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## Interview with Tony Bacigalupo from New Work City



**Adrian Bye:** Today, I'm here with Tony Bacigalupo who is pioneering a movement that is just starting to get started in the US. He's doing it in New York. It's not big yet so Tony is not like a guy that sold his company for \$1 billion but I think he's on the edge of something that has a lot of potential to be very big. That is coworking, shared office space or... I don't know the right way to explain it but Tony's company is a co-work space.

Tony, thanks for joining us and maybe you can tell us a bit about what you're doing.

**Tony Bacigalupo:** Thanks, Adrian. The organization that I run is called New Work City, like New York City but with a "W" and it's a coworking space in New York City where entrepreneurs and freelancers get together and do their work just like a typical workspace but our space is

more of a community-focused workspace. What I mean by that is that people who come in to work here come in with the intention to get their work done but not just to get their work done – also to interact with the other folks around them and potentially collaborate, find people to work with on projects and also to make friends and have some social interactions.

It's part of a larger movement of coworking spaces that are popping up in cities all over the world some of which use the term "coworking" to describe what they do and some don't. They really vary in all sorts of shapes and sizes from small communities to people that just gather in apartments and cafés to more fully-fledged office facilities that have varying levels of community involvement.

**Adrian Bye:** What gave you the idea?

**Tony Bacigalupo:** Well, I was working from home. I had worked from home for about a year and initially enjoyed it quite a bit. I really liked not having to commute and not having to sit in an uninteresting office space. But I found that it was. The home wasn't really an ideal work environment either, and being by myself all day and spending all my time in the same room that I sleep in, and in the same house that I eat in and relax in, it wasn't really a natural work environment. It wasn't really healthy to just be sitting in your house by yourself all day. So I thought there has to be a better option, something that isn't a typical office but isn't your home either. So the initial conversation I was having, it was actually with my parents, was it would be great if there was something like Starbucks but for specifically people who are working from home. I did some research and discovered that there was in fact already a growing movement for this, and it was called coworking. It embodied everything that I was looking for. It was bunch of people who were working from home looking to get out of their homes and work together.

**Adrian Bye:** Isn't that ironic? Like work from home is one of the biggest markets that people sell to. Everyone wants to quit their job and work from home, and now you guys are saying, "Don't work from home. Come and work in the office."

**Tony Bacigalupo:** Well, yes. I mean I had the advantage of having gotten a little bit ahead of the curve. This was almost three years ago that I sought out coworking which means I had been working from home for a year before that. What I've come

to realize over time after having encountered so many of these folks who are in these similar positions is that when people talk about wanting to work from home, some of them do actually want to work from home. But for some people working from home, it's great especially if you're a parent or in certain situations, it's a very good thing. But I think what a lot of people are talking about when they say they want to work from home, what they mean to say is that they want to be able to choose where they work and they want to be able to work in a circumstance that works best for them. Along the way, I've said a lot of things that are sort of anti-cubicle, anti-nine-to-five, and I've sort of reigned that in a little bit, too, because a lot of people like their cubicles. A lot of people work best when they have to get up, commute and work in an enclosed space. What I realized is that the thing that we're moving towards in terms of the workplace is to be in a position where each person can choose where they work best. In that managers, for instance, in larger companies should be able to offer to their employees multiple options so that they can work best in whatever circumstances they prefer.



**Adrian Bye:** I talked to one of my friends about this and I was like, "These guys have got a cool idea, and it's interesting stuff." He's a guy that's running...I don't know. He's got 40-something people full-time spread around the US. He only hires people in the US. They all work from home. He's someone that knows a lot about this. I've worked from home since 2001 so I thought I knew quite a lot but he's been teaching me a lot. He's been kind of kicking my ass and showing me how much I really didn't know. When I told him about what you're doing and I was like, "This is really great, and I want to go and work in that space," he was like, "It sounds really distracting."

**Tony Bacigalupo:** Yes.

**Adrian Bye:** He's a pretty successful business guy.

**Tony Bacigalupo:** Yes.

**Adrian Bye:** He's not going to want to be in there and have lots of startups coming and pestering him with questions all day.

**Tony Bacigalupo:** Yes. So this is actually a fairly typical, a fairly popular initial reaction to this idea of a coworking space. In fact, it can be distracting. There are times when it can be difficult to do work here because there're a lot of people around and they're talking about things. Sometimes, you can't help but get yourself involved in a conversation that's going on. What we found though is that there are a couple of other factors at play here. For one, part of what's nice about a coworking space is that it's entirely optional so at anytime you can come and go as you please, and most of our membership only comes maybe two days a week or so.

**Adrian Bye:** If they only come two days a week, where are they working the rest of the time?

**Tony Bacigalupo:** Well, they're working at home, they're working onsite with a client perhaps or they're going somewhere else. Our membership is extremely mobile so some of our members might work in three or four different locations in one day. It really depends on what the circumstances are and what they need at a given time. What I found is that for a lot of our members, they need to be able to get out of the house sometimes just to open up their minds a little bit. They actually could have trouble concentrating if they're cooped up in their homes for too long of a period of time. So people need a change of pace. Some people work better when there's some activity going on around them, and I see a lot of people here who they put on their headphones and they're working by themselves but they clearly appreciate having some other people around them and some other opportunities for interaction. So that's one component of it. It's the fact that people can choose what kind of environment they want when they need it and sometimes coworking works for them. But the other thing is that the distractions that happen here, the things that are going on around you tend to be of a more productive slant so when people are talking about stuff here, it tends to be things that are helping us advance our businesses or helping us think of new ideas. So what you tend to find in a coworking space is that if you come home at the end of the day not having accomplished everything that you set out to accomplish, you might likely find that you've accomplished other things that you never expected to have done that were unexpectedly great and unexpectedly useful for you.

**Adrian Bye:** Well, you can but that can also be time-wasting, too.

**Tony Bacigalupo:** Right.

**Adrian Bye:** Yes, I get what you're saying. Yes, it's that balance.

**Tony Bacigalupo:** Yes.

**Adrian Bye:** I mean people tend to stay and be happy, do they? When someone joins, do you have a lot of turnover? Do the people join and stay or do they cancel?

**Tony Bacigalupo:** We have a pretty wide range of both. I'd say that the average member is probably a member for about six months or so. I mean I can tell you from people who have left that the vast majority of people who've left have left because of circumstantial reasons. They've moved to another state, they got a different job or something like that.

**Adrian Bye:** ...and you've only been around for a year as well?

**Tony Bacigalupo:** That's right. Before that, we were doing coworking but we were doing it in a café so it was less of a formal workspace and more of an informal gathering.

**Adrian Bye:** How big is what you have now?

**Tony Bacigalupo:** We've got 45 members and those are the folks who are subscribed who pay a monthly rate. Then we have a wider array of people who come and use the space on an ad hoc basis day-to-day, and then a much larger community of people who come to our events and support us in other ways.

**Adrian Bye:** So those 45 guys, the cost is like \$500 a month, right?

**Tony Bacigalupo:** Yes, the highest level of service is \$500 a month and that's for a full-time desk but it varies anywhere from \$25 a day, and then the most popular memberships are in the middle, \$150 and \$200 a month, and that gets you two or three days a week. That's sort of the sweet spot for most of these folks.

**Adrian Bye:** How much can you customize stuff for a guy like me? Like I have my big 30-inch monitor, and I like to drink tea during the day. How does that sort of stuff work?

**Tony Bacigalupo:** What's really kind of nice about this being a very down-to-earth community sort of driven effort, we're completely flexible as long as you're not interfering with the folks next to you. If you're a full-time member, you can claim a desk and if you want to put your monitor on there, if you want to put anything else on there, it's fine with us as long as you're not a huge slob, you know? In terms of tea and any other needs, you're welcome to bring whatever you like as long as you don't mind sharing it or keeping it tucked away somewhere.

**Adrian Bye:** Oh, so everybody goes through everybody's stuff?

**Tony Bacigalupo:** Well, it depends. I mean if you want to make it publicly available then you can do so and if you don't then you've just got to find a spot to stick it where people will understand that it's not for public consumption.

**Adrian Bye:** What about for example I have a filing cabinet? Where do you put your filing cabinet?

**Tony Bacigalupo:** Most of the folks here don't need to store papers or anything to that effect. We have some lockers, which are available to full-timers. We haven't had too many people who really needed file storage of any kind. But the people who have needed some kind of storage, we've been able to accommodate them.

**Adrian Bye:** Is that the sort of stuff? Maybe you keep your filing cabinet at home, you keep your books at home, and you have your desk and you have a monitor. If you're going to use it full-time like that then you set it up with a desk and a monitor, keep a couple of things tucked away that you don't want people to take, and then that becomes your workspace?

**Tony Bacigalupo:** Yes, there are two basic models. Most people just come in with a laptop, sort of they set up, break down, they leave and it's all contained, and the other model is basically someone leaves an external monitor here, a dedicated keyboard, maybe a dock of some kind then when they come in, they drop their laptop into their station and then they're ready to go.

**Adrian Bye:** What kind of internet do you have?

**Tony Bacigalupo:** We've got a high-speed DSL connection. It's 5 MB up and down.

**Adrian Bye:** That's it?

**Tony Bacigalupo:** Yes, it's been real tricky getting a killer internet connection here. One of the things that we're working on is we've already gotten quotes the highest speed 100MB connections, but we can't justify it yet with the size of our space. Right now, the whole space is about 1,500 square feet, so when we move to a larger space next year, we're going to crank up that internet. But it seems to be everyone here is pretty happy with the speed that we've got now.

**Adrian Bye:** Do you have wifi in there as well?

**Tony Bacigalupo:** Yes.



**Adrian Bye:** So people can come in. They can plug in with their wifi, plug in with their Ethernet and then they're off.

**Tony Bacigalupo:** There you go.

**Adrian Bye:** How are distractions? I mean let's say that you had some guy that was fairly well-known that came in. Let's say Jason Fried from 37signals decided he wanted to work in your space.

**Tony Bacigalupo:** Right.

**Adrian Bye:** Is he going to be bothered all day?

**Tony Bacigalupo:** One of the things that happens with this kind of a space is that it's sort of self-enforcing. If someone is going to be annoying, it's going to become apparent very quickly and people here will sort of manage it amongst themselves. I'm obviously here to make sure things don't get out of hand, but people respect each other. If someone is sitting there working, they've got their headphones on and they're obviously busy, they can make it apparent that they don't want to be bothered right now. We've talked about devising systems. We've used some in the past sort of like in a Brazilian steakhouse where you have a green-light, red-light sort of thing to let people know whether or not you're busy.

One of the coworking spaces in Los Angeles, Blank Spaces produces some great little commercials and one of the ones they've done recently had to do with exactly this where they had sort of a little instructional video that says, "When I'm not wearing headphones, you're free to talk to me. When I'm wearing one headphone, it means you can talk but keep it quick. If I'm wearing two headphones, it means leave me the hell alone." It was a pretty funny commercial and anybody who works in the coworking space could appreciate it.

**Adrian Bye:** What about phone calls?

**Tony Bacigalupo:** Yes, so phone calls is an interesting challenge particularly for us because we're a pretty small space. We've only got one private room for our members so what happens is essentially people will use the private room for phone calls as a primary option, and then if that's taken then either they'll find a corner of the space where they can talk on the phone and not bother too many people or they'll keep their voice

down, or what a lot of people do is for phone calls where they don't really need to be in front of their machine, they'll take a walk, they'll either be in the hallway or they'll be in a different part of the space. But it's definitely a tradeoff.

One of the things we want to do in our next space is make sure that we have ample number of small private rooms where people will either be on phone calls, or have two or three person conversations. But essentially, I would say it's our biggest challenge in the space that we've got but people seem to be reasonably okay with it in part because that's one of the things that people who come to my space are looking for. They're willing to tradeoff a little bit of privacy and a little bit of silence in exchange for a more open, more social environment, and that's sort of why we exist in the first place because all the other options that had existed previously offered nothing but private workspace, and people were looking for an alternative to that.

**Adrian Bye:** It's interesting about people coming only two days a week. Maybe do they feel better, they want to work from home part of the time and then have some more social interaction part of the time during the week?

**Tony Bacigalupo:** Yes, yes. A lot of folks come in when they want to work with their business partners or with folks that they work with on their team. They might likely schedule some times where they'll plan to work from home on certain days or they'll work wherever they want to work certain days but then they say, "Okay. When we want to work together, we'll work at New York City, and we'll meet there every Tuesday and Thursday," or whatever it is. A lot of folks that are here on those two or three-day-a-week plans are here in pairs or in trios, or on occasion do that.

**Adrian Bye:** Interesting. I'm interested that you kind of referred to this almost like it's a social movement rather than a business.

**Tony Bacigalupo:** Yes. It's a very interesting thing because these are sort of the waters that I'm beginning to work on navigating.

**Adrian Bye:** Which way are you likely to go? Are you going to be craigslist, you're going to be eBay or...

**Tony Bacigalupo:** Well, I'm really intrigued by the world of social enterprise. I think that what we're doing here is very much part of this growing world of businesses that want to make a profit but also have social causes in mind, social goals in mind for their organization. Coworking spaces, in general, there're a lot of them all over the world and most of them have been started by folks who have had not entrepreneurial ambitions at least directly from the coworking space itself and more social ambitions, more they wanted to cultivate this community. They wanted to have a space for their own needs and share that with other people. There have been a lot of spaces that have started underneath a design firm or an agency where there are obvious benefits to having other freelancers and potential jobs physically located in your office. So it's sort of a way to generate leads.

But one of things that we're sort of trying to navigate now in several of our coworking spaces is figuring out where to go from here because we started these spaces and they're pretty well-sustainable onto themselves but they're not necessarily in their current form businesses that are going to grow into massive or even reasonably large businesses in its own form. For a lot of people, that's fine because they're doing this as a side project or they're doing this to complement their existing business. One of the things that I'm working on is turning this into something that could be my primary, full-time business and that takes a lot of different forms. I don't think it's just purely the coworking space at that point.

**Adrian Bye:** You potentially want to scale this into something that you can go and like build coworking spaces all across... I mean you'll become like Starbucks. Is that one potential thought I guess?

**Tony Bacigalupo:** Well, it's hard to really see what kind of role I'd like to play in something like that. One of the things that makes coworking spaces as cool as they are is that they're very local. They're very rooted in their existing communities.

**Adrian Bye:** People would have said that about coffeehouses, and then Starbucks came along and commoditized it.

**Tony Bacigalupo:** Yes.

**Adrian Bye:** Because here's the other thing I'm thinking about as you're telling me all of this. It's that there're a lot of guys who have teams that they have working for them all around the country that would probably love to be able to sign up for a nationwide membership for something like this and say, "Okay, each person I'm going to pay \$250 a month and that will give them access to office space in any city in the US for up to two or three days a week..."

**Tony Bacigalupo:** Sure.

**Adrian Bye:** ...and there's this network of all of these spaces that they can go and use.

**Tony Bacigalupo:** Sure and point of fact, the infrastructure exists for what you're basically describing in the form of things like Regus which offer sort of these executive office suites. That being said, I think there is a growing opportunity for something similar to what we're doing in coworking spaces on a larger scale perhaps for larger organizations that want to place people in multiple cities – that sort of thing. I think there is an opportunity there. Whether or not that's a direction that I'd like to go is something that I'm evaluating. While we're learning how to make a model that works, we're sort of proving the concept. Taking it to that scale is a very different business and very interesting business. It's just a matter of what kind of role I'd like to play and what kind of direction I'd like to take things because the thing is that there are a lot of other directions that you can go if you start with a foundation of a thriving coworking space. There are a lot of people here who are starting businesses together, and there're a lot innovation aspects that are going on there. There're some educational components as well. So part of what we do at New Work City is we want to help make it easier for people to lead independent lives. There are different components to that and a few different directions that we can go, and that's sort of what we're working on now is – determining where we want to work our efforts.

**Adrian Bye:** Are you interested in helping launch startups from it potentially?

**Tony Bacigalupo:** Yes, we already are, sort of. I don't want to say, "by accident," but just be existing. When someone comes in, they're new to the space and they tell me they're working on something or they're interested in something, I'll see to it that they're introduced to the other people in the community that are working on similar things. I've lost count of how many times I've walked into the space and found people who I know had previously never known each other all of a sudden working together on a project. Coworking spaces are definitely helping to facilitate the growth and the existence of entrepreneurial efforts of one form or another. I think there are a lot of different things that can be done to help facilitate that even more, more actively.

**Adrian Bye:** I mean do you want to actually help incubate? I mean do you want to be an angel investor? Is that what you're looking to do?

**Tony Bacigalupo:** I don't know about angel investments. I think there are opportunities there certainly for helping with financing for people who are getting started so it's something that is certainly out there. We just have to figure out the right way to approach it. One of the things we're talking about doing is like a mentorship program where perhaps we get some external help and we get folks who



perhaps have demonstrated some interests and some passion for starting something but maybe don't have the proper resources to get started or are coming from, perhaps, an underprivileged background, or if they're young, and pairing them up with experienced folks who can sort of show them the ropes and help them get started, and along the way, work with one another. So there're a couple of, I guess, educational components there as well.

**Adrian Bye:** On that side, I can probably help you with MeetInnovators.

**Tony Bacigalupo:** Yes. Yes, that would be great. Yes, we're real interested in education and particularly students either in high school or college who have entrepreneurial inclinations but maybe aren't finding any particular infrastructure or resources to actually get thrown into the water, so to speak, and get their hands dirty and really learn how to run businesses themselves. I think there's no better way for someone to learn how to work for themselves than to try it out and certainly to be in an environment around other people who have been doing it all the time, and it's remarkable. I mean the quality of the people that are here. They're all just very experienced, independent folks, and they all know how to run their own businesses and figure out how to make a living on their own. So they're very inspiring people. They have a lot to offer in terms of learning how to follow in their footsteps.

**Adrian Bye:** Have you had many guys that are startup businesses in your space, and then gone off and raised money, got offices and all that stuff?

**Tony Bacigalupo:** Yes. It's funny. We actually had more of those right before we opened, we had some people who were involved, and it took us awhile to get our physical dedicated space up and running. So we had a bunch of people who were sort of onboard early on who sort of outgrew us before they had a chance to actually sign up into the space. But we've a couple of folks who've sort of restructured things, moved on and outgrown the space but maybe not in as obvious a way as, "Hey, that startup in the corner just got funding. Let's have a party for them and wish them well," and they moved on. We haven't really seen that yet



although there're probably one or two companies here now that I'd say that that's going to happen. Actually, a couple of folks at CoTweet, the Twitter company, worked here for a little while and they obviously moved onto San Francisco so it takes a lot of different shapes and sizes.

**Adrian Bye:** I've had a bunch of guys who have been successful that I've talked to in the New York area that have got spare cash and they've mentioned to me like, "Hey, do you know of any hot companies to invest in?" You're clearly the guy with your ears to the ground that knows what's out there.

**Tony Bacigalupo:** Yes, yes. I mean not all of our members are working on things that would entail investment. A lot of them are doing contract type stuff but there're a lot of people working on great, little startups. There are some people working on multiple things and building little products one thing at a time here. But people are always building something new and interesting. Yes, there's certainly stuff that people are looking for money. I'd love to hook them up with people who'd like to invest in them.

**Adrian Bye:** Back to the question. I'm just trying to understand. I know you don't have it completely clear yet of being either a social movement or a business.

**Tony Bacigalupo:** Sure.

**Adrian Bye:** I mean do you see this or do you not just have an answer yet and you're just trying to find your way forward?

**Tony Bacigalupo:** Well, yes. I mean there's honestly where it's at but again I think it can be both. I think it can be a business, which is built upon a social movement and that's what I'd really like to aim for to strike a sweet spot there. Coworking in general like people talk about coworking as a social movement and that is pretty much a social movement. That's just a concept that people – I don't know – subscribe to and they either build businesses or they build communities off of that. In New Work City, the organization that I run is very much a business that was built out of that community that we built. We were a community before we had a business and that's one of the reasons that it works so well for us. But I'd like to see this grow and become a business that can employ the people that are passionate about helping to grow the organization so that they can work on it all the time. I know that the more time that these folks can dedicate to New Work City in growing the community, the more positive impact we're going to be able to create for our members and for our city, and that's really where I'd like to see us go. It's to be able to just create as much positive impact as possible and help as many people as we can.

**Adrian Bye:** Could I ask? I mean you know me so I will just ask. It feels a little bit like you have something that's good and easy, and you may be overcomplicating it. I mean aren't there some basic things that people need? They need: quiet space; good, fast internet; wifi; desks that are okay; some places to do phone calls; a system for check in and check out.

**Tony Bacigalupo:** Right.

**Adrian Bye:** I mean with those in there, I'm sure there're a couple more things beyond that but those are sort of the basics. Is that not then something that you could just go and start scaling Starbucks-wise all around the country?

**Tony Bacigalupo:** Perhaps.

**Adrian Bye:** You pick a new city. Let's say you want to launch in Baltimore.

**Tony Bacigalupo:** Right.

**Adrian Bye:** You want to launch the co-work space Baltimore. You get a national name for it. You do a bunch of direct marketing fliers, online advertising and stuff. Like you said, you have 45 people so you need 45 people or you might need 30 people to make a space breakeven and then 45 to make a profit. So you go and do the marketing. You get the signups. Then as soon as you've got that, you might now take a month to fill a new space.

**Tony Bacigalupo:** Right.

**Adrian Bye:** You can just do that and expand around the country like Wal-Mart did, Starbucks or anyone else. I mean is there something I'm missing with that? I'm sure there are many things. Maybe you can remind me.

**Tony Bacigalupo:** The way you're describing, I wouldn't suggest that it's a bad idea, but what I would say is that what's missing from it is sort of the secret sauce that attracts people to coworking spaces over places like Regus and some of the more cut-and-dried office suites. It's the fact that it's rooted in an existing community that had an existing set of needs.

Before I opened the space, I went and got to know everybody I could in the community, and we started doing coworking wherever we could in apartments, basements – wherever it was. Along the way, I determined or it became clear that there was a critical mass of people that needed something reasonably specific, and it wasn't something that I imposed upon them. It was something that they were collectively helping me shape.

So the issue with something like going to Baltimore, opening up a space and then fliering the area is that you don't have any existing community infrastructure to build upon. You can certainly work on building that community infrastructure before opening a space but it has to be done in such a way that very successfully...

**Adrian Bye:** I get that. What if you had a design co-work space, and then you had a finance co-work space and that sort of stuff?

**Tony Bacigalupo:** Right.

**Adrian Bye:** Is that what you're talking about?

**Tony Bacigalupo:** Yes, I think that's where things are going to start going because again we're talking about something that's very early on here and so all the coworking spaces we have, among all of them, none is really more than three years old or so in terms of places that are self-declared coworking spaces. What you have sort of alluded to, I think this is something that's going to continue to grow. We're going to see a lot more people working in coworking-like situations in the future. Maybe the word "coworking" won't even be used but the sort of community flexible workspaces. They're going to take different shapes and sizes. People who are designers are going to have very different needs from lawyers, business people and people in all sorts of different industries. While right now, there're maybe only one, two or three coworking spaces in any given city, they are all sort of general-purpose coworking spaces that appeal to anybody who can just work on a laptop for the most part.

**Adrian Bye:** That's us right now but that's becoming everybody.

**Tony Bacigalupo:** That's true. That's true. Maybe there's going to be sort of this sweet spot of spaces that more or less just appeal to folks who are on their laptops for the most part, and then there might be more specific, more differentiated, niche kinds of workspaces that appeal to a certain demographic. I mean there are already sort of derivative kinds of places. There are hardware hacker spaces in New York. There's NYC Resistor, AlphaOneLabs – basically hands-on workspaces where people are actually building things by hand. There are writers' rooms where it's specifically for folks who are writing and so they have a much more strictly quiet environment. There's a space in New York called in Good Company that's only for female entrepreneurs, and they have some associated mentorship and education programs associated with that. You're getting all sorts of different shapes and sizes. Cubes & Crayons in San Francisco is a great example. It's a coworking space with an attached daycare center so it's for parents who work from home who also have kids to take care of and that's been wildly successful. They've expanded to two or three locations now.

**Adrian Bye:** Yes, this seems to me to be the kind of thing. It's the quiet before the storm, something's going to happen and this is going to blow up. It just seems to me to make sense.



**Tony Bacigalupo:** I completely agree. I completely agree. You can see the trends happening in the workplace. More and more companies are moving away from the traditional models, and if you look at some of the larger companies, so many of the really large companies have got very unusual-looking models. IBM, Intel and a lot of these businesses, Sun where if you're an employee, most of the employees can pretty much just check in to

one of their locations in any city at any time, and just drop in to respond. It's very flexible, very mobile.

**Adrian Bye:** Now how do you compete against others? I mean there are obviously other groups like yours in New York. How do you compete against them? I mean how do you avoid becoming a commodity?

**Tony Bacigalupo:** What's interesting is that it's still, I think, very nascent. There aren't a lot of other groups in New York that are doing what we're doing – very few. The way that it becomes not a commodity is that it becomes an organic thing. It springs out of a need from a critical mass of people who have found each other. That's one of the reasons that what we're doing at New Work City in its current form is not something that's readily replicable across different cities and across different places. I'm not worried about another coworking space opening up so much because I already have a critical group of people that have a sense of personal ownership in the organization that we've built together over this time.

**Adrian Bye:** The problem with that is it's not scalable but I guess if you can find a way to scale that concept then you've got something.

**Tony Bacigalupo:** Well, right. I mean it's not necessarily something I ever intended to scale. That's part of what it is, too, is that New Work City even in its name has this implication of being something that exists to support a group of people in New York City. Part of its goal is to grow here in New York but to stay here in New York and to be something that supports New York's entrepreneurial economy.

**Adrian Bye:** You just wanted to find a family. Come on!

**Tony Bacigalupo:** Yes! Well, you know that's part of it, too. The first day I went coworking, I showed up in some guy's apartment that I'd never met before and I was introduced to 20 or so of the most wonderful, bright, inspiring, exciting people who were all just working on great things. I left at the end of the day having already built a website with someone I had met that day and I said, "I want to spend as much time as I can around these kinds of folks." Now, I do. Now, I'm here every day and working alongside some of the most incredible, inspiring people, and that's a big part of it. Working alongside those kinds of people, nothing but good can come from it.

**Adrian Bye:** Yes, I know. I agree with that very much so.

You've mentioned a couple of times, Regus. I'm not familiar with them. Maybe could you explain who they are and they are different to what you do?

**Tony Bacigalupo:** Sure. Regus is basically a company that offers executive workspace, executive office suites and they have a massive network. They're all over the world. They're in dozens of countries. Within major cities, they may have a dozen locations. They may have a large number of locations and they offer plans that would allow you to work in any of their spaces around the world. Part of this is that they make deals with corporate entities so that their employees can use these spaces when they're going on business trips and things like that. I've talked to people who said that they have Regus memberships that they never use. It's part of their job that they have it offered to them.

The way it's different is basically in the way that it's rooted. Coworking spaces are very much rooted in this concept of community, people getting to know each other and for you to not be a stranger with the person you're sitting next to. Regus sort of is the opposite. It's offering you the resources of an office but not necessarily giving you any...

**Adrian Bye:** Not the community – right.

**Tony Bacigalupo:** You just sit next to someone who just landed...

**Adrian Bye:** They've taken what I've described and scaled it. When you say, "executive," like a lot of people working from home aren't executives. I mean I'd like to be able to put people in coworking spaces that are making \$2,000 a month.

**Tony Bacigalupo:** You mean were the people who are making \$2,000 a month?

**Adrian Bye:** Yes, I mean I have freelancers and other various people. The cost structure – I'd like that to work enough so that at that salary level, it would make sense to put them in a coworking space.

**Tony Bacigalupo:** Sure.

**Adrian Bye:** I imagine what you're describing with Regus, it wouldn't fit there.

**Tony Bacigalupo:** One of the things I've used to describe in the past to make it better to understand this is the idea of a spectrum and this sort of a coworking spectrum, the spectrum being all the different kinds of people who might encounter or might need something that resembles coworking. On one end of the spectrum is a person who maybe doesn't have any kind of a budget for any kind of a space, they're a telecommuter or they're a freelancer, and they mostly like working from home. For them, maybe just going to a Starbucks or going to a café on occasion works fine, or going to one of these free coworking things called Jelly that happens every once in awhile. Then on the extreme other end of the spectrum is a small business, maybe a startup five, six or so people that is maybe not big enough to have their own space but doesn't necessarily want to work from their homes either so they have this need to be in a workspace and maybe even a more specific need to work around other similar businesses. Then in the in-between is where coworking is arising. So the executive office suites, and the places where you rent cubicles and you rent small rooms all sort of fall on the higher end of that spectrum, and then Starbucks, the cafés and things like that fall on the other end. In the middle in that interim area where you have maybe an individual or maybe a small group of people that have outgrown their living room but don't really want to be in cubicles and don't really want to have their own office space, that's sort of the middle ground where coworking is starting to arise.

So for the \$2,000 employee that you're describing, they probably wouldn't fit in well with the Regus and the budget probably wouldn't work out for it either. They might be someone who's an ideal candidate for a coworking space.

**Adrian Bye:** What is the Regus cost per month?

**Tony Bacigalupo:** I don't know. It varies a lot because there're so many different locations.

**Adrian Bye:** I mean would it typically be like \$1,000 a month?

**Tony Bacigalupo:** I think it is. I honestly don't know. I wouldn't want to say something I don't know but my understanding is that the general cost is higher than the roughly equivalent thing for coworking space.

**Adrian Bye:** ...and what they're providing there is more formal business work environment – quiet, you can make phone calls – that kind of stuff?

**Tony Bacigalupo:** Exactly.

**Adrian Bye:** Alright. Cool.

We've talked about a lot of stuff. Is there anything that you want to talk about which we haven't covered?

**Tony Bacigalupo:** We touched on sort of this notion of it being a social movement versus a business. It's interesting territory for me because it's what I want to explore. We talked a little bit before the interview. We were talking a little bit about this generational component. I'm a millennial and one of the things that people are saying about millennials is that they have this inclination towards doing things that better the world. There's this very social, altruistic... Maybe "altruistic" is not the right word but you know what I'm trying to describe. ... component to what people want to do. There've been some studies that have said that younger

folks would actually take significant pay cuts to work for an organization that they believed was doing social good over a company that they didn't. So I think that there's a growing trend there among people in my generation both in...

**Adrian Bye:** Do you think that's a growing trend or you just think that as people get older, they want to make more money?

**Tony Bacigalupo:** No. I don't know.

**Adrian Bye:** I mean the saying is that when you're in your 20s if you don't have... Oh, I can't remember it. It's something about you think with your heart when you're in your 20s and then you think with your head when you're in your 40s. I forget.

**Tony Bacigalupo:** Yes. There's obviously the common phrase "young and idealistic", right?

**Adrian Bye:** Yes.

**Tony Bacigalupo:** I mean if you're in your 20s, you want to change the world, and so on and so forth. But from what I've read, my understanding from what I've read is that our generation is particularly and distinctly focused on this sort of thing perhaps as a consequence of being raised by baby-boomers who have had their own culture. People in the in-between maybe were more focused on personal self-accomplishment, advancing themselves and making lots of money. I think my generation is being a little more characterized by its desire to make a difference. I don't have the benefit of perspective but I can tell you based on everything I've felt to date that I have very little interest in just making money and finding success for the sake of money and success. I'd much rather continue to do what I've done which is sacrifice financial income for the sake of doing something that's more meaningful and more satisfying. Maybe that's a more challenging route towards figuring out how to continue to do that, and to start making more money and significantly larger amounts of money but I think that's a great challenge to be working on. It's something I don't mind putting in a whole lot of effort to figure out.

**Adrian Bye:** Cool!

**Tony Bacigalupo:** Yes!

**Adrian Bye:** Okay.

I think we'd better wrap it up. We're pretty much out of time so, Tony, thanks very much for doing the interview.

**Tony Bacigalupo:** Good. Thank you so much, Adrian.