

Case Study Report

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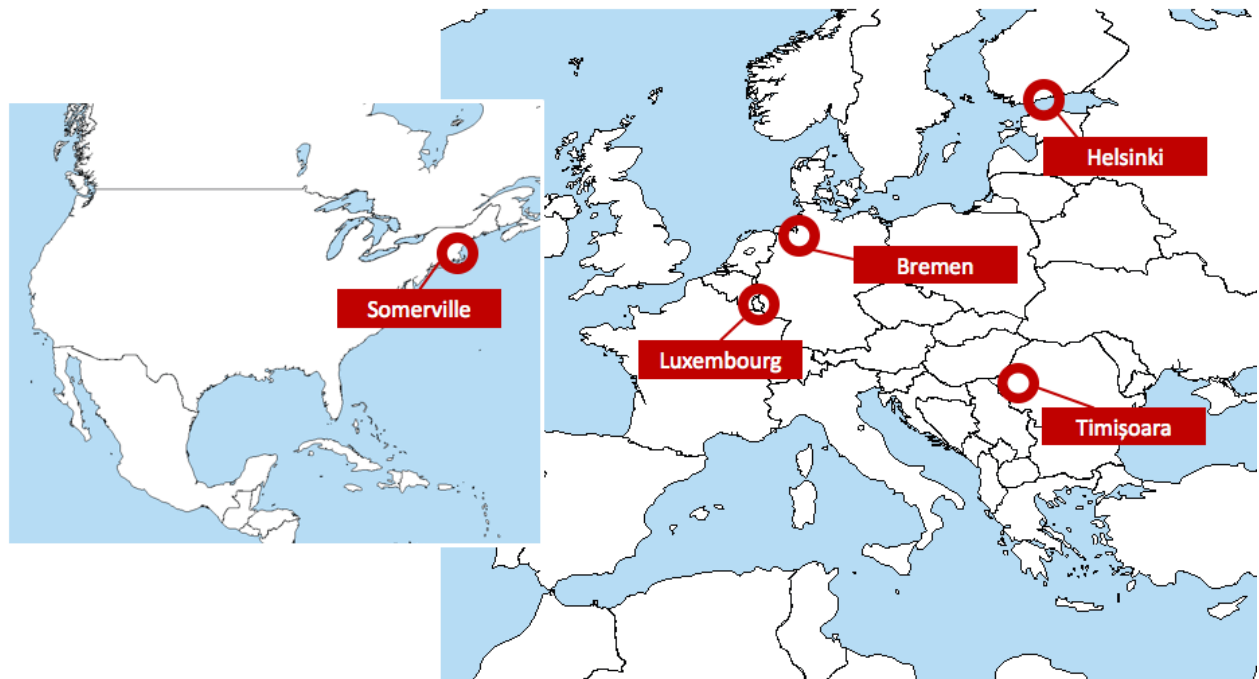
Introduction

This report details a series of case studies of innovation and cultural center models conducted by SRI International. The report also contains several mini case studies—more focused examinations of the business models for food incubators, makerspaces, and co-working spaces. The findings from these case studies will help inform SRI’s recommendations for the business model, organizational structure, and policies and practices of the Promprylad Project.

The case studies focus on the following aspects of each organization:

- Mission
- Relationship with the local community
- Business model
- Organizational structure and governance
- Metrics for success

SRI sought to interview organizations located in a range of environments—large cities, suburbs, and medium-sized cities.



Locations of the Case Study Organizations

SRI also sought organizations with different operating models, from for-profit models to non-profit, and that offered different types of cultural and business services and activities. The mini case studies offer

further detail on the business models and services for makerspaces, food incubators, and co-working spaces.

Key Findings from Case Studies

From each case study, SRI distilled the key takeaways relevant to the Promprylad Project. These takeaways might include the factors critical to an organization's success, unforeseen challenges faced by these organizations, examples of successful programs and policies, or information related to equipment and services offered by these organizations.

Overall Mission

The organizations studied in this report have a range of different missions, including supporting technology entrepreneurs in their local community, providing jobs and training to local disadvantaged people, promoting the practice of fabrication, and supporting culture and the arts.

One case study organization has no official mission and another, incorporated as a for-profit company, has a mission to generate profits. However, both of these organizations maintained unofficial missions of supporting culture and the arts in their local communities.

Business Model

The case study organizations can be separated into two major categories:

- For-profit companies, which charge for the use of space (commercial space, office space, co-working space) or for the use of equipment.
- Non-profit organizations, which tended offer a wider range of services and activities.
 - Several of the non-profits studied in this report use a membership model, where members (or users) pay a monthly membership to access shared equipment and/or space. These organizations tend to be very dependent on having active and engaged communities of members.
 - Several others charge for the use of space on a pay-per-use basis (co-working space, meeting space, event space).
 - One case study non-profit uses the classic incubator business model, offering accelerator courses, co-working space, and fabrication equipment.

With a single exception, the case study organizations are self sustaining—meaning they are not reliant on continuous external government or grant funding for their operations. Rather, they generate enough revenues through charging for event space, rent, shared equipment, or other services to cover their costs.

Many of these organizations are protected against rental increases in some way, either through ownership of their properties or long term leases. Almost all of the case study organizations that pay monthly rent for their properties expressed some degree of concern about rising rents or problems with their lease.

Additionally, several of the case study organizations have leveraged their local reputation to get significant sponsorships or “corporate partnerships” from companies in their region. These sponsorships usually amount to less than 10 percent of the organizations’ revenues, but are helpful nonetheless. Corporations are also sometimes willing to donate equipment.

Services and Operations

The services provided by the case study organizations can be placed into the following categories:

- Renting space to long-term tenants
 - For organizations who rent to long-term tenants (and to event organizers), only offering the space (without equipment or furniture) is a good way to minimize costs for the organization. It allows the organization to lower personnel costs, storage and maintenance costs, and security needs. Lower costs mean the organizations can rent space at lower, more competitive prices and be more selective about the types of tenants and events they rent to.
 - Organizations that rent to tenants found that having a mix of artists, makers, private companies, and other activities creates a very attractive atmosphere and environment for all involved. Commercial companies are willing to pay higher rental prices to have access to such an environment, and can subsidize the other types of tenants and activities in the center.
- Renting temporary space – co-working space, incubator space, meeting space, practice or event space
 - Like the commercial companies mentioned above that are attracted to locations with a mixture of art, culture and business activities, renters of temporary spaces (which could include event organizers, freelancers, startup companies, and others) are attracted to places with a range of different social and cultural activities—these types of environments represent an added value beyond the rental space.
 - Several of the case study organizations use their event spaces strategically. They target events that bring the most attention and publicity to their center, or they target events that attract a specific niche audience that the center is interested in. These events do their own marketing and outreach, and this marketing will, in effect, double as marketing for the center.
- Renting shared equipment
 - Many organizations whose operating model revolves around renting access to shared equipment (like makerspaces and food incubators) require active, involved communities to be successful.
 - The makerspaces and food incubators interviewed for this report find that monthly memberships are better for community building than hourly fees.

- Makerspaces that cater to people with businesses, rather than hobbyists, need to offer storage space. People who make things to sell do not want to bring their materials from home, make their products, and then bring their products and leftover materials back home before they sell. They want to store their materials and products at the makerspace and ship their products directly from the workshop. Similarly, a food incubator needs to have freezer and refrigerator space if its clients are making food products to sell. Do not underestimate the amount of cold storage and storage space clients will need. A packaging station, where members can package their goods for shipping, can be a value add if there is sufficient demand.
- Having a retail store where makers or food businesses can sell their products can be a big attraction for clients/members. It can give members an easy, low-risk first sales point for their products, provide exposure to their brand and products, and allow them to build their initial customer base. However, many new businesses can struggle to maintain quality in their products and keep up with inventory demands at the store. This can make managing the retail store very difficult.
- Offering classes, training courses, or workshops, including accelerator courses
 - Educational programs targeted towards children, such as after-school classes or summer camps, are an excellent way to engage with young people and their parents and get them into the center for the first time. They are also a good source of grant funding.

Organizational Structure and Governance

Almost every case study organization, whether for profit or non-profit, has a board of directors that the center leadership reports to. The board also makes strategic decisions and approves large purchases, often based on the advice of center leadership. Most centers have several board seats that are appointed by key stakeholder organizations (such as the local government, sponsoring ministries, or investors) and an independent chairperson. Several of the centers also have elected representatives from their tenants/membership on their board of directors. This representation improves trust and transparency between the organization and its membership community.

The larger case study organizations usually have, at the minimum, a director (or CEO), a facilities manager, and an events coordinator. These organizations have a typical direct chain of command, where the director/CEO makes day-to-day management decisions and supervises the other center employees. Depending on the types of activities at the center, some also have dedicated personnel for member services, marketing/sales, and educational activities, as well as other positions.

Most case study organizations have official lines of communication where their membership community can provide feedback on the center, often in the form an email address or web page for member feedback.

Center Launch and Growth

The case study organizations are in various stages of their development—some are newly established, while others have been around for more than 20 years.

These creative centers require active, involved communities to be successful, and many of the case study organizations feel strongly that attracting an early critical mass of people is the best way to do so. Several of the organizations relied heavily on the connections and networks of the center founders to build the initial mass of people to come to the center. These types of pre-existing personal networks are invaluable to building a community.

Because having an early critical mass of members is so important, it is not feasible to start shared equipment space, such as a makerspace or food incubator, with only one or two pieces of equipment and then add more equipment later. These spaces need to cover all of the basic needs of their target community from the beginning to attract the early critical mass.

Recommendations for Promprylad Project

Overall Mission

The Promprylad project will support a relatively wide range of activities, so its mission will probably need to be broad in scope.

Business Model

The Promprylad project, as currently envisioned by Teple Misto, Insha Osvita, and others, will be a self-sustaining non-profit organization that offers a range of free and fee-to-use services, supported by rents from commercial tenants, rental of event space, and grant raising.

The majority of the Promprylad territory will be rented to long-term tenants and to events, and these rents will support and subsidize the other Promprylad activities and programs. These other activities are still in the planning stages, but may include a makerspace, food incubator, SME incubator and co-working space, educational programming, and other “impact” activities.

Services and Operations

Promprylad’s business model, as currently planned, can be roughly divided into the following activities:

- Renting space to long-term tenants
 - The center will have two to three different rental categories, with different tiers of rent prices. For example, a commercial rental rate, a non-profit rental rate, and/or a “low bono” rental rate. This will require very clear policies on how organizations qualify for the different rental rates.
 - SRI understands that Promprylad is not simply a real estate business, so this rental model will also require clear policies for selecting which tenants can rent in the building. It will be important that the center brings in businesses, organizations, and events that fit with Promprylad’s mission and goals.
 - SRI recommends that Teple Misto strongly consider the Kaapeli model for renting space for tenants and events (detailed in the Kaapeli case study). In this model, the renting organization only rents space to tenants and event organizers, with no equipment, furniture, or other amenities. This will allow Promprylad to keep its fixed costs (including personnel, storage, maintenance and security costs) low. Lower costs will mean that Promprylad can rent space at competitive prices and be more flexible and/or selective about the types of tenants and events they rent to.
- Renting event space
 - The Kaapeli model, mentioned above, can also apply to large event spaces, and would allow Promprylad to keep its fixed costs low and charge competitive prices for the event spaces.

- Events, especially in the beginning, can be an excellent marketing tool for the center. In the first year to two years, the center should prioritize events that will bring a lot of publicity and attention to the center, especially among segments of the public that Promprylad wants to attract.
- Renting co-working and meeting space
- Renting shared equipment (food incubator and makerspace)
 - Makerspace and food incubator should plan to have space for users/members to store their materials and products, such as shelves, locking closets, refrigerators, and freezers
- “Impact programs” – including business services, educational programs, practical training courses, etc.

Organizational Structure and Governance

Given the size and complexity of the Promprylad project, SRI recommends creating a board of director to oversee center leadership, help make strategic decisions, and approve large investments.

- Allotting one seat on the board to Promprylad tenants (elected from among the tenants in the building) will help build and develop the Promprylad community and give tenants a direct line of communication with the center leadership and board.
- Other major stakeholders should also be represented on the board, including the founding organizations (Teple Misto and Insha Osvita), investors, and possibly international grant organizations or foundations that provide major funding for the project.
- The board should also have one or more independent members, who serve board terms for a set period of time. Independent members should be selected for their valuable personal networks and/or expertise that they can bring to the organization.

Center Launch and Growth

A pilot version of the Promprylad project will launch in summer/fall of 2017, and the full details of this pilot are still being planned.

- As mentioned in the events section, Promprylad can use events as a form of marketing, especially in the first year of operating, by prioritizing events that will bring a lot of publicity and attention to the center.
- Teple Misto and Insha Osvita should strive to attract an early critical mass of users/members for its makerspace and/or food incubator. Successful shared spaces like these are typically characterized by active and engaged communities of members. Several organizations that SRI interviewed for this report noted that getting an early critical mass of users is the best and easiest way to establish such a community.
 - Promprylad organizers should reach out to their personal and professional connections

and networks to help build the foundations for these communities before these spaces open.

- o Organizers should also consider small, targeted marketing campaigns to build awareness and interest in these spaces (makerspace and/or food incubator) among their target audiences (again, before the spaces are open).
- o If the goal is creating an early critical mass, it is not feasible to open a makerspace or food incubator with only a few pieces of equipment and plan to add more equipment in the future – both types of spaces need cover all of the basic needs of their target community from the beginning.

Kaapeli (Cable) Factory in Helsinki, Finland

General Information

The Kaapeli Center is located in the Salmisaari district in Helsinki, a waterfront district near the center of the city. The center is in a former undersea cable factory, which was historically owned and operated by Nokia. Nokia stopped production in the factory in the 1980s. The city of Helsinki, which owned the land and were unsure what to do with the plot, then started to rent out space in the former factory building to various artists and performers at very cheap rates. The city then initiated plans to sell the land to real estate developers, who wanted to demolish the factory to create commercial high-rises. In reaction to these plans, there was a grassroots effort by local artists and townspeople to preserve the building and the artists' residences. This effort convinced the city to maintain the building for the use of art and cultural activities.

In 1991, the city formed a for-profit management company (Kiinteistö Oy Kaapelitalo) to manage and maintain the factory space. The preserved Kaapeli factory space covers 56,000 square meters, making it one of the largest cultural, art, and event centers in Europe.

Mission

Kaapeli is operated as a for-profit management company. It does not have an explicit mission to promote and preserve cultural activities of the city, but that is the unofficial mission of the company in its operations. This unofficial mission is reflected in the long-term spaces that the company reserves for artists and non-profits, at reduced prices, as well as the mix of educational, cultural, and art events that the company rents space to.

Place in Local Community

Before Kaapeli was officially founded in 1991, it already was home to an informal collective of artists and performers dating back to the 1980s. In the 1980s and 90s, it was one of the few places in Helsinki where artists could find cheap space for their studios. Thus, the center has an extremely long history in arts and culture, and today it is one of the pillars of Helsinki's arts and culture scene. The center's studio spaces, reserved for artists and performers at lower-than-commercial rental rates, are extremely sought after by Helsinki's artists, who want to be part of the Kaapeli community. Kaapeli actually works with local and national art associations to decide which artists should be offered space in the building. Kaapeli also hosts

Business Model:

For-profit property management company.

Mission:

Its official mission is to maintain and manage the historic Kaapeli property and generate profits. Unofficially, it also promotes culture and the arts and provides space and resources to local artists at reduced rates.

Services/Activities:

As a property management company, Kaapeli only rents space to long-term tenants and event organizers. All other activities within Kaapeli are carried out by organizations who rent the space.

several museums, which are run by the state, who rent the space from the Kaapeli management company.

An addition to the art community, the center hosts a huge number of cultural events that are organized by different organizations in the city. Kaapeli is also home to many education facilities, ranging from dance studios to IT training courses.

Client Population

Kaapeli, as a property management company, has several distinct populations of long-term tenants.

- The majority of their revenue comes from **commercial tenants**, primarily IT companies. There is a strong demand for office space in Kaapeli among Helsinki's IT community, because the companies are attracted to the center's mixture of cultural and art activities, events, educational activities, and commercial businesses.
- Kaapeli also rents studio space to **artists and performers** at rates that are lower than those for commercial tenants. Kaapeli has about 130 spaces for artists. These spaces are highly coveted by local artists. Kaapeli relies on peer-review panels from national and local art associations to recommend new art and performer tenants to replace any tenants who move out of the building.
- Finally, they also rent to **non-profits and government institutions**, who use the space for a variety of purposes. Kaapeli is home to several museums, which are run by the state, as well as several schools and training centers.

The company also rents event space. The entire ground floor of the center is used as temporary event space (about 10 percent of the total center floor space).

Business model

Kaapeli operates as a for-profit property management company. The majority of their revenue comes from renting space to long-term tenants, with a smaller percentage (approximately 20 percent) of revenue coming from renting event space. Kaapeli offers flexible pricing to different types of tenants – commercial tenants pay the highest rates, while artists and non-profits pay lower rates. All rental rates are tied to a rental price index. Some of the non-profit/state tenants have rent subsidized by the local or national government.

Whether or not they could offer differentiated prices to tenants was a major question early in Kaapeli's history. At first, Kaapeli charged all tenants commercially competitive rental rates and the city government subsidizing resident artists' rents, but that was not considered a sustainable solution by the city government. Kaapeli wanted to keep their artists in place, but could only do so by charging them less than commercial rates. The organization took inspiration from a pricing model used by shopping malls, who face a similar challenge – shopping malls need to attract different types of amenities (food, clothing, barber shops, etc.) so shoppers can find everything they need within a single location. Malls will attract the businesses they need, or lack, by offering lower rental prices.

Because most of their revenue comes from long-term tenants, Kaapeli is very selective of the events they host. They rely on events to bring new publicity and visitors to Kaapeli (they don't do any marketing for the center) so they choose events that, while they fit with Kaapeli's unofficial mission, also bring a lot of exposure to the center.

For both long-term and event spaces, Kaapeli only offers four walls and electricity – the tenants will provide everything else. Kai Huotari, the managing director of Kaapeli, believes this is one of the keys to the organization's success. By only offering space, but no equipment or furnishing, Kaapeli is able to minimize costs on personnel, maintenance, storage, security, etc., and thus keep their prices very competitive relative to similar spaces in Helsinki. Another key factor in helping to reduce costs is the fact that the Kaapeli management company owns the building, which insulates them from future rent increases. Gentrification and increasing rent are common challenges for Trans Europe Halles organizations and similar centers, but not for Kaapeli.

Organizational Structure and Decision Making Processes

The Kaapeli property management company is structured as a for-profit company. It has a managing director, who reports to a board of directors. The board is comprised of 8 people – three are elected from among the tenants of the center, two are appointed by the city government and one independent chairperson. The managing director handles day-to-day decision making, while the board is consulted on strategic decisions and large investments.

The center has a property manager, who handles relations with long-term tenants, and three event and marketing personnel. It has 13 employees in total.

Repurposed Industrial Space

The Kaapeli management company maintains what they call the "Kaapeli standard", which is their standard for high-quality maintenance and continuous renovation for the building. It is a registered historic property, which limits the types of work and renovations that can happen there. They have never shut down the entire building since 1991, but have closed and renovated parts of it piece by piece since the project began.

Metrics for Success

Kaapeli is a for-profit company, so their primary mission is make enough money to sustain the center. However, they maintain the unofficial mission of providing space for local artists and promoting cultural activities, and they evaluate themselves on how well they keep to this unofficial mission.

Keys Takeaways

- Because the building was already home to several artists' studios before Kaapeli's official founding, the center had a pre-established reputation as an art community and a critical mass of artists in the building. That helped establish the center's reputation as a cultural center from the beginning.

- Kaapeli's mixture of artists, educational programs, museums, private companies and events is very attractive to tenants. The executive director of Kaapeli says that commercial companies are more than willing to pay higher prices to be a part of the environment in the center. There is a waiting list of IT companies that want to move their offices into the building.
- Only renting space (and not including any furniture or equipment) allows Kaapeli to keep prices low, lowers staffing needs, and lowers maintenance costs.
- Owning the building insulates Kaapeli from rental increases.

Artisan's Asylum in Somerville, Massachusetts

General Information

Artisan's Asylum is a community-based makerspace located in Somerville, Massachusetts. Gui Cavalanti, a robotics engineer, started the space as an after-work hobby in 2010, renting a small workspace and purchasing a set of basic tools. The organization grew quickly with the help of volunteers, moving several times before ultimately locating to a 3,800 square meter warehouse. The organization started as a 100 percent volunteer run space, but eventually hired a small staff responsible for the managerial tasks. Today, about 10 percent of the work needed to run the organization is done by paid staff, and the remaining 90 percent of the work is still done by volunteers.

Mission

Cavalanti started Artisan's Asylum because he personally wanted a space in which he could pursue his passion of building robots. He couldn't find a space that had the tools he wanted and fostered the sense of community he desired, so he decided to start his own. The center grew organically, and today its official mission is to "support and promote the teaching, learning, and practice of fabrication". While the growth of the organization was ultimately a positive development, it presented challenges to Artisan's Asylum as it had to adjust its operations to a larger scale. As more individuals got involved in the center, the number and diversity of stakeholders grew, requiring new decision making processes. In particular, the decision to hire full-time staff was a major change for the center. The Asylum had to confront a new dynamic where some individuals were getting paid for work, while others weren't. Balancing the volunteer / staff dynamic can be a challenge for the organization. Additionally, as the Board of Directors was established, the center had to decide how much decision making power to give to "outside" stakeholders, external to the organization.

Place in Local Community

Somerville is a suburb of Boston. Historically, Somerville was a factory town, home to several meat-packing plants and a Ford Motors factory. Many of these large factories closed in the period from 1950-1980, after which the city experienced problems related to poverty and crime. In the 1990s, the city



Business Model:
Non profit makerspace and community of private workshops

Mission:
Its official mission is to support and promote the teaching, learning and practice of fabrication.

Services / Activities:
Rent access to makerspace and shared equipment, rent private workshop space, and offer and host a range of classes and training sessions on fabrication and equipment use.

experienced a wave of gentrification and an influx of artists to the area.

Artisans Asylum was created by members of this artist community. It is the largest makerspace in the Boston area, and one of the few makerspaces in the area that targets people focused on making things for their businesses, rather than hobbyists.

Client Population

Artisan's Asylum mostly serves individual artists and people who are working on projects for start-ups, rather than hobbyists. Currently, they serve about 150-160 clients per year through their membership. They provide tools and equipment for a variety of fabrication types, including electronics, robotics, woodworking, welding, jewelry, and metalsmithing. They have a select number of permanent workspaces that are available for rent by artists, while the majority of members can access their tools in the common workspace. Additionally, Artisan's Asylum highly encourages its members to get engaged in the community and participate in community classes and social events. Although education is a large component of Artisan's Asylum's mission, their insurance does not allow children under the age of 18 to enter the workspace, so they are not able to provide any youth-oriented programming.

Since its founding, Artisan's Asylum has largely attracted new clients via word-of-mouth, although they do some marketing, and also raise attention via the community classes they offer. The organization seeks feedback from its members through an email system: they have dedicated email addresses for a variety of topics/problems, and members can email complaints/suggestions/feedback to the appropriate address to communicate their point of view. The organization also uses Slack to both set up and share new projects, and to encourage social interactions and community participation.

Organizational Structure and Decision Making Processes

The organization is still largely volunteer-driven, though they have a paid staff of 4 members: an executive director, a member services coordinator, a facilities manager, and an education manager. Artisan's Asylum is also guided by a board of directors that approves large purchases and makes bigger strategic decisions for the organization. The board meets monthly and guides the vision of the makerspace, making sure that the direction of the organization is faithful to the mission. Finally, there is a president of the organization, who is elected from the Artisans Asylum's membership community. The president speaks for the membership of the organization as a whole and acts as the public voice for the organization.

Business Model

As a makerspace, Artisan's Asylum offers three primary services to clients:

- **Memberships that provide access to shared workspaces and tools/equipment.** Artisan's Asylum offers two types of shared equipment memberships: monthly memberships and single day passes. Monthly memberships come in a variety of access levels, from weekend-only access to unlimited monthly access, and range in price from \$75 to \$175. Day passes can be purchased in groups of 5 or

10.

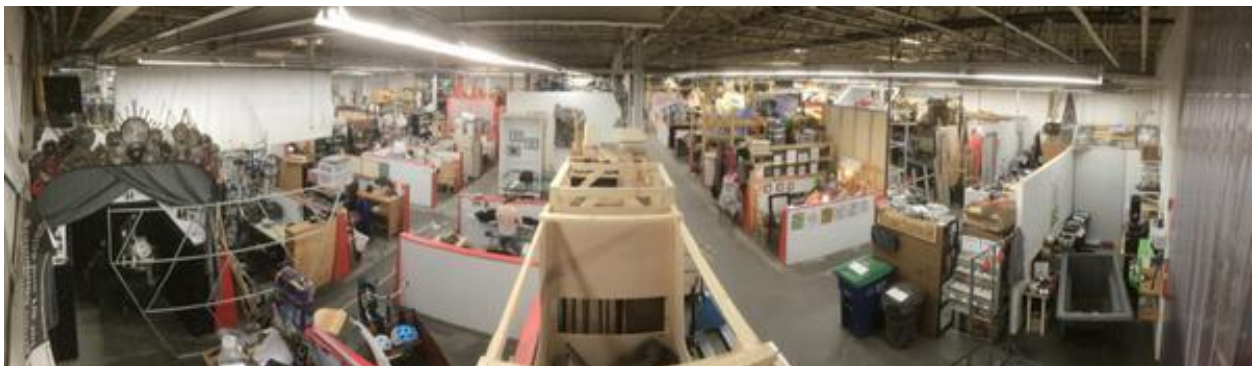
- **Private workspaces for rent.** Monthly members also have the ability to rent private work and storage spaces, when available. Workspaces are fully rented and there is a waiting list for new members to request a workspace. Storage space is available for both projects and materials, and can be rented by the day or the week. The renting of work and storage space provides the largest portion of revenue for Artisan's Asylum.
- **Courses on various artisan skills and activities.** Artisan's Asylum offers a wide range of classes that are open to members as well as to the public. Revenue from classes are split 50/50 between Artisan's Asylum and the instructor. Additionally, Artisan's Asylum will offer reduced membership/space rental fees in exchange for teaching a course.

Metrics for Success

According to Artisan Asylum's Facilities Manager, the organization still defines success in large part to being able to pay their bills. However, they also evaluate the performance of the organization by the happiness and level of engagement of their members, which they consider to be quite high.

Keys Takeaways

- In addition to the communal workshop space and shared equipment, the Asylum also has many private workshop spaces, where people come every day to work. All of these workshops, in close proximity to each other, create an incredible atmosphere in the building. Many people have said that they are totally overwhelmed when they enter the building for the first time and see the variety of different workshops, tools, and projects. The center is a minor tourist attraction in Somerville because of the spectacle of all of the different workshops.



Overhead view of the individual workshops at Artisan's Asylum

- They also offer storage space to members. Makerspaces that cater to people with businesses need to offer storage space. People who make things to sell do not want to bring their materials from home, make their products, and then bring their products and leftover materials home before they sell them. They want to store their materials and products at the makerspace and ship their products directly from the workshop.

- The Asylum is self-sustaining in a relatively expensive Boston suburb, but this is only possible because much of the work in running and maintaining the facility is done by volunteers.
- Not being able to host people under 18 years old is a major issue for the Asylum. Educational courses for children are a good source of grant money and a good way to introduce kids (and parents) to making.

Technoport Incubator in Esch-sur-Alzette, Luxembourg

Technoport is an innovation center located in Esch-sur-Alzette, a small community in Luxembourg on the border with France. Technoport was created in 1998 by the Henri Tudor Public Research Center in Luxembourg. In 2012, Technoport merged with another Luxembourgish business incubator, called Ecostart. Technoport consists of 16,000 square meters of facilities across five buildings in two locations. Initially, Technoport was largely government supported, though after 2012 all government support ended, and Technoport supports itself through charging for services and corporate sponsorships.

Mission

Technoport's original mission of fostering successful technology-oriented businesses in Luxembourg led to the targeting of local entrepreneurs as its first clients. The initial strategy taken by the incubator was to connect entrepreneurs with government-funded researchers to commercialize technologies that were in laboratories. In later years, the incubator has provided a more holistic set of services to entrepreneurs by providing equipment for technology development, a physical space for startups, and access to relevant resources and communities. In addition to supporting technology-oriented companies in Luxembourg, Technoport supports research, development, and innovation activities in Luxembourg for foreign companies.

Place in Local Community

The strengths of Technoport include its large presence relative to its small country environment, its close connections to decision makers, its location in a politically stable country and the government's supportive stance towards technological innovation. More recently, an added boost to Technoport's value has been the movement of offices for large companies such as Amazon into Luxembourg.

Client Population

Technoport mostly serves entrepreneurs and startups. The incubator caters to a broad variety of industries, including materials science, information and communication technologies and automotive technologies, though the dominant industries in the Luxembourg ecosystem (and in the incubator) are ITC technologies. The majority of entrepreneurs that Technoport serves are residents from Luxembourg, though around 30 percent of the entrepreneurs supported by Technoport come from the greater region



Business Model:
Non-profit incubator, co-working space, and fab lab.

Mission:
To support technology entrepreneurs by providing resources, access to relevant business and startup communities, and physical space and equipment for technology development.

Services/Activities: business incubator | co-working | fab lab
Incubation of startup companies, co-working space, fab lab, as well as support for foreign companies trying to set up research operations in Luxembourg.

surrounding Luxembourg that includes France, Belgium and Germany. With the recent movement of large technology conglomerates including Amazon and Microsoft into Luxembourg, Technoport has begun to provide support for foreign companies establishing research, development or innovation activities in the country.

Organizational Structure and Decision Making Processes

Technoport is organized as a non-profit. It has a CEO who runs its day-to-day operations, and has five additional full time employees, as well as some interns from local universities. Major decisions are made by Technoport's board of directors in cooperation with a diverse group of stakeholders. The stakeholders include Luxembourg's Ministry of the Economy and Foreign Trade, as well as as Luxembourg's main energy utility company, a large international engineering company headquartered in Luxembourg, and the country's oldest private banking group.

Internal decisions that are money-driven are made by the board of directors. Strategic decisions, such as the decision to launch the 'Fab Lab', are made through a collaboration between the board of directors and key stakeholders. The board of directors is also involved in Technoport's incubator selection process, which includes an evaluation of the business plan and proposal by the Technoport team, followed by a review of the final application and decision to accept or reject by the Board of Directors.

Business Model

Technoport was originally set up with an investment of €400,000 by the Luxembourg Ministry of Research. A public bank provided cash contributions as financial support. Technoport generates its revenue from three streams: 70 percent from hosting entrepreneurs and their companies, 18 percent from projects with the EU and 12 percent from sponsorships, the Fab Lab and other miscellaneous activities. The services provided by Technoport include hosting services for startup technology companies, the provision of co-working services including hosting co-working events, and the Fab Lab. Technoport has accepted 118 companies into its incubator program and graduated 50 companies, that have raised over €82 million in investment. It has also hosted 31 companies in its co-working facilities.

The physical space of Technoport consists of 16,000 square meters of facilities in five buildings in two locations. The buildings were obtained on a €1.5 million long-term lease and Technoport does not pay a monthly rent for the facilities. The incubation program runs on a monthly fee and provides entrepreneurs office space and printing facilities, high-speed internet, parking space, meeting and conference rooms and 24/7 infrastructure security. Technoport also provides companies access to networking events and professional service partners including legal, IP, accounting and HR services. The co-working program charges project owners by the use of desk facilities for periods of time ranging from 1 day to a full month in addition to a monthly subscription fee. The Fab Lab is hosted in 2 locations and provides access to over 11 machines including 3D printers, laser cutters, CNC milling machines and robotic arms. Additionally, the Fab Lab runs on a subscription business model and provides training workshops to enable rapid prototyping and digital manufacturing. Recently, a digital experience studio was established to provide

entrepreneurs in developing digital technologies with access to the latest technologies. The use of equipment in the Fab Lab is charged by the hour with different rates for corporate entities, non-profits and students.

Metrics for Success

Technoport evaluates itself on a variety of metrics, including the financial stability of the center, number of new companies formed, funds raised by client companies, jobs created, and number of events hosted.

Keys Takeaways

- Being located in a small country means that making meaningful connections is easier. The director of Technoport has direct access to decision makers in key ministries and to the representatives of some of the largest companies in the country. These connections are a huge value add for their clients.
- Technoport has been around for a long time and is an established name in the country. That has allowed them to build a reputation among the research and innovation community and get a number of large corporations to sponsor the organization.
- Technoport has a long-term lease on both of their facilities and does not pay monthly rent. This allows its business model to be self-sustaining.

Ambasada (Embassy) in Timișoara, Romania

Ambasada is located in Timișoara, Romania, in part of a former hat factory. The center is located fairly centrally in the city. The Ambasada project evolved from an NGO called LEAP, which provides training and jobs to disadvantaged people in the area – they were originally trained and employed to work at the annual World Music and Arts Festival in Timișoara. The founders of LEAP wanted the organization to grow and train people for other types of jobs. In 2015, LEAP rented a space in the former hat factory to create Ambasada, a café, co-working space, and event space, and have used it as a base to train people to work in food services, catering, and event hosting.

Mission

Ambasada's primary mission is training and employing local disadvantaged people, who work in the center to gain experience. The center has a secondary mission to promote and host cultural and educational events and to support local non-profit organizations.

Ambasada is a relatively new center and still trying to find the correct balance of activities in the center. In its first year, Ambasada hosted over 700 events—many more than they expected. Their director, Andreea Iager, says that they are still trying to find a balance between events that will make money (they have a lot of demand from corporations to use the space) and events that better fit their mission of promoting cultural activities and supporting local NGOs. There is also a tendency among people who come to Ambasada's café and co-working space to view it as a hangout spot, rather than a community center or cultural center—they feel like they are still trying to engage many of their visitors in the cultural activities of the center.

Place in Local Community

Timișoara has always been a very multicultural city, and there has been a lot of activity around the development of different social NGOs and groups devoted to cultural activities in recent years. Much of this activity started around the World Music and Art Festival and has increased since Timișoara launched its bid for European Cultural Capital in 2021. The creators of Ambasada wanted to create a place where NGOs and other groups could gather to share ideas and get support that they need.

Business Model:

Non-profit event space, co-working space, NGO consulting services, and café.

Mission:

Its official mission is to provide jobs and training to disadvantaged local people. The center also promotes a range of cultural events and activities in Timișoara.

Services/Activities:

In addition to training and employing local disadvantaged people, Ambasada offers event and meeting spaces for rent; co-working spaces; and a large range of arts, cultural and educational activities. It also has a café and bistro that provide additional revenue for the center.

Ambasada hosts a range of event to encourage participation from the local community, including fitness classes, concerts, movie nights, master classes in art and music, and similar events.

Client Population

Ambasada has several different types of “clients”:

- Their main mission is to employ and train disadvantaged people, who work at Ambasada in different capacities. They currently employ five people through this program.
- They have a large event space that they rent out to different types of organizations, including corporations, NGOs, and other types of entities.
- They have a co-working space and café, which are used by local NGOs, artists, freelancers, and the general public.

Ambasada is still trying to find the ideal mix among the organizations they rent event space to. Renting space to companies helps make money and makes the center sustainable, but most of these corporate events do nothing to create an Ambasada community or advance its cultural mission. Andreea Iager, Ambasada’s director, says they are slowly learning to say no to some of these events, which is a major change in their philosophy—initially, their primary concern was just paying their bills. Now, the center is more sustainable and their focus has shifted to hosting and curating more cultural and educational events.

Organizational Structure and Decision Making Processes

Ambasada was originally formed by two people, Andreea Iager and Nortbert Tako, a husband and wife who previously created the LEAP non-profit. Together, they serve as director and financial manager of Ambasada. They have also hired a location manager to oversee the day-to-day operations of the facility and manage the trainees.

The center does not yet have a board of directors. Andreea Iager admits that they were quite unorganized at first, and are still learning how to manage such a facility. Without a board of directors, they have no one to advise them on strategic decisions, and that was a problem during their first year.

Business Model

The majority of Ambasada’s revenue comes from event space rentals, though it generates additional revenue from café sales. Ambasada also rents space to people who want to offer art and music courses, at much lower rates than it charges for events. The center also offers mentoring, coaching sessions, and consultations to NGOs free of charge. NGOs can also use the co-working spaces for free. Ambasada also received an EU grant for a time, which provided funding for its work with disadvantaged people; Ambasada found the grant to be a bad experience, because it required a huge amount of complicated paperwork.

Ambasada pays rent for its building, which is owned by a private English-Israeli real estate consortium.

This consortium is trying to sell the building, and Ambasada is trying to convince them to sell to the local government to preserve it as a cultural center. However, Ambasada has concerns that it will need to move if the consortium sells to a private company that wishes to redevelop the site.

Ambasada has had problems with taxes. The local government isn't used to NGOs who sell things (such as from the café and bistro in Ambasada), and there are no local lawyers with expertise in non-profit regulations. So, for now, Ambasada has to pay both VAT and sales tax, meaning they pay more taxes than local for-profit companies.

Metrics for Success

Ambasada is a relatively young organization, and its founders are still primarily concerned with paying bills and making the center sustainable. Its primary mission remains employing and training disadvantaged people, so the founders evaluate the number of disadvantaged people Ambasada directly employs and the progress of those people who have received training and gone on to other jobs. They also monitor the number and type of cultural events and activities Ambasada hosts.

Key Takeaways

- Ambasada's two founders also help organize the World Music and Art Festival and were part of Timișoara's bid for the European Cultural Capital in 2021. Andreea and Norbert brought extensive personal networks and connections to other NGOs, associations, and groups in Timișoara to Ambasada. These connections were a major factor in Ambasada's initial popularity and have helped make the center sustainable.
- Not having a board of directors or an advisory board means the founders of the center have no one to turn to when they have strategic or philosophical decisions to make for the center.
- Not having a lawyer or accountant with good knowledge of non-profit regulations has caused many problems for the center.

Kulturzentrum Schlachthof (Slaughterhouse) in Bremen, Germany

General Information

Kulturzentrum Schlachthof is located in the Findorff district of Bremen near the center of the city in a former slaughterhouse that was built in 1882. In 1978, a group of young people began occupying the then-abandoned slaughterhouse building and in 1979 they founded the Schlachthof Cultural Society. In 1981, the city demolished many of the historic Schlachthof buildings, except for the water tower, boiler house and the stockroom areas. These buildings now compose the Kulturzentrum Schlachthof.

Mission

Kulturzentrum Schlachthof does not have an official mission, but the non-profit center provides diverse cultural programming for a variety of audiences.

Place in Local Community

Before Kulturzentrum Schlachthof was officially founded, it already was home to an informal collective of artists and performers. The center has a long history in arts and culture, and today is Bremen's largest cultural center with a presence across northwestern Germany. The center operates cultural studios on theater, multimedia, and journalism, which initiate projects, productions, workshops and events on various topics of public interest. Schlachthof hosts an international children's theater festival every two years.

An addition to the cultural studios, the center hosts nearly 200 music events with more than 120,000 visitors each year. Kulturzentrum Schlachthof also publishes a biweekly cultural newspaper, operates a public bar, and maintains a summer garden, skateboarding facilities and an open-air stage for public use. The center used to host an art gallery, but found that it was too difficult to maintain interest through the length of an exhibition.

The center also offers a three-year theater technician training program for one local student per year. In this program, students spend three days at school and two days in the center learning how to be a technician.



Business Model:
Non-profit cultural and events center.

Mission:
The center does not have an official mission. Unofficially, it promotes culture and the arts.

Services/Activities:
As non-profit cultural center, Schlachthof operates cultural studios on theater, multimedia, and journalism, which offer workshops and events on various topics; hosts concerts; publishes a biweekly cultural newspaper; operates a public bar; and maintains a summer garden, skateboarding facilities, and an open-air stage for public use.

Schlachthof

Client Population

Kulturzentrum Schlachthof serves a wide range of audiences, rather than targeting specific populations. Most of the center's workshops are open to the general public, while a few of its theater workshops are specifically aimed at youth.

There are several large commercial music venues near Schlachthof that usually host pop and electronic music concerts, so Schlachthof intentionally courts concerts and musical acts in genres that are not served by these other venues. The center has a legacy of hosting punk music shows, dating back to the original occupiers of the slaughterhouse when the building was abandoned.

Business model

Kulturzentrum Schlachthof operates as a non-profit cultural center. The center receives money from the city for socio-cultural programming, but the city has no control over the kind of programming the money is used for. Most of their cultural programming is free to the public. The center charges a small participation or use fee for some of its workshops, equipment, and practice rooms. Schlachthof also generates a substantial portion of its revenue from concert bookings.

Organizational Structure and Decision Making Processes

Kulturzentrum Schlachthof is structured as a non-profit cultural center. It utilizes a cooperative management scheme to run the center. There is no director. Instead, every two years three employees from the 14 full-time center staff are elected to serve as a leadership committee. During the election, employees nominate and debate who should serve on the leadership committee. This committee is in charge of day-to-day operations and has control over minor purchases, while larger purchases and other important decisions are made through weekly team meetings involving the whole staff. Twice a year the staff has more in-depth meetings to cover bigger issues facing the center. Once a year the center hires a moderator for a half- or full-day team meeting to help resolve larger conflicts. The center has no formal methods for collecting feedback from users, but community members do post comments and concerns on the center's Facebook page or provide them verbally to the center's employees.

Schlachthof does not have a board of directors or an advisory board.

Repurposed Industrial Space

Kulturzentrum Schlachthof occupies a former slaughterhouse built in 1882. The site is owned by the city of Bremen, and Schlachthof occupies the site rent-free. In return, Schlachthof is responsible for basic maintenance of the site and small renovations. Schlachthof's maintenance staff manages the service and maintenance of the buildings and the outside premises. In addition to regular cleaning and sanitary service, the maintenance of technical systems, and small repair jobs, this department is also responsible for executing building alterations. Recently, the city has undertaken more significant renovations to the

site that may change the financial relationship between Schlachthof and the city.

Metrics for Success

Kulturzentrum Schlachthof is a non-profit organization that receives financial support for socio-cultural programming from the city of Bremen. To continue receiving this money, Schlachthof must provide quarterly metrics on programming and attendance. The center also evaluates the success of its concerts based on attendance and modifies future programming accordingly.

Keys Takeaways

- Paying no rent to the city allows for financial stability and programmatic flexibility, as Schlachthof has a relatively low operating budget. Without free rent, the center would need to be much more commercially oriented in its programming and the types of concerts it hosts.
- Schlachthof is located near several large, commercial music venues that typically host pop and electronic music concerts. Schlachthof tries to appeal to audiences not served by these commercial venues, instead hosting international music concerts, punk and heavy metal shows, as well as other types of music genres. The center has also learned that it attracts larger crowds if it does not schedule concerts the same night as concerts in the city's large venues.
- Schlachthof's decentralized leadership model is a legacy from Germany's past. Many cultural centers in the country used to operate this way, but the recent trend in Germany has been to move toward a more centralized organizational structure with a center director. Thus far, Schlachthof has found no reason to move to a more centralized structure.

Makerspace Mini Case Studies

Nova Labs

Nova Labs is located in Reston, Virginia, a suburb of Washington, DC. Started in 2009, it is the oldest makerspace in the DC area.

Business model

Nova Labs is organized as a non-profit, with all revenue coming from membership fees. Nova Labs offers their members shared equipment and a large variety of events and classes. Membership has primarily grown through word-of-mouth, and the makerspace has not done any marketing.

Its revenue is enough to pay rent, electricity, etc., but all employees are volunteers.

Nova Labs has three levels of membership:

- Attendees, who only come for events and classes
- Associates, who can use any equipment during open hours
- Full members, who have 24/7 access to the space, have storage space and can reserve meeting room space.

Nova Labs also has incubator spaces for companies, which provide 25-30 percent of its income.

Nova Labs hosts a large variety of events and classes. Nova Labs also host several educational classes aimed at children (there is a lot of grant money available for these types of activities). The space also put on classes on how to use the space's equipment and software. They would like to offer more certification-type courses in the future.

Client Population

Their members are primarily hobbyists working on personal projects who come to Nova Labs to use equipment (which they may not have space or money for at home) and for the community. Reston is a commuter community, home to a lot of engineers and technical professionals working in large multinational companies and government institutions in the region. Most of Nova Labs' membership comes from this community.

Many of the members live in small homes and apartments and do not have space for a workshop and larger equipment, so their primary motivation to join Nova Labs, at least at first, was to work on personal projects in the workshop space. Now, many come not only to work on their own projects, but also to take part in one of the many group activities ongoing at Nova Labs. The membership has self-organized into many different meetup groups, who give tutorials on using different equipment and engage in group projects (such as building a robot or 3D printing and constructing a complex machine).

Equipment

A lot of Nova Labs' equipment is loaned – meaning it is owned by one of the members who has moved it to Nova Labs for communal use. Some of the equipment has also been donated by local companies. Now that Nova Labs has been around a long time, it has started to strategically upgrade some of their equipment.

A complete list of Nova Labs' equipment is available here: <http://www.nova-labs.org/wiki/equipment/start>

Key Takeaways

- Nova Labs was founded by a groups of nine engineers and professionals who wanted to create a makerspace in the DC area. These nine people and their friends formed the initial critical mass of members and users of the space, and through membership grew quickly word-of-mouth and personal connections.
- Space constraints at home among the community, which is mostly comprised of apartments and small homes, created a strong demand for workshop space and shared equipment.
- The membership has self-organized into different groups (i.e., robotics group, ham radio group) that engage in group projects. These groups strengthen the community at Nova Labs.
- Having the space run by volunteers also strengthens the sense of community.
- The membership, rather than the board of directors or the center founders, leads most of the activities in the center.

Catylator

Catylator is located in Silver Spring, Maryland, a suburb of Washington, DC. It was started in 2015 by Steve Morris, a former engineer who became interested in the maker movement.

Business Model

Run as a for-profit makerspace, with one employee. Catylator offers several types of memberships, including hourly, day and evening passes, which give you access to all of the equipment except for the laser cutter (which requires a reservation to use).

Catylator also offers a variety of classes on how to use the equipment, as well as different programs for kids, including after school programs and summer camps.

The founder has had no problem filling his classes and kid's programs, but has been frustrated that few people regularly return to use the space. This has made it difficult to form much of a community around the makerspace.

Equipment

Steve Morris, the founder of Catylator, became very interested in the maker movement and visited a variety of makerspaces in the United States as background research. He then decided to create his own space and invested in what he considered the essential tools for a makerspace to be useful to a community (list of equipment can be found here <http://catylator.com/equipment>).

Key Takeaways

- While Catylator's classes are very popular, it has struggled to build a community of makers who regularly use the space. The founder believes you need an initial critical mass of makers using the space to establish a community, and Catylator, founded by a single person, never had that initial critical mass.
- Educational classes aimed at kids, including courses on robotics, 3D printing, etc., are extremely popular and a good source of income for the space.
- One time classes on how to make something (i.e. make a plastic snowflake on the 3D printer) are also very popular, but very rarely lead to someone coming back to use the equipment on their own time.
- The founder teaches many of the courses himself, but struggles to find people who can teach regular classes using the equipment where he does not have expertise, such as sewing.

Food Incubator Mini Case Studies

Union Kitchen

Union Kitchen is a large, established food incubator in Washington, DC. It started in 2012 when two local chefs rented a 650 square meter warehouse to use as a commercial kitchen. They realized the space was too big for their needs, so they started to rent out the space and equipment to other local cooks. Since 2012, Union Kitchen has expanded into a second 1,500 square meter kitchen. The kitchen expanded operations further by creating a distribution service for its members, as well as two retail shops where their members can sell their food.

Business Model

Union Kitchen is a for-profit business. Their revenue comes from membership fees and from sales in their retail stores. Union Kitchen was the first food incubator in DC and after opening immediately experienced a huge demand to use their kitchen space. Today, they have a waiting list of businesses who want to join and are very selective about who they allow to be new members. They do not allow hobbyists or part-time chefs to join – only serious businesses with solid business plans.

Full members have access to one of Union Kitchen’s two full scale commercial kitchens and to its distribution and delivery service. Union Kitchen realized that many of its members were spending a lot of time driving around and delivering their food to different shops and restaurants, so the kitchen invested in two trucks to make deliveries all over the city. Recently, the kitchen also opened two retail shops, where their members can sell their food.

They also offer an associate membership to “food startups” – people who have a concept for a food business. Associate members do not have full access to the commercial kitchens, but can use co-working spaces and are given mentoring on developing their recipes and finding customers and markets.

Membership

Union Kitchen has a relatively diverse membership in terms of the types of foods and services they offer – catering companies, food trucks, people who make baked goods for restaurants, etc. One thing all members have in common is that they are all full-time businesses.

Since starting in 2012, Union Kitchen has had 120 businesses use their kitchens. Fifteen of those businesses have left Union Kitchen to open their own restaurants and shops.

Key Success Factors

- Union Kitchen was the first commercial food incubator in Washington, DC, and immediately experienced huge demand for kitchen access. This allowed them to rapidly expand the size and scope of their operations.
- Union Kitchen’s retail store has been a key value add for members. It gives members an easy, low-risk first sales point for their products; provides exposure to their brand and products; and helps them to build their initial customer base.
- Union Kitchen initially charged an hourly fee for using the kitchen, but quickly switched to a monthly membership because it attracted more serious businesses. It also helped build the initial community of chefs and businesses, because people would spend more time in the kitchen instead of rushing to finish as quickly as possible.

Frontier Kitchen

Frontier Kitchen is a newly established food incubator with two locations in northern Virginia. Both locations were opened simultaneously in 2015 as a business incubator for the culinary industry. Frontier Kitchen offers baking and catering workstation set-ups; basic equipment, pots, pans, and carts; refrigerator, freezer, and dry storage; specialized equipment storage; food truck depot services; Amazon Fresh distribution services; and a four-month food business training program, called “Foundations by Frontier Kitchen”. All members are expected to provide their own small wares and equipment specific to their needs.

Business Model

Frontier Kitchen is a for-profit business. Their revenue comes from membership fees; add-on storage fees; distribution services fees; and the Foundations program. Frontier Kitchen is selective in who is allowed to join the incubator. Applications from hobbyists and single-use requests are not accepted. Frontier Kitchen only accepts members with serious plans for establishing or expanding a food business. New members must have a food manager certification, insurance, be incorporated, and have the appropriate business and regulatory licenses before they can sign a contract and join Frontier Kitchen.

Frontier Kitchen has five types of membership. Full-time members have 24-hour access to the kitchen. Part-time members have access to the kitchen between 6pm and 7am Monday through Friday and all day Saturday and Sunday. Food truck members receive depot services with options for plug in and reserved parking spaces; reserved storage shelves; and part-time or full-time kitchen access. The manufacturer membership gives businesses a place to set up and use their specialized equipment but does not provide access to the kitchen. The Foundations by Frontier Kitchen program provides four months of training, part-time membership, and limited storage. The training covers: food safety manager's certification; regulatory requirements (health department, incorporation, tax numbers, etc); producing at the commercial level; commercial kitchen equipment training; product marketing and pictures; producing marketing materials; identifying customers; how to present a product and company; hands-on sales practice including farmer's markets, events, online sales, and pitching to wholesale clients; financial accounting; food pricing; securing capital; hiring and managing employees; and managing operations and creating company policies. At the end of the training, Foundations members have the opportunity to pitch their company and product to a panel of financiers for up to \$25,000 in working capital for their company. All memberships include some one-on-one business consulting.

Membership

Frontier Kitchen's membership includes four types of food businesses—caterers, bakers, food trucks, and food products.

Key Takeaways

- Frontier Kitchen found that membership models based on the hourly rental of kitchen access contribute to business failure because unanticipated rental time adds to company overhead. The full-time/part-time model allows members to use as much or as little kitchen time as they need.
- Refrigerator, freezer, and dry storage space is very important for food businesses. Food incubators should set aside more room for storage than they anticipate needing.
- Maintenance costs for the kitchen space should include cleaning supplies that members are instructed

on when and how to use. Food incubators should expect to use double the amount of cleaning supplies that they anticipate needing.

- To maintain sanitary conditions it is important that food incubators have a setup with three wash stations—one for meat, one for vegetables, and one for cleanup.
- An inefficient cleanup layout can cause backups in the kitchen. Frontier Kitchen found that an electric dishwasher alleviates many of these backups.
- Deep fryers are messy and require frequent oil changes when different types of food are being cooked in them. Frontier Kitchen does not provide a deep fryer as part of its standard equipment, but allows members to rent space to keep and use their own fryers within the facility.
- It can be difficult for new food businesses to maintain consistency in their product lines and keep up with inventory demands if they are trying to sell through an incubator operated retail space.

Co-Working Spaces Mini Case Study

DC Hive 2.0

The Hive 2.0 is a co-working space operated by the ARCH Development NGO, a non-profit focused on revitalizing the Anacostia neighborhood of Washington, DC. It is located in the Anacostia Arts Center, which also houses an avant-garde theater, two art galleries, and several shops and cafes.

Business Model

The Hive 2.0 is self-sustaining—it actually subsidizes the other activities in the Arts Center. The Hive has three tiers of membership:

- Basic membership. These members do not have an assigned desk, but can come in anytime to use the space.
- Desk membership. Members pay for a dedicated desk that is reserved for them.
- Office membership. Members pay for a furnished office that is reserved for them.

The Hive has a waiting list of businesses for the dedicated office spaces. They also offer locker space, meeting rooms, and a free entrepreneurship course for members.

When the Hive started in 2007, it was initially viewed with skepticism by the local community. Many people in Anacostia regarded the ARCH Development NGO as gentrifiers, and thought that the co-working services were not for them. In its first two years there were worries that the Hive would need to close due to lack of demand.

ARCH spent a lot of time on outreach to the local community to get them to visit the Anacostia Arts Center. One of their most successful outreach campaigns is their annual Christmas Fair. They send postcards to

every address in Anacostia inviting them to the Center. They have food, a Santa Claus, a photo booth, and other activities for kids. This Fair brings in more visitors than any other event of the year, and ARCH believes it has been critical in getting the neighborhood to accept and use the center.

Membership

The Hive has a range of businesses that use their space, but most of the businesses are in the professional services sector, such as lawyers, accountants, and contractors. Most of these are established businesses and freelancers, rather than what would be considered traditional startup companies.

Key Takeaways

- The Hive was initially viewed with skepticism and distrust by the local community. Their Christmas Fair is an excellent example of outreach to engage locals and get them in the door.
- The manager of the Hive said that one of their most unexpected challenges has been internet service. Their clients consume a lot more bandwidth than they expected, and they have had to upgrade their internet service several times.
- The Hive's location in the Anacostia Arts Center, in the same building as a café, theater, art galleries, and shops has been a big plus for them. There is real synergy between the co-working space and these other spaces.

Appendix I

This appendix contains SRI's point-of-contact for each of the case study organizations. If Teple Misto has any follow up questions related to the organization's operations, SRI would be happy to facilitate with an introductory email.

Kaapeli Management Company

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Artisan's Asylum

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Technoport

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Ambasada

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Kulturzentrum Schlachthof

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Nova Labs

Brian Jacoby, Co-Founder and Vice President
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Catylator

Steven Morris, Director
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Union Kitchen

Elena Rosenbaum, Partnerships Manager
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Frontier Kitchen

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DC Hive 2.0

Jeff Harrell, Managing Director

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Appendix II

This appendix includes links to the services and equipment available at each of the case study organizations, where available.

Artisan's Asylum

- Equipment: <http://wiki.artisansasylum.com/index.php/Category:Tools>
- Classes: <https://artisansasylum.com/current-classes/>

Technoport

- Equipment: <http://www.technoport.lu/online/www/content/fablab/305/ENG/index.html>

Nova Labs

- Equipment: <http://www.nova-labs.org/wiki/equipment/start>
- Classes: <http://www.nova-labs.org/wiki/education>

Catylator

- Equipment: <http://catylator.com/equipment/>
- Classes: <http://catylator.com/classes/>

Frontier Kitchen

- Incubator course: <http://www.frontierkitchen.org/foundations/>