Swire’s blueprint accelerates startup success

Henry Bott, head of Swire Properties’ Digital team, recently hosted a webinar for ULI members to talk about blueprint, a tech-focused co-working space and startup accelerator programme that he co-founded.

In late 2013, Swire established a Digital Task Force to monitor new trends in digital technology. Management Trainees Henry Bott and Charlie Melvoin came up with the concept of an internal innovation lab that would become a venue for new ideas and experimentation within the company. They spent months researching the budding startup scene in Hong Kong and concluded that the local tech ecosystem was fragmented, and that the few co-working spaces available were not particularly inspiring places to work. Bott and Melvoin pitched the idea of transforming two floors of vacant space in Cornwall House in Swire Properties’ Taikoo Place into blueprint, a dedicated hub for startups.

Accelerating innovation

The accelerator programme launched in January 2015 and provided support in three key areas:

Access to individual mentors: blueprint has a network of about 80 mentors; roughly 50% from within Swire; and 50% external, including executives from Google, Tesla and GoPro, and successful entrepreneurs and angel investors.

Corporate partners: with over 300 corporate tenants in Taikoo Place, blueprint selected one from each business vertical to provide free, or preferential rate services to startups in the blueprint programme.

Investment: If startups require funding, blueprint can facilitate introductions to venture capital firms and angel investors at no cost to the fledgling companies.

blueprint also helps to make connections between the startups and relevant Swire Group companies. Having the chance to get one’s foot in the door with companies such as Cathay Pacific, Swire Hotels and Swire Beverages (Coca Cola) is obviously hugely appealing to B2B startups.

So what’s in for them, we hear you say? For Swire, blueprint helps leverage under-utilised space to connect with a new network of entrepreneurial talent and draw innovative thinkers to Taikoo Place, whilst incubating them in close proximity to the company’s operations. It has also become a popular venue for internal activities within the Swire Group - such as training days, conferences and brainstorming sessions - and consequently an internal source of innovation.

Notable Successes

31 teams have joined the accelerator programme across three 6-month rotations, each programme receiving around 150 applications for the 10 spots.

Perhaps the most successful blueprint startup, and the most relevant for the property industry, is a company called SnagR. Their cloud-based software platform allows property developers and contractors to upload all of the architectural and MEP plans for building onto a shared platform, accessible on any mobile or tablet device. SnagR’s efficient project management tool also allows for the collation of a large volume of data on various contractors and materials, which can then be referred to when tendering on future projects.

Swire Properties recently piloted SnagR’s platform on two projects and is also using the platform for health and safety monitoring in their bottling plants in China.

Co-working: enabling serendipitous “collisions”
This dedicated floor operates below the accelerator space, and members pay a monthly fee for a desk and 24/7 access to communal facilities such as WiFi, printing, meeting rooms and coffee. The co-working space was launched in December 2014, and reached full occupancy in three months with 140 individuals across 65 different companies.

The main appeal is undoubtedly the access to a curated community of like-minded individuals all working on similar projects. This helps create the conditions necessary for those potentially serendipitous collisions every day: whether it's whilst making coffee, or overhearing someone talking about a service they'd like to use; this is the real value of co-working.

**Interiors**

As the blueprint project has only a two year lifespan in its current location, Swire wanted to limit the impact on the environment as well as the cost. The blueprint founders visited Swire Group companies to source materials that were otherwise being discarded and ‘upcycled’ remnants into the design of blueprint. For example, a discarded shipping container from the HUD dockyard in Tsing Yi is now a breakout room for teams, while retired economy and business class seats from a decommissioned Cathay Pacific plane provide a quirky lounge area in the blueprint cafe.

Key partners also provided crucial support for the interior hardware. Cisco provided all of the WiFi hardware (AP points) whilst Schneider Electric supplied the climate control and lighting control hardware, prompted by motion sensor, to ensure energy efficiency.

**Offices of the future**

Feedback from blueprint members has shown that the quirky design and curated community are popular features. The attraction extends well beyond the just member base, as blueprint regularly hosts visitors interested in design, sustainability, social entrepreneurship.

The huge proliferation of co-working space in Hong Kong is a trend that is reflected globally. In late 2014 when blueprint first opened, there were 8 co-working space in Hong Kong; there are now over 40. This rapid growth can be attributed to flexibility and cost-efficiency: in cities with high occupancy costs like Hong Kong, small firms and independent workers often cannot commit to conventional three year leases nor afford the outlay needed for office fit outs. Co-working is also often more efficient: a recent CBRE report showed that space in traditional offices is only used about 50% of the working week. blueprint, by comparison, is run on a ‘hot-desk’ system where members use workspace on a first-come-first-serve basis.

WeWork is the largest co-working space operator in the world. The company, currently valued at US$16 billion, were the largest leasee of office space in London in 2015, and they are expected to be in 200 locations worldwide by the end of 2016. Co-working operators offer significant benefits to small companies. For example, many have social networks to facilitate service sharing and networking. In the same way that Uber and Airbnb have disrupted their fields, WeWork represents disruption by the shared economy on commercial office space.

Blueprint has successfully built a tech community in the already vibrant business district of Taikoo Place. It has provided Swire Properties with a first look at the best startups in Hong Kong: people who are working on ideas and technologies that could end up shaping Swire businesses in the future. The project has been a productive and community-enhancing use of underutilised space, helping Swire Properties cement its reputation as a commercial developer committed to the building and nurturing of communities, not just financial gain.

For more information, visit www.blueprintswireproperties.com.