



CDG Co-working Space in Burlington

- Business Plan Analysis

Agenda




- Market Research
 - Market segment mechanism
 - Customer by type market sizing and validation
- Business Strategy
 - Customer by type positioning
 - Business strategy design
- Marketing Mix
 - Production
 - Price
 - Promotion
- Appendix



Market Research

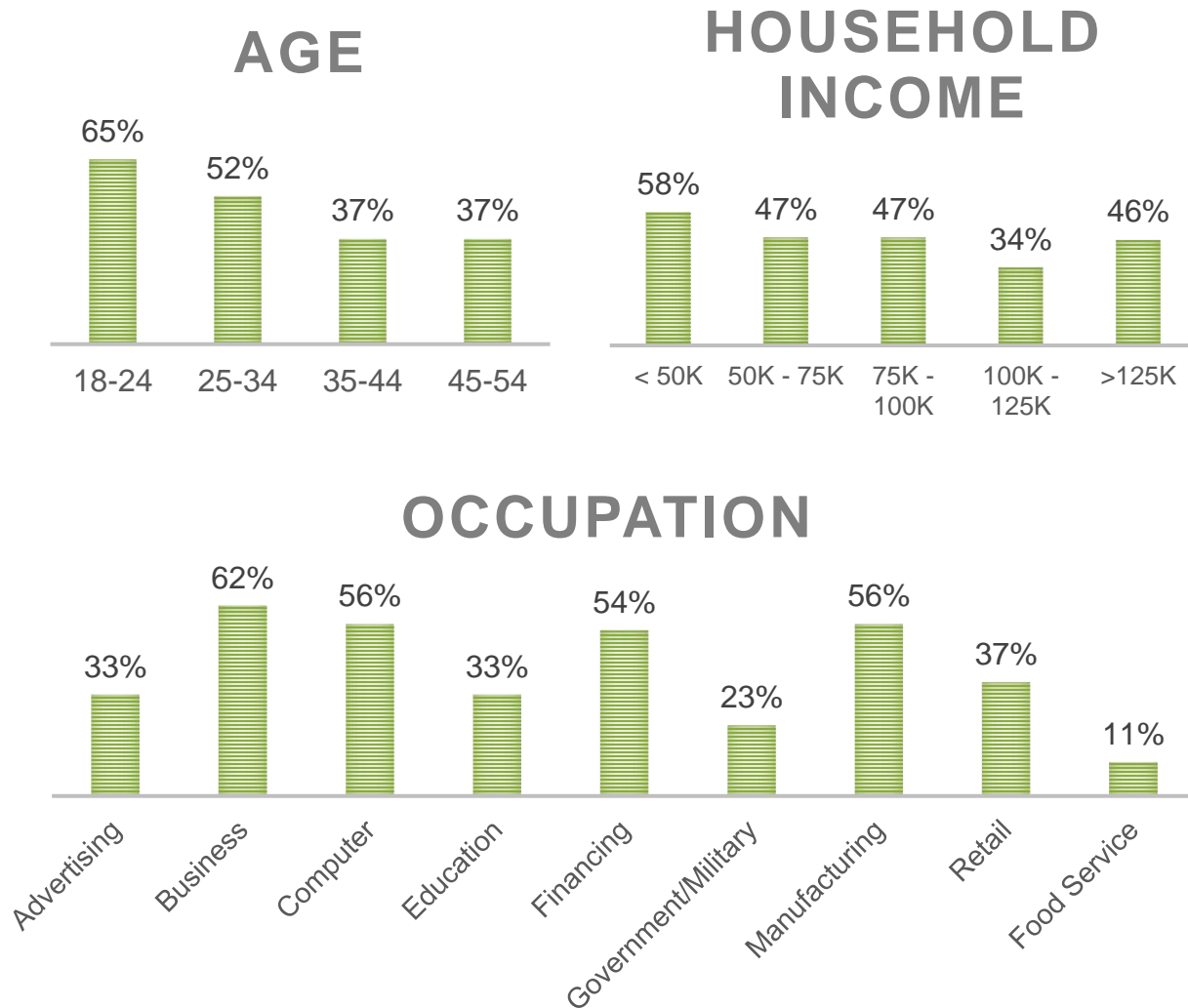
-Market sizing and competitor study

Market Segmentation Mechanism

Coworking Space Benefit	Customer Type	Usage Purpose
Profit	 Individual Customer	<ul style="list-style-type: none">• Alternative workplace
	 Corporate Customer	<ul style="list-style-type: none">• Professional use
Social Impact	 Local Event	<ul style="list-style-type: none">• Potential opportunities in local community

Potential Individual Customer Worth \$2,890,500

- % of population willing to use coworking spaces



- Labor Force in Burlington City:

5,316 people

- Individual Customer Market Size Estimate:

2,050 people
= \$2,890,500/year

* Data Source: 1. CDG survey result. 2. <https://factfinder.census.gov>

Potential Corporate Customer Worth \$547,200

	Non-Profit	Small Companies	Education and Schools
Number	9	356	2
Attributes	<ul style="list-style-type: none"> Churches & volunteers Income tax cut benefit Discounted rental price 	<ul style="list-style-type: none"> Local businesses Startup and small companies Art & music 	<ul style="list-style-type: none"> Professional training Local schools Income tax cut benefit Demand for larger room
Average price (Competitor's price of similar service)	\$15/hr	\$30/hr	\$60/hr
Market Size (number of companies* number of visit per month* average price)	\$2,160/month	\$42,720/month	\$720/month

Total market size: **\$547,200/year**

Local Event is a Potential Opportunity to Benefit the Community

To benefit the whole community, understand local community first:

- 8.9% of local population are veterans belonging to one of the four veteran groups*.
- High street is known for its historical and art legacy.

	Art Appreciation	Veteran Activities
Current Event Type	Music Festival & Concert/Museum/Car Show/ Tour & Cruise	Veteran's Day Parade
Current Frequency	Once per Month	Once A Year
Potential Opportunity	More local exposures for supporting artists and popularizing art	Further raise the awareness of veterans among the community

* Veteran groups include American Legion, Burlington County Military Affairs Committee, Veterans of Foreign Wars, Vietnam Veterans of American

** Data Source: 1. <http://www.burlingtonnj.us/2019%20Calendar%20of%20Events%203-13-19.pdf>

Burlington Local Market is Sufficient for CDG to Operate in a Long-run Steady State with Profit

- Similar coworking space's space function types support the customer segmentation

Function types of similar coworking spaces	Customer segmentation
Shared co-working desk	Individual customers
Private offices Conference rooms	Corporate customers
Events space	Local event

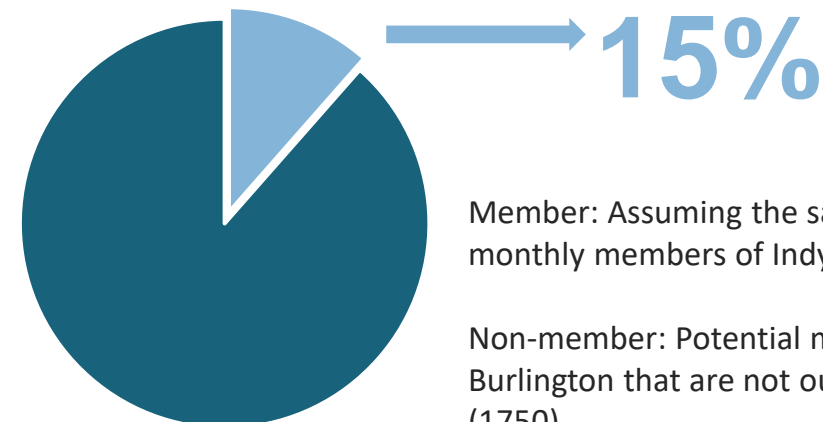
- Estimated Burlington local market size (individual customer only) is greater than similar coworking space's annual membership revenue

\$2,890,500 > **\$846,000**

Estimated Burlington individual market size

Indy hall's annual membership revenue

- Estimated membership rate $\geq 15\%$ for sustainable operation



■ member ■ non-member



Business Strategy

- Competitor, customer, company, context

Competitor: Support the local communities and enable startup companies for success

	The Hive	Base Camp	Local Coffee Shops
Attributes	<ul style="list-style-type: none"> Professional coworking chain located in downtown Trenton Over 10k sq./ft space Famous for amenities like reception, mail room, coffee and snacks Conference/media room 	<ul style="list-style-type: none"> Local co-working space target artists and individuals located in downtown Trenton Podcast Room 20% discount for non-profit Every first Friday have events (art or street fair) 	<ul style="list-style-type: none"> Evermore Coffee, the only one coffee shop in the art district Limited seats Target for relaxation
Pricing	<ul style="list-style-type: none"> \$25(day pass) \$150(hot desk) \$250(dedicated desk) \$500(office) 	<ul style="list-style-type: none"> \$50(1 day per week) \$100(3 days per week) \$200(Unlimited Use) \$500(office) 	<ul style="list-style-type: none"> \$4-5(coffee) Free to use the space with coffee
Target User	<ul style="list-style-type: none"> Professional use of working space 	<ul style="list-style-type: none"> Local community small businesses, podcast, and artists 	<ul style="list-style-type: none"> Tourists and local

* Data Source: 1. CDG survey result. 2. <https://factfinder.census.gov>

Customer:

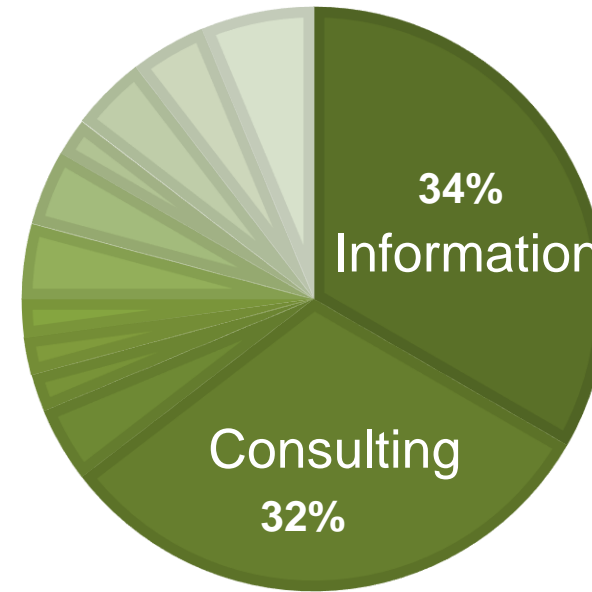
A platform for individual talents and small businesses to grow

- Individual Customer**

Characteristics of population who are more likely to use coworking spaces



- Corporate Customer – Small Businesses**



Among 79 Small Business < 20 people:

- 48 work in offices
- 30 are in Information technology and consulting (consulting in new technology)

Things that individual and corporate customers value most:

- Flexibility
- Networking opportunities, both among tenants and available networks
- Entertainment for pressure release

* Data Source: 1. CDG survey result. 2. <https://factfinder.census.gov> 3. <https://www.census.gov> 4. <https://www.sba.gov>

Company:

A diverse coworking space that positively impacts the community through inclusion and collaboration, and reinvents the historic district

Strength:

- First and only coworking space in Burlington
- Community will be created before the working space setup

Weakness:

- The stakeholder structure is uncertain
- The future cash flow is unstable, especially facing sudden challenges

Opportunity:

- Historic district needs to be renewed
- Veteran & Art community
- Education Institute around

Threat:

- Local acceptance towards coworking space is not proven

Context:

Need to take interactions with surroundings into consideration

Government Regulation

- NJEDA incentive plan
 - The coworking facility must match the grant on a 1:2 basis.
 - It provides grants for early stage technology and life science companies that locate to specific coworking spaces that are participating in the program
 - Its grants will cover rent payments for 2, 4 or 6 months and will provide an additional month of support if the workspace is in an Opportunity Zone, affiliated with a hospital system or New Jersey university, or is recently established

Environment

- Increased considerations on environmental protection, i.e. through Impact development and adaptive reuse
- The large portion of population in creative industry
- The rapid growth of applications in business practices

Society

- Region's fame for local community activities and historical tourism

Technology

- 5G infrastructure expansion for the upcoming 1 – 2 years
- Technology-based convenience service i.e. facial recognition front-door key



An affordable working space for all



A platform to connect local business and individuals and beyond



A pioneer to rejuvenate the community and reinvents the historic district



A sustainable business entity with social responsibility (i.e. minimize environmental impact)



Marketing Mix

- Product
- Price
- Promotion

Function Design

First Floor



event space



shared desk

Second Floor



quiet room
(registration only)



small conference room
(4-6 people)

Third Floor



big conference room
(more than 12 people)

Extra:

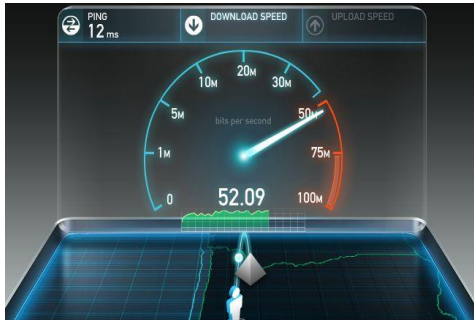
1. Lounges: casual meetings, couch working, cozy up with a book
2. Phone booths with flexible places
3. Nursing rooms for new moms
4. Smoking rooms
5. Gym (billiards)



phone booth

Amenities

High Speed Internet



Podcast Studio (Premium)



Monitors and Projectors



Coffee and Snacks



Printing Services



Reception and mail service



Event Design

Regular Events for all users



Community Breakfast



Friday Happy Hour



Online Community Meeting
(to share ideas and gather)

- Designed to build the connection and collaboration **within the coworking space**

Events for small business



Panel Talk or lecture



Training Workshop



Online Training and Co-working

- Designed to benefit **small business** through convenience and various business opportunities

Event Design

Specifically for local event

Art Appreciation



Lounge



Storage



Personal Exhibition

Veteran Activities



Reunion



Educational Seminar



Services Day/Charity Swap

- Art appreciation have strong potential opportunities to benefit community and increase cohesion.

- Veteran activities can be served as non-profit activities aimed at social impact.

* Data Source: 1. <http://www.burlingtonnj.us/2019%20Calendar%20of%20Events%203-13-19.pdf>

Virtual Service Design

Professional development



- Corporate engagement
- Professional skill trainings
- Industry sharing sessions



- Networking expansion
- Venture Capital Investment

Other value added services



- Online meeting capability
- Coworking space mobile APP



Arlee's Raw Blends
Location: 25 South Warren Street Trenton NJ
Email: sales@arleesrawblends.com
Phone: 609-880-1101
Link to Buy Gift Cards: <https://squareup.com/gift/0ORNEC3DMT8NF/order>
Support Arlee's Employees



Classics Used Books store
Location: 4 West Lafayette Street Trenton, NJ
Email: classicsusedbooks@gmail.com
Phone: 609-396-3600 -> Contact buy Gift Card
Website: <http://www.classicsusedbooks.com/>
EMAIL TO BUY A GIFT CARD

- Partnership with hotels, restaurants etc.

Price

- **Membership: Two-part tariff - charge basic function fee + selected value-added services fee**
- **On demand: Charge hourly rate for selected facility**

Type	Basic Function	Use frequency	Value added services (Price depends on varieties of services chosen)
Membership	<ul style="list-style-type: none">• Virtual Membership• Basic hot desk/dedicated desk• Private office	<ul style="list-style-type: none">• Day• Week• Month• Year	<ul style="list-style-type: none">• Mail• Locker• Podcast• And more, including combinations...
On demand	<ul style="list-style-type: none">• Virtual Membership• Basic hot desk• Private office	<ul style="list-style-type: none">• Hourly rate	

Promotion

Pre-opening

Push Media:

Information Delivering

(Keyword:
Creative, Collaborative, Affordable)



Social Media Ad.
(with website link)



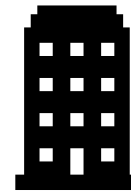
Ad. near Transport Hubs



Local Engaging Events
(Build the Community)

Pull Media:

Interaction Creating



Post-opening



Mail Ad.:

coupon and invitation sending



CRM:

Identify specific customer groups and provide them different service



Social Media:

information and events sharing



Web Design:

an easy-to-use and well-designed website



Appendix

Appendix 1: Preference to Use Coworking Space by Demographics

➤ Age

18 ~ 24
25 ~ 34
35 ~ 44
34 ~ 54

Total population by age: 2,240

➤ Income

65% Under \$50,000
52% \$50,000 ~ \$75,000:
37% \$75,000 ~ \$100,000:
37% \$100,000 ~ \$125,000:
More than \$125,000:

Total population by income: 3,979

➤ Occupation

58% Advertising 33%
47% Business/Professional Services 62%
47% Computer 56%
34% Education 33%
46% Financing 54%
Government/Military 23%
Manufacturing 56%
Retail 37%
Food Service 11%

Total population by occupation: 1,620

Appendix 2: Individual Customer Market Size Estimation

➤ Burlington individual customer market size estimate

Type	Price	Weight	Customers
Dedicated desk	\$350	10%	205
Full-time hot desk	\$250	10%	205
Part-time hot desk	\$150	30%	615
Day pass	\$25	50%	1025
Total		\$2,890,500	

➤ Indy hall's annual membership revenue

Type	Price	Weight	Members
Basic	\$30	10%	30
Six pack	\$120	10%	30
Lite	\$200	20%	60
Full	\$300	60%	180
Total		\$846,000	

Appendix 3: Corporate Customer Market Size Estimation

Type	Number of institutes	Average visit/month	Average hours/visit	Average Price/hour	Total Market Size
Nonprofit (small rooms for counselling service)	9	8	2	\$15	\$2,160/month
Small companies (Medium to small rooms needed for meeting or events)	356	1	4	\$30	\$42,770/month
Education and schools (Larger rooms for professional training or teaching use)	2	2	6	\$60	\$720/month

Total: \$547,200/year
(\$45,650/month*12)

Appendix 4: Small Businesses

➤ Some small businesses in Consulting and IT

Trade Name of Firm	Contract	Capabilities
GridAI, Inc	Angela Rothweiller	Consulting in asset modeling and app creation
Fisher-cal industries Inc	John Sidoriak	Video and Image process
Compass federal consulting LLC	Peter J Rath	Consulting in information security
Jennings, Randee	Randee K Jennings	IT consulting
Diamond Business Communications, LLC	Cora A Park	Cyber-security

➤ [Full lists for 77 small businesses under 20 employees](#)



Temporary Page

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Promotion

Before:

Push media (information delivering)

▪ **Content:**

A creative/collaborative but affordable working space for all

▪ **Channel:**

- social media ad



target: **young people** in Burlington county with link to our website (conversion rate can be tracked and user profile)

- **Advertise near transport hubs (graph): commute**



Pull Media (interaction creator)

- **Local engaging events like panel talk to build the community first, especially focusing on startup companies.**



After:

- an easy-to-use and well-designed website
- Mail ad (and local business company) to send some coupons or event invitation (especially some local events)
- Using Social media account to conduct CRM



目的	Before 开业	开业之后		
抓新	Social Media: - Pull - Push	Social Event		
留存	NA	Coupon CRM		

Wework video

<https://www.thedrum.com/news/2019/06/07/trump-netflix-burger-king-specsavers-the-chip-shop-awards-2019-winners-revealed-may>

Coworking space marketing guideline

<https://www.coworkingresources.org/blog/best-ways-to-advertise-your-coworking-space>

<https://catjohnson.co/16-creative-ways-market-coworking-space/>

Potential Corporate Customer Worth \$286,740

Industry	Number of Corporate	Penetration for Each Industry(%)	Average Hours /month	Average Price/hour	Market Size
Retail	160	25	6	\$30	\$7,200/month
Healthcare service	80	35	12	\$30	\$10,080/month
Food service	60	10	3	\$30	\$540/month
Education service	30	45	15	\$30	\$6,075/month

Total: **\$286,740/year**