



WeWork: What the future could hold for you

QUT CONSULTING

Introductions

- ▶ QUT Consulting:
 - ▶ Justin Bindman
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 - ▶ Sarah Goulding
 - ▶ Cameron Jones

Overview

- ▶ Your current context and key challenge
- ▶ Imagine this future
- ▶ Our strategy for you
- ▶ External factors & Internal Capability
- ▶ Options
- ▶ Recommendations
- ▶ Implementation plan & financial analysis

Context

- ▶ 50% of your existing members do businesses with and other and 70 % collaborate
- ▶ World is your oyster, but you cant do everything at once – you want to minimise your opportunity cost

Community

Collaboration

Creation of goodwill

Your current challenge

► Problem statement:

Given WeWork mission, culture, assets and strategic advantages, in which ways should you look to extend your product offering – specifically in the context of your DNA as a mission-driven company.

Imagine this future...

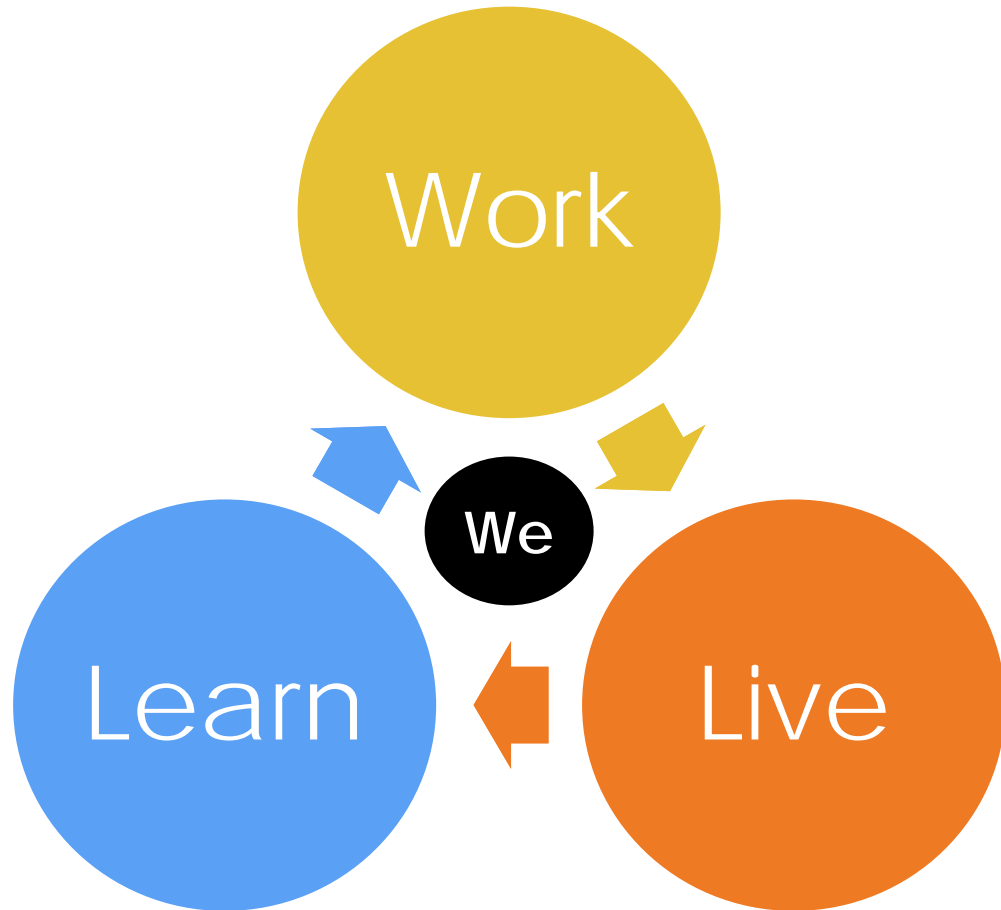
We work is
changing
communities as
we know it all
over the world

Deeper
knowledge
capital

Complete
ecosystem

Virtuous cycle
that even further
promotes
collaboration

Our strategy for your growth



WeWork

WeLive

WeLearn

External influences

Market trends

Social

- Shifts towards sharing economy
- Demand for collaborative learning spaces
- Increase in Massive Online Open Course use and availability

Economic

- Increase in disruption across multiple industries
- Governments require more innovation through knowledge capital

Technology

- Advances in collaborative platforms
- Infrastructure in major cities is advancing

Opportunities and Threats

Opportunities

- Education industry hold significant potential
 - Top 3 industries in Australia
- Potential to add significant value to the ecosystem
- Aging workforce – ability to provide knowledge transfer

Threats

- Established learning organisations may offer similar learning services along with their brand reputation
- Online on demand education
- Consumer may not be recognised in some industries with their qualification

Opportunities and Threats

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- **Education industry hold significant potential**
 - **Top 3 industries in Australia**
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Threats

- Established learning organisations may offer similar learning services along with their brand reputation
- **Online on demand education**
- Consumer may not be recognised in some industries with their qualification

Internal capability

Capabilities	Valuable	Organised to expand
Innovation and drive	✓	-
Brand reputation	✓	✓
Catalyst for collaboration	✓	✓
HRM Expertise	✓	✓
IT – e.g. app development	✓	✓

Options

1

Collaborate with
educational providers

2

Dedicated WeLearn
spaces

3

Integrated into existing
WeWork spaces

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Cultural alignment

Company growth

Overall "fit"

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Overall "fit"



Cultural alignment	<input type="checkbox"/>	<input type="checkbox"/>
Company growth	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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Options

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Collaborate with educational providers

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Dedicated WeLearn spaces

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Integrated into existing WeWork spaces

Cultural alignment



Company growth



Overall "fit"



Recommended approach - Stages



3

Integrated into existing WeWork spaces

Fully aligns to our cultural values

Creates a full ecosystem from Work – Live – Learn and back again

Recommended approach – Product Offerings

3

Integrated into existing WeWork spaces

WeLearn “lite”

Membership fee
Adhoc use
One-on-one
Small group

\$45/ month

WeLearn “light”

Dedicated small
room
One-on-one
Small group

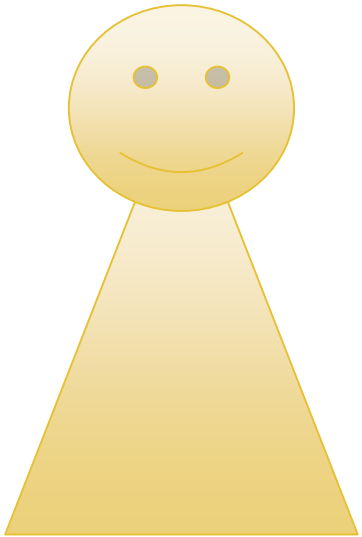
\$350/ month

We Learn “life”

Med-large room
Corporate
learning

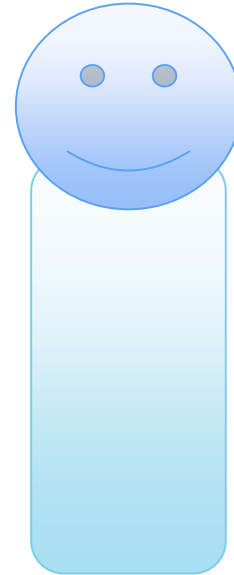
\$450/ month

Value proposition for members



Member 1
Name: Jessica
Prof.: Leadership teacher/
couch
Issues:
Retired; now seeking a
suitable space for one-on-one
or small business coaching 2
times a week

WeLearn "member" –
monthly fee for ad-hoc
use per month



Member 2
Name: Bob
Prof.: ESL Teacher
Issues:
Can't find suitable
space to conduct
lessons for small groups

WeLearn "dedicated" small
space – monthly fee for ad-
hoc use per month

Risks & Implementation Plan

Risks

#	Risk	Initial Score	Mitigation	Residual Score
1	Culture image of WeWork impacted by WeLearn	High	Social media marketing and community engagement to emphasize the community sharing	Low

Severe	>\$1M	1		1		
	\$500k-\$1M					
	\$250-500k					
	\$10k-250k					
	<\$10k					
High	>\$1M					
	\$500k-\$1M					
	\$250-500k					
	\$10k-250k					
	<\$10k					
Moderate	>\$1M					
	\$500k-\$1M					
	\$250-500k					
	\$10k-250k					
	<\$10k					
Low	>\$1M					
	\$500k-\$1M					
	\$250-500k					
	\$10k-250k					
	<\$10k					
Insignificant	>\$1M					
	\$500k-\$1M					
	\$250-500k					
	\$10k-250k					
	<\$10k					
		Rare 5%	Unlikely 5-15%	Possible 15-50%	Likely 50-75%	Certain >75%

Risks

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1	Culture image of WeWork impacted by WeLearn	High	Social media marketing and community engagement to emphasize the community sharing	Low
2	Demographics have differing needs	High	Offer different products at different price points	Low

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	\$500k-\$1M					
	\$250-500k	2				2
	\$10k-250k					
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Low						
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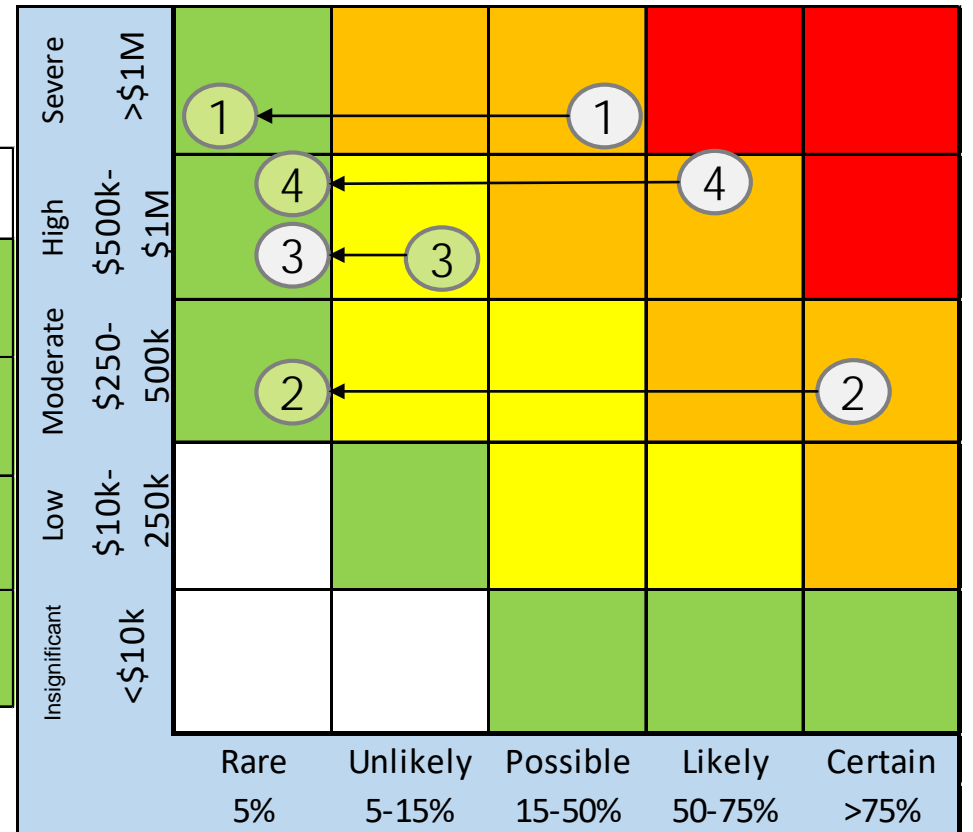
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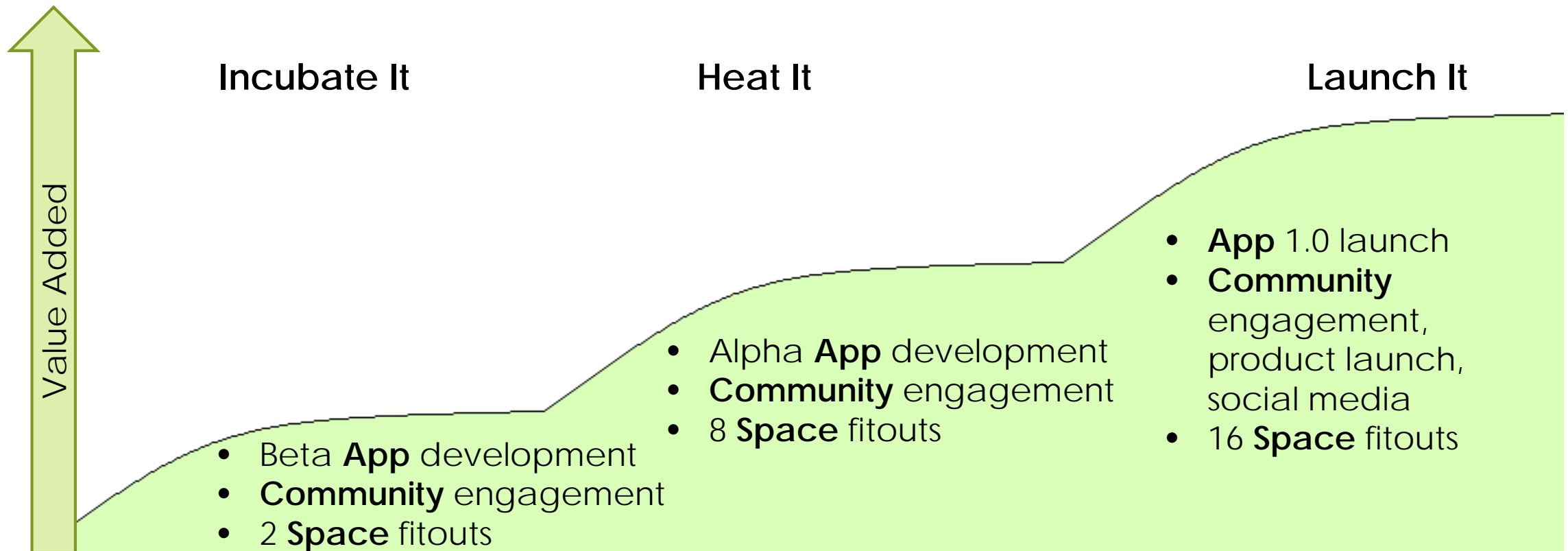
Severe	>\$1M	1		1		
	\$500k-\$1M	3	3			
	\$250-500k	2				2
	\$10k-250k					
	<\$10k					
High	>\$1M					
	\$500k-\$1M					
	\$250-500k					
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4	Cycling of clients leads to revenue downturn	High	Offer incentives for longer lease contracts	Low



Implementation Strategy



Implementation Plan

Strategy	Tactic	Phase I	Phase II	Phase III		Tactic Cost	Strategy Cost	
		Incubate It	Heat It	Launch It				
		2017-1H	2017-2H	2018-1H	2018-2H			
App	App beta design	\$35,000				\$35,000	\$515,000	
	App alpha design					\$225,000		11%
	App V1.0 Launch					\$255,000		
Community	Recruiting & Training					\$480,000	\$1,280,000	
	Community Engagement	\$25,000				\$210,000		
	Targeted Social Media Marketing					\$465,000		28%
	Product Launch Event					\$125,000		
Space	2x Space Fitout (2 total)	\$175,000				\$175,000	\$2,800,000	
	6x Space Fitout (8 total)					\$525,000		
	8x Space Fitout (16 total)					\$700,000		61%
	16x Space Fitout (32 total)					\$1,400,000		
Totals		\$235,000	\$1,060,000	\$1,550,000	\$1,750,000	\$4,595,000		

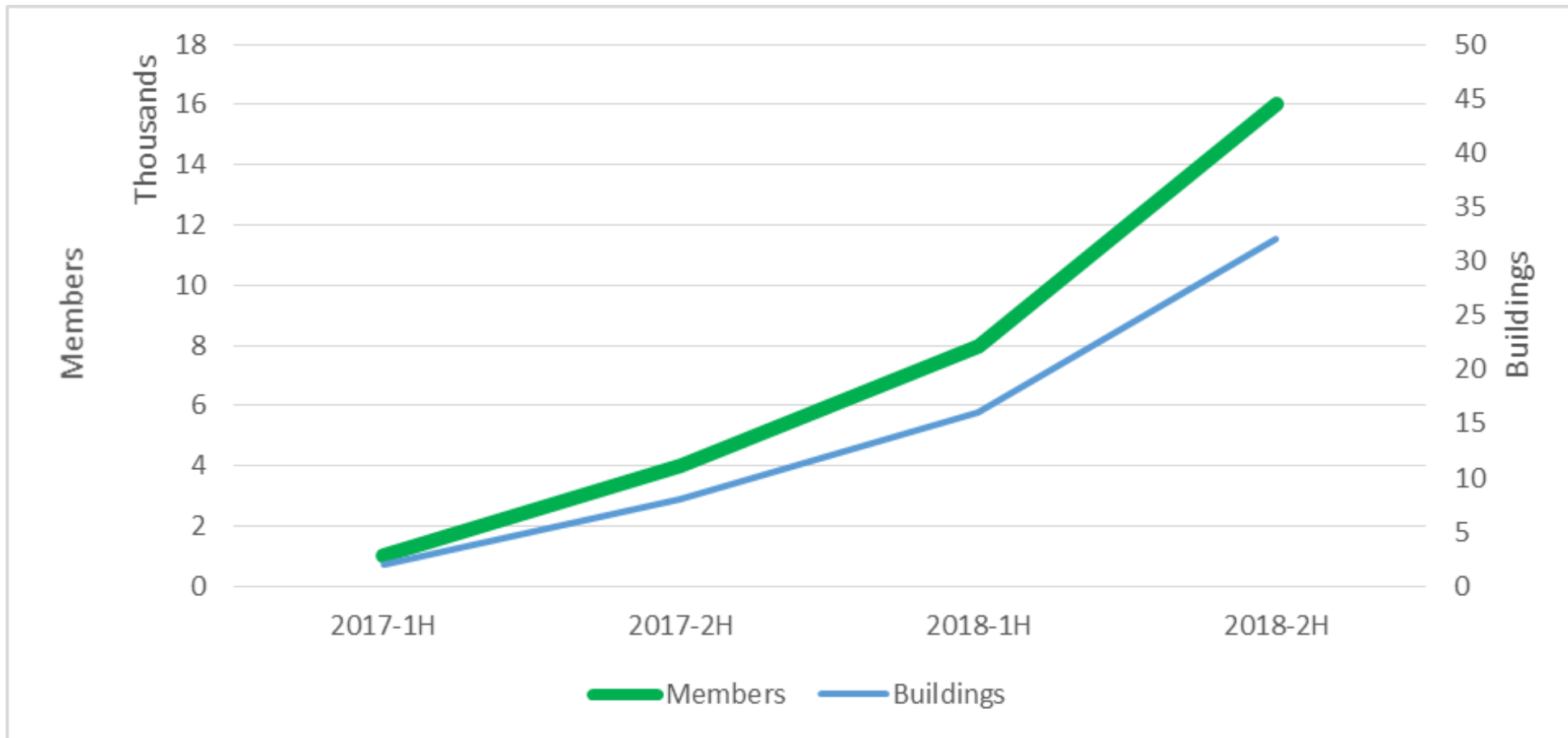
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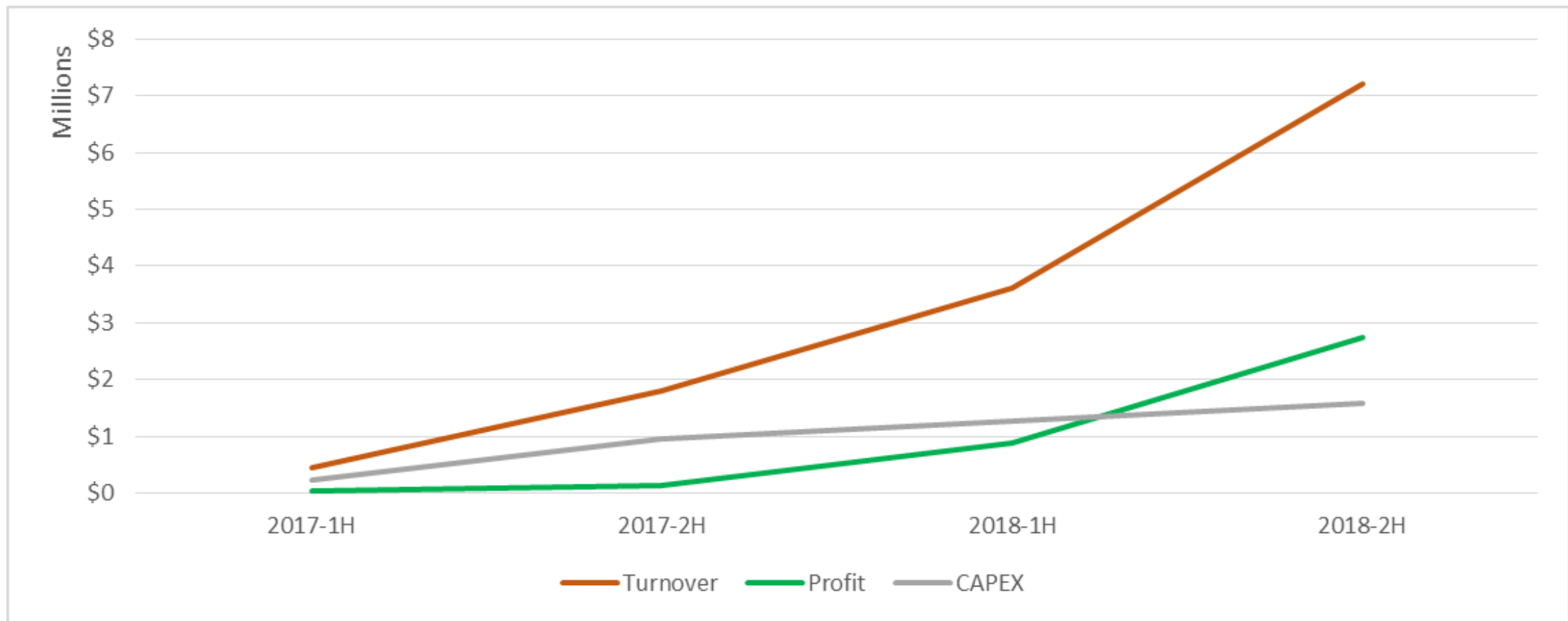
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Build, and they will come



.. And the money will follow



Our final message to you

- ▶ Education industry holds the potential
- ▶ Complete the eco-system and create a virtuous cycle
- ▶ Focus on community, space and the app

WeWork WeLive WeLearn