

An excerpt from...

THE WALL STREET JOURNAL.

MONDAY, APRIL 30, 2007 - VOL. CCXLIX NO. 100

THE JOURNAL REPORT: SMALL BUSINESS

MANAGING TECHNOLOGY

Here, There and Everywhere

Shared office space and virtual offices allow small businesses to have a presence in any market they choose

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One Roof

Shared office centers, which are shared by multiple companies to cut costs and come fully equipped, furnished and staffed, have been around since the late 1960s. But there was often a stigma attached: Shared space somehow wasn't "real" office space. Today, with the advent of the mobile work force, new wireless communications tools and economic globalization, that perception has changed -- particularly among entrepreneurs who want the flexibility to expand and contract without being tied down to long-term leases.

Recognizing that need, operators of these shared office centers are chasing the small-business market. Along with offering conventional shared office space, these operators are taking the concept a step further by heavily pushing virtual

offices -- which give companies a bare-bones presence in a market of their choosing, such as just a phone number, mailing address and occasional use of office space.

A Foot in the Door

Overall, there are about 4,000 shared office business centers in North America and some 5,500 world-wide, according to the Office Business Center Association International. The average monthly cost when it comes to leasing full-time space ranges from \$500 to \$2,500.

Virtual models are cheaper, typically starting anywhere from \$10 to \$150 per month, depending on the

level of service and what companies include in their package.

Operators of these services argue that they are a perfect fit for small businesses.

Companies use shared and virtual offices in a number of ways. In some cases, entrepreneurs work out of their home and use the virtual accoutrements to appear more professional to clients.

For instance, Peter Yu is a CPA in Fort Lauderdale, Fla., and mostly works out of his home, where he has a 10-

Out of the House

As more virtual-office services and shared-office business centers target small businesses, entrepreneurs are signing up to avoid high overhead costs. Some guidelines:

■ **CONSIDER VIRTUES OF "VIRTUAL":** Services require low investment for perks such as receptionist, phone system, faxing via email and a snail-mail address. Some have office facilities available as needed. Ideal for mobile workers, home-based businesses or firms trying to reach new markets.

■ **LEASE LENGTH:** For full-time office space, shared business centers with short-term leases are a good option for firms with 10 or fewer employees in one locale. Start-ups should keep first lease short, typically three to six months.

■ **WHO'S YOUR NEIGHBOR?** Shared business centers subdivide space into smaller offices, with multiple companies using spaces like kitchens and conference rooms. Do others' business styles mesh with

yours? Are they good contacts or potential customers?

■ **LOCATION, LOCATION, LOCATION:** Marquee spots, such as Park Avenue in New York, cost more but can lend prestige. Think about where your clientele is situated and pick a suite near them, parking garages, train stops and subways.

■ **CANVASS THE JOINT:** Are spaces and furniture in good condition? How many conference rooms, copy machines are there? Is there messenger service or discounts with FedEx and UPS? Is the place technologically up-to-date?

■ **ADD-ONS CAN ADD UP:** In shared business centers, services such as phone use, Internet access, copying and faxing often are sold a la carte. Figure out your real bottom line.

Source: WSJ reporting

HANG A SHINGLE

• **The Problem:** Office space can be a big, risky expense for small businesses.

• **The Background:** The idea of cutting costs by sharing office infrastructure with other firms has been around for decades -- but it was often frowned on for not seeming like a "real" office.

• **What's New:** The rise of a mobile work force has given new life to the shared-office strategy. Some companies even offer "virtual" offices, letting businesses open bare-bones branches in far-flung cities.



About Intelligent Office: Launched in Boulder, Colo. in 1995, Intelligent Office provides "Class A" office space and business services to the growing number of small businesses and executives who want to work from anywhere and be free from having a full-time office. The fast-growing franchise company has over 30 locations across the United States and Canada, and is adding about one new franchise per month. Intelligent Office was founded by Ralph Gregory, the "Father of Virtual Offices."