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Sustainability of Creative Hubs

A co-creation session on how to sustain and grow a creative hub, combining passion, social purpose and ... profitability. In this session we will work together to explore multiple ways of revenue and different business models of creative hubs, based on their propositions, characteristics and assets.

Facilitators:

Ben Kolp, The Living Room &
Tania Santos, CRU cowork

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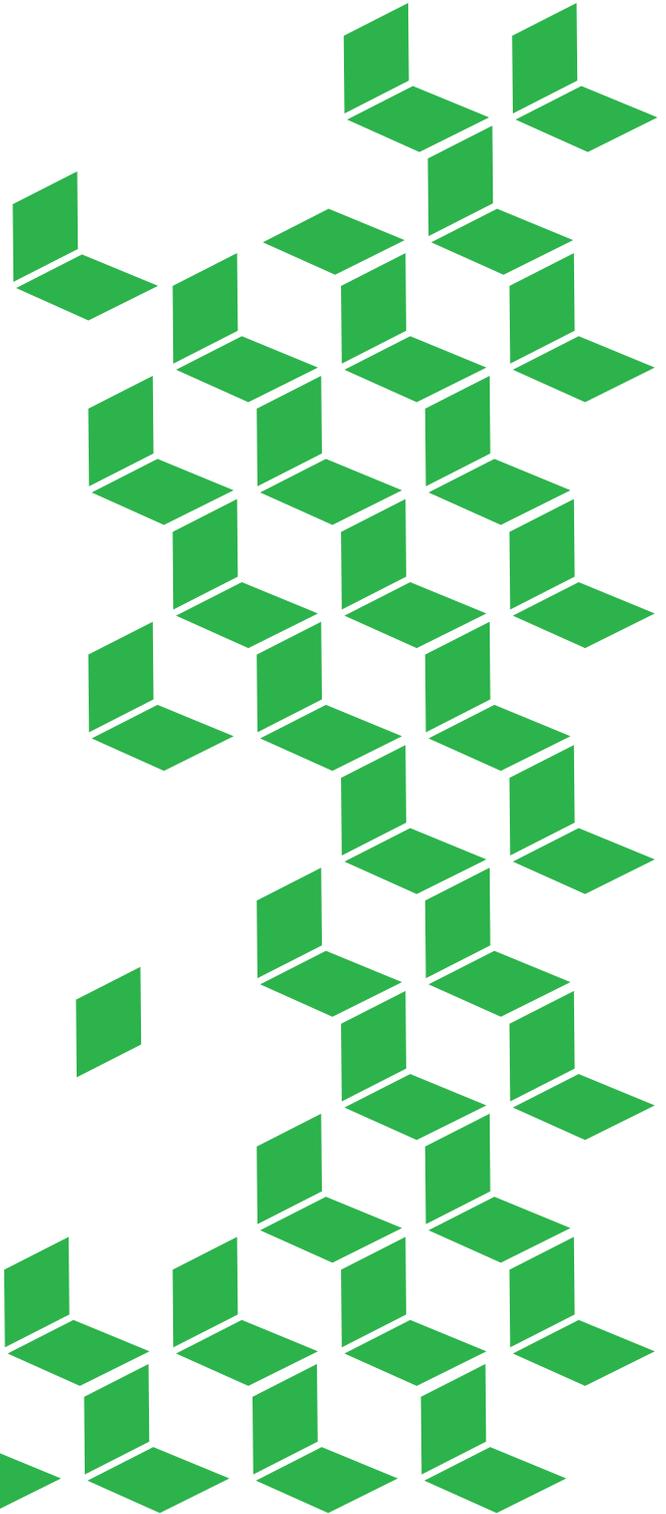
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During the session Tania and Ben discuss how sometimes sustainability and profitability is left behind regarding the creative hub's management. By talking with a lot of people and seeing different approaches, sometimes it is felt that there is not enough information. There is a need to re-evaluate how a new hub can be resilient in order to not fail and survive.

Toolkits and publications that help new hubbers to start their own hub with less chance of young mortality exist, and the idea of the brainstorming session that will follow is not intended to be the perfect recipe or a magic way of generating revenue, but

by combining all participants' ideas and a variety of models and functions we could get enough information to perhaps create something that could be a starting point for a creative hub and a chance to grow the network in the future.

While most of the participants are experienced hubbers, already running a hub for several years, it is also a big challenge to be agile, to change and to evolve from one model to another, find what works better with our peers and solve problems from the communities that we are dealing with, so the idea in this co-creation session is brainstorming in two perspectives:

- One perspective that we are dealing with is the members' needs, gains and pains. Not only the actual members that already exist in the hub, but also the future members. Not only think about the actual needs of today, but also try to think proactively about what can be the expectations of a person that approaches a creative hub in the future: What are their desires? Why do they come to these places, to these structures? Today we are facing so many changes and challenges, so what do you expect to be the future needs of future members? At the venue there is one board that reads "members and clients". When we think about the users and the people that are connecting with the creative hubs, we should not only think about the users of a co-working space, but rather think more broadly about potential services, potential value that a creative hub can have, not only for a freelancer or an entrepreneur, but also for the stakeholders in the city, for the municipalities, etc.

- The other perspective on the second board stimulates us to think about assets and characteristics of creative hubs. What are the values that you actually feel that you already have in your hubs and how can you monetize them? Some of the assets are more social, other are more tangible; but in order to carry out our mission we also have to think carefully about sustainability and profitability of our businesses.

The participants split in two groups, armed with a pile of post-its and markers, they come up with ideas for the two perspectives outlined above and write them down on the boards.

The first board reads "Members/Clients (needs, pains and gains)".

Some of the participants wrote:
Flexibility, affordable space, needs of digital nomads, students who want to be part of a network, a community with needs for learning, mentoring, and peer-to-peer learning. Also, stakeholders identified like NGOs looking for creative solutions of different kind of social problems, corporates and corporate employers with a need to change environments, also identifying the needs of companies, like more innovative solutions, legal advice, access to finance, social security alternatives, models for freelancers, access to business opportunities and to networks. In an ideal process we should listen to these needs, to these humans that all have different necessities and go ahead and create a model that would then create value for them by helping them to get paid for their services and result in a sustainable business. The reality is that most of these needs are coming from different kind of stakeholders and different kind of budgets and we are addressing them with difficulties. Some of these needs and pains are not so tangible, some of the people don't verbalize these kind of things, which makes them even more difficult to sell.
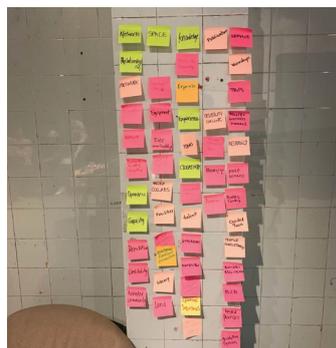
The second board reads "Creative Hub Assets & Characteristics".

The participants defined community as the main asset of each and every hub. Departing from the community thought all other assets can be grouped into 5 asset clusters:
- Network: relationships, living & working together, openness, capacity, reputation, credibility
- Space: cultural venues, equipment, site, buildings, work and collaboration labs, facilities, apartment, library, kitchen, land, landlord

- Knowledge: know-how, expertise, experience, ideas, creativity, innovation skills, talent, business development knowledge, creative solutions, out-of-the-box thinking
- Brand: publications, online visibility, digital fabrication tools, homepage, name
- Services: workshops, trips, digital nomad package, residency, post service, foodie tours, guided tours, textile consultancy, business registration, B2B, tested processes, guideline systems, tools

From the first board (potential members or customers and their needs) we learnt that not all member or customer groups necessarily are suited revenue generators. Always keep in mind, what is their reason for doing business with you. Academic institutions usually want to expand the learning environments for their students, but do not necessary hold big budgets, whereas corporate customers can certainly pay a premium compared to freelance members. In summary, don't try and stick your hands into empty pockets!

When looking back onto how to monetise the available assets at your creative hub, it seems as if the assets falling into the categories Space and Services are the most common revenue streams creative hubs leverage to drive revenue. On one hand you make money from renting your spaces in various shapes and forms (for events, desk space, private studios, etc.) and on the other hand you offer additional services to your hub members at a fee.

The categories Network and Knowledge open interesting doors to additional revenue streams, for example in shape of a Creative Hub Agency as presented during our event in Athens by Atilim from Atolye and Lorene from MOB. Leveraging the skills and knowledge of your community, you can flexibly pull together teams to work on projects from the outside world and make a commission for the project management efforts put into it.