

# New Work Models and Value Creation: Co-Working Spaces in Mexico

## Nuevos Modelos de Trabajo y Creación de Valor: Co-Working Spaces en México

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### Abstract

Co-working spaces are an increasing phenomenon in most cities, with different formats, in some cases individuals look for a place to work on their computer for a few hours, while others assemble specific talent such as freelancers, entrepreneurs, students to socialize, foster collaboration between various disciplines to build a knowledge sharing community, and to create an environment to foster an ecosystem for innovation.

However, the literature lacks conclusive empirical results about the motivations, practices and drivers for sharing collaborative spaces, and if there are theoretical views as rationale for the boom of these collaborative communities. A current understanding in the corporate literature is that people look for jobs and social security, but what is known about the new generations, are they comfortable with cubicles, schedules, and lifelong employment?

To explore the CWS' motivation, practices and drivers, this empirical research was based on two comparative and exploratory case studies as a methodology, and using semi-structured interviews and direct information observation. Secondary data like the content of the spaces' web pages, online forums and discussion mailing lists has also been taken in consideration.

Based on the case study findings, the article proposed a typology of the different drivers to affiliate to a CWS. Two types of networks were

distinguished: (1) networks like The Pool CWS, focusing on an economic logic (cost reduction); and (2) networks like El Cowork, based on a utilitarian logic (sharing of resources, knowledge and means of work).

**Key words:** *Co-Working Spaces, Sharing Economy, Value Creation*

### Resumen

Los "coworking spaces" son un fenómeno creciente en la mayoría de las ciudades, con diferentes formatos; en algunos casos, las personas buscan un lugar para trabajar en su computadora durante unas pocas horas, mientras que otros reúnen talento específico, como "freelancers", empresarios o estudiantes, buscando socializar y fomentar la colaboración entre diversas disciplinas para construir una comunidad de intercambio de conocimientos y crear un ambiente para fomentar un ecosistema para la innovación.

Sin embargo, la literatura carece de resultados empíricos concluyentes sobre las motivaciones, las prácticas y los detonantes para compartir espacios de colaboración, y si hay enfoques teóricos como fundamento para el auge de estas comunidades colaborativas. Un entendimiento actual en la literatura corporativa es que las personas buscan empleo y seguridad social, pero ¿qué se sabe acerca de las nuevas generaciones, están a gusto

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con los cubículos, los horarios y el empleo de por vida?

Para explorar la motivación, las prácticas y los impulsores del CWS, esta investigación empírica se basó en dos estudios de casos comparativos y exploratorios como metodología, utilizando entrevistas semiestructuradas y observación de información directa. También se han tenido en cuenta datos secundarios como el contenido de las páginas web de los espacios, foros en línea y listas de correo de discusión.

Basado en los resultados del estudio de caso, el artículo propuso una tipología de los diferentes detonantes para afiliarse a un CWS. Se distinguieron dos tipos de redes: (1) redes como The Pool CWS, enfocadas en una lógica económica (reducción de costos); y (2) redes como El Cowork, basadas en una lógica utilitaria (compartir recursos, conocimiento y medios de trabajo).

**Palabras clave:** “Co-Working Spaces”, “Sharing Economy”, Creación de Valor

**Códigos JEL:** O35; L26; M21

## Introduction

Co-working spaces (CVW) are an increasingly global and visible phenomenon in most cities, with more than 7,800 spaces worldwide, located in 63 countries, with 781 CWS just in the US, 230 in Germany, 199 in Spain, 154 in UK, 121 in France, 129 in Japan, 22 in China, 95 in Brazil, 21 in Mexico and 19 in Argentina (Deskmag, 2016). According to the global survey on co-working spaces, the number of CWS worldwide has grown from 75 in 2007 to 3,400 in 2013 and to 7,800 in 2015, representing a 36% of growth in the last 12 months. The number of members worldwide also grew from 43,000 in 2011 to 510,000 in 2015 (Deskmag, 2016).

There are more than 7,800 CWS worldwide, located in 63 countries. The number of members worldwide also grew from 43,000 in 2011 to 510,000 in 2015 (Deskmag, 2016).

Some CWS are being procured by individuals simply looking for a place to work on their laptop for a few hours, while others try to carefully put together an ensemble of small companies and entrepreneurs that come in every day. Research into such spaces has, using survey methodologies, assessed their

ability to make the resident companies grow (Vanderstraeten & Matthyssens, 2012), or contract other users of the same space for business. Critical research in resource, population and geography has focused on the relation of such spaces to their immediate urban environment, pointing out that they might be a vehicle to foster creativity (Peck, 2012), pushing cultural workers to continuously expand their social capital while socializing.

Another impact with the implementation of CWS is the increasing number of self-employed workers (Cappelli & Keller, 2013), considering that a new generation of professionals is attracted into choosing a life with a lot of flexibility in terms of time and place of work, but how this socialization takes place exactly needs empirical study.

Aiming to fill this gap, this paper presents qualitative findings from a research in two CWS in Mexico, one in Mexico City and one in Monterrey, since they are considered to be the most important cities in terms of population as well as economic and industrial activity.

Following a qualitative and inductive approach (Eisenhardt & Graebner, 2007), with detail observation to understand the practices in these spaces as constitutive of the co-working phenomenon. Why members choose to join and to assemble in a common working space, to what end, what is the value proposition, describing the bundle of products and services that create value for a specific customer segment and in this case the advantages to build a community (Osterwalder & Pigneur, 2010). While many of such spaces differ from one another to the extent that it is not always evident to place them in the same category, it is important to start from the intuition that there are some common denominators to be discovered. With the consideration that even though the CWS uses local practices and real-time, the working practices are also global, following the sun, virtually in space and time.

CWS present themselves as exciting places where creativity flourishes and corporate culture seems a distant phenomenon, but what are the dynamics that will allow the community to grow and to survive, individually and as a group?

The outline of this paper is as follows. It starts by discussing the existing literature on CSW; to provide

an understanding on how exactly these spaces are evolved in time, globally and in emerging markets like Latin America, and Mexico in particular. Second, the research question is presented, followed by a proposed methodology based on two case studies in Mexico as a support to present the empirical findings and conclusions regarding CWS with focus on population, resources and culture to explain how and why do individuals and innovation communities enter and participate in co-working spaces.

### **Theoretical Framework**

CWS are a recent phenomenon. Although the term “co-working” originated in San Francisco in August 2005 and was founded by programmer Brad Neuberg, the CWS was organized as a non-profit co-op, hosted by Spiral Muse. The space offered five to eight desks two days a week, along with shared lunches, meditation breaks, massages, bike tours, and a strict closing time of 5:45 P.M. From then forward, there was a rapid growth of co-working spaces in various cities in the US (Spinuzzi, 2012). When the co-working phenomenon spread across the globe in the years following its foundation, it mixed with local practices and policies such as, for example, *Zwischennutzung* in Berlin, as a multi-purpose space (McRobbie, 2016), or the local community-based social enterprises in London, and the breeding places policy in Amsterdam where city authorities tried to form alliances with the local sub-cultural scene in order to create an attractive climate for creative groups in former factories, warehouses and schools (Peck, 2012). The evolution of such places is ever continuing, and as a result one could find more than 7,800 CWS in 2015 (Deskmag, 2016) and similar venues with various profiles, revenue models and target groups (Gandini, 2015).

The phenomenon we look at is thus on the one hand characterized by diversity, since many CWS combine their co-working area with cafes, galleries, or artist studios, thus creating places that are many things at once. Furthermore, the term co-working does not cover all of the spaces, nor do all co-working spaces look or work the same. At the same time there are certain common denominators to be found between such places. The people working

there often work individually (freelancers, solo-entrepreneurs and students) or are part of a very small organizations looking to be embedded in a dynamic working environment. They often only really need their laptop in order to work, meaning they easily move between different places of work. If not located in a central downtown location, these places often have an urban and leisure-like feel to them in terms of interior design and proximity to cafes, bars, and other urban facilities.

In order to establish a common ground for CWS, so that it is possible to study specifics and differences as the findings are presented, the Ropo et al. (2015) definition was considered as the reference for the paper as a comprehensive definition for CWS (Ropo et al., 2015, p. 3): “A Co-working space is a workspace that has shared desks, a good Internet connection, usually at least one open-plan space, a common kitchen area and meeting facilities. One can join a space on a daily, weekly, monthly or yearly basis. Often there are no dedicated spaces, desks or chairs, and one can/must choose anew every morning: Where do I sit? With whom?”

But CWS are not simply defined by the fact that people work together in the same space. There is often another goal (explicit or implicit) attached to these places, such as the interest to foster collaboration between various disciplines, the aim to build an ecosystem for innovation, or the wish to create environments in which small businesses can grow rapidly (Peck, 2012).

CWS may be perceived as an alternative to “traditional” organizational settings, but their predecessors are in fact spaces for collaboration which were set up by large organizations. In a study of the Betahaus, a co-working space in Berlin, Gandini (2015, p. 9) saw in CWS “the natural organizational form for the communal factory”, claiming that CWS may foster solidarity between self-employed workers in precarious circumstances. CWS, he argued, are a successful reaction to the radical changes in the economic system, and should be seen as social laboratories for new ways of value creation. Gandini (2015, p. 4), by contrast, shows himself skeptical towards such hype, he argues that while these places might help to foster a community among solitary workers, the increase

of social capital is only a tool in elevating one's professional profile on the way to individual professional success, and argues that "the communitarian and value-oriented approach to work should therefore be seen as the necessity to share a state that pertains to a creative community", or what Pierre Bourdieu called "habitus", a system or community composed of durable, structured structures designed to find new solutions to new situations, based on members needs and intuitions, which Bourdieu believed were collectively and flexible shaped (Bourdieu, 2004).

Spinuzzi (2012) conducted a qualitative study in CWS in Austin, Texas, showing how people's expectations, interactions and situations they found in the co-working spaces and how these perceptions and experiences mattered greatly for how they understood co-working. It is therefore crucial to take into account the beliefs and actions of those social actors involved in the construction of this phenomenon and its evolution. The social actors involved in this situation built a critical analysis of the politics involved in these spaces through a focus on the practices of these spaces. Nicolini (2009) proposes a methodology of zooming in and zooming out through different community lenses, to consider details and general aspects of the co-working space. Zooming in entail, among other things, a focus on "sayings and doings" on a process of socialization. Zooming out can mean the effects of the global perspective and how it is being implemented on the local working space.

Previous research also intended to understand the social actors involved - management and users of the space – as highly reflexive stakeholders (Nicolini, 2009) who engage in interaction practices, and the effect of these practices in terms of politics and power: what outcomes do these practices produce in terms of socializing, and how do these outcomes in turn afford or shape repeated or new practices. The findings provided some understanding on how the co-working practices were consequential for the production of social life in the community (Feldman & Orlikowski, 2011).

This research builds on three aspects to understand the different collaborative dynamics that are playing out in the localized spaces of the sharing economy. First, the sharing of physical assets (von

Krogh & Geilinger, 2014) is linked with the particular profile of the population in a city or region; second, with the geographical situation including resources and conditions such as the number and quality of universities, governmental agencies or business demand; and third, the materiality of the practices and culture. In this sense, the study of the physical spaces where the collaborative practices take place appears as being highly relevant to the understanding of the phenomenon to have co-working spaces flourishing in certain cities. It is also important to distinguish two different types of co-working modes based on specific reasons or interpretations: co-working to reduce costs and co-working to access resources in terms of knowledge, but in both cases the collaboration in co-working spaces opened the door to find opportunities to innovate.

The theory behind the cost and economic interest is based on the transaction cost economics (TCE) explaining that transactions between agents lead to reduce uncertainty. To overcome uncertainty, transactions imply costs of negotiation and monitoring incidents to bring some order for mutual benefit (Williamson & Ghani, 2012). This collaborative structure depends on the specific agreements and investments required to cover the transactions with mutual benefits. Economic agents will increase their performance if the collaborative structure and the nature of transactions are aligned. Consequently, agents engaging in collaboration and sharing in order to optimize the use of assets will gain a competitive advantage (Williamson & Ghani, 2012).

The theories to support collaboration and resource access are based on 2 phases, one being the resource-based view of the firm (Lin & Wu, 2014), where collaboration and sharing practices are considered as a source of new resources (Eisenhardt & Schoonhoven, 1996) and sharing knowledge as the main goal of alliances and cooperation (Kale et al., 2000). Most of these studies have assumed that the goal is to acquire knowledge through learning. The second phase is the community-based view (Amin & Cohendet, 2004; Mintzberg 2009) proposing that organizations are managed and governed to pursue the economic and social goals of a community in a manner that is

meant to yield sustainable individual and group benefits over the short and long term (Peredo & Chrisman, 2006). This perspective is aligned with the relational view on sharing that focuses on the effects of the whole network of actors involved in the collaboration, and suggesting that organizations might be motivated to collaborate through sharing knowledge and resources considering the resulting synergies at the network level (Gulati & Singh, 1998). Relationships in the network are based on trust and reciprocity (Mintzberg 2009).

The Knowledge Based Theory provides a lens for the creation, transfer, and application of knowledge that a CWS creates in its community's diversity and heterogeneous knowledge bases and capabilities, which are the main differences and the determinants of creativity and innovative performance. This approach to understand what occurs in the "black box" of the CWS suggests that organizations not only use different knowledge bases and capabilities in developing knowledge but also have different access to externally generated knowledge, projects and networks (Decarolis & Deeds, 1999).

In the Resource Dependency Perspective, CWS are viewed as coalitions. They alter their patterns of behavior to meet, acquire, and maintain external resource needs for the community. The coalitions emerge from social exchanges that are formed to influence and control behavior. Through the monitoring of social ties, alliances, quality of alliances and location of alliances, one can see how it affects the creativity and innovation of the CWS. The environment contains scarce and valued resources, and CWS synergies are going to exploit the benefits by utilizing all the resources they can to achieve their goal of maximization of power. The result is a progressive emergence of a model of co-production and cooperation between members in the community, members are able to identify projects, specific resources, and know how to gain access to them. The existence of this relational capital is a necessity to survive and an attempt to gain first mover advantage, as well as mobilizing resources on a continual basis (Ulrich & Barnay, 1984).

The theory behind the Population Perspective assumes that individuals can be classified into

populations based on common organizational profiles. Once they have been grouped into population niches, quick wins and long-term organizational competitiveness can be explored. Therefore, one can study the CWS's growth through their first five years of entry as a niche particular projects. The next phase is an evolutionary one, whereby the focus is on the relationship between project niches and their environments. Once the project has been conceived as a niche, one can replicate or expand to different specializations (Ulrich & Barnay, 1984).

Considering these theoretical population, resource view and knowledge perspective, this paper tries to understand how do individuals are interested in being part of the CWS in Mexico and if this CWS fosters creativity and innovation.

### **Research Question**

How and why do individuals and creative/innovation communities enter and participate in co-working spaces in specific cities? Empirically, the paper studies two different localized spaces that are representative of the CWS in the two most important cities in Mexico, Monterrey and Mexico City, in order to illustrate the different practices behind the concept of "co-working". In the first case, space members share assets to reduce costs. In the second case, the driver for collaboration is not purely economic but rather to have access to specific needed resources on a needed basis, but in both cases in an inspirational and recreational environment.

## Methodology

To understand the dynamics regarding CWS operation and evolution, this empirical research is based on a comparative and exploratory study (Yin, 2013) of two collaborative spaces.

The study is mainly based on two sources of data: semi-structured interviews, and direct observation. Secondary data like the content of the spaces' web pages, online forums and discussion mailing lists have also been taken in consideration.

*Semi-structured interviews.* The main source of data was semi-structured interviews to managers and members of collaborative spaces. The interviews were done in two phases. In the first step, an exploratory research was conducted in the two different collaborative spaces that agreed to participate in the study. This phase took place between July and August 2016 in Mexico City and Monterrey. In total, 9 interviews were done, most of them face-to-face in the spaces' facilities. The interviews focused on eight aspects: (1) the description of the spaces (members, resources); (2) the innovation modes; (3) the collaborative practices; (4) the role of community managers and organization; (5) the physical space; (6) the methodology and tools; (7) the users' involvement and (8) the knowledge management (i.e. intellectual property management). This phase helped to identify the different collaborative dynamics in an explorative approach. To ensure data corroboration for this phase, additional interviews were included with two innovation specialists, one from Mexico City and one from Monterrey, that have followed the evolution of the collaborative spaces in the cities in the last five years. These experts were researchers and university professors that represented highly knowledgeable informants (see Appendix 1) who can view the focal phenomena from diverse perspectives (Eisenhardt & Graebner, 2007).

*Direct observation.* The second main source of data was non-participatory observation of the community activities in the selected two cases. The decision to not make participatory observation was made to avoid interfering with the existing members' activities and knowledge sharing habits. In total, approximately 16 hours of formal observation and several more of informal observation, 8 hours in each location. Following observations, notes were

taken to build a more comprehensive understanding of the environment, the dynamics of collaboration and interactions between the actors within the space.

## Why CWS in Mexico City and Monterrey Mexico City

Mexico City is the capital and most populated city of Mexico, containing sixteen municipalities. As an "alpha" global city, Mexico City is one of the most important financial centers and economic hubs in Latin America.

In 2016, the estimated population for the city was approximately 21 million people, with a land area of 1,485 square kilometers, making it the largest metropolitan area of the world's western hemisphere and both the tenth-largest agglomeration and largest Spanish-speaking city in the world.

Mexico City has a gross domestic product (GDP) of US\$500 billion, making Mexico City's urban agglomeration one of the economically largest metropolitan areas in the world. The city was responsible for generating 16% of Mexico's Gross Domestic Product and the metropolitan area accounted for about 22% of total national GDP. As a stand-alone country, Mexico City would be the second-largest economy in Latin America, after Brazil.

Regarding education and cultural heritage, Mexico City has the largest universities on the continent. The National Autonomous University of Mexico (UNAM), located in Mexico City, is the largest university on the continent, with more than 300,000 students from all backgrounds. UNAM ranked 74th in the Top 200 World University Ranking published by Times Higher Education, making it the highest ranked Spanish-speaking university in the world. The UNESCO named the extensive main campus of the university, known as "Ciudad Universitaria", a World Heritage Site in 2007.

## Monterrey

Monterrey is located in northeast Mexico the capital and largest city of the northeastern state of Nuevo León, in Mexico. It is the second wealthiest city in Mexico and the ninth in Latin America, with a GDP PPP of US\$130.7 billion dollars in 2012.

Monterrey's GDP PPP per capita of US\$31,051 dollars is the highest in the country and second of Latin America. It's considered a Beta World City, cosmopolitan and competitive. Rich in history and culture, Monterrey is often regarded as the most "americanized" and developed city in the entire country, even above the cities along the U.S.-Mexico border.

The city has prominent positions in sectors such as steel, cement, glass, auto parts, and brewing. The city's economic wealth has been attributed in part to its proximity with the United States-Mexican border and economic links to the United States.

As an important industrial and business center, the city is also home to an array of Mexican companies, including international companies such as Siemens, Accenture, Ternium, Sony, Toshiba, Carrier, Whirlpool, Samsung, Toyota, Babcock & Wilcox, Daewoo, Ericsson, Nokia, Dell, Boeing, HTC, General Electric, Gamesa, LG, SAS Institute, Grundfos, Danfoss, and Teleperformance, among others.

According to the coworking organization, the most active and important CWS in Mexico are 23, from Tijuana, Baja California to Merida, Yucatán (see Appendix 1)

#### **The Pool: Case Study in Mexico City**

The Pool is a CWS located in two areas in Mexico City's Polanco and Juarez, both areas surrounded by many boutique shops, fancy restaurants and trendy cafés (see Appendix 2).

The Pool has co-work spaces designed for teamwork. It offers two locations in Mexico City, in Polanco and Reforma, with coworking spaces, offices, meeting rooms, spaces for events, workshops and a networking community.

The services include: infrastructure, high speed internet, fiscal address, copy center, cafeteria, relax room, bike parking. All the meeting rooms include projector, internet, whiteboard, for up to 12 people; the meeting rooms may be rented without having to be a member.

The Pool offers space for events like workshops, with capacity from 15 to 70 people in open spaces. The event spaces include audio equipment, internet and if it is needed the CWS help to promote the event without additional cost.

The Pool in Polanco is located in one of the best business areas of Mexico City, close to shops, restaurants, galleries, parks, and bike stations.

The Pool in Toledo (Colonia Juarez) is located a few steps from Reforma Avenue, close to restaurants, galleries, parks, bars, cinemas; it is close to Zona Rosa, Condesa, Roma, Cuauhtémoc, Insurgentes, metro, metrobus and much more. In comparison to working at home, coworking represents a cost.

However, in comparison to renting an office, coworking represents a cost reduction. In the case of The Pool, the cost of membership is a decisive variable for many coworkers.

Coworking spaces in Mexico City clearly compete in price, and price differences might represent having the space full or almost empty. As a manager of The Pool explained: "our fees are very competitive and the space is ideal to work, offering a nice place at a fair price, because we want all the spaces used".

In some cases, the reduction of costs is relative to the cost of specific assets (like renting an office). In some other cases, the cost reduction is relative to the required investment to fulfill the needs of coworkers.

Coworking spaces not only reduce the direct costs of coworkers, but also simplify the record of transactions and their costs and optimize their working time. A manager explained these advantages: "If in your business plan you consider a monthly expense of X, it makes your job much easier because you can keep an exact track of your expenses. We want coworkers to feel like professionals that can just focus on their work, with a service that supports them".

Coworking also represents to get more for less. For instance, the manager explained that by sharing, coworkers can have access to a much better space: "Our members tell us that we have the best coworking space in Mexico City, there is a lot of light, there is a lot of space and a huge terrace. They love to work outside and prefer this space in particular to work or for informal conversations. Members mentioned also that they could not afford this space we have here if it were only them renting it out".

### **El Cowork: Case Study in Monterrey**

The El Cowork has been architecturally constructed in an open and accessible manner. As the space manager explained, “the physical architecture of the space is designed with collaboration and open sharing in mind.” While it has several distinct spaces, there is little separation between them. The entrance and the collaborative spaces are a large open space. The lounges can, if needed, be divided by semi-transparent curtains, and transparent glass walls rather than concrete or bricks separate the labs. The intention of this setup is to facilitate serendipitous discoveries and inspiration among people who collaborate. In addition to its open architecture, the idea of El Cowork being a place for collaboration is actively promoted on El Cowork web site, its brochures, and a welcome sign at the entrance (see Appendix 3).

El Cowork’s facilities promotes that the spaces be used in ways that are constructive towards the development of creative projects, digital learning and peer collaboration, offering an open agenda for a range of workshops, presentations, exhibitions, and other events on specific topics, but most of the time it functions as an unscheduled space for coworking with no imposed agenda.

El Cowork is based in Monterrey city, a CWS dedicated to the promotion of digital art for businesses, local authorities, agencies, and architecture studios. Since 2014, this service has been supplemented by the creation of the El Cowork Lab, a place of production, research, development and prototyping for guest digital artists. The creation of the El Cowork Lab represents an expansion of the company’s value proposition, initially focused on digital communication and production in the digital arts.

The El Cowork Lab is a collaborative workspace that allows selected external artists to develop their digital projects. It offers artists diverse digital and prototyping tools to develop artistic projects, support in terms of access to corporate networks (potentially interested in renting or buying works) and development of the business model around the cowork produced. In return, El Cowork can also commercially exploit the artists’ works on behalf of the artist.

The forms of cooperation are built around a convenient logic based on the needed resources for particular projects. As a manager explained “We’ll hire people for very specific projects and with particular skills and profile. We are going to need a designer, maybe later a digital multimedia engineer, or at another moment an engineer specialized in robotics, or a developer. We work with 30 people in total, but there are people who work on projects on a needed basis”.

Managing external relations and building the network is characterized by a “community” or “club model”, in which the artist is selected to achieve a residence on the project. The space is reserved for selected artists and engineers. The network is quite closed and forms a highly selective cooperation unlike other collaborative spaces that are based on a more open internal and external sharing logic.

### **Resultados y discusión**

Based on the case studies, two different approaches were identified as drivers or motivations to affiliate as a CWS member: (1) cost-based collaboration; and (2) resource-based collaboration. The results lead us to important contributions to the literature on collaboration and the sharing economy. First, each space tends to focus on one type of sharing, even if the other types of sharing can take a minor role. Cost-based collaboration can be based in mere contractual transactions while a resource-knowledge based collaboration requires a fertile soil of trust, intense engagement from all agents driven by a strong (intrinsic) motivation. Second, the type of sharing implemented depends on the purpose of both the space managers and the community members.

Third, a collaborative community might emerge (or not) depending, in part, on the (different types of) proximity among members.

Four, spaces managers have a leading role in the implementation of the sharing approach, by organizing sharing-focused activities and empowering the community to freely evolve.

Based on the interviews with CEO & Founders (see Appendix 4), direct observation and secondary sources like websites, brochures and online forums, two different dynamics and interests occurred. Members on both CWS expressed satisfaction in



being part of the community from 8.38 in The Pool and 8.87 in El Cowork. They also plan to stay in a long term basis, in The Pool 53% do not plan to leave and 38% plan to stay minimum a year; in El Cowork 68% do not plan to leave and to remain minimum a year in 23% of the cases.

Each coworking motivation to collaborate represents a key and different approach to build a community for each type of space, The Pool's members look for a strategic location to work and meet with clients, and El Cowork's members look to connect with other people to find together opportunities for new projects as a team, sharing ideas and knowledge (see Appendix 5).

Knowledge Base View promotes the centralization and resource pooling (skills, expertise, and networking) in a physical location. The initiative captures a portion of the value created by sharing access to these talents and expertise, and the value generated is distributed in the community.

Resource Base View promotes access to underused resources (tools, machines, and infrastructure) and the investment is shared among the participants.

The Population Base View promotes conditions and capabilities of a particular location to promote institutional coordination of critical entities such as universities, government agencies and business communities with availability and collaboration interest to build an innovation ecosystem of strategic alliances.

Coworking based on cost may be related on contractual transactions while coworking based on people and resources may be related with professional and mutual trust as a ground for building a relationship (see Appendix 6) based on testimonies of managers and users of coworking spaces.

In the case of the operators and managers of the CWS, they also presented different reasons to open and run a sharing space, in The Pool the owner considered it a good opportunity to promote entrepreneurship, do business and find new customers looking to share an office space and share costs. In the El Cowork the owners expressed their motivation to connect other people, talents and

skills as an opportunity to find strategic projects and share ideas and knowledge as a team.

These results contribute to the literature on collaboration by offering some understanding about how the physical environment and the understanding of sharing and collaboration can influence positively the collaborative practices among localized actors in the context of the sharing economy.

This paper will contribute to the understanding of the motivations for joining new working landscapes, specific community-based enterprises as a co-working space in emerging markets, choosing Monterrey and Mexico Cities as representative hubs, based on location, proximity to economic and education centers, and population, as an interesting environment to explore if these synergies of resources, talent and knowledge interacting to foster creativity and innovation.

For academics the case research found implications of organizational theories, particularly the transaction cost of economics in The Pool case; and for the population, resource & knowledge views in El Cowork case.

For practitioners who may consider the dynamics of CWS to better design the layout of the physical spaces, as well as the resources like technology, tools, skills, people and networks. Here, the role of the CWS managers is key to design and implement the right strategies and approaches to foster collaboration and to better organize the right activities or events, like training, promotion, project monitoring, social events, to make sure that the CWS will be sustainable and of value for all the community members and to guarantee that the community is empowered to grow and evolve.

Future research may consider compare the managers and affiliates' motivations and triggers in more CWS in major cities; compare the managers and affiliates' motivations and triggers in more CWS in different emergent markets; and to complement the qualitative approach with a quantitative study focusing on CWS managers and affiliates using professional social networks to contact them, and using the findings of this paper, in particular the networks' typologies as drivers and motivations, and as important insights to design the research instrument.

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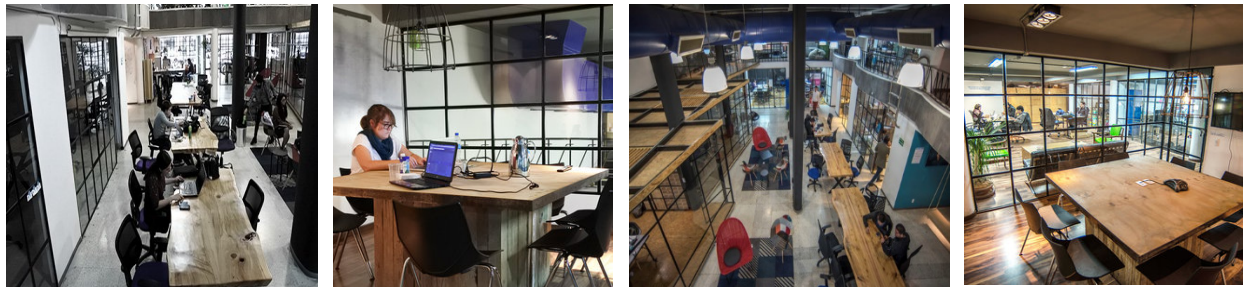
**Appendix 1**  
**CWS in Mexico**

City	Offering	Membership	Services
Smart Space Hub, San Miguel de Allende, Gto	3 day free of charge at the open space, open Mon-Fri 10am to 6pm	Membership verification & confirmation from CWS mgr	Meeting rooms up to 8 people, two CWS, Hall Events people, Lockers, Coffee & Tea
Urban Station, Polanco, Mexico City	First global network designed especially for mobile workers . 3 day free of charge @ open space, open Mon-Fri 8am to 8pm	Membership verification	Wifi, printers, meeting rooms, lockers, individual office rooms, auditorium, virtual office, courier services, bev desk service, valet parking,
Sandbox Coworking, Santa FE	3 day free of charge at the open space, open Mon-Fri 8am to 6.30pm	Membership verification & confirmation from CWS mgr	Meeting room up to 8 people, Lockers, Coffee & Tea
Co-Work, Mexico City	3 days free access	Membership verification	Wifi, meeting rooms
Spacioss, Mexico City	3 days free access. Please send e-mail ó call us in advance.	Membership verification & confirmation from CWS mgr	Wifi, meeting rooms
Craftworks, Mexico City	3 days pass. Open Mon-Fri 8:00am-10:00pm/Saturday 9:00am-2:00pm	Membership verification & confirmation from CWS mgr	Lounge, coffe shop, meeting rooms, hot desk, showers
Collective MX, Mexico City	3 days pass. Open Monday-Saturday 7am-11 pm	Membership verification & confirmation from CWS mgr	FREE coffee, snacks, water & beer, high-speed Internet beautifully modern spaces, conference room w/project booth, lockers, amazing location/downtown MX City
Garage Cowork, Mexico City	You have to start somewhere, so why not here?? We would be more than happy to have you here and know your projects!!	Membership verification.	Comfortable & cozy coworking and private spaces, co restaurant, cool terraces, play room, meeting rooms, p spaces, trainings & conferences, support to entreprene amazing community
Coworking Monterey	3 days pass. Open Monday-Friday, 9am-9pm / Saturday 10am-6pm	Membership verification & confirmation from CWS mgr	Community depending on your skill, open to organize (training, presentation) to introduce any subject of inte
El Cowork, Monterrey	Contact ahead of time. Admission limited on availability & frequency	Membership verification & confirmation from CWS mgr	Meeting rooms, internet, coffe shop
Taller.C, Monterrey	Contact ahead of time. Admission limited on availability & frequency	Membership verification & confirmation from CWS mgr	Meeting rooms for up to 10 people, open space, coffee Internet
Nevermind, Guadalajara, Jal	Professional office space, interactions & collaborative work and multidisciplinary teams. 3 day pass. Open Monday-Friday 8:30am-8:00pm & Saturdays 9:00am-2:30pm	Membership verification & confirmation from CWS mgr	2 meeting rooms-12 people, 1 workshop room-30 peop lounge space, Internet 200 MB (wifi&ethernet), librar Napping pods, Complimentary grounded coffee&tea (: Scanner & photocopies included, Casual Friday (snack included) & social networking events, Phone booths, f WC ADA accessible, Parking, Creative mornings ever
<epicnest> , Guadalajara, Jal	A whole experience!community & people you meet. Come, teach, learn & create businesses! Boost productivity! 5 day pass. Open: Monday-Friday from 9:00AM-8:30PM, Saturday from 9:00a,-2:00pm	Membership verification: Come in, tell us your CWS, chill, relax and enjoy!	Meeting rooms for up to 12 people, Library, Freshly g coffee, tea, popcorn, snacks, high speed Internet
Central Business Station, Guadalajara, Jal	3 day pass at open space, coffee, water and snacks included. Open Mon-Fri 9:00am-8:00pm Sat 10:00am-6:00pm. Give feedback & rating on FB	Membership verification & confirmation from CWS mgr	Meeting rooms from 4 to 16 people, CWS, ,Lockers, C Water, if you don't bring your laptop we have PC or N rental per hour(check availability)
27Hub, Tabasco	Come, bring something to share with/community (a talk, projects, workshop ideas). Open 24/7.	Membership verification & confirmation from CWS mgr	Internet, lounge, recording rooms, common open sapac
Espacio Entjuanarte, Tijuana, Baja California	Email us in advance, we would like to give you a proper welcoming :)	Membership verification	Free Parking and Wifi, Coffee, Library
Index Open Studio, Tijuana, Baja California	Multi-use CWS located downtown Tijuana. 3 day pass approved coworkers. Open Mon-Fri 8am-9pm	Membership verification. We'll need confirm your eligibilty.	Meeting rooms up to 10 people, Library, Lockers, Cof Twitter: @indexopenstudio
Hub Center, Ensenada, Baja California	3 day pass approved coworkers on the go. Open Mon-Fri 9am to 8pm	Membership verification. We'll need confirm your eligibilty.	Meeting rooms , auditorium, virtual offices, executive coworking lounge, coffee&tea
Hello Open Workspace, Sonora	3 day free pass. Open Mon-Sat 8am-8pm.	Membership verification. We'll need confirm your eligibilty.	Meeting room; Coworking Lounge; coffee and tea; fre national and international calls; high speed Internet; lo security; kitchen; a big happy community :)
Nodo Cowork, Merida, Yucatán	3 day free pass. Open Mon-Fri 9am-8pm.	Membership verification. We'll need confirm your eligibilty.	We can help you out with accommodation and field tri
The HubLab, Merida, Yucatan	3 day free pass. Open Mon-Sat 9am-8pm.	Membership verification. We'll need confirm your eligibilty.	Makerspace + FabLab

Source. (CWS in Mexico (source: <http://wiki.coworking.org/w/page/16583744/CoworkingVisa>).

**Appendix 2**  
The Pool CWS.

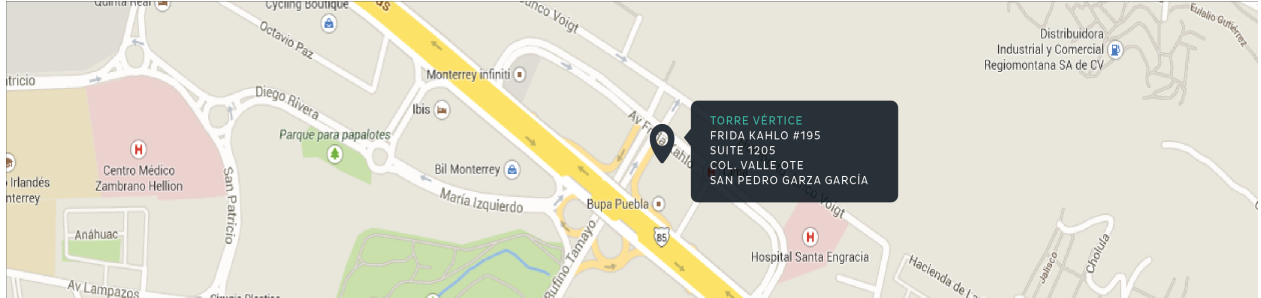
The Pool in Polanco	The Pool in Juarez
	
<p>Polanco area in Mexico City is considered a posh and safe neighborhood. The area is filled with high-end shopping, with some of the world's best restaurants, museums, and fancy bars.</p> <p>And Polanco's not just a beautiful face with a vapid personality. It offers some of Mexico City's best parks, including a section of the Chapultepec Park, and places to explore such as the Museo Soumaya and the Museo Nacional de Antropología.</p>	<p>Juarez area in Mexico City is an eclectic mix of hip new places and classic restaurants from the mid-20th century.</p> <p>Juarez hosts some of the city's best art galleries.</p> <p>Juarez is located between the historic center of Mexico City and the Chapultepec Park area, just south of the Paseo de la Reforma, which is one of Mexico's main commercial districts and its financial center.</p> <p>The best known area of the colonia is Zona Rosa (Pink Zone) which is a tourist attraction for its artistic and intellectual reputation.</p>



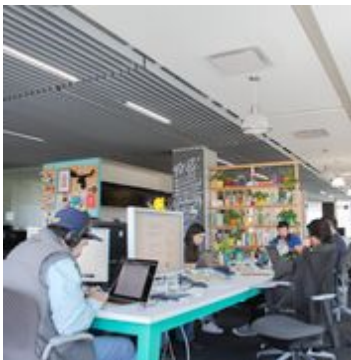
Source. (<https://thepool.mx/>)

### Appendix 3 El Cowork.

#### El Cowork en San Pedro Garza García, N.L., México (Monterrey Metropolitan District)





San Pedro Garza Garcia is a city-municipality in state of Nuevo León (Northeast of Mexico). It is a contemporary commercial suburb of the larger metropolitan city of Monterrey. The area hosts important corporations and financial institutions. It includes prestigious universities, malls, hotels, restaurants, parks and residential buildings. It is considered a wealthy sector and safe neighborhood..



Source. (<http://www.elcowork.com>)

**Appendix 4**

*CWS's Founders & CEOs Vision*

Interviews with CEOs and Founders		
CWS	The Pool	EI Cowork
Founder and CEO	Luis Barrios 	Jorge Camargo 
Profile	Luis got a master's in entrepreneurship at Babson College in Boston, MA. After finishing his master program, he envisioned to build and to support an entrepreneurial community in Mexico: The Pool.	Jorge started his bachelor degree in computer science at Monterrey Tech and finished his degree at UT Austin. Jorge realized that if he had started Ecaresoft, his first startup in a more collaborative space, surrounded by people going through a similar process, the launching might have taken not 18 or 12 months but much less time. He started EI Cowork.
CWS's launching	2013	2014
Members' driver to be part of a CWS	Economic and networking with entrepreneurial ecosystem	Knowledge-based community (startups) and relational
Average time as a member	8 to 14 months	18 to 24 months
Revenue Stream	<ol style="list-style-type: none"> <li>1. Contracts for 6 to 24 months for space rentals</li> <li>2. Training workshops: digital transformation, search funds, etc.</li> </ol>	Subscription for memberships by month, and EI Cowork has only two types of memberships, full time and half time.

<p>Customer Segment</p>	<p>The target consists of companies that are growing or in creation, as well as freelancers, independent executives who develop their business in a more nomadic way and need a place where they can receive clients, with meeting rooms, get more professional phone calls, access to internet, a cafeteria area in central neighborhoods and the country's business areas, in the case of Mexico City</p>	<p>Focused mainly on the "maker" or creative people because in principle the main pitch was for technology startups, but in reality it ended up being the ecosystem that revolves around not just technology startups, but also design agencies, digital marketing, freelancers, etc., but within that niche. El Cowork has to choose who works in the space, particularly because it's not a huge space, it may be that the value of working in the CWS is greater than just with people working at totally random things.</p>
<p>Value Proposition</p>	<p>"The proposal is a theme of community and linkage; it's a theme of being able to exactly access spaces favorable to the development of business, to productivity with accessible costs and without fines, with flexible contracts for them based on their needs. So, in addition to creating events, there is normativity, bringing speakers to different workshops, courses, talks that professionalize their business, that strengthen the capabilities of these companies to grow, connect them to lawyers, talk to them on subjects like taxes, digital marketing, how to develop mobile applications, how to connect them to programmers, development houses, schools that produce profiles for software development so they can hire human capital; on ecological topics, innovation topics like raising capital, which are the funds that actively invest here in Mexico, in which phase, and better practices for raising capital, among others"</p>	<p>"There are several aspects of the proposal of value; one is belonging to a community that's going to help you grow, by sharing knowledge or an infrastructure; (2) although it sounds presumptuous but I think it's important. . .I think the place where you work can affect even your habits or how comfortable you feel, so part of the CW's proposal is to give in to sharing a space with more people, and with that you can have a much better space than if it's just for yourself; it's that mix between being part of a community and being in a space where you feel good about going to work every day. Elaborating in that hypothesis, what makes a difference between MBA programs is maybe what students are in each program, and then we think something similar could apply in a CWS, where the social circle you make while you're starting a business can have a much greater and faster impact on it or on the possibility of success for that venture"</p>

Source. (Author's Interviews).



**Appendix 5**

*Dynamics and Motivations for Co-Working Spaces' Members*

Online surveys to members																														
Dynamics of the CWS	The Pool (Mexico City) (Responses from 18 members)	EI Cowork (Monterrey) (Responses from 13 members)																												
Members' driver to be part of a CWS	Economic for cost sharing based on price	Knowledge and resource sharing based on convenience																												
Organizational Theory	Transaction Cost of Economics (TCE)	Resource, Knowledge and Population Based Views																												
Theoretical Approach's Authors	<ul style="list-style-type: none"> <li>TCE: Williamson &amp; Ghani, 2012;</li> <li>TCE: Teece, 1986;</li> <li>TCE: Klein, Crawford, &amp; Alchian, 1978</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge based enterprise: Badaraco, 1991;</li> <li>Resource based enterprise: Eisenhardt &amp; Schoonhoven, 1996;</li> <li>Community based enterprise: Peredo &amp; Chrisman, 2006;</li> <li>P2P models: Bauwens, 2006</li> </ul>																												
Planned time to stay	<p style="text-align: center;"><b>The Pool (N=18 members)</b></p> <table border="1"> <caption>The Pool (N=18 members)</caption> <thead> <tr> <th>Time Period</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1-3 months</td> <td>11%</td> </tr> <tr> <td>3-6 months</td> <td>17%</td> </tr> <tr> <td>6-12 months</td> <td>22%</td> </tr> <tr> <td>12-18 months</td> <td>28%</td> </tr> <tr> <td>18-24 months</td> <td>17%</td> </tr> <tr> <td>Not planning to leave</td> <td>6%</td> </tr> </tbody> </table>	Time Period	Percentage	1-3 months	11%	3-6 months	17%	6-12 months	22%	12-18 months	28%	18-24 months	17%	Not planning to leave	6%	<p style="text-align: center;"><b>EI Cowork (N=13 members)</b></p> <table border="1"> <caption>EI Cowork (N=13 members)</caption> <thead> <tr> <th>Time Period</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1-3 months</td> <td>9%</td> </tr> <tr> <td>3-6 months</td> <td>9%</td> </tr> <tr> <td>6-12 months</td> <td>18%</td> </tr> <tr> <td>12-18 months</td> <td>27%</td> </tr> <tr> <td>18-24 months</td> <td>45%</td> </tr> <tr> <td>Not planning to leave</td> <td>9%</td> </tr> </tbody> </table>	Time Period	Percentage	1-3 months	9%	3-6 months	9%	6-12 months	18%	12-18 months	27%	18-24 months	45%	Not planning to leave	9%
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Not planning to leave	9%																													
Choice of space to work	In an individual office (42%), in a meeting room (36%) or in a coffee area (12%)	In an open space (52%), in a team office (36%) or in a coffee area (12%)																												
Members' interactions	Casual and small talk (40%), sharing contacts (50%), and sharing opportunities for projects (10%)	Sharing knowledge (28), brainstorming or sharing new ideas (30%), sharing opportunities for new jobs or projects (42%)																												
Sense of belonging	From strongly (61%) to very strongly (28%)	From strongly (41%) to very strongly (52%)																												
Motivators as members	<ol style="list-style-type: none"> <li>"I decided to become a member of The Pool because I got the advantages of working in a nice space but reducing my direct costs, simplifying bookkeeping and with flexible working time based on my needs"</li> <li>"As a coworker in The Pool, I feel the support of the staff there to cover all office matters being shared, making it easier for me to focus on my projects"</li> <li>"I enjoy the location of The Pool and the facilities being shared by all the community for a fair price based on my demand"</li> <li>"As a member I have access to technology infrastructure such as servers, Internet speed, secure connections and safe access to the place and to the information for a reasonable price"</li> <li>"I like to invite my prospects and customers and offer them a convenient place for business meetings, with open spaces with light and nice terrace. I could not afford these spaces as an individual"</li> </ol>	<ol style="list-style-type: none"> <li>"I enjoy being able to connect with people for specific projects. We are going to need a designer, later an electronics engineer, or at another moment an engineer specialized in robotics, or a developer"</li> <li>"As a member I have the possibility to collaborate with people who work on projects on an ad hoc basis".</li> <li>"I am interested in keeping updated with the workshops and conferences being offered in the CWS"</li> <li>"As a member, I consider the CWS as a "club" model in which the designer or engineer are selected to achieve a component on the project"</li> </ol>																												

Source. (Author's Interviews).

**Appendix 6**

*Interviews & Testimonies of Community Managers*

Interview to Community Managers		
Dynamics of the CWS	The Pool (Mexico City) (Responses from Two Community Manager)	El Cowork (Monterrey) (Responses from Two Community Managers)
Motivators as operators	A: "improve the work experience of other people"	A: "interest in coworking movement & personal fulfilment to connect people to find opportunities to collaborate in new projects"
	B: "In The Pool we have people with the expectation to build a long-term, more than 50% of our affiliates have been members for more than a year trying to be part of a professional community but with flexibility and autonomy and trying to share the cost of the working space. We offer a nice space for a good price in order for the space to be used, because we are convinced is better to have a community paying a reasonable price than a small group paying high prices"	B : In El Cowork Space we offer a collaborative workspace that allows selected external designers and engineers to develop their digital projects. It offers professionals diverse digital and prototyping tools to develop design thinking projects. It also offers support in terms of access to corporate networks (potentially interested in contracting innovation projects) and in return El Cowork can commercialized their members' work. The forms of cooperation are built around the needed resources for particular projects.

Source. (Author's Interviews).