

Oops, I grow!

The importance of bringing co-working initiatives in Madrid next level

The never sleeping city of Madrid was this year's destination for the European Creative Business Network's annual study tour. The tour offered a great opportunity to study small co-working spaces and serious incubators in the Spanish capital. In Madrid in the last decennia lots of co-working spaces popped up in various areas in town. Circumstances are promising. There's a government policy supporting development of the cultural industries and a governmental sub-direction promoting development by offering citizens help in getting access to grant programs and information about legislation. Madrid people also are famous for their vivid street culture. Maybe this Spanish tradition of organizing a strong social life could be of advantage by making a succes of hubs of people working together. But after wandering for a couple of days through the sunny streets of Madrid, experiencing the co-working spaces and talking with initiators, the study group members ended up with mixed feelings. They were struck by the passion and ideologies of initiators. But at the same time they showed concern. Initiatives often seemed to get stuck in ideological thinking. Several initiators looked tired and even frustrated. They didn't manage to bring their projects a step further in development: from start-up to grown-up businesses. What could be the reason for that? Why is it important that initiatives in Madrid do grow? And how can the the ECBN-network be of value in bringing further Spanish initiatives?

In the small streets of the Madrid district Malasaña, Espiritu 23, a co-working space for work and social and creative activities, catches the eye. Colorful paintings cover the walls of the entrance that is set back in the facade. The place invites to lounge a bit and passers-by are given an impression of the atmosphere of the place: open, low-key and creative. One of the two initiators of Espiritu 23, Pedro Bravo, talks passionately about his project and ambitions. Espiritu 23's aim is to be a social enterprise, looking to transform society by facilitating and stimulating contact between different groups of people. But what happens next will be repeated several times when talking to initiators in Madrid. All of a sudden the initiator's passion makes place for tiredness. Bravo sighs. After two years of investing time and money in Espiritu 23 no profit has been made yet. Next to running the co-working space the initiators have to work in other businesses in order to earn money to keep their chimneys burning. The overload of work is running-down the initiators and as a result the danger arises their project will fail. Espiritu 23 decided to hire a girl who's job will be giving form to a scale sprong in professionalism. A necessary step in order to let the initiative grow.

It seems hard for many Madrilene hubs to grow from start-up to grown-up. Why is that? President of the incubator Factoría Cultural, Rosina Gómez-Baeza, speaks clear language when she states there's a lack of entrepreneurship in Spain. For sure this is not the case at Factoría Cultural! As a matter of fact, entrepreneurship is *the* key factor of the succes of the hub. A healthy kind of jealousy arises in the eyes of many participants of the study tour while listening to the modest voice of Gómez-Baeza who explains the business model of the factoría. Compared to all other visited hubs in Madrid, Factoría Cultural is Champions League quality. Not only because the hub looks and feels great and is situated in the inspiring environment of the re-structured slaughterhouse Matadero. But mostly because the succes of Factoría Cultural is a result of a keen business model. The creative hub offers work spaces for young, ambitious people working in the creative industries in the fields of technology, communication and arts. But the organization is offering more. It also promotes the development of entrepreneurial initiatives by organizing trainings, services and resources. Succes lays not only in keeping the Factoría Cultural healthy as an organization, but making sure the residents are able to set up healthy businesses after leaving the safe environment of Matadero after

one or two years. Having a strong business model, clear aims and structures makes it easy to communicate aims and program to possible investors. That has been of great help to set up successful grant programs. In this context the ideas of ECBN-member Rita de Graeve, working at the Flemish authorities, are very promising. De Graeve believes the presence of an investor in the hubs, next to allround services and coaching, is essential. For her presence means real-life presence. Investors can be important advisors for starters instead of „back-stage” providers of money and matter. A step that is yet to be made in many European projects.

What's self-evident for Gómez-Baeza - the importance of smart entrepreneurship - is not so obvious for other initiators. Entrepreneurship still seems to be an infected word for many people working in the creative industries. The word reeks too much to hard-core capitalism or economic systems based on neoliberal thinking. Many people engaged in trying to change economic models want to organise business in new ways. They believe in sharing facilities, knowledge and space. Co-operation is an important key-word. But initiators seem to mix up being engaged with being non-professional. This is not only true in Spain, but in all European countries. ‚Oops, I grow!’ is the title of a Dutch book about the mental development of small children. It describes the tough period of babies and parents in the early stage of development of a new-born. Start-ups look a bit like young parents. Their „initiative” grows, but the knowledge to structure growth in a professional way is lacking. Growth has its own dynamic (oops!) and soon it becomes clear that growing doesn't automatically mean becoming successful. Adrian Sneeuw, ECBN coordinator of the study tour and long time resident of Madrid adds another important issue. He perceives a lack of confidence amongst Spanish entrepreneurs. Stimulating a stronger confident attitude could help Spanish entrepreneurs to develop and innovate. How to deal with growing pains? Smart entrepreneurship should be used as a tool to structure growth in a professional way. But what could be the ingredients for smart entrepreneurship.

One of the ECBN-members, Niels Moshagen, co-founder and owner at disrupt, stresses the need to have a clear vision on entrepreneurship. ‚This vision shouldn't stand on its own. There's a need for a symbiose between a clear vision on entrepreneurship, programming and community-management.’ Moshagen explains that this layered vision can be used as something that connects the different groups and people of the hub. He also underlines the importance of programming. ‚Activities like workshops, training, coaching et cetera can be used to give entrepreneurs and projects a chance to grow. These activities make the ideas and projects of the entrepreneurs also visible. It helps in the proces of reaching a bigger understanding of collectivity and the establishment of the idea that the hub is more than a low-budget and cosy place. As a result the value of the hub will rise, which will have a positive effect on attracting new entrepreneurs.’

It's of big importance for Madrid that initiatives grow next level. Not only because it's a pity that passionate entrepreneurs crash in the proces of growing. But also because a healthy network of co-working spaces and incubators can help develop a new economy that's based on a network of independent workers who use shared facilities. The time is now in Madrid. After last May's elections for municipalities open and people-based political parties like Podemos and Ciudadanos gained a lot of power. This new arising politics is welcoming new economic models. But the economy based on sharing is still very vulnerable. Member of ECBN Willie de Groot of housing corporation Trudo, points at the danger that initiatives that use shared facilities could disappear as soon as the economy in general goes better. ‚Being dependent of temporary, empty buildings with a short stay rent is not a durable way to organise a new economy,’ De Groot explains. A long-term agenda should be set in order to establish a durable economic model. De Groot mentions three

aspects that according to him are important in this context: ‚commissioners should realize that giving commissions to these new kind of entrepreneurs leads to better results; educators should realize co-working hubs are an ideal learning environment and governments should offer budget to enlarge the chances for development of this new economy, for example by realizing good and free wifi in the cities.’

With lots of expertise in European projects, that all have different contexts, ECBN can play a major role in advising initiators in bringing their projects next level. The Spanish context - politically and social - is exiting and offers opportunities for experimenting with new economic models. Bringing the co-working initiatives next level requires continuation of the conversation about new economic models and the characteristics of smart entrepreneurship. The initiative of ECBN of writing a political manifesto is a good step towards strengthening the common case to stimulate the cultural creative industries and their legitimacy in European politics. But common knowledge should always be made site-specific. The heart of an ‚Oops, I grow’ proces always embodies a unique ‚project”. It’s important to approach projects and unknown cultures open-minded. Time to start planning the 2016 annual study tour in order to explore yet another exciting new setting and dynamics!

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