

BACK TO BUSINESS IOWA PODCAST

A partnership of Iowa State University Extension and Outreach and America's SBDC Iowa

SEASON 1 | EPISODE 41: The Benefits of Coworking

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Description: *Geoff Wood, owner of Gravitare Coworking in Des Moines, speaks about the benefits of coworking facilities, especially for entrepreneurs and remote workers who are interested in working near other people but don't want to commit to a long-term lease. Hear Geoff's thoughts on this trend and learn about his company's recent opening of its first rural Iowa location in Jefferson.*



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Steve Adams, host 00:10

Hello, and welcome to the Back to Business Iowa podcast from Iowa State University Extension and Outreach. This podcast is a collaboration between Iowa State University Extension and Outreach and the programs including Community and Economic Development, Farm, Food and Enterprise Development, and the Iowa Small Business Development Centers. These podcasts cover relevant topics for businesses and individuals related to education, research and technical assistance during and post COVID-19.

Steve Adams, host 00:54

I'm Steve Adams, field specialist three at Iowa State University Extension and Outreach, part of the Community and Economic Development unit, and your host for these podcasts. Today we are speaking with Geoff Wood, owner of Gravitare Coworking. Geoff, thank you for being here today.

Geoff Wood 01:12

Thanks for having me, Steve.

Steve Adams, host 01:14

So Geoff, could you tell us a little bit about Gravitare Coworking?

Geoff Wood 01:18

Absolutely. Gravitare is a coworking space, as you might guess from the name. What we do is become a shared workplace community for people that would be working independently, typically, or in small teams. So people that are entrepreneurs or remote employees for their companies have a professional workspace to come and do their work. They have the ability to use resources like phone booths, and conference rooms and things like that, that they would have if they were in a corporate office. But they don't have to share the full burden of that cost. Or they are sharing the burden of that cost amongst our whole membership.

Geoff Wood 01:53

And probably more important than the facilities we have is the community of people that come together so that you have coworkers around you. But those coworkers might not be people that work for your company, because they may be an entrepreneur working on something else, or they work for a company in Texas. But they're all here in the central Iowa area and become friends as part of that community.

Steve Adams, host 02:13

Almost sounds like a business incubator, would you describe it as that?

Geoff Wood 02:19

Close—it's probably a spiritual successor maybe to a business incubator. The idea is that folks, wherever they're at in their business, will get something from it. But we're not necessarily running programming to help people grow their business. If they do want to grow their business, we do often have programming or connect them with that. But we're not necessarily advisors, we're more hosts and hospitality-type people that are trying to facilitate that community together. But business incubator is a definition I think that's changed a lot over the years. So I think if people are looking for that, we're something they should definitely check out.

Steve Adams, host 02:51

All I love the term spiritual successor. So if people do need business advice, who do you refer them to, generally.

Geoff Wood 02:58

We happen to be fortunate that for the past couple years, we have hosted the mid-Iowa office of the Small Business Development Center with us. So that is always my first go to. Jenica Johnson is the director here. A lot of times, if they're coming in to talk to me about some of the other entrepreneurial things that I do in the community, I will ask them if they have talked with the SBDC. And not everybody knows about it, a fair amount of people do, but not everybody knows.

Geoff Wood 03:22

And I always try to remind them that this is a prepaid resource. The government has already decided that this is important for our economy. So there's no reason why you shouldn't be using it to help you with your business, and especially if it's something outside of my scope. My background was in technology before this. So if somebody's talking about kind of a traditional small business like a restaurant or something that we've seen before, I feel like the SBDC is a great resource for them because they can point you towards those resources, towards business plans, towards things that have already been done to help you get off the ground more successfully, than if you're just trying to reinvent the wheel yourself.

Steve Adams, host 03:57

So Geoff, where does the idea for Gravitare Coworking come from?

Geoff Wood 04:03

That's a good question. A lot of people that I talk to that had never heard of it think that I invented it, and I will assure you I did not. I'm not that smart of a vision-type of person. But coworking itself has been—I think people have been sharing offices probably forever. But coworking came about in the mid 2000s in San Francisco, kind of driven by the idea of rents being too expensive. So people were pooling resources to have a professional work environment and it quickly spread around the country.

Geoff Wood 04:33

We know that in Iowa, coworking spaces that called themselves coworking spaces have been around since at least, say, 2007, including the first few in Des Moines. I think they beat the market a little bit here. I'm not sure that we were quite ready to really support coworking businesses in the way that we are now, so they had kind of gone away for a little bit.

Geoff Wood 04:55

And then I started this company in 2013 as a consulting entity, what is Gravitare Coworking, and was talking with entrepreneurs about, like, what we can do to accelerate the ecosystem here so that more people are trying things and building things. And one of the things that I heard was that they needed low-cost, high-density office space. They needed an event center for lunch and learns and programming like that. And they needed a front door to really start with the community.

Geoff Wood 05:19

Like, if they're looking for a resource, and they may not know the name of the SBDC, someone they could ask, like, Who should I be talking to about this? So I pitched that idea in a blog post and said, I think this thing is an entrepreneurial center of gravity. And that became a physical space, which we now call Gravitare Coworking, and we've just kind of been on a tear ever since.

Steve Adams, host 05:39

I can certainly understand in San Francisco with the real estate out there, what that market must look like. So yeah, I can definitely see it starting there. Jeff, to be real honest with you, I'm actually in what is known as a colab space myself, we share our office with an architect. And in their main office up in Omaha, they have a number of people inside their space. And that's where their collaborative or colab approach came from. So is there a typical client for Gravitare?

Geoff Wood 06:10

I think that a lot of people think of us as like a technology entrepreneur space, because that is my background. And that's a lot of the companies that I've worked with before Gravitare, and we certainly have those people and we want to welcome them. But pretty quickly after we got started, we realized that the need for this business is much broader than that. So we kind of just describe ourselves as a workplace community now, and I always say, if your main tool to do your business is your laptop, then you're probably a pretty good client for us.

Geoff Wood 06:39

So we've had marketing people, we've had nonprofits here, we've had—one of my favorites was a stay-at-home mother who would stay at home with her kids during the day. But then she was a PhD student, PhD candidate. So when her husband would get home from work, he would take over the kids, and then she would start working on her dissertation overnight. So she just came in the after-hours to work. So we really try to say that our spaces are the platform. However you want to use them that makes sense within kind of, you know, normal rules for us is fine by us. So I guess the long-winded answer is no, there's not necessarily a typical person. We try to see how we can work with everybody.

Steve Adams, host 07:17

Well, sounds like it's a 24-7 space, then.

Geoff Wood 07:20

It is. We staff, our spaces from 8 to 5 on weekdays, where we have a community manager on site who will onboard people, will help them with questions, things like that. But once people get started, we give them 24-7 access to the space. Because a lot of our members are remote employees, sometimes they're working for companies, I think the farthest away is we had a member who was like a regional representative for a dairy company in New Zealand. So she was often here on calls before anybody else was. So we felt it was important right away to say we are 24-7 space for you. But our team is, it works kind of normal 8-5 hours when they're here to help you. But you're welcome to use the space whenever it works for you—weekends, too.

Steve Adams, host 08:03

So that sounds like a benefit. Are there other benefits for working in a place like Gravitare?

Geoff Wood 08:10

Absolutely. I think that there's a group that has been doing about 20 years, maybe not, maybe 10 years of research on this, that write a lot of studies about how coworking is important to the business, kind of, business ecosystem that we've seen in the last 10 years. And they haven't put any reports out since COVID started but I'm excited to see what happens with our business through COVID. But what they've seen is, it increases people's efficiency to get out of their homes and to work in a professional space, out of a coffee shop.

Geoff Wood 08:44

People tend to go to coffee shops to work because they feel that need to connect with people and be around them. But what we know is that coffee shops are not particularly productive places, because you have the noise of, you know, lattes and whatever else being... I drink black coffee, I don't know what people order in coffee shops, but all the noise that comes from like the kitchen area at the coffee shop, you have people having conversations around you. If you have to go to the bathroom or something, you're leaving your laptop out and that can be a stressful situation.

Geoff Wood 09:13

So we have a place that provides that same connection to people, and not only do you see them around you, but you get to know them through the community. So efficiency, productivity, we've seen lots of statistics on that, there's some great Harvard Business Review articles on it. But I think the most important one, which I kind of already hit on, is mental health. And I think that's what's going to be interesting going forward, as we've had people for the past seven months working from their homes, only talking to people through computers and through Zoom links, is to be around other people. There's a mental health benefit to having folks care about you, connect with you, make sure you're doing alright.

Geoff Wood 09:47

If we haven't seen somebody come into the office that typically comes into the office, we may reach out to them and say, Everything going alright? We haven't seen you. That kind of community support aspect, I think, is really important for mental health, especially if somebody's coming to us as an entrepreneur. Because if you're building... entrepreneurship is just lonely, and I know this from having built my own company, like, it's hard, you can't always share with your employees, you can't always share with your investors, whichever direction you're going. So just having those peers around you is great for mental health. And that's what will make these studies really interesting going forward, kind of looking at this time period.

Steve Adams, host 10:20

So you mentioned your central Iowa location, are there other locations for Gravitare Coworking, Geoff?

Geoff Wood 10:27

There are. Today we have a downtown Des Moines location and then we have a midtown location at Windsor Heights. So those are both kind of Des Moines metro area. We are weeks, days, I'm not exactly sure, away from opening our first northwest Iowa location in Jefferson, which is Greene County, it's about an hour northwest of the Des Moines metro. It's a smaller footprint for us. It's a rural community, something that we haven't done before.

Geoff Wood 10:53

But I'm pretty excited for it, because Jefferson is a very forward-thinking small town. And we've always wondered, like, can this thing that works, obviously, in big cities like San Francisco, in New York and London, and then also works in the next tier of cities. And then even like the tertiary cities, like Des

Moines, like it's very successful in these places. How do we get to the next level down, to small town in rural Iowa, and we had Jefferson that came forward to us and said, we think it's important for the growth of our community to have a coworking space, will you come build one here?

Geoff Wood 11:24

And I was a little hesitant because of just being conservative in decision-making on this, but they kept finding other reasons why we should do it, including some funding resources to get it done. And it's probably been about 18 months we've been working on it. And we're within, like I said, days or weeks of actually having it open.

Steve Adams, host 11:41

So do you anticipate, Geoff, that you'll be serving a different kind of client in Jefferson?

Geoff Wood 11:49

Yes and no. I think that Jefferson has the same remote-style employees that we see in Des Moines. They just may be remote from their Des Moines or Ames, you know, companies as opposed to being remote from Texas or California companies, although they may be that too. So I think we'll see remote employees, I think we'll see entrepreneurs there as well. I think one thing that may be different is we may pull from a farther radius of folks. So we may have folks from Carroll and Boone and other places around there that see the benefit of driving into Jefferson to be part of this community if they don't have one yet in their own city. So we may pull off 30 miles in this one, as opposed to pulling, you know, three or four miles around the metro area.

Steve Adams, host 12:30

Well, Jefferson certainly is progressive, and I appreciate that comment, they really have gotten out in front of things and they are moving forward, as you said. So you touched a little bit on this, and I think throughout this 40-some-odd podcasts we've done, we've heard this over and over again. But has COVID affected your business and how?

Geoff Wood 12:53

It has absolutely affected our business. It has affected me personally, as far as my stress level with what's going on in the world. But I think...I felt all along, so that six or seven, seven years that we've been working on this business, I felt like our business was the future. And as the business community was changing around us, more and more people would kind of sever the tether of like having to move to a city to work for a company.

Geoff Wood 13:20

They would move to places that they want to live, like Iowa, places maybe that they were from, they want to come back to. But they would keep those jobs and other places they'd gone to because you don't have to, like, drive into the office building, drive into that type of thing anymore. So I felt we were really future-proofing our business with the one we were building. I never anticipated that we would get to a point where we were advising people, like, not to go inside and hang out together and be in physical proximity to each other. And obviously, that's what we know now is, like, that's not what you're supposed to do.

Geoff Wood 13:51

So one of the other things that we offer is flexibility for members. So most people that are here are on a month-to-month basis, so they can leave at any time. And we do that so that companies that scale can add more space within our facilities as they grow. Or if their clients go away, they can, you know, downgrade that. The negative during COVID has been that a lot of our entrepreneurial customers that weren't really sure what their futures were just kind of ended things right away.

Geoff Wood 14:18

So in first quarter this year was the best quarter we've ever had as a company. April was pretty good. May was a 40% dip for us in revenues, which has been really hard. Now we've seen some recovery this fall, which I think, maybe people that are reaching that, like, mental health thing of, like, I really need to get out of my house, my kids are home-schooled now because of the remote school, so we want to come back into the office.

Geoff Wood 14:42

So we're really hopeful that, like, that we're starting to see a recovery here. I think the thing that has me the most concerned as a business owner is, we just don't know when post-COVID is. So are we...we were in a good cash position but, like, are we still managing six months more, or are we managing 12 months or 18? Like, when is this over? And obviously, none of us know that. But our industry is pretty excited for the future, and I hear this over and over again on industry webinars to things that I attend. Now that so many companies have gone to remote due to necessity, and they found that it works for them, there's going to be more interest in what we do.

Geoff Wood 15:19

Because people all over the country or all over the world, are going to want to ... some of these companies they're going to stay that way, many of them, and people are still going to want to connect, they're going to want to come into a physical office space as soon as they feel safe to do so. So we need to be ready, we need to have the table set, so that when they come back, they can join our spaces and still work in the way that they want to, but have that connection that really helps them be part of a community, improves their mental health, efficiency, all those kind of benefits that I discussed earlier.

Steve Adams, host 15:47

So I think what I'm hearing here, and correct me if I'm wrong, that you really feel like this may be the future of commercial real estate, is that correct?

Geoff Wood 15:55

Yeah, I would have said that before COVID and I would say that more so now. Because it helps companies because they're able to take those long-term liabilities of owning and leasing buildings off their books, and still provide for their customers or their employees, what their employees need as far as giving them office space, giving them a fun place to work and be part of that. So I think that we're hearing that from the commercial real estate world.

Geoff Wood 16:16

We've always had people interested in learning more about what we do, and I think that that's...as soon as we know when this is over, I think you'll see a big spike in what we do right now. I think people are just trying to, like, hold their ground. But yeah, I definitely would say that you're correct. This is what I see as the future of commercial real estate.

Steve Adams, host 16:32

Well, we recently had Bill Menner on and talked about rural broadband. I hope and assume that Jefferson is all wired for high-speed internet.

Geoff Wood 16:41

It is all fiber to the home and fiber to the business through Jefferson Telecom there. So we have better, easier access in Jefferson than we do in downtown Des Moines.

Steve Adams, host 16:49

That's saying something right there, isn't it?

Geoff Wood 16:52

Absolutely. Better than my house too. So I told Jefferson Telecom, soon as they're ready to start working in the Des Moines metro, I'm ready to sign up.

Steve Adams, host 17:01

Well, Geoff, thanks so much for your time today. If someone wanted to get a hold of you and ask about anything you've said today, or about how maybe to get into a Gravitare Coworking site, what would be the best way for them to reach out and get in touch with you?

Geoff Wood 17:15

Yeah, our website is GravitareCoworking.com. If you go there and send in, there's like an inquire form. I see all of those as they come in, as does our team. So that's a great way to get hold of me and we'll reach right back out to you with any questions you have.

Steve Adams, host 17:30

Terrific. Geoff, again, thanks so much for being here today.

Geoff Wood 17:34

Thank you, Steve. I appreciate it.

Steve Adams, host 17:36

If you have any questions about this Back to Business Iowa podcast, please feel free to contact me, Steve Adams, at stadams@iastate.edu, and thanks for listening. Hey, if you've enjoyed listening to this podcast, please consider posting a review on Stitcher, Spotify, Cashbox, the Podcast app, Apple, Google or whatever platform you use to find your own podcasts. Reviews, ratings and comments will all help us to build a better podcast. So whether it's a one-star or five-star review, we value your input and your opinion, and thanks for doing this.

Steve Adams, host 18:14

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