In-House Coworking Space as a New Initiative Towards Business Model Innovation in Incumbent Firms – A Case Study on Motivation, Knowledge Sharing and Collaboration

Kathrine Friis-Holm Egfjord

ABSTRACT

**Purpose:** A new collaboration form between incumbent firms and startups has emerged, with incumbents hosting coworking spaces in-house to innovate their business models. This paper aims to investigate what motivates the startups to participate in the coworking space, how knowledge transfer and collaboration take place and how the role of the incumbent was perceived.

**Design:** A case study was performed in an in-house coworking space based on 17 semi-structured interviews with the startups.

**Findings:** Findings uncovered that physical, social and professional conditions were important for the startups. Generally, there was a good physical framework. Being a part of a larger community with “colleagues” and the possibility of participating in professional activities were beneficial. This promoted knowledge sharing, sparring and collaboration between the startups. Ongoing activities to support this were requested. The majority of the startups expressed interest in collaboration with the incumbent, but only few had currently established it.

**Value:** It was perceived, that both the startups and the incumbent possessed knowledge and resources which could be valuable for both parts. However, it was not experienced that the incumbent clarified how the startups could fit into their business. Thus, an untapped potential for collaboration seemed to be present. Ideally, the present constellation represents an engagement form with both economic, social, professional and cultural capitals. It could be a promising solution, if the incumbent is ready for radical business model innovation.

Keywords: Open business model innovation, coworking spaces, incumbent and startup firms, motivation, knowledge sharing, collaboration

Acknowledgements: I would like to thank Kristian J. Sund and Søren Jagd (deceased in 2020) for comments and inputs to the research process, and colleagues for comments on the semi-structured interview guide. I am also very grateful to the many participants in the interviews. The research would not have been possible without the jointly support by Roskilde University and Tryg. Finally, I appreciate the useful comments during the review process.

Please cite this paper as: Egfjord, K. F. (2022), In-House Coworking Space as a New Initiative Towards Business Model Innovation in Incumbent Firms – A Case Study on Motivation, Knowledge Sharing and Collaboration, Journal of Business Models Vol. 10, No. 2, pp. 58-82

1 Roskilde University, Universitetsvej 1, 4000 Roskilde, Denmark, e-mail: kathrine-dk@live.dk, kfhe@ruc.dk

ISSN: 2246-2465
DOI: https://doi.org/10.54337/jbm.v10i2.6505
Introduction
While coworking spaces (CWS), in the last decade, have become more widespread, a new constellation between incumbent firms and startups has emerged, where incumbent firms host startups within their own in-house CWSs (Orel, Dvouletý and Ratten, 2021; Heinzel, Georgiades and Engstler, 2021). This new form of collaboration can help incumbent firms to get closer to the entrepreneurial environment and to get inspiration and knowledge from the startups who can help them to innovate and maybe even reveal new business models (Reuschl and Bouncken, 2018). In this paper, incumbent firms are defined as mature firms that are already in a strong position in the market. They often face the unique situation of having to balance the exploration of new business models with the exploitation of existing ones (Bogers, Sund, and Villarroel, 2015; Egfjord and Sund, 2020; Frankenberger, Weiblen, Csik, and Gassmann, 2013; Jensen and Sund, 2017; Sosna, Trevinyo-Rodriguez and Velamuri, 2010; Teece, 2018).

In a world characterized by rapid changes and complexity, many incumbent firms today face the challenge that more of their existing business models are being threatened and replaced by new technologies and new business models (Sund, Bogers and Sahrmaa, 2021; Taran, Boer and Lindgren, 2015). In this context, capabilities of the incumbent firm to work with business model innovation (BMI) are seen as an effective way to achieve sustainable competitive advantage (Mitchell and Coles, 2003; Wirtz, Gottel and Daiser, 2016). The ability of the firm to gain new knowledge plays a crucial role in succeeding with innovation and often it is necessary to seek knowledge and explore new ideas outside their own framework (Chesbrough, 2003; von Hippel, 2005; Kohler, 2016; Taran, Boer and Nielsen, 2022).

Adopting the basic principle of open innovation that firms should combine the use of external and internal ideas, incumbent firms are increasingly building programs to engage with startups (Chesbrough, 2003; Horn and Keyzer, 2014; Kohler, 2016; Von Hippel, 2005). Through collaborations, incumbent firms and startups can bring each other several advantages, which can create unique opportunities for both parts (Bagnoli, Massaro, Ruzza and Toniolo, 2020).

Startups can be a valuable source of innovation and can bring entrepreneurial spirit, fresh talents and new ideas that can help to rejuvenate the corporate culture (Heinzel et al., 2021). By working with startups, the incumbent firm can develop and test new technologies and service solutions with lower cost and less risk to their core business. Conversely, incumbent firms have a large number of advantages for startups in terms of experience and knowledge about the market, economies of scale, well-established networks and brand power. Thus, due to the complementary nature, both parts can benefit from collaboration (Orel et al., 2021; Weiblen and Chesbrough, 2015).

The phenomenon of coworking emerged shortly after the turn of the century and has been in explosive growth since its emergence. According to a forecast by Small Business Labs, a US business portal, and the organization The Global Coworking Unconference Conference (GCUC), it is a growing trend. In their 2017 forecast (2018-2022), the number of CWSs in the world (almost 15.000) was estimated to increase with an average annual growth rate of 16.1% and the number of users (1.74 million) even faster, with an average annual growth rate of 24.2%. Within the past years, a tendency has also been observed towards the incumbent firms being interested in taking part of coworking environment, either by establishing their own CWSs or by placing departments or groups of employees in the external cowork environments (Smallbizlabs, 2017; GCUC, 2017).

It is known that the various forms of collaboration between incumbent firms and startups can be fruitful for both parts (Kohler, 2016). However, in many cases it is not successful and does not live up to expectations (Weiblen and Chesbrough, 2015). The emergence of the new engagement form of in-house CWSs illustrates a new and different way of working with BMI which is relatively new and has not yet been studied extensively. There is not yet much literature on this specific type of collaboration and neither on the preferences of CWS users in general (Heinzel et al., 2021; Weijns-Perrée, van de Koevering and Arentze, 2019). Thus, the aim of this paper is to investigate an example of an in-house CWS, at a leading corporate player, to study what motivates
the startups to participate in the CWS, how knowledge transfer and collaboration take place and how the role of the incumbent firm is perceived by the startups.

### Business Model Innovation in Incumbent Firms And Coworking

#### Incumbent firms and BMI

The notion of business models has existed for several decades but still the definition of the concept remains fuzzy and a variety of definitions are found in the academic literature (Taran et al., 2022). In this paper, a business model is broadly defined as how value is created, captured and appropriated by the organization (Amit and Zott, 2001; Egfjord and Sund, 2020; Foss and Saebi, 2017; Teece, 2010; Zott, Amit and Massa, 2011). Similar to the definition of a business model, many different views on BMI exists. However, they all overall point towards doing something new and regardless of the different opinions, there is an agreement on its importance (Taran et al., 2022). Therefore, in extension BMI can be described as doing things differently and as changing the game, slightly or radically, to take advantage of opportunities to better create or capture value. Both the concept of business model and BMI have been growing topics for discussion and have gained an increasing amount of attention from both academics and practitioners over the last decades. However, while much of the existing research literature on business models focuses on startups and their creation of new business models, a much smaller part pays attention to incumbent firms and their decisions to add new business models that might be disruptive (Bogers et al., 2015; Egfjord and Sund, 2020; Kim and Min, 2015; Sosna et al., 2010).

The context of BMI in incumbent firms is exceptional as they, opposite to startups, already have pre-established structures, resources, relationships and existing business models. Incumbent firms must at the same time operate with routines for “doing what we do better” and routines for “doing differently” (Boer and Bessant, 2004; Tushman and O’Reilly, 1997; Taran et al., 2022; Wirtz, Pistoia, Ulrich and Göttel, 2018). However, while experimentation and development related to BMI is wanted, it can meet several barriers, especially when it comes to more radical BMI (Egfjord and Sund, 2020; Snihur and Tarzijan, 2018; Sund. Bogers, Villarroel and Foss, 2016). In incumbent firms, managers and employees might feel sceptic to innovation activities and tend to resist new initiatives, if they believe that it threatens the existing business. If a new business model does not immediately fit the “dominant logic” of the core business, there is a risk that new ideas will be discarded (Kim and Min, 2015; Snihur and Tarzijan, 2018; Sund et al., 2016) Therefore, often incremental innovation tend to be preferred over more radical innovation, which may be perceived to be associated with greater risk and uncertainty (Chesbrough, 2010).

Continuous innovation processes can be demanding for incumbent firms and challenging to manage (Gryszkiewicz, Lykourentzou and Toivanen, 2016a). In attempts to break out of the stalled patterns of thinking and the dominant logic of the firm, many firms use new working methods and workspaces to achieve innovation, by combining multiple competences, ideas and talents in a collaborative working community, for example a CWS (Christensen and Raynor 2003; Gryszkiewicz, Lykourentzou and Toivanen, 2016b; Orel and Dvouletý 2020; Viki 2017). In recent decades, there has been a fundamental shift in the way firms develop and bring new ideas to market, from following the model of closed innovation to a new model of open innovation (Chesbrough, 2003). Today, many firms follow strategies of open innovation which embraces that valuable ideas could now come from inside as well as outside the firm. This implies considerations on how internal competencies can give rise to new businesses outside the organization and the exploration of new opportunities outside the organization that can contribute to the existing business in order to generate value for the organization (Chesbrough, 2003). The incumbent firms are increasingly trying to engage in initiatives based on collaborations with startups to use them as a driving force for BMI, rather than solely seeing them as disruptive players in the market (Orel et al., 2021; Weiblen and Chesbrough, 2015).

Across industries, more incumbent firms have begun to experiment with the possibilities of coworking. It
could be perceived that large firms want to be related to the trendiness that is associated with coworking. However, a study reveals that corporate employees seek similar benefits as startups and freelancers, in being part of a CWS. This includes faster learning, networking and inspiration (Nagy and Lindsay, 2018). The incumbent firms can get involved in coworking in various ways (Heinzel et al., 2021). For example, they can open their own CWS. This can be an internal or external space, which can be open to everyone or to selected members (Nagy and Lindsay, 2018). Despite that collaborations between incumbent firms and startups with its complimentary abilities may seem like the perfect match, it can be difficult to achieve and unfortunately it is not always easy to exploit to its full potential. Several previous attempts to establish successful collaborations bear witness to disappointments and to having been abandoned (Chesbrough and Chen, 2013; Weiblen and Chesbrough, 2015). When the two worlds become united, it can create real challenges. Startups may worry that their ideas can be stolen or that it could take forever to make critical decisions that are necessary for the startup to succeed. Moreover, differences in the organizational clock speed and cultural differences can lead to misunderstandings. Also, it can be difficult for the incumbent firm to measure the real effect or return on investment. Corporate CWSs require an investment and it is not always an easy job for the incumbent firm to decide whether it is worth it or not (Nagy and Lindsay, 2018; Weiblen and Chesbrough, 2015). The field of corporate CWSs is fairly new within the coworking research literature and so far, only a few scientific contributions exist (Heinzel et al., 2021). The intention of the present study is thus to contribute to a better understanding of this emerging field.

The coworking phenomenon
Through the ages, radical changes have taken place in the nature of the work that characterizes the corporation and its employees. The sale of know-how and service has become more and more widespread. Knowledge, service and administration have increasingly replaced the traditional company, where the machine was in centre. At the same time, the labour market has become more individualized and non-standardized forms of employment, such as freelancers or project based employment, have become more common. Furthermore, the growth of Internet communication technologies has made the workers more mobile and independent of geography. As a result, it is much easier for the knowledge workers to do their job from more or less everywhere. Still, it can be a struggle for independent and remote workers to find the right working space. In this context, the use of CWSs has boomed (Gandini, 2015; Spreitzer, Garrett and Bacevice, 2015). Computer engineer Brad Neuberg has been credited to be the first one to use the concept of “coworking” (Golonka, 2021). He was the founder of the CWS “Hat Factory” which was established in San Francisco in 2005. He used the term to describe a place and a way of working, a so called third way of working, when he tried to solve the dilemma of workers, who generally were forced either to work alone at home or in an office of a business. In the first case, they would attain autonomy and independency, but with the risk of isolation and loneliness. Whereas in the second case, they could enjoy being a part of a community and organizational structure but suffer from the loss of flexibility and freedom. Thus, the third way of working should offer a balance between autonomy and community and coworking could be an alternative work environment for the remote workers within the knowledge industry (Fuzi, Clifton and Loudon, 2014; Gandini, 2015; Jones, Sundsted and Bacigalupo, 2009; Parrino, 2013; Reuschel and Bouncken, 2018; Spreitzer et al., 2015).

Coworking is a broad term that has been characterized in many different ways (Gandini, 2015; Parrino, 2013; Spinuzzi, 2012). CWSs roughly refer to shared, collaborative workspaces, where people gather to work individually. Initially, users typically consisted of self-employed, freelancers, digital nomads, entrepreneurs, startups, and microbusiness, but today also larger firms choose to take advantage of the opportunities. The locations may vary a lot in size, equipment, services and other offerings but basically a CWS offers an individual office space along with a number of common facilities such as shared reception area, Wi-Fi and office equipment, open workplace, lounge, conference rooms and shared kitchen facilities. Other offers may include activities
that can promote idea development, knowledge sharing and collaboration. Among essential reasons to become part of a CWS, the desire to belong to a community and to interact with other people is described, along with the possibility to get feedback, as well as overcoming isolation and loneliness and get the experience work life. Moreover, networking activities, knowledge sharing and the random opportunities and discoveries that may arise in that connection are mentioned along with the potential for new business partnerships (Gandini, 2015; Spinuzzi, 2012; Spreitzer et al., 2015). Ideally, the core values of coworking can be related to openness and the willingness to share, collaborate, support and help each other in a community where the environment is characterized by trust. It should be accessible in terms of being financial affordable and geographical well located and finally it should be sustainable (Bednár, Mariotti, Rossi and Danko, 2021; Nagy and Johnson, 2016; Reed, 2007).

Since its origin, the idea of coworking has spread far and wide and has become a buzzword and a trendy concept that is associated with high expectations. CWSs e.g. is described to represent “hubs of innovation” and linked to creativity and “coolness” (Capdevila, 2013; Gandini, 2015). Despite an increasing amount of literature, from the perspectives of both academic and practitioners, most contributions in the literature assume that coworking represents an inevitably positive innovation. Only few are based on empirical findings and rarely offering a critical understanding (Gandini, 2015; Heinzl et al., 2021). Important factors of the motivation to become a part of a CWS, and factors which enhance knowledge sharing in a such environment have been studied (Weijs-Perrée et al., 2019). However, knowledge is still missing about the value of the in-house CWS constellation as a part of an incumbent firm, to innovate and explore new business models.

This paper explores the motivations, the pros and cons, of startups operating from a corporate in-house CWS, in the following called The CoWorking Space of the Actual study (CWSA), as perceived by the startup companies. To gain a deeper understanding of the phenomenon and arrive at an answer to this research question the aim in this paper is to examine: (1) What motivates startup firms to be a part of a CWS such as CWSA, (2) To what extent and how does knowledge transfer and collaboration take place between the actors in CWSA and (3) How is the role of the incumbent firm perceived in CWSA?

Case and Method

A case study setting was applied to investigate the in-house CWS at the Incumbent Case Firm (ICF). The case study method is a useful approach to answer the research question as it allows researchers to focus on and observe a phenomenon in a specific context in depth. The method has an advantage in exploring and illuminating complexities which occur in the social world by producing rich accounts for explanations and for advancing theory (Flyvbjerg, 2006; Yin; 2018). “The advantage of the case study is that it can “close in” on real-life situations and test views directly in relation to phenomena as they unfold in practice.” (Flyvbjerg, 2006: 235). Moreover, a theoretical sample was used for this study, searching for an incumbent firm engaging in BMI and the emerging phenomenon of the in-house CWS.

Case

The selected case firm is an experienced corporate player in the Nordic financial sector, which has around 4000 employees, and 4 million customers in Scandinavia. In order to keep up with competitors and be a leading player within the industry the ICF, like many other firms, started to pay increased attention to innovation. In recent years, they have changed their whole approach and created a new organization and strategy that aims to focus more on innovation. At the same time, they have launched a lot of different initiatives to innovation. To mention some, a new dedicated innovation team was established to focus on new business in the firm. Their main purpose is to create innovative solutions for the ICF and ICFs customers. This includes the development of new business models and business cases for projects, incremental as well as radical. Moreover, the ICF have made investments to be a part of a European accelerator program, to get inspiration from across Europe. In October 2016 the ICF opened an in-house CWS at their headquarters in collaboration with one
of Europe’s leading facilitators of entrepreneurship, to support a more innovative culture. The CWSA has been assigned its own building of 4500 m\(^2\), with room for 300 entrepreneurs. In 2018 CWSA was moved to the ground floor of another building at the headquarters with an area of 8500 m\(^2\) with around 230 office spaces. At the time of the study, CWSA consisted of 33 companies beside the ICF. The majority of these were “micro companies”, either entrepreneurial startups of one-man companies or companies with few employees (less than 10). Moreover, there were few “small-sized” companies, with 10-50 employees, and one “medium-sized” company with around 70 employees. Furthermore, not all desks were filled out. In the present study, the focus was on the micro companies, which were considered to constitute the actual startup entrepreneurs. CWSA provides workstations with own desk – either in shared space or in team rooms. Also, basic needs such as meeting facilities, Wi-Fi, free printing, tea and coffee, diverse lunch options and free unlimited parking are offered. Moreover, the members of CWSA can get access to fitness and sport facilities. Furthermore, they get access to CWSA’s network and the opportunity to join different events like workshops, visiting speakers and social events such as Friday chill. The interior furnishing is kept in Scandinavian bright design, and CWSA functions as an independent young and exciting department in the middle of the large ICF. CWSA wants to attract entrepreneurs that on one hand are tech-driven and on the other hand develop products and services within areas and industries, which lies within the interest of the ICF. As a part of the initiative, the ICF seeks for entrepreneurs, that could contribute with new perspectives and extra creativity, which can help them to prepare for a future where new business models can challenge its core business.

As a concept based on the idea that a collaboration must be built between the entrepreneurs and the ICF, according to the facilitator, it is essential that the entrepreneurs who are taken in do not only create value for themselves but also have the potential to create value for ICF. Therefore, it is crucial for the success of CWSA that a bridge is being built between two worlds. To enhance the creation of new knowledge and growth for both parts, the entrepreneurs are placed among employees from the ICF, as inspired by e.g. Google. The ICF therefore moved a group of employees engaged in innovation and business development into CWSA, where they have permanent office space to boost the synergy effects between the two worlds. The ambition for CWSA is to act as a link between the ICF and the bubbling entrepreneurial scene. As ICF stated in a press release, CWSA must be an attractive CWS in itself. However, what they really are interested in is the dialogue and cooperation with the companies that move in. The ICF has an ambition to do pilot projects and partner collaborations with the startups in CWSA. Also, the perception of the aim with establishing CWSA has been confirmed during informal conversations with employees from ICF.

Method
A qualitative method with an inductive research strategy was used to gain in-depth insights of CWSA and a deeper understanding of the mechanisms of this new type of business constellation. The empirical data for this study was collected in CWSA from May to June 2019.

During the above-mentioned period, seventeen semi-structured interviews, representing the same number of startups, were conducted (see Table 1). The interviews lasted about an hour per participant and resulted in more than seventeen hours of material, which was subsequently transcribed to approx. 200,000 words.

For the interviews with the startups in CWSA, a semi-structured interview guide was prepared, which was formed to answer the above-mentioned research questions. Both thematic and dynamic questions were used for the interviews. The thematic questions were included in order to contribute to knowledge. The dynamic questions were included to promote a positive interaction, keep the conversation going and motivate the participants to talk about their experiences (Kvale, 2003). Initially, also, questions about the background of the participants were asked. Prior to the interviews, pilot interviews were conducted with colleagues to test and discuss
<table>
<thead>
<tr>
<th>Respondent No.</th>
<th>Membership of CWSA (months of duration)</th>
<th>Awareness of CWSA through</th>
<th>Length of Interview (minutes)</th>
<th>Word Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>13-18</td>
<td>family/friends/network</td>
<td>53.24</td>
<td>9581</td>
</tr>
<tr>
<td>2</td>
<td>13-18</td>
<td>marketing / research</td>
<td>64.02</td>
<td>13516</td>
</tr>
<tr>
<td>3</td>
<td>13-18</td>
<td>marketing / research</td>
<td>61.32</td>
<td>14700</td>
</tr>
<tr>
<td>4</td>
<td>7-12</td>
<td>family/friends/network</td>
<td>62.03</td>
<td>9838</td>
</tr>
<tr>
<td>5</td>
<td>0-6</td>
<td>marketing / research</td>
<td>58.20</td>
<td>11880</td>
</tr>
<tr>
<td>6</td>
<td>7-12</td>
<td>incumbent</td>
<td>51.19</td>
<td>9365</td>
</tr>
<tr>
<td>7</td>
<td>7-12</td>
<td>family/friends/network</td>
<td>70.58</td>
<td>12535</td>
</tr>
<tr>
<td>8</td>
<td>13-18</td>
<td>marketing / research</td>
<td>62.08</td>
<td>10733</td>
</tr>
<tr>
<td>9</td>
<td>24 &lt;</td>
<td>incumbent</td>
<td>50.43</td>
<td>10886</td>
</tr>
<tr>
<td>10</td>
<td>13-18</td>
<td>marketing / research</td>
<td>53.53</td>
<td>12807</td>
</tr>
<tr>
<td>11</td>
<td>0-6</td>
<td>family/friends/network</td>
<td>58.57</td>
<td>12593</td>
</tr>
<tr>
<td>12</td>
<td>7-12</td>
<td>family/friends/network</td>
<td>65.41</td>
<td>13736</td>
</tr>
<tr>
<td>13</td>
<td>7-12</td>
<td>family/friends/network</td>
<td>48.43</td>
<td>7266</td>
</tr>
<tr>
<td>14</td>
<td>0-6</td>
<td>marketing / research</td>
<td>57.51</td>
<td>11458</td>
</tr>
<tr>
<td>15</td>
<td>24 &lt;</td>
<td>marketing / research</td>
<td>75.22</td>
<td>13352</td>
</tr>
<tr>
<td>16</td>
<td>24 &lt;</td>
<td>family/friends/network</td>
<td>67.07</td>
<td>9876</td>
</tr>
<tr>
<td>17</td>
<td>7-12</td>
<td>marketing / research</td>
<td>66.06</td>
<td>14498</td>
</tr>
</tbody>
</table>

Table 1: List of respondents in the actual coworking space (CWSA)
the content. Following feedback from the test persons, the design was re-evaluated, and some adjustments were made. The interviews took place in CWSA, based on the participants’ choices, either in private meeting rooms or in the office of the participant. Interviews were recorded, anonymised and transcribed. After transcription, the interviews were analysed with the use of a thematic analytical approach. This method helped to provide a nuanced and more focused processing of the material and to form an overview of the content of the meaning. Such a theme-centred coding approach makes it possible to focus on different themes in the data material and make comparison of information about the given themes from all the informants (Thagaard, 2004). In the analysis, a semi-quantitative terminology has been used to describe and categorize the answers of the participants (see Table 2).

**Findings**
In this section, the results are presented according to the aim of the study.

**Motivation to participate in coworking space**
In the interviews, the startups were asked questions on: Why they had chosen to become part of a CWS and what they wanted to achieve in this connection? What benefits they associated with being a part of a CWS in general? And what they personally experienced as most motivating by being part of the CWSA? Overall, the study showed a good agreement between the initial expectations of the startups to become part of a CWS, their perceived general benefits of coworking and their experience of what motivated them most by being part of the CWSA. An overview of the motivation factors is shown in figure 1.

The conditions described by the startups in relation to motivation, could be categorized into social, professional and physical factors.

**Social benefits**
Many of the respondents described that social conditions played a role in their choice of becoming a part of a CWS. It was about being part of something bigger – a community with “colleagues”. The social aspect of having people around and not sitting alone at home was important to the respondents. Several added that it could be difficult to sit at home and work and that they need a routine and some dynamic. The respondents described advantages such as being able to talk to like-minded people and someone you were “in the same boat” with. In addition, several came up with examples of backing each other up mentally, both if you have a “down” day and when something is to be celebrated. The respondents also described many different social activities as benefits, e.g. getting to know each other, having breakfast or lunch together, having someone to run with and events like Friday bar, as well as Easter and Christmas lunches. For example, respondent #7 described:

“For me, in the beginning, it is very much the soft things. And that... has something to do with becoming a small family. So, we hold Easter lunch and have held Christmas lunches ourselves, e.g. the small

<table>
<thead>
<tr>
<th>Number of respondents</th>
<th>Terminology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>One / a single</td>
</tr>
<tr>
<td>2-4</td>
<td>Few</td>
</tr>
<tr>
<td>5-7</td>
<td>Several</td>
</tr>
<tr>
<td>8-9</td>
<td>Half</td>
</tr>
<tr>
<td>10-12</td>
<td>Many</td>
</tr>
<tr>
<td>13-16</td>
<td>Most</td>
</tr>
<tr>
<td>17</td>
<td>All</td>
</tr>
</tbody>
</table>

Table 2: Semi-quantitative terminology used to describe and categorize the answers of the respondents
<table>
<thead>
<tr>
<th>Social</th>
<th>Benefits</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Being part of a community with “colleagues”</td>
<td>• Risk of mismatch between companies</td>
<td></td>
</tr>
<tr>
<td>• Having people around – not sitting alone at home</td>
<td>• Risk of sitting alone in the office when many small or one-man businesses are sitting together – empty seats</td>
<td></td>
</tr>
<tr>
<td>• Need for routine and dynamic – creates professionalism, seriousness and commitment</td>
<td>• Risk of adapting to a limiting monoculture</td>
<td></td>
</tr>
<tr>
<td>• Good and inspiring atmosphere – creates drive, efficiency and productivity</td>
<td>• Risk of groupings or cliques – slightly harsh tone or bullying</td>
<td></td>
</tr>
<tr>
<td>• Opportunity to talk to like-minded that are “in the same boat”</td>
<td>• Lack of participation in the community from other companies</td>
<td></td>
</tr>
<tr>
<td>• Mental backup – down days or celebration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Social activities - breakfast, lunch, Friday bar, Easter and Christmas lunches</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Professional</th>
<th>Benefits</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Possibility of sparring, feedback and knowledge sharing</td>
<td>• Risk of lack of confidentiality – no declaration of confidentiality</td>
<td></td>
</tr>
<tr>
<td>• Opportunity for professional collaborations and the potential to do business with each other</td>
<td>• Risk of competing companies in the CWS</td>
<td></td>
</tr>
<tr>
<td>• The facilitator can act as a sparring partner and help to promote cross-disciplinary collaborations</td>
<td>• Risk of “stealing” each other’s employees</td>
<td></td>
</tr>
<tr>
<td>• Networking and the professional events – external speakers, joint meetings and morning meetings etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical</th>
<th>Benefits</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Easy concept – to have a place to sit where you can get started quickly</td>
<td>• Too long transport time to the CWS</td>
<td></td>
</tr>
<tr>
<td>• Rent at a fair price</td>
<td>• Lack of opportunity to give own stamp and identity e.g. how to decorate the office</td>
<td></td>
</tr>
<tr>
<td>• Necessary office furniture, Internet and printer, security and alarm, reception, meeting rooms, canteen and catering with coffee machines, toilets, cleaning, service, maintenance, parking and goods such as fitness with changing facilities incl. bath</td>
<td>• Risk of being moved around</td>
<td></td>
</tr>
<tr>
<td>• Good physical environment – green and bright and nice to be in</td>
<td>• Problems with finding vacant meeting rooms</td>
<td></td>
</tr>
<tr>
<td>• Location that suits well – good transport options</td>
<td>• Risk of noise nuisance, disturbances and distracting activities</td>
<td></td>
</tr>
</tbody>
</table>
businesses ... you get some social work relationships, and you just should not underestimate that, because it means a lot.” (Respondent #7)

Half of the respondents explained that the most motivating part of being a member of CWSA was the collegial and social community among the startups. It was described as ‘good chemistry’, unity and the feeling of being a part of a community, which created seriousness and commitment – to feel like part of a family package. One also described that being part of CWSA created some kind of affiliation with a well-established firm (referred to ICF). The mood in the environment was described by half of the respondents as a significant factor for motivation – an atmosphere that was inspiring. It provided a good dynamic and energy, which for several of the respondents created drive, efficiency and productivity.

Professional benefits
Many of the respondents found that a general advantage of CWSs was the opportunity for professional collaborations and the potential to do business with each other. It was emphasized that it was an advantage to have someone to talk to when it came to knowledge sharing and sparring. In this connection respondent #2 described:

“There are companies at different levels and their different life cycles also do that ... well some of the challenges that we have, this (other) company maybe had 2 years ago. And those that have just started, the challenges that they have. Well those are the ones that we had 2 years ago. So, if we can help each other, then I think it’s incredibly strong.” (Respondent #2)

Several of the respondents pointed out that it was one of the most important factors of being a part of CWSA - it was about sparring with “colleagues” with completely different areas of work, who could provide new input. For example, respondent #10 explained:

“Well we ... well yes, it can because we are so many different industries ... it’s a mashup and it makes it exciting. You will be allowed to hear about some worlds that you have not heard of before. My God, it was so interesting and such things. I think it might make it exciting that you get to expand your horizons, a bit old-fashioned meant, but you get some input that you would not be able to get from elsewhere.” (Respondent #10)

Furthermore, several described that this played a role in the choice to become part of a CWS - an environment that can provide inspiration and dynamic. Half of the respondents saw an advantage in the network and the professional events that may be associated with a CWS. It could be in the form of events, external speakers, joint and morning meetings etc. This could contribute to inspiration and the opportunity to make contacts. Few mentioned joint events as some of the most motivating part of being part of CWSA as it contributed to the opportunity to get closer to the entrepreneurial environment and allowed for networking. In addition, it was mentioned as an advantage that the facilitator could act as a sparring partner and also help to mediate and promote cross-disciplinary collaborations.

Physical benefits
About half of the respondents reported that practical matters around the physical framework were important. These factors included the importance of the concept being easy and to have a place to sit where you can get started quickly. Several expressed satisfactions with the offered office furniture, Internet, Wi-Fi and printer, security and alarm, as well as facilities such as reception, meeting rooms, toilets, canteen, kiosk and catering with coffee machines. There were good opportunities to invite in customers and partners to visit and for meetings. In addition, there was cleaning, service and maintenance, which made it all easy. Furthermore, parking and goods such as fitness with changing facilities and bath were mentioned. Several said that the location suited them well and that it was easy for them according to transport options. Several of the respondents believed that it was important for their motivation to have a good physical environment in CWSA, which was described as green and bright and nice to be in. Finally, several described the physical setting as one of the factors, that they were most satisfied with. Everything was described at a reasonable price, which provided a good basis for getting started.

In the interviews, the startups were then asked questions on possible disadvantages associated with a CWS in general, and if they experienced any
demotivating factors in relation to being part of CWSA, see Figure 1.

Possible disadvantages in coworking space
Of general disadvantages, several of the respondents described the risk of noise nuisance, especially in the open office environments. Here there was both a risk that you may be disturbed by noise from others, but conversely, you must also be careful not to disturb your “colleagues”. Several respondents also mentioned that was is a risk of interruptions and that you may be disturbed in your work and lose concentration. It could e.g. be about distractions from “colleagues” or distracting activities in the community, such as table tennis and Friday bar. Furthermore, one of the respondents also mentioned that there could be a danger that you may become too involved in other activities so that you do not reach your main goals.

Several of the respondents also pointed to the disadvantage of risk of lack of confidentiality. This could be a problem in relation to confidential conversations about the company's business and trade secrets, but also internal matters in the company, which one does not necessarily want to deal with in an open forum. Respondent #1 explained:

“Then there is one thing that may have surprised me a little. It is that there is no declaration of confidentiality in the lease. Yes, because we sit and listen to what each other is talking about here and it is unrealistic, like imagining that every time you have to say something that must not come out, you have to run into another place. So, I had … and I have often thought that in principle there should be, in the lease itself, a declaration of confidentiality that what you hear here, you must not pass on.” (Respondent #1)

Few respondents pointed out that it could be a disadvantage that you cannot, to the same extent, give your own stamp and identity (e.g. how to decorate the office) when you are part of a community and that there is a risk that you adapt to a limiting monoculture. Few others pointed to other possible disadvantages, such as the risk of sitting alone in the office when many small or one-man businesses are sitting together. Few described that there could be a risk of ending up in a CWS with competing companies but did not feel that this was a current problem in CWSA. Furthermore, there might be a risk of “stealing” each other’s employees. Few pointed out that it could be a disadvantage if the transport time to the CWS was too long. It could also be a disadvantage if, in addition to office facilities, you need other facilities such as larger storage space.

Disadvantages and pitfalls in CWSA
When the respondents were asked if they perceived anything as demotivating about being part of CWSA, most answered that they did not find anything directly demotivating. However, some respondents mentioned conditions that they experienced as negative. In this connection, conditions as being moved around and risk of sitting alone because there was no one in the office were described. In addition, it could be problematic if you were matched incorrectly with those you sit with, e.g. in connection with disturbances and noise levels. One respondent described that there was always a risk that there would be someone you were not tuned on the same wavelength with. Another described the perception that there might be groupings or cliques. Respondent #7 explained:

“So, it’s still an adult workplace and unlike many other places there are a lot of independent people ... and that means that there are many opinions and I think that if you are a little younger, you could get in trouble on it. ... Yes. So, I do not want to say adult bullying, but there may be a slightly harsh tone, and there are some who are out and some who are in.” (Respondent #7)

A few others reported perceptions of negative conditions such as expensive canteen service and the experience that more people thought that the facilitator’s “tone of voice” could be a little too “popped”, and that the flexibility in the work space could previously be limited, as the furniture had to be in a certain way - there was like a design police.

When respondents were asked what they were generally least satisfied with, many reported that there was nothing major, which they were dissatisfied with. However, half of the respondents supplemented with diverse inputs. Factors such as irritation about being
moved around, mess (moving clutter) that could take a long time to be cleaned up, problems with finding vacant meeting rooms, and financial conditions such as a slightly expensive canteen service and a slightly high rental price in relation to needs were mentioned here. One respondent mentioned that it could sometimes take a long time to fill the desks (empty seats). One described that there could be more participation in the community from other companies in CWSA, both in relation to general openness and participation in joint events. One respondent explained about the experience of an untapped potential in relation to possible collaboration with ICF.

Suggestions for improvements in CWSA
When the respondents were asked if they have suggestions for improvements, there was an immediate response from half. The proposals were partly about improving the physical practical framework. Mention was made here of better administration of the meeting rooms in connection with the experience of meeting rooms which have been booked but were not used. In addition, suggestions were made for improving the design and atmosphere of the meeting rooms, which were perceived as sterile and boring. This could have an impact when customers are invited to CWSA. It was pointed out that the internal communication app was simple and boring and should be improved. In addition, there was a proposal to set up telephone boxes for use in private and confidential conversations. In addition, one respondent suggested an improved level of service regarding the handling of necessary practical matters.

Other proposals revolved around social and professional conditions. Here a proposal was made for a common place where the companies in CWSA could have lunch together. Also, a desire was expressed for activities that could link the companies in CWSA closer together, e.g. more frequent common breakfast. In addition, a suggestion was put out about a small team that could give advises on basic issues, e.g. legal assistance, as well as a desire for more internal network groups between the startups with e.g. same customer segment.

Few respondents pointed to suggestions for improvement that relate to the role of the facilitator. In this connection, it was suggested that the facilitator was properly familiar with all the startup companies in CWSA and their individual competencies, so that their know-how could be used and applied, e.g. in connection with various events. This respondent felt rejected by an offer of assistance and generally believed that the internal resources could be better utilized. Another respondent found that the facilitators’ attitude, as well as dialogue and handling of human relationships, could be perceived as dismissive, which was unfortunate. The respondent believed that it might be due to stress or lack of experience. One respondent experienced that the facilitator’s behaviour might seem to be too “popped” (smart) and as being a little too much on “the big innovation trend”, which resulted in that the behaviour could be perceived as less credible or as acting. The respondent suggested that one focused more on getting the internal companies to tell more to each other, instead of it being constantly external speakers that were invited in. That would create a greater cohesion.

Knowledge sharing and innovation in CWSA
In the interviews, questions were asked related to the respondents’ experience of knowledge sharing, sparring and collaboration in CWSA. Several of the respondents told that they have established collaboration with other companies in CWSA. Business collaborations between groups of two to three startup companies were described. Some collaborated on specific projects and others on sharing customer base. Such collaborations must be presumed to involve knowledge sharing and sparring. Few respondents have a direct collaboration with ICF, which they have had already in connection with becoming part of CWSA. In addition, several respondents explained about sparring with the other members and facilitator about specific issues, and about the purchase and sale of products and services between the companies in CWSA. When it came to sparring, it was again assumed, as with collaboration, that it also includes knowledge sharing. Several of the other respondents said that they shared knowledge with the other companies in CWSA. Often it occurred randomly and was of an informal nature, e.g. at events and morning meetings. Few respondents stated that they did not yet experienced so much but were
interested. In general, all respondents reported an experience that they share knowledge, or would be open to do it when an opportunity arise.

Activities
On the question of whether there were specific initiatives and activities that could promote knowledge sharing and professional collaboration, many of the respondents mentioned events where external speakers came in. Some used these events a lot and described them as inspiring and with a good opportunity to ask questions and network. Others did not often participate in these activities and believed that it was not necessarily something you could actually use for anything. Many of the respondents also reported about joint breakfast meetings and other weekly meetings. These activities were popular, with large attendance. These kinds of meetings had elements of a professional nature but also provided an opportunity for informal social dialogue, which many of the respondents were happy about. Several respondents mentioned social activities such as summer party, Christmas lunch, Friday bar as well as yoga and meditation. And some of the respondents stressed that the social activities mattered the most.

Contact surfaces in CWSA
All respondents described that they, to a greater or lesser degree, have contact of a professional and social nature with other companies in CWSA. Most of the respondents had some contact with the facilitator as well. This usually took place in relation to practical matters or networking. Networking at the request of the facilitator had in several cases resulted in contact with ICF’s innovation department, which as earlier mentioned is placed in CWSA. However, the respondents generally reported that this contact with the innovation department had so far not been followed up or did not have a major impact on their business. Many reported no contact with ICF’s innovation department and some even had the impression that the innovation department was a closed department or was not interested in the rest of CWSA. Few others described the contact as superficial, or that they had no knowledge of the department or even know where they were sitting. Finally, few respondents reported that they had contacts with employees from other departments in ICF. The contact was described by many as informal, which often took place randomly, sometimes through social activities. Few of the respondents explained that it was a mixture between formal and informal contact. Several of the respondents said that the facilitator has tried to establish contacts for the startups. Few explained about contact that had been important to them while others mentioned that they did not had success with the experience, or that they had not achieved much with it.

Suggestions for how to promote knowledge sharing and cooperation in CWSA
Many respondents described proposals, which should increase awareness of the individual startup companies’ competencies and activities. Some suggested activities that continuously support opportunities to tell each other about their company and projects. Several believed that the breakfast meetings would suit well for that purpose, as many members of CWSA participated in this activity. Among other things, it was proposed that e.g. 5 companies got “2 minutes of fame” at each meeting, and 5 minutes for pitch speeches by occasion. Other respondents suggested activities with fewer participants at a time, e.g. workshops or network
meetings with up to 10 participants, where companies could present a topic, their project or about their company and subsequently spar and create dialogue with inputs and questions. In addition, there were suggestions to place an overview board in the entrance area or by the coffee machines with information, such as the logo of the companies and where in the building the companies were located. The respondent believed, that if you know what others are doing, then you are more likely to turn to them. Thus, the opportunity for collaboration can grow. Another respondent suggested similar overviews in the form of a catalogue. A further proposal mentioned that the tv screens in the common areas could be used to show short videos about the companies including information about their competencies and activities. This could possibly also be used to offer knowledge sharing, and the respondent would personally like to offer a seminar in the area of own competencies. Few also pointed to the possibility of informing about themselves on the facilitator’s official website. It was important to be able to share competencies in a large community. In connection with the mentioned proposals, some respondents expressed the desire to brand their company, partly for knowledge sharing and collaborations, but also in order to do business as well internally in CWSA as externally.

In addition to the proposals, a single respondent believed that one should be aware of the size of the companies sitting in CSWA. The respondent experienced that while you feel the interdisciplinary knowledge and competencies among the smaller companies, the few large companies in the CWSA isolated themselves and run their own show. There was no interaction with them. According to another respondent, the same view applied in relation to ICF. An overview of activities which can promote knowledge sharing, sparring and collaboration in coworking space is shown in figure 2.

### Knowledge sharing
- Internal communication app
- Overview board / catalogue of the companies with pictures
- Short information videos with presentations of the companies
- Awareness of the individual startup companies’ competencies and activities e.g. 2 minutes of fame or 5 minutes pitch
- Events with external speakers
- Joint meetings and social activities to enhance professional end social informal dialogue
- Workshops on various processes around starting a business
- Business lunches and networking activities where companies meet and explain what they are currently doing and receive input from each other
- Workshops or network meetings with up to 10 participants, where companies present a topic, their project or information about their company to subsequently spar and create dialogue with inputs and questions
- Branding of the individual companies, for knowledge sharing and collaborations to do business internally and externally
- Sharing of customer base
- Collaboration on specific projects

**Note:** Many of the activities can be promoted by the facilitator

Figure 2. Activities which can promote knowledge sharing, sparring and collaboration in coworking space
The role of the ICF in relation to CWSA
When the respondents were questioned why the ICF had chosen to invest in CWSA, most of them had a perception that on a broad scale matched ICFs official stated intentions, as mentioned in the case description. At the same time, several of the respondents believed that the reason for the investment was to rent out vacant business premises. Few described other reasons, such as that the establishment of CWSA contributed to the ICFs prestige and brand value, in-house resources, as well as insight into the startup culture. In addition, one of the respondents believed that the main purpose was to support the startup environment.

When asked whether ICF had an impact on the decision to become a part of CWSA, many of the respondents explained, that the fact that CWSA was located at the head office of a well-established company provided a form of security and safety in their tenancies. In this connection, several of the respondents also pointed at the good physical environment, where some, in this connection, expressed their gratitude for ICF having invested in and contributed to the financing of CWSA, which provided a reasonable rent for the startups. Furthermore, one of the respondents pointed out that the ability to draw on the resources of the ICF could play a role, and however stressed, that the interaction with the well-established firm, in order to be complete, requires planning and effort from both parts. Few of the respondents explained that they had become part of CWSA due to an existing collaboration with ICF. Also, some of the respondents did not believe that ICF had any influence on their choice to become part of CWSA.

As earlier mentioned, three of the respondents reported about a specific collaboration with ICF. In relation to which role ICF played for the respondents individual startup, several of the respondents highlighted that they were a customer of ICF. Few underlined that the relationship was based on the fact that ICF was their landlord, while others emphasized the benefits of the practical and physical conditions in CWSA. Few of the respondents described that they felt as a part of something bigger and pointed to the possibility of potential collaboration with an experienced incumbent firm, with a large interface in the society. In general, most expressed that they could be interested in collaborating with ICF.

Potential business model innovation
Beside the three respondents who already collaborated with ICF, many respondents described that they, to some extent, have had ICF in mind in relation to potential collaboration. However, it had not yet resulted in any actual collaborations. When the respondents were asked if ICF had made it clear how they could fit into their business, most thought that this was not the case. They described that no inquiries were received and that nothing proactive had been done by ICF. As described previously, several of the respondents reported about situations where the facilitator had mediated information to ICF, which had resulted in meetings. Here, the respondents did not experience any clear feedback. Some considered whether it was because ICF was not interested. Only one reported about being outreaching with positive results. Several of the respondents were convinced that ICF possesses knowledge and resources that could fit into their business. One commented, that a large company could contribute with e.g. financial capital, staff and knowledge. Half assumed that this was the case while few explained that they unfortunately did not know the ICF so well. Conversely, most of the respondents believed that they possessed knowledge and resources that could fit into ICFs business. Many stated this with a great conviction. Three of them were already collaborating with ICF, as previously mentioned. Several of the respondents were of the opinion that their knowledge and resources constituted an unused potential for ICF. Respondent #3 underlined:

“There is a gigantic potential and I simply don’t understand that you don’t make better use of that potential. I simply don’t get it.”(Respondent #3)

Suggestions for the ICF to improve knowledge sharing, learning and collaboration
Generally, the respondents described conditions regarding lack of visibility and contact from ICFs side, which resulted in untapped potentials for collaborations. Many respondents came up with
suggestions, which they believed could improve this relationship. Some respondents pointed out that the contact and thus the strength lies in the random situations that arise from the constellation. In this connection, it was proposed that the monthly breakfast meetings should be held more frequently. To increase contact and the link to ICF, an “ICF Hour” could be arranged, e.g., in continuation of the breakfast meetings. At a fixed place and time, an ICF employee should be available to answer ICF-related questions concerning, e.g., practical matters, establishing contact in ICF regarding ideas and products or possible job opportunities. Another respondent explained about an earlier experience and appreciation of a visible contact person from ICF and expressed that this was now a shortcoming. Moreover, one respondent pointed out that the internal communication channel used in CWSA could be used to make ICF more visible. One respondent explained that by offering job opportunities to the startups in CWSA, ICF could show a helping, paternal role. Another suggested that, as owner of an innovation environment like CWSA, it could be “a strong card in hand” to be able to say that you can help startups with funding. An “introductory package” with benefits, similar to those of the employees of ICF, had also been proposed. This could contribute to the feeling of being like a “real ICF employee” and to have sympathy for the firm. One respondent commented that there was a need for ongoing contact with some employees from ICF. They should signal that they have the will to look for opportunities. In this connection, other respondents suggested that employees from ICF could give presentations, e.g., about their products, solutions, projects or operational challenges and needs. This could give the startups in CWSA opportunities to react and contribute. Other respondents came up with similar proposals that ICF should more proactively open up for dialogue on collaborative development activities. It could, e.g., be in form of weekly or monthly sessions or network meetings with specific themes, possibly related to development or optimization within ICF, and with the possibility of knowledge sharing and sparring. One respondent added to have experience of such collaboration with ICF and told that it had benefits for both parts.

Furthermore, one respondent suggested a more radical solution. Instead of placing one group of employees from ICF in CWSA, they could be divided into three or four groups. Then establish rotation offices where the employees from ICF were put together with startup companies in CWSA to make a kind of “forced rotation”, e.g., every third month. The respondent explained that just sitting together could bring value. The respondent had experienced something similar before where the employees were against it from the beginning but loved it afterwards.

Finally, one respondent was of the opinion that when it was decided to establish an in-house CWS within an incumbent firm, action is needed for the investment to yield a return and it requires a change in culture—you cannot just copy a product without knowing the function. It was pointed out, that apparently a link is missing between the management’s decision and the startups in CWSA. Thus, the respondent proposed that a steering group should be established in ICF, to manage and utilize the potentials and the gains, when an incumbent firm is part of a CWS. The property and facilities itself are not the way to the goal. The incumbent firm is the strong part that can afford to facilitate and take profits home.

Based on the findings, strategies for an incumbent to promote collaboration and BMI in CWS are suggested in figure 3.

Discussion

The present case study approach makes it possible to recognize snapshots of an in-house CWS as a new business constellation. While in general the case study does not bring generalizable facts, the results can be transferred as empirical insights contributing to an enhanced understanding of detailed aspects of the phenomenon of an in-house CWS as a new initiative to BMI. The study contributes to a deeper understanding of how the startups perceive to be a part of this setup for potential collaboration with an incumbent host firm. In addition, the study can help to identify, benefits and barriers for the parts involved.
It is demonstrated that conditions which motivate the startups can be categorized into social, professional and physical factors, as shown in Figure 1. Similar factors were previously shown to be important for the motivation of users of CWSs in general (Weijs-Perrée et al., 2019). This implies that the motivation factors for the startups in the present case seem to be independent of the participation of an incumbent firm.

Overall there is good agreement between the startups’ initial expectations, the perceived general

<table>
<thead>
<tr>
<th>Good framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rent out vacant business premises at a reasonable rent</td>
</tr>
<tr>
<td>• Good physical office environment which offer security and safety in tenancies</td>
</tr>
<tr>
<td>• Benefits similar to the employees of the incumbent e.g. introductory package to feel like a part of incumbent</td>
</tr>
<tr>
<td>• Give feeling of being part of something bigger</td>
</tr>
<tr>
<td>• Incumbent can have a helping, paternal role e.g. by offering job opportunities and funding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ongoing Visibility and Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contribute to brand value and prestige for all parts</td>
</tr>
<tr>
<td>• Visibility through internal communication channel</td>
</tr>
<tr>
<td>• Visible contact person from the incumbent on a fixed date and time to answer questions, increase contact and link</td>
</tr>
<tr>
<td>• Involvement in professional and social activities e.g. breakfast meetings. Strength lie in the random situations that arise from the constellation</td>
</tr>
<tr>
<td>• Bring incumbent employees and startups closer together e.g. office space with forced rotation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Knowledge sharing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Signal the will to look for opportunities – e.g. presentations on incumbent’s products, solutions, projects, challenges and needs to give opportunity to react and contribute</td>
</tr>
<tr>
<td>• Opportunities to learn from each other e.g. insight to startup culture, increased in-house resources, experience from incumbent with a large interface in society</td>
</tr>
<tr>
<td>• Proactively open up for dialogue and collaborative development activities e.g. sessions or network meetings with possibility for sparring and knowledge sharing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Explore and exploit potentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunity of customer relationships</td>
</tr>
<tr>
<td>• Requires planning and effort from both parts</td>
</tr>
<tr>
<td>• Incumbent steering group to manage and utilize potentials and gains</td>
</tr>
</tbody>
</table>

Figure 3: Strategies for an incumbent to promote collaboration and business model innovation in CWS
benefits of a CWS and their experience of what motivates them most by being part of CWSA. This indicates that ICF, to a great extent, has created good framework and foundation for their in-house CWS. The mentioned social and professional factors also function as a mechanism for knowledge sharing and sparring. As the companies in CWSA are at different stages in the life cycle of their business, there is a good breeding ground for the companies to share experiences and help each other (Greiner, 1972). This is supported by the ongoing need for activities, which has been emphasized by the startups. The sense of community and the "collegial" cooperation is however not directly written down in any kind of contract, but rather a consequence of the culture and the constellation. Despite the generally positive motivation to be a part of CWSA, possible disadvantages were pointed out, see figure 1. The presence of ICF may imply a dominant corporate culture with the risk of affecting the environment. Such strong corporate culture of an incumbent firm could tend to be perceived as bureaucratic and be inhibitory to the more agile culture of the startups. This can lead to an unwanted unification of the culture in the CWS. In addition, one must also be aware of the individual needs for confidentiality and the risk of competitive disadvantages between the members of the CWS.

At the time of the study, the interviews indicate that most startups have competencies that could fit into the business of the ICF. Contrarily, most of the startups think that the ICF possesses valuable knowledge and resources that can fit into their business. This results in the perception of an untapped potential for collaboration. In connection with the application process to become part of CWSA, some startups had the impression that the companies were screened to become members of CWSA. It may therefore be, that some of them feel, that they have been selected. Thus, some may experience disappointment and lack of interest in their potential collaboration, and therefore feel, that the role of the ICF seems to be superficial. It could indicate, that a passive behaviour from the incumbent firm can result in demotivation regarding the lack of collaboration. Hence, communication and alignment of expectations between the companies in CWSA and ICF should be improved. If missing communication is based on the risk and fear of loss of intellectual property rights, it should be considered how it could be handled.

The current form of engagement represents a model of open innovation, as a part of the innovation strategy of an incumbent firm, which has both advantages and disadvantages. At the time of the investigation, the study demonstrates an established collaboration between few startups and the ICF. Such collaborations can be considered to be beneficial to the incumbent firm as it can be a quick and cost-effective way to solve problems. Also, it is pointed out that renting out vacant business premises could be a contributing motive for the investment of the ICF. Working with startups can contribute to prestige and brand value of the incumbent firm. Thus, it can have a positive effect on the perception of the corporate brand among the external customers, partners and future employees. Furthermore, implementing an in-house CWS can have a refreshing effect on the corporate culture. The incumbent firm can be inspired by the entrepreneurial mindset which can help to get awareness of future trends and the potential of new technologies.

Earlier studies had discussed different forms of engagements between startups and incumbent firms (Weiblen and Chesbrough, 2015). In the current constellation, unlike other engagement forms, there is not a direct commitment to a concrete business relationship. The collaboration is rather based on more or less random coincidences and therefore requires an ongoing effort to succeed. Thus, there is not necessarily a direct return, in the same way as it is seen in other types of engagement. This is supported in the present study, as the contact in the CWSA often occurs randomly and is often of an informal nature. Therefore, it is suggested, that in order to provide value for both parts, an ongoing effort and investment from the incumbent firm is required and should be a standing point on the agenda. If the goal is to create innovation and new business models to secure the future of the incumbent firm, it demands that the organization is open to exploring new opportunities – including radical innovations rather than incremental changes.
Another challenge with the model is that it can be complex to operationalize, and it has to adapt to the specific requirements of the initiative (Wirtz and Daiser, 2018). On one hand, it requires many man-hours, planning and possibly also a radical change in the mindset of the incumbent firm, which can be resisted. On the other hand, a strong corporate culture with certain resistance to external ideas that are different, can create tension and resistance. Thus, there is a risk of a cultural clash between the startup- and corporate culture.

On the basis of the investigation, doubts may arise as to whether ICF actually, at the present time, wishes to cooperate with the startups in CWSA, as there seem to appear a detachment between the startups and ICF. It may be considered whether this could it be due to a bad match between the current companies in CWSA and ICF. Based on the interviews, it is indicated that several of the startups are of the opinion that ICF is only interested in a collaboration if it is directly related to the core business of ICF. The question is whether this is correct or whether the ICF could in fact reap the benefits of various initiatives, that could contribute to their overall portfolio. If so, it is important that the ICF signals and communicates it. If ICF, to a greater extent, wishes to include CWSA in their business, they should reconsider the desired strategic return and make a clear placement of responsibility for the realization of the project. To avoid that it will not become a “castle in the air”, it requires both economic and mental resources which probably also require a cultural change. Formation of a steering group, which can design specific initiatives, could be considered, including increased initiatives for ICFs visibility and dialogue with the startups. Furthermore, ICF could continuously perform a systematic follow-up by adding CWSA as a fixed item on the agenda.

Overall, engaging with startups can have several benefits for incumbent firms. It can create the foundation to increase innovation in the organization and enable it to move faster, more flexibly and to promote radical innovation. Different forms of engagement can support different key goals of the incumbent firm. Thus, it is important that the incumbent firm is clear about the desired outcome and that the collaboration is linked to the strategic goals of the organization (Weiblen and Chesbrough, 2015).

Conclusion

The present case study investigates the constellation of an in-house coworking space, a recently emerged engagement form between an incumbent firm and startups, which relies on the principles of open innovation. The study revealed physical, social and professional conditions as important motivation factors and general benefits for the startups to participate in the CWSA. Furthermore, good agreement was found between their initial expectations and the reported experience. Generally, there is a good physical framework, which contributes to a positive atmosphere. The feeling of being a part of a larger community with “colleagues” and the possibility of participating in professional activities seems to promote knowledge sharing, sparring and collaboration between the startups. The contact in CWSA often occur randomly, with an informal nature. The above mention conditions can however possess downsides and barriers. There are risks of distracting activities, unfortunate matches or groupings between the members and social and professional inactivity. Nevertheless, the startups express wishes of more ongoing activities to elucidate increased knowledge of their individual competencies to better use their know-how.

Most of the startups were aware of the intention of ICFs establishment of CWSA. At the same time, the rental of vacant premises, prestige and brand value for the ICF were perceived as contributing factors for the investment. The presence of the incumbent firm provides a form of security and safety for the startups. Most of the startups expressed, that they could be interested in collaborating with ICF. At the time of the study, only few had an active collaboration with ICF, while others primarily were customers or perceive themselves as tenants. Several meant that the ICF possesses knowledge and resources that could fit into their business, and many were convinced that the opposite is the case, as well. Most of the startups, however, did not experience that ICF clarify how they can fit into their business. Thus, CWSA is perceived to constitute an untapped potential for ICF.
The study indicates, that if ICF wants a greater return of their investment, they should improve visibility and communication and to a greater extent signal the willingness to look for opportunities for collaborations. We do not know the exact reason for the perceived lack of activity. This could be due to several reasons, as for example a mismatch between the incumbent firm and the startups, concerns about intellectual property rights or cultural clashes and resistance to accepting external opinions and ideas. And essentially, the question could be asked if the incumbent firm is ready for radical business model innovation?

In conclusion, the present constellation seems to represent an ideal investment with both economic, social, professional and cultural capitals – and, in the future, seems to be a promising contribution to innovation in incumbent firms with an open mind.

**Limitations and future research**

The study was primely performed to investigate the motivation to be a part of a CWS like CWSA, how knowledge transfer and collaboration between the actors take place and the role of the incumbent firm in this specific constellation, all perceived by the startup companies. Based on official statements from the ICF, we know their motivation to establish CWSA and the official goal with the project, as a part of their BMI. This was moreover supported by informal conversations with employees from the innovation department. However, formal interviews with employees from ICF have not been conducted. This would have made it possible to find similarities, difference, and major gaps between the startups and the ICF. Despite that the single case study does not provide generalizable facts, it nevertheless has generated an in depth understanding of the complexities which occur in the social world in relation to the constellation of an in-house CWS and have provided results that can inform the existing theory in the field. Furthermore, the present case study illustrates a snap shot of the ongoing process and the current study does not deliver follow-up results, which possibly could be done in the future.

In the future, more studies are needed to evaluate the value of in-house CWSSs for BMI in incumbent firms. Especially, what is needed to optimize the model and the yield, for the incumbent firm as well as the startup companies? Existing literature underlines that the question on how to achieve BMI has been largely neglected (Taran et al., 2022). Thus, future studies could be done to evaluate the proposed strategies for an incumbent to promote collaboration and BMI in CWS, which were suggested based on the results of the study.
References


In Órel, M., Dvoletý, O. and Ratten V. (Eds.), The Flexible Workplace: Coworking and Other Modern Workplace Transformations (pp. 81-96). Springer International Publishing. https://doi.org/10.1007/978-3-030-62167-4_5


Foss, N.J. and Saebi, T. (2017), Fifteen years of research on business model innovation: how far have we come, and where should we go? *Journal of Management*, 43 (1), 200-227.


In Orel, M., Dvouletý, O. and Ratten V. (Eds.), The Flexible Workplace: Coworking and Other Modern Workplace Transformations (pp. 81-96), Springer International Publishing. https://doi.org/10.1007/978-3-030-62167-4_5


Jones, D., Sundsted, T. and Bacigalupo, T. (2009), I’m Outta Here – How Coworking is Making the Office Obsolete, Not an MBA Press, Brooklyn/Austin.


About the Authors

**Kathrine Friis-Holm Egfjord** is a PhD fellow at Roskilde University, Denmark. She holds a BSc in Business Administration and an MSc in Economics and Business Administration, both from Roskilde University. Her doctoral research focuses on incumbent organizations and processes of business model innovation. The project is partly industry-funded. She has private sector experience as a project manager and research consultant and has previously worked within the insurance and telecom industries.