amenities in a bid to scale its membership count and diversify the brand.

With the added amenities and service offerings to its core customers (individuals and companies alike) via M&A and partnerships we will be developing new types of WorkLite brands and some more promising facilities in comparison to our competitors.

“Techstars entrepreneurs represent some of the world’s best innovators on the front lines of the industries of the future. By welcoming more of this next generation of creators into the workspace community, our members — everyone from entrepreneurs, freelancers, and small businesses to middle-market and Fortune 500 corporations — will have new opportunities to connect and collaborate.”

Expansion in the Emerging Market:

1. Driving customer-led growth

We aim to cement our position as home to India’s brightest businesses, continually enhance customer experience and maintain a leadership position in India’s flexible office market.

2. Foundation of operational excellence

This is based on active portfolio management, an efficient and scalable operating platform and prudent financing and strict investment criteria.

3. Always Doing the Right Thing

We drive employment-led regeneration in India, creating sustainable environments and maintaining an empowered, diverse workforce who are connected to their local communities

Pricing Plans

Day Pass A pay-as-you go option for the occasional user 700/day Days: Mon-Fri Hours: 7:30 am to 9pm Includes: access to reserved space, high-speed WiFi, private booths for phone calls, and office amenities (Printing, scanning and extra monitors)	Monthly Membership Become a member and use the space as often as you like 20,000/monthly Days: Mon-Fri Hours: 7:30 am to 9 pm Includes: reserved space, high-speed WiFi, private booths for phone calls, lockers, free guest policy, networking events, open credit account, and office amenities (Printing, scanning and extra monitors)	6 Months Membership Become a member and use the space as often as you like 17,000/monthly Days: Mon-Fri Hours: 7:30 am to 9 pm Includes: reserved space, high-speed WiFi, private booths for phone calls, lockers, free guest policy, networking events, open credit account, and office amenities (Printing, scanning and extra monitors)	Quarterly Membership Become a member and use the space as often as you like 18,500/monthly Days: Mon-Fri Hours: 7:30 am to 9 pm Includes: reserved space, high-speed WiFi, private booths for phone calls, lockers, free guest policy, networking events, open credit account, and office amenities (Printing, scanning and extra monitors)
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Initially, we will be needing capital to collaborate with cafes and spread the word among entrepreneurs. Equipping cafes with appropriate facilities and building a robust website/app will be a challenge and will need some initial investment. Keeping this and all other costs in mind, we have devised our pricing plans accordingly. An initial funding round of around 50 lakhs - 1 crore rupees should be enough.

Concluding Thoughts

The cost savings will then pass on to corporate clients are a massive accomplishment in technical efficiency, as well as a compelling outsourced service. This makes WorkLite Powered by We a significant competitive business — so long as the company can continue to deliver and improve on its technological capabilities.

WorkLite's business is vital to its long-term strategy. If the company continues to add co-management deals that cater to large corporations, it has a strong shot at living up to its sky-high valuation.