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**The New Work: from Co-working to  
Co-creation in STPs - Case Crazy Town**

*Parallel session*

*Collective thinking to promote collaboration*

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# The New Work: from Co-working to Co-creation in STPs - Case Crazy Town

## *Executive Summary*

In the article we describe how science and technology parks are faced with a fast growing adhocracy of knowledge-intensive workers - freelancers, solopreneurs and micro-size companies (less than 10 persons). Co-working spaces have become a mainstream solution in offering working spaces for this customer group.

However, this same group also needs other services and there is an intriguing possibility for STPs to scale their offering from mere co-working space services to co-creation services.

Our case Crazy Town presents a new co-working concept that helps STPs to cope with the adhocracy challenge of knowledge-intensive workers' market. It was developed from the experiences of running the oldest privately-funded community-driven co-working space in Finland in cooperation with the science park "heavy-timer" Technopolis Oyj. It is operated with a frugal and an affordable business model, making the concept scalable to any science park environment. Concept has four stages that build upon each other, first being the traditional co-working space.

## The New Work

Number of trends are changing the landscape of knowledge-intensive work - and ultimately the profile of customers and users of science and technology parks. A rapidly growing number of people work self-employed as freelancers and solopreneurs or in micro-size companies (less than 10 persons), co-working and co-creating solutions with partners.

North America is at the forefront of change. In USA, from today's base of 30 million independent workers, the number of independent workers regularly working in this capacity is expected to grow to just under 40 million by 2019.<sup>1</sup> Europe and Finland, our homebase, are following closely behind.

European Forum of Independent Professionals calls this group of people "iPros", independent professionals. They are the fastest growing group in EU labour market, whose numbers have increased by 45% across EU in 2004-2013.<sup>2</sup> Disparities between EU members have emerged, but Finland has also seen a similar pattern. Number of freelancers in Finland have doubled during the past decade. Meanwhile, corporations are struggling to offer fulfilling careers, making independent working a preferable opportunity for knowledge-intensive specialists. Alternatively, they are reducing their workforce or failing to increase it. Whatever the reasons, jobs are created increasingly more in small- or medium-sized businesses, such as the case in Finland.<sup>3</sup>

While independent, knowledge-intensive workers are an exciting new customer group with huge growth potential, it's good to remember that they also value different things than typical more established organizations. Instead of bureaucracy, knowledge-workers operate in total adhocracy<sup>4</sup>, characterized by continuous learning and organizing activity around projects. More than one knowledge-worker usually participates in the producing the results, meaning that solo work activities disappear. Shared knowledge and resources are built around flexible interaction with other peers, leading to adhocractic collaboration structures of virtual and temporary ad hoc teams of individuals and organizations.<sup>5</sup> Traditional employment contracts don't govern how knowledge-workers collaborate with one another.

Networks, communities and shared resources (including the physical environment) are the foundation upon which knowledge-workers operate. Affordable and location independent cloud-based tools allow them to work from wherever they want. They choose their physical location based on which surrounding offers the best value for that moment, whether its partnerships, tacit knowledge, resources or personal contacts.<sup>6</sup>

To sum up our argument, we believe that science and technology parks are faced with an adhocracy. Its two basic units of labor in knowledge-intensive market are 1) individual experts (ie. "iPros"), who need physical and virtual environments where sharing resources, knowledge and learning is possible, so that together they can organize themselves around 2) customer projects, which are temporary and result of contributions from ad hoc teams of experts from various organizations and freelancers.

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<sup>1</sup> [http://info.mbopartners.com/rs/mbo/images/2014-MBO\\_Partners\\_State\\_of\\_Independence\\_Report.pdf](http://info.mbopartners.com/rs/mbo/images/2014-MBO_Partners_State_of_Independence_Report.pdf)

<sup>2</sup> [http://www.um.es/prinum/uploaded/files/Future\\_Working\\_Full\\_Report-2%20final%20subir%20web.pdf](http://www.um.es/prinum/uploaded/files/Future_Working_Full_Report-2%20final%20subir%20web.pdf)

<sup>3</sup> [http://www.yrittajat.fi.c.yrittajat.ent.platform.sh/sites/default/files/migrated\\_documents/sy\\_yrittajystilastot\\_2015.pdf](http://www.yrittajat.fi.c.yrittajat.ent.platform.sh/sites/default/files/migrated_documents/sy_yrittajystilastot_2015.pdf)

<sup>4</sup> Wikipedia describes adhocracy as "a flexible, adaptable and informal form of organization that is defined by a lack of formal structure"

<sup>5</sup> Auvinen, A., Salminen, O., Mäkelä, P. & Tamminen, T. 2013. TYINE - Työelämä oppimisympäristönä report (in Finnish):

[http://wiki.eoppimiskeskus.fi/download/attachments/8226492/TYINE-raportti\\_10062013?api=v2](http://wiki.eoppimiskeskus.fi/download/attachments/8226492/TYINE-raportti_10062013?api=v2)

<sup>6</sup> Rytkönen, E., Neonen, S. & Eriksson, R. 2014. Published in book Orchestrating Regional Innovation. Available at:

[https://urbanmillblog.files.wordpress.com/2015/05/eka\\_updated\\_lowres.pdf](https://urbanmillblog.files.wordpress.com/2015/05/eka_updated_lowres.pdf)

One such physical environment that meets the needs of adhocracy are co-working spaces that have popped up all across the globe.

### From Co-Working . . .

It is estimated that in 2016 there are already 10 100 co-working spaces globally with 735 000 users.<sup>7</sup> What originally started out as a niche phenomenon run by activists, who wished to create their own dream surroundings, increasingly many of the co-working spaces are nowadays based in STPs.

Some of the co-working spaces are even run by major real-estate companies, seeking to refine their physical locations. WeWork, Regus Kora and Technopolis UMA are examples of international co-working operators, who have embraced co-working as an interesting business opportunity. Customer profile of location-independent knowledge-workers makes it possible to cram increasingly more people into the allocated physical space and have more members than desks. Number of required square meters / worker is less than in offices of 20th century, since workers use the space irregularly. On average, some 30-50% use space simultaneously.

However, even though the co-working concepts across the globe are "co-working" by name, sadly in reality way too many spaces have focus on the real-estate business. They simply rent out the physical environment - whether its hot desks or fixed rooms - and treat everything as business as usual. As several prospective co-working operators have found out the hard way, co-working is essentially about community and community-building.

Knowledge-intensive workers choose their location not based on the fancy environment, but rather the potential partnerships, tacit knowledge, resources or personal contacts what the space has to offer. Co-working space needs to provide all these. To be able to create a community that offers all these qualities for its members, we believe that a **proper co-working space needs a community orchestrator**, an intermediary who connects the dots and facilitates activities.

This role should not be neglected. As proposed by Bror Salmelin (2015) from the Open Innovation Strategy and Policy Group (OISPG) of the European Commission Directorate General for Communications Networks, Content & Technology (DG Connect), these orchestrators are the curators and bridgers, who: i) maintain the quality of content generated by members of the co-working community and ii) are inherently interested in everything, and they connect and create new linkages between people and organizations inside and outside the community. These orchestrators facilitate key people with information, resources, and knowledge.<sup>8</sup>

### . . . to Co-creation

This trend of having communal co-working spaces with orchestrators brings STPs closer to their original mission - connecting people from various fields and helping them to work together for new innovations. Issue is also partially linked to the fact that many local, national and international governments are interested on making it radically easier for broader spectrum of citizens to engage in different innovation activities and R&D projects, often funded partially or almost entirely with public money.

Our case presents a new co-working concept that helps STPs to cope with the adhocracy challenge of knowledge-intensive workers' market: **Crazy Town** ([www.crazytown.fi](http://www.crazytown.fi)). It was developed from the experiences of running the oldest privately-funded community-driven co-working space in Finland in cooperation with the science park "heavy-timer" Technopolis Oyj<sup>9</sup> and their facility management know-how.

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<sup>7</sup> <http://www.deskmag.com/en/2016-forecast-global-coworking-survey-results/2>

<sup>8</sup> <http://www.uc-dk.dk/uasnet/wp-content/uploads/Open-Innovation-2.0-Salmelin.pdf>

<sup>9</sup> Technopolis Oyj operates 20 business parks in 12 cities across Finland, Norway, Estonia and Russia: [www.technopolis.fi](http://www.technopolis.fi)

In spring 2015, Technopolis campus in Jyväskylä, Central Finland, had a suitable 600 square meter space available for the market. Instead of trying to find one organizational customer for the space (difficult in the current market situation) or renting it out for dozens of individual customers (time-consuming), they approached Crazy Town, an existing local co-working space that was looking for a new bigger venue. Technopolis offered the space for rent and gave Crazy Town an extraordinary permission to offer space for subtenants.

This "shop-in-shop" proved successful agreement for both parties. Launched in summer 2015 as a platform of knowledge-intensive workers within Technopolis campus in Jyväskylä, Crazy Town has grown to become a community of +80 individual knowledge workers from over 30 organizations. Crazy Town is privately-funded and owned and it is financed solely with income-financing (member fees and optional services) and operated with a frugal and an affordable business model, making the concept scalable to any science park environment, anywhere. Concept has four stages that build



upon each other.

*The four stages of Crazy Town concept. As of spring 2016, intermediary activities are in pilot stage.*

**Co-working space and community:** Crazy Town offers various membership packages that gives the essentials needed for knowledge work; flexible office space and facilities and working infrastructure. This is the basic level that all the co-working spaces / venues offer.

Upon this we bring the community of experts, who are part of the co-working space. In addition to this, competence and business development services are also provided for all members as part of the membership.

However, perhaps the most important features are the next to stages; community-driven peer-to-peer learning and intermediary activities provided by the Crazy Town facilitator team. Still, these activities cannot exist without the physical user base. Paradoxically, even though co-working is not about the space itself, it's still a necessary element. Another paradox is that as long as customers don't need to think about anything concerning the infrastructure (for example, whether does the printer work, or do I have good enough internet connection, etc), then the quality is high enough.

**Peer-to-peer learning:** Ever since it was originally founded in 2002, focus in Crazy Town has always been in individual peer-learning. This is where the concept differs from other co-working spaces. Crazy Town organizes regular community learning gatherings, where members serendipitously share knowledge, resources and learn from each others' tacit experiences. Since members range from established companies to fresh startups and solopreneurs, the community has a variety of fresh perspectives and - when put together - a total of hundreds years worth of real-life experience. The community organizes almost 100 meetings or events a year. Approximately half of the content is provided by the members themselves, the other half from external experts. Each member takes turns being a learner or a trainer. Focus is always on the individuals and their development.

As a straightforward practical example of learning together activities in April 2016, three Crazy Town members shared their hands on experiences on what they felt were best the digital tools and services for project management, CRM and financial management. Crazy Town organized the event

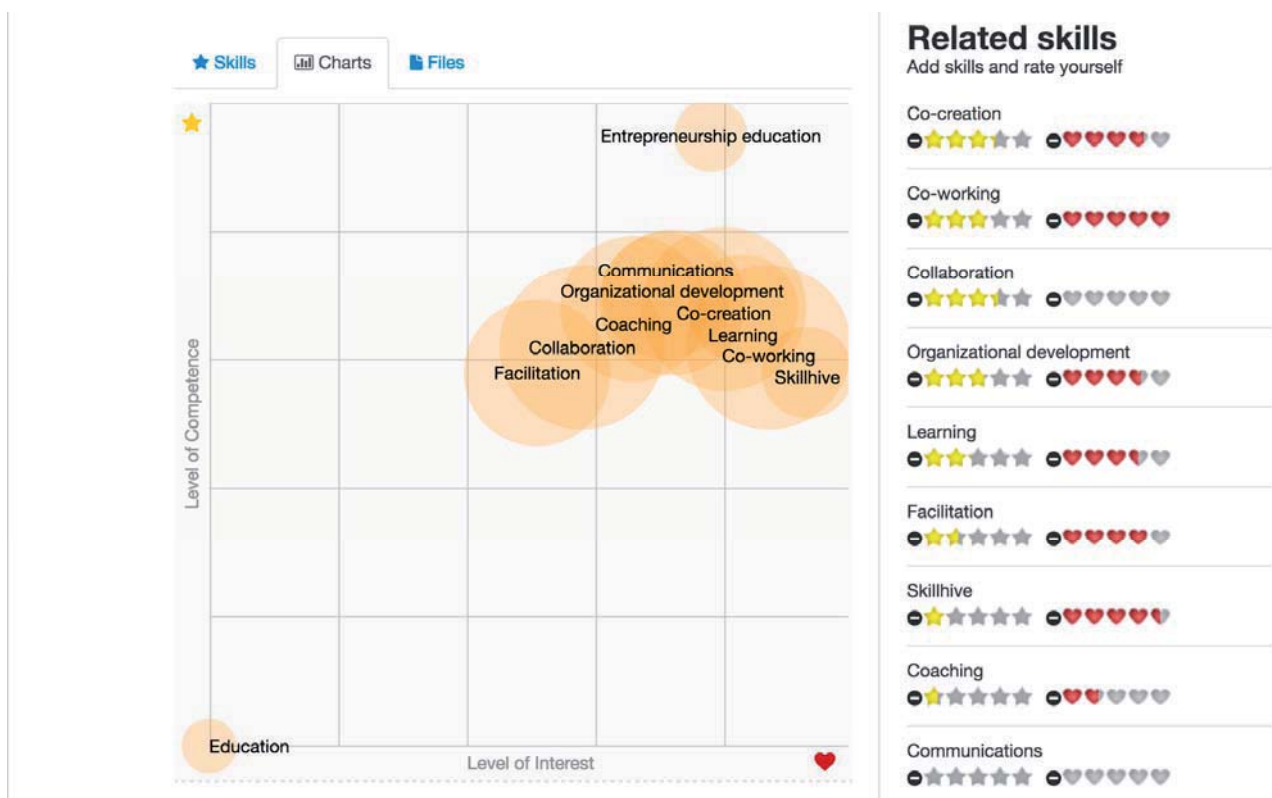


and facilitated the activity, but content was produced by the members for members. Crazy Town also invited non-members to participate, so that they get a glimpse of expertise within the community.

**Innovation intermediary activities**, currently in pilot stage within Crazy Town, focus on helping members a) to form new collaborative alliances and teams for customer projects and project-bidding, b) to connect with universities and public sector development projects and their R&D&I resources c) to acquire funding.

To support this activity virtually, Crazy Town acquired an off-the-shelf solution called Skillhive<sup>10</sup>, a collaborative online platform that was opened for pilot in the co-working community.

For any member, Skillhive platform gives an accurate picture of various experts and their interests within Crazy Town. It connects the individuals with projects, helping to assemble teams on the go. Skillhive is also a co-creation platform for members' initiatives and ideas. Since online platform requires a critical mass of users, we at Crazy Town opened a virtual membership for stakeholders, who would benefit from being able to participate in the activities of the community even without access to the physical environment. First virtual members have included university professionals and startup specialists and other regional developers.



*Skillhive in use - a group of experts are being teamed up to develop a new concept for Finnish schools. Each user in Skillhive has his or her individual skills that are used to "headhunt" right partners for the task.*

**Ecosystem services** are a long-term goal that eventually we hope to offer for both members and external partners. Once we have enough users and community members in both the virtual environment and several physical locations across Finland, Crazy Town community and platform can become a focal point for connecting its members with people, business, public sector and academia. However, this requires sufficient critical mass.

<sup>10</sup> Skillhive is a collaborative platform developed by Helsinki-based Intunex Oy: [www.skillhive.com](http://www.skillhive.com)

## **Trust -> Community -> Activity**

It needs to be emphasized that both peer-to-peer learning and intermediary activities require a certain stability within the physical co-working community itself, the first stage. Because of this, the backbone of Crazy Town are long-term members, who use the community as their dedicated home. Hot desk members form only a small part of the membership base at Crazy Town. It is still undecided whether it will offer space for customers seeking a temporary office space on the move or not. For them, the community would simply be a physical office, nothing more, and we do not necessarily want to even go to that direction.

Trust is built after a time and requires face-to-face interaction at the office and events. Only when members trust each other, then virtual interaction is possible, eventually leading to ad hoc teams and other forms of collaboration. Community is not an intrinsic value. Rather, it is a prerequisite for business growth via shared projects, offerings and collaboration.

Running a proper community-driven and co-creation -focused co-working space involves curating the members and organizing seemingly simple orchestration and facilitation activities. This we cannot stress enough. While aforementioned activities might sound ridiculously easy, they are time-consuming, require certain special skills and professionals. Crazy Town orchestration and facilitation is a full-day job more than one people, who need to be inherently interested in everything what is going on at the community and outside it, connecting people and documenting what has been learned.

### **What has proven to be difficult?**

When we rebooted Crazy Town in summer 2015 with dozens of new members in addition to existing ones in a new bigger environment, we believed that familiar spirit and culture would pass on automatically. This did not happen. Orchestrators at Crazy Town needed to organize a strict routine of events and one-on-one meetings to get people involved. Sometimes, this has required hand-in-hand guidance.

Secondly, we do not know what will be a sustainable revenue model of intermediary activities that are currently in pilot stage. While Crazy Town members are overwhelmingly happy about being presented opportunities for cooperation both virtually and physically, at this stage the big question for us is how to monetize the service. There is potential in both success and broker fees. Again, having more users would help the issue.

Although Crazy Town does not wish to be in the real estate business, its revenue from the co-working space is currently 100% dependent on membership fees - in other words, the "rent" paid by the members. To be able to fully leverage ecosystem services and intermediary activities, would require more critical mass - both users in virtual environment, but also opening up new Crazy Town communities elsewhere. This is our goal for the next year.

There are two non-exclusive alternatives how this might happen:

- "Powered by CT", a license-based model: A partner (e.g. science park or an existing co-working space) receives training, tools and methods to run Crazy Town-based environment. This unit and its members are connected to our virtual and physical community. Basically, the three upper stages are build upon an existing co-working service.
- Operating our own unit: We set up our own units as is the case now in Jyväskylä. Specially to locations that provide natural connections for Crazy Town customers.

### **Bringing the science back to STPs with Crazy Town?**

Originally science and technology parks were created as spaces and services to enhance science-to-business processes, to bring together people from the university, industry and financial sector. Either this is clearly not enough or the original mission has been forgotten, because at least in Europe, the whole university sector is struggling to show their societal and economical impact. Huge

expenditure on (mostly public) research and development are being made, but the end result is not a surge of new innovations, jobs, companies and wellbeing.

Maybe structures and operating models like Crazy Town could bring this element of interaction back to the STPs. Maybe running and operating an STP is much more about leading learning and interaction processes than facility management?

This kind of "Campus Crazy Town" could also help universities at least in small part solve the issue of large amounts of unused or underused facilities, turning them into places of interaction. It would be a shop-in-shop solution, with CT-like unit being operated by an external party within university's physical space.

## Conclusion

At Crazy Town, we've so far demonstrated with our proof of concept:

- STPs should not solely focus on high-growth ventures, but also the needs of knowledge-workers, e.g. solopreneurs, freelancers and micro-sized companies.
- Co-working -> co-creation: Knowledge-workers requires a community-like environment and services that support mutual learning and co-creation, since flexible adhocracy with projects and combinations of ad hoc teams is the normal routine of daily work for knowledge-workers.
- Community of experts can be a source of major revenue boost for its members, since individual experts can acquire customer projects that would otherwise be unavailable and inaccessible for companies of their size, not to mention the non-tangible benefits of peer support created by the community.
- STP can nurture a culture of trust and openness of their co-working and co-creation community by putting emphasis and resources on facilitation skills of the community manager.
- Operational costs of running Crazy Town -like hub are affordable and frugal, but require at least one dedicated person to orchestrate the hub and its activities.
- Most important element is not the physical space, but the community and value-added services. However, to be able to offer them, a physical space is a prerequisite.

Our next step is to validate these assumptions to scale-up the Crazy Town concept:

- Crazy Town concept or parts of its elements can be physically scaled 1) nationally and 2) internationally to any other physical environment, e.g. an STP, university or a city.
- Crazy Town concept can be also scaled virtually to connect individuals and teams in other physical co-working and co-creation communities around the world.