

1871 Chicago: Co-Working to the Top

Marketing Plan

Michael Askew

BUS 231 Spring 2012

David C. Daniels, Instructor

2.

Table of Contents

Executive Summary	3
Marketing Objectives	
Goods or Services	
Resources Needed	
Projected Outcomes	
Strategic Focus and Plan	5
Mission/Vision	
Goals	
Situation Analysis	6
Industry Analysis/Trends	
Competitor Analysis	
SWOT Analysis Summary	
Market – Product Focus	7
Target Markets	
Marketing Program	8
Product and Product Strategy	
Price	
Promotion	
Place	

Executive Summary

Many cities are battling to be the center of the information dispersion universe, and right here in Chicago, the 1871 initiative is just one of many just like it. 1871's aim is to bring together the myriad of software designers, website strategists, app developers, and just about anyone else in the digital sectors, and also to foster the communication and collaboration needed to grow a community here.

This marketing plan will outline 1871 as an organization, what their goals need to be, and where they need to go needs to go in order to meet those goals.

Marketing Objectives

Information and communications technology (ICT) has quickly enveloped everyone, just Google-it. Yet to the vast majority of us, the creation and delivery of content—from scene-of-the-crime to smartphone, brand to consumer, newsroom to computer screen—is still very much a mystery.

ICT is a wide-open field right now, neither dominated by a stalwart company such as Apple, nor controlled by a singular advanced community such as Silicon Valley, nor is it gripped by the adverts on Madison Avenue, nor is it controlled by any government entity, at least not here in this country.

Despite the vast riches to be made in technology, few opportunities in the world today offer this kind of a wide-open playing field. Hardware, software, telecommunications, machinery—all of these industries have their own leading players: household brand names and technology centers that dwarf the competition. ICT combines all of these fields, though, and that is why an organization like 1871 sits in a prime position.

Goods and Services

1871 opened just recently, with the mission to give Chicago's "digital engineers," particularly those with an entrepreneurial bent, a place to call home (Ionescu). At present they enjoy the backing of J.B. Pritzker (Dwyer), who alone is a "philanthropist force," and they have also received monetary assistance and backing from the local and state governments of Chicago and Illinois respectively (IGNN), and from organizations like Chase, Cisco Systems, Ernst and Young and CDW as well (1871.com).

Their current and only product at this moment is space: for a fee, an "1871er" can have a desk, phone and address, as well as access to a/v equipment and broadband Internet (1871.com). While sharing an office-space may be nothing new, sharing a desk in a common area hasn't been around that long (Glazer), and this movement is truly important due to the fact that now, more than ever, the structure of an office space has become less mandatory in order to get work done.

Few would argue that there is potential for explosive growth within 1871's walls at the Merchandise Mart. What this MSP aims to show is that 1871 eventually needs to position itself much more like a firm in order to turn a more generous profit, and they will do it by leveraging its most valuable asset: the community they are building right now.

Projected Outcomes

Should 1871 become a successful organization, as opposed to a collective of like-minded individuals with separate goals, then not only will it be profitable for its investors, but it will also

strengthen the region's argument of Chicago being a technology center, an outcome where everyone in the region stands to benefit.

Strategic Focus and Plan

1871's name stems from the aftermath of the Great Chicago Fire, when the city needed to re-think and rebuild. The current focus of 1871 is on fostering a co-working environment where, as their website says, "Chicago's brightest digital designers, engineers and entrepreneurs are shaping new technologies, disrupting old business models, and resetting the boundaries of what's possible" (1871.com).

It should not be enough simply to throw all of these people together into one box without trying to make that box fly. 1871 needs a clear mission and goals. This starts by fostering collaboration between 1871ers, and watching the seeds grow.

Mission/Vision

Who among us wouldn't want a team of entrepreneurs working on our problems, coming up with creative solutions to our challenges, and keeping our organization at the top of its respective game?

Fulfilling the answer to that question is what 1871 needs to adopt as its mission. 1871 will become the communications and marketing hub of the entire Midwest within the next 10 years. The industries that 1871 will lead include advertising and public relations, telecommunications, broadcasting, software development and industrial design.

Goals

Some broad-strokes goals for 1871 include:

- 1) Establishment of a co-operative "rent" structure for 1871ers, whereas contribution to an 1871-led project can serve as compensation to the organization in part or whole, as opposed to paying the monthly cost to have access to the space, use of technology, etc.
- 2) Creation of an organic thought leadership team composed of 1871ers, one which breaks down the traditional leadership barriers of the modern organization, and also is open and attainable enough so as to foster more interest and sweat-equity from the younger members, especially those who are exceptionally creative and entrepreneurial.
- 3) Expansion of 1871 beyond the bricks-and-mortar of the Merchandise Mart into the truly virtual world—where with the help of advances in telecommunications, any space on Earth can be an office space.

6.

By setting and achieving these goals, not only will 1871 become the leader in the aforementioned fields, but they will also be able to reap the financial benefits of being in that position.

Situation Analysis

Industry Analysis/Trends

So many fields and industries are ripe for entrepreneurs, and success in these areas will hinge on communications, marketing, and digital. Now more than ever before, society has instant and on-demand access to information—information that for years was only available at a premium, and now has completely torn down the barriers to knowledge (Quora).

With this “flattening of the earth” as New York Times columnist Friedman puts it in his book, comes the virtual office, the home office, telecommuting, and of course the 600 lb gorilla, outsourcing. As a service economy, which America has become, the sorts of jobs that this structure works for have greatly expanded (Cato Institute), and what was once a low-level management job is now a consultant job.

Still, co-working, desk rental and shared workspaces are nothing new, and certainly don’t owe their creation to the IT Revolution. But with the shifts in organizational structures across practically every industry, the need for a “work space” has been and continues to evolve to the point it is today.

Competitor Analysis

1871 doesn’t need to look far to find competition. Smaller, more agile entrepreneur-driven entities, such as The Coop (www.thecoopchicago.com) are providing a workspace to the creative entrepreneurial crowd in a similar fashion to 1871. Though not having the high-end backing that 1871 does, The Coop is expanding, and filling desks in what would otherwise be vacant space.

Beyond Chicago, 1871 can look to New York and other major metropolitan areas to find competition (Glazer). But even the geography stands to change as the world opens up thanks to IT, and there is potential for smaller cities to enter the fray. Still, regardless of how long it takes for the competition to evolve, everyone can get a slice of the pie. Undoubtedly though, some will want a bigger share and will get it.

SWOT Analysis Summary

Strengths of 1871 include a large amount of prominent sponsors and individual donors, an excellent location in a major metropolitan area, support from state and local governments.

But some of those strengths could also be weaknesses. The ties that bind can prove a detriment in the long run—and certainly having the support of so many well-known organizations and donors, like 1871 does, comes with certain strings attached.

Perhaps the largest opportunity for 1871 is a market that is wide open. As mentioned though, technology continues to break down the barriers to communication, and new channels are sure to come about in the coming years.

In the meantime, threats include many of the dangers that every industry has to worry about, with the potential for another recession being the primary one to fear. Traditionally, in hard economic times, innovation—especially in technology and communications, is hit very hard, and fewer opportunities exist while the paying customers tighten their belts.

Market Focus

Target Markets

Currently, 1871's target market consists of entrepreneurs and start-up companies, and they also must maintain connections to the philanthropic community both here in Chicago and elsewhere.

Some time down the road however, as an already-established co-working entity, 1871 should begin to focus its efforts on large organizations that are seeking out innovative communications and technology solutions outside of their current organizations.

Organizations to target include both private and publically held companies and government agencies. At present, one really doesn't need to look very far for these opportunities, yet unfortunately, the market hasn't matured enough to the point where these organizations are ready to step outside with confidence.

Marketing Program

The remainder of this document will focus on marketing 1871 as an information technology and communications collective. I say collective, because I firmly believe that within the next few decades our words for "company" and "cooperative" are going to merge, but a single word to describe that new enterprise form is not something I care to take a stab at with this paper.

8.

To be successful as an ICT provider, 1871 will need to offer two products: ideas and execution. With the team of 1871ers to tap into, and the ability for 1871 to engage in the process from creation to completion, very few of today's communications, marketing, public relations, strategy, and industrial design firms will be able to compete. The experience that 1871 brings to the table alone is enough to "get it a meeting," but at this point 1871 will also have been able to call upon its own successes—ones that came from collaboration on the inside, as opposed to success gained elsewhere and brought into the fold at 1871 (as it currently is now).

Product and Product Strategy

1871 will provide the ideas and the execution needed for top-level communications and planning objectives for every major industry on the planet. They will operate like a consulting firm—being paid on a retainer that is stretched across the entire organization.

Price

1871 will offer its services at a premium, because it will be the preeminent provider of Information and Communications Technology and content. Their ability to offer such a breadth of expertise coupled with the integration will certainly make it worth it to their clientele.

Promotion

Word of mouth will be the strongest form of promotion for the 1871 brand. Currently it is a very hot topic in the tech, marketing and industrial design sectors here in Chicago, and although the buzz will die off, continuing to attract high-end talent paired with successful projects that 1871 can take even a small amount of credit for will sustain the organization as it builds up a credible position in the areas of information technology, communications, marketing and industrial design.

Once their expansion into a full-service provider of information and communications technology and content begins, they will certainly need to promote themselves somehow, and the traditional collateral materials will suffice. No need for high-end advertising or marketing, but 1871 will stand to benefit from top-notch public relations.

Place

Obviously, Chicago is the perfect place to start, and they are already firmly entrenched here. But to focus on industries, 1871 might be best served going after companies that are growing and slated to continue to grow. Large technology firms both here and in other places—IBM, Google, and Apple—are all on the radar. The rest of the world is looking to tech for the next big thing, and that may not change for a long time to come.

Beyond tech, 1871 should look to food and food service providers on the scale of a Proctor and Gamble and a General Mills. These companies provide a service that will remain constant, and although the growth potential may not be very large, the steadiness of the industry will allow 1871 to take risks on other ventures.

1871 will also be heavily involved in government work and infrastructure. In the next 6 years the state of Illinois alone will be spending \$2.3 billion on 1871, it can be well-expected that the state will tap into them.

BIBLIOGRAPHY

"1871." 1871. Web. 10 May 2012. <<http://www.1871.com>>.

McKenzie, Richard B. "The Emergence of the Service Economy: Fact or Artifact? | Richard B. McKenzie | Cato Institute: Policy Analysis." Policy Analysis No. 93. The Emergence of the Service Economy: Fact or Artifact? | Richard B. McKenzie | Cato Institute: Policy Analysis. Cato Institute, 27 Oct. 1987. Web. 10 May 2012. <<http://www.cato.org/publications/policy-analysis/emergence-service-economy-fact-or-artifact>>.

"100 Most Powerful Chicagoans." Chicago Magazine, Mar. 2012. Web. 10 May 2012. <<http://www.chicagomag.com/Chicago-Magazine/March-2012/100-Most-Powerful-Chicagoans-JB-Pritzker/>>.

Dwyer, Ann. "1871 Picking up Long-term Tenants." Chicago Business. Crain's, 25 Apr. 2012. Web. 10 May 2012. <<http://www.chicagobusiness.com/article/20120425/BLOGS06/120429870/1871-picking-up-long-term-tenants>>.

Friedman, Thomas L. The World Is Flat: A Brief History of the Twenty-first Century. New York: Farrar, Straus and Giroux, 2005. Print.

State of the State: Moving Illinois Forward. Wwww.illinois.gov. State of Illinois, 1 Feb. 2012. Web. 10 May 2012. <<http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=2>>.

Ionescu, Mana. "1871 Emerges as New Hub for Entrepreneurs in Merch Mart." Weblog post. Inc. Well. NBC Chicago, 8 May 2012. Web. 10 May 2012. <<http://www.nbcchicago.com/blogs/inc-well/1871-Emerges-as-New-Hub-for-Entrepreneurs-in-Merch-Mart-150107585.html>>.

"Will Instant Access to Information Make Knowledge Obsolete (and How Far Away Are We)?" www.quora.com. 14 Jan. 2011. Web. 10 May 2012. <Will instant access to information make knowledge obsolete (and how far away are we)?>.

Glazer, Emily. "Can't Afford an Office? Rent a Desk for \$275." Wall Street Journal: Careers. The Wall Street Journal, 4 Oct. 2011. Web. 10 May 2012. <<http://online.wsj.com/article/SB10001424052970203791904576609301747256470.html>>.