# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>03</td>
</tr>
<tr>
<td>Our Vision</td>
<td>04</td>
</tr>
<tr>
<td>What is Factory</td>
<td>06</td>
</tr>
<tr>
<td>Our Mission</td>
<td>07</td>
</tr>
<tr>
<td>Ten Concrete Commandments</td>
<td>08</td>
</tr>
<tr>
<td>Curating Interfaces</td>
<td>20</td>
</tr>
<tr>
<td>The Six Elements</td>
<td>22</td>
</tr>
<tr>
<td>Factory Assembly</td>
<td>39</td>
</tr>
<tr>
<td>Conclusion</td>
<td>51</td>
</tr>
</tbody>
</table>
Foreword

Work as we know it is changing. The values and standards defined a decade ago no longer hold true for today’s modern workforce and demands have rapidly changed over the past two decades irregardless of demographics.

If you work in the new economy this shift is apparent. It is accompanied by several major emerging trends:

The employees of today care deeply about what they are working on, who they work for and how their life is making an impact.

A war for talent is on. Every firm seeks to build an environment and culture to attract the best talent.

Entrepreneurship is global. Firms from Europe, Asia, Africa and beyond are becoming relevant global leaders.

Urbanization & development. Everyone can now work wherever they choose in the world, and the sharing economy has made that even easier. Cities are investing heavily into attracting inspired creatives.

Coworking and collaboration. As entrepreneurship goes mainstream so does its open-minded mentality. Companies and individuals alike are seeking more interaction in their work environments.

Tech is transforming society. Every industry is being disrupted by technology, and it is also impacting governments and academia.

Together, from 2011 until early 2015 our team worked with 26 technology firms of different growth stages; a community of over 500 working out of one campus in Berlin Mitte.

We learned a great deal while running this space, a playground for the workers and innovators of tomorrow. Most importantly we realized that with our space we created a framework for serendipity to take place.

Spaces like these are by no means easy to realize. The more that exist around the world, the higher the chance for technology to positively impact society, especially in less developed regions.

This playbook is a basic blueprint to the Factory model - a novel concept that extends the definition of coworking to startups of all stages. We have taken our key learnings from the first Factory and packaged them here for you to read. It’s intended to help push the model forward.

There are many out there who run amazing spaces for entrepreneurs with vibrant communities and great programs. We encourage everyone to add to this playbook and improve it over time.

Join us in building similar communities and spaces around the world.

Thank you,
Team Factory
Our Vision
A more promising future driven by entrepreneurs.
What is Factory?

Factory is a unique concept that combines the potential of digital innovation with the advantages of real estate. We bring together best in-class startups with international tech companies and local heroes, creating the ideal platform for organic growth, collaboration and serendipity to occur in one place. Factory is building homes for tech communities around the world - outfitted with communal areas such as event spaces, restaurants, coffee shops and fitness centers to help drive community interaction and connect others with our ecosystem.

Factory is an open platform to grow, learn and collaborate with the best entrepreneurs and innovators.

Instead of building programs and curricula, we partner with the best, connect them to our network, and provide the interface to innovation. This is what we call “organic acceleration.”

This concept can be realized in various shapes, sizes and forms and must adopt to the local environment. We are entrepreneurs ourselves and each Factory is built by founders for founders.

Accelerators and Incubators are a common model for improving the chances of success in an environment of surplus, like Silicon Valley, Tel Aviv or New York. In a less mature environment these models are out of place: Factory is the alternative.
Our Mission

Empowering a global network of entrepreneurs and innovators through technology-enabled real estate.
Ten Concrete Commandments
Be Humble.
Actions speak louder than words.
Don't boast. Just be.
Be Minimal.
Less is more. Reduce and simplify everything to its essence.
Be Authentic.
No bullshit. Honesty creates trust and karma works.
Be Quietly Confident.

Never shout. Our work will draw others to us.
Be International.
We are not confined by lines on a map.
We speak English and think globally.
Be Outstanding.

We surround ourselves with greatness - it inspires us and is what we aspire to be.
Be Supportive.
Always celebrate the wins and learn from the losses. Today’s losers are tomorrow’s heroes.
Be Collaborative.
Power is in our network. Be vigilant about growing an open and active community.
Be Optimistic.
Problems are opportunities.
Every competitor is a potential partner.
Be Restless.

We are constantly changing, evolving and innovating. Our target is always moving.
Curating Interfaces

The key to empowering a global network of entrepreneurs and innovators lies in building bridges across disconnected verticals and cultures. Established industry, politics and academia have difficulties connecting with the startup world and building lasting relationships. As a physical space, Factory forms an interface between these verticals - tying the network together and creating long-term impact on the ecosystem itself.

Policy
The voices of entrepreneurs are often not heard by politicians and their expertise is not considered when forming policy, thus preventing innovation and growth. Politicians mostly think within their respective national context.

Factory is an interface between startups and government, providing a platform for both politicians and entrepreneurs to interact with one another. The focus is to improve the legal framework for startups, derive data from early-stage to help politicians make smarter decisions, while showcasing both the success stories and failures within the international tech community.

Academia
The cultures of entrepreneurs and academics can be diametric opposites with regards to approach and intention. There is a tremendous amount of unleashed potential in the world of researchers and academics for products and businesses; just as there is an opportunity for entrepreneurs to leverage academic research. Both sides have something to gain from tapping this potential.

Factory provides an excellent platform for entrepreneurs and academics to interact. It is our mission for both sides to gain awareness of that potential and to develop a continuous flow of information and data in both directions. We regularly engage with local and international universities, research institutes and think tanks to connect them with our community of entrepreneurs and create relevant presence on location for researchers.

Industry
Traditional industries and large corporations are increasingly aware of the necessity of digital innovation to stay competitive in their markets. Hence they are seeking to engage with disruptive startups, but their corporate culture and complex structures are often at odds with that of a startup, making it all the more difficult to find synergies. In order to approach startups successfully, corporations need local partners with the right network, experience, and cultural understanding.

Factory is an ideal partner for corporations that are trying to understand the startup language. We connect the best local startups looking for investment, acquisition, and procurement opportunities to the industry in search of innovation through custom tailored events and content programming.
The 6 Elements

There are six core elements that make up a successful Factory location. Every location will have a slightly different team structure to cope with these depending on the people, the building and the local ecosystem.

For us, it is not job titles that are important - ownership and responsibility are. We recognize that people are different and may have overlapping skills. But while skills may overlap, you cannot allow one element to lag behind.

The elements outlined here are not silos. In order to be successful all of the six ingredients are needed in combination.

Even at a large scale, operating a Factory location should only need a small team. Keep an eye out for talented individuals in your city who live and breathe for one or more elements - a small group with passion and drive who cover the elements will have no problem running a Factory location.
Element 1: Community

One of the most important aspects in any Factory location is the community. Everything we do should be to help our residents first. Hence, we value how we treat our community, who we call friends and family, and make this an integral component of our company culture.

“Managing the community” is an antagonism. You have to become a part of the community, and engage at eye level in order to create the framework for serendipity to take place.

Community at Factory is built through a strong network with a light touch of curation. Typically quality entrepreneurs come through friends and colleagues, or even Factory events.

We keep an informal waiting list of companies that fit the Factory ethos. With the rapid pace of the startup scene, this list is constantly in flux. Keep in touch with these firms and remain transparent about space opportunities. With requests that do not come through our traditional network, we try to make sure founders are aligned with our values and vision:

- Are they working on an exciting product? Are they innovators in their field?
- Is their company culture open to information exchange, sharing and collaboration?
- Do they fit in the community? Would they go to events and engage?
- Are they morally sound and respect the values of our community?

A healthy community is like a garden; it has to be carefully cultivated and meticulously maintained to yield the best results. This goes beyond writing emails to keep everyone in the loop: this means pro actively engaging with residents; continuously reaching out to them one-on-one and asking how you can better serve their needs and connect them to the right resources.
Element 2: Space

Factory’s limiting factor is space availability. Providing a stellar real estate experience is integral to the atmosphere of the building and the success of our tenants. The stage agnostic approach does not only benefit small startups, it goes both ways - large companies are constantly reminded of how agile and fast they were when they only had a couple of employees and small companies can learn from people who have “been there and done that.”

A great user experience for onboarding and offboarding residents, alumni or failed startups is a very important aspect of making the Factory experience seamless. Each company has individual needs - being as accommodating and helpful as possible is what makes companies feel like they are part of a big Factory family.

Interior designers and architects are aligned with Factory’s distinguishable look and feel for the building, whilst still maintaining flexibility for company brands. Having spaces for different stages of company development and size is crucial.

The average facility management approach is not good enough: one has to understand startups, and understand that every aspect of the building and its residents’ interaction is furthering - or prohibiting - our mission’s success.

Communal Areas

Communal areas are very important to engage the public and broader startup ecosystem with Factory and Factory residents. This includes a lobby with a receptionist, open spaces for tours without disrupting startups, cafes and/or restaurants, fitness facilities and interactive screens to showcase residents’ activity.

Tours in particular are a very good resource to show potential partners, politicians and potential residents, what the spaces, work environments and community is like. The more visible a startup office is during a tour the easier it is for others to experience the vibrant community we are a part of. Keeping tours in mind while designing the space is essential. While it is important to give outsiders direct connection to a startup, you need to avoid making the space feel like a zoo, with startups as the main subjects.

Our space is where people meet, where the magic happens: it’s the ultimate tool for success. Make it inviting, make it beautiful, make it flexible, make it the perfect product from founders for founders.

Communal areas are also important for the flexibility of a healthy work-life balance and in particular for startups, who are all competing in the war for talent, to attract the best people through extra benefits and fun office spaces.

More startup deals are done in cafes than in offices. Therefore, the food and drink options at Factory should be unique but fast and affordable, enticing to outsiders, as well as keeping up with current gastronomy trends. The cafe space is also comfortable enough to work in or hold meetings for short periods of time - and have plenty of napkins for impromptu business ideas.
Space Packages

Startups are the riskiest and most difficult real estate client to manage. Either they fail and don’t pay the rent, or they succeed and quickly outgrow their space. This difficulty has created a demand in the market that is not yet met - startups from 2 to 500 employees who require short-term, flexible rental contracts face difficulty finding a headquarters. Because of this, we have developed real estate packages of various sizes that adhere to the individual phases of development of technology companies.

The different sizes in packages allow for the flexibility of space - and this flexibility is key. The possibility of allocating the same space in different configurations to different sizes of companies, for example, accommodates a startup’s fast growth patterns. Fluctuation is healthy and this is reflected in the maximum duration of the rental contracts being relative to the amount of space required.

The agility and flexibility of the work environment influences all levels of architecture and design, across all space packages: small meeting rooms are needed instead of large ones to increase efficiency of meetings. Several sound-insulated rooms for private skype or telephone calls and break out rooms are a part of the work culture we embrace.

Flexible space packages are perhaps one of the most important components of the Factory model. Although difficult to manage, there are few existing real estate offerings for this subset of rapidly growing companies.

<table>
<thead>
<tr>
<th>Pre-Seed / Co-working</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size: per desk rental</td>
<td></td>
</tr>
<tr>
<td>Contract: daily, weekly or monthly</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seed Stage</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size: up to 200m²</td>
<td></td>
</tr>
<tr>
<td>Contract: one year</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series A</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size: &gt; 1000m²</td>
<td></td>
</tr>
<tr>
<td>Contract: three years</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series X</th>
<th>XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual building</td>
<td></td>
</tr>
<tr>
<td>On request only</td>
<td></td>
</tr>
</tbody>
</table>
Exemplary building - tenants by risk profile

Growth space for Series A & B

Coworking

F&B

Event space

High Risk

Angel

Seed

Series A

Series B

Growth / IPO

No Risk
Technology Enabled Real Estate

Given Factory’s affinity towards tech and startups, our team fully understands the effects of technology impacting various industries. It’s important to not only stay informed of the latest trends in tech, but use the newest products and services to support tying space with community.

We are living the digital revolution and creating a real world interface to it. We embrace technology to enhance and enable the experiences of our residents.

Pushing the edge of technology in the space is a key factor in our continuous efforts to innovate. Not only do we implement the newest tech in real estate, but we use our spaces as a testing ground for startups that are working on new and exciting products. Residents should see us as a platform on which they can build the (real estate) technologies of the future.

Fuck it. Ship it.

Always look to the startups amongst us for inspiration on how to run our business. We are a breeding ground for agile companies and ideas on how to run lean, so we should take notes.

Use software that is inherently collaborative such as Google docs, Dropbox and Slack and when there is not a solution that meets our needs, build it.

Do not be afraid to hack together your own software solution, ship it early, get feedback quickly and iterate even faster. By building your own software solutions for communication, event management, scheduling, and interaction hand-in-hand with your residents you will have custom solutions that scale and fit your exact needs.
Element 4: Partnerships

Working with ecosystem partners is an integral component of the value add we offer startups at Factory. Our goal is to create long-term, sustainable relationships that benefit the community. Partnerships are about quality and not quantity - we work closely with partners that develop programs to support startups, but strategically choose the best. It is important to not just work with “any” interested party. Most importantly it is about deciding who we want to spend time building relationships with - it is not only about money or product offers but a combination of company culture, community fit and sponsorship value.

Partnerships can vary from basic event sponsoring to developing Factory specific products together. The relationships are always unique and individual to the partner, but in every case the value add should be mutual and significant.

Choosing the wrong partners can be detrimental: never underestimate the risk of bringing in companies that do not share our core values.

Local Ecosystem Partners
For partners that collaborate with us on a grass roots level, the relationship is not built for financial reasons but rather to provide support. Typical exchanges include the cross-marketing of events, media collaborations or generally connecting one another’s startups to new opportunities. We seek out local players, like coworking spaces, technology companies or accelerators, with a similar mindset and appreciation for quality. Partnerships can range from offering educational resources or training programs for resident startups to hackathons and events.

Corporate Partners
Corporations and larger technology companies possess a treasure chest of resources which entrepreneurs can take advantage of, although it is important to not treat each corporate as one and the same. Each has a different focus, reach and programs to support their interactions with startups. Because of this, it is important that every partnership is individually designed.

Various formats can be used when partnering with corporates. Together with our first partner, Google for Entrepreneurs, we organized brief office hours, a week-long acceleration program and other sessions with mentors and experts from Google. Similarly Lufthansa, who was interested in connecting with the local Berlin startup scene, partnered with us to set up their Innovation Lab on campus. They currently offer startups advice, support and a fast-track into the company.

In addition to support and mentorship large companies are also seeking ways to increase brand awareness and visibility of their offerings to startups. Large events that integrate corporates with the wider startup scene provide an excellent platform to achieve this.

Factory’s platform was built to act as the interface and bring the separate skill sets of corporates and startups together. It is essential that such services come at a price for corporates and are always free for startups.

No matter who we partner with, quality is more important than quantity and the focus always lies upon adding value to the community.

Striving towards real value, monetary and non-monetary, long-term partnerships with only the best ecosystem players is what sets Factory apart.
Element 5: Events

Events tie the network together - they drive community and create a buzz at each location. You will be surprised what can happen when you put beer and music in the corner of a room and invite the startup ecosystem. External third parties want to host an event at a Factory location because of this magic. When it comes to building a buzz around an event location it is important to strike a balance between organizing quality grassroots meetups and supporting larger commercial events.

Events are integral in bringing the online world offline - where personal relationships are still the driving force in a startup’s success.

To start off, here are some key learnings and tips from the Factory team:

- Everyone thinks they can do events. Only few can pull it off.
- Distinguish between events hosted for the community and events hosted for revenue.
- Factory residents often want to host an event. Try to accommodate these requests with space and support.
- Whenever possible, try to lower cost.
- Quality, quality, quality. Host quality events with quality partners. They bring in great content and a high-value network.
- Be careful with international event organizers. They may have an amazing brand, but they don’t know much about the community and how to reach them.
- Manage expectations. Founders are insanely busy and won’t attend every event - but everyone has a understudy.
- Event quality does not depend on budget.
Types of events
Events at Factory range in themes and in size. A typical weekly event schedule at our first location, Factory Berlin, could host the European Commission, a small developers meetup and a party for residents in collaboration with Soundcloud. A diverse set of events ultimately means reaching more people in different circles within the community, which is the goal. Think about the core community and strike a good balance between these different event formats:

**Founders Dinners:** A dinner gathering for resident Factory founders. This event format successfully brings core stakeholders of the community together in a relaxed setting.

**Tours:** Guided walks through Factory with a short presentation of Factory’s concept. Tours provide those outside the community a visible and tangible example of our work culture and the startups in our community.

**Open house:** A larger version of a tour hosted over a few hours where the wider community is invited to tour Factory and meet a few startup founders inside their offices. Stepping inside a startup office and hearing from founders provides direct contact with the culture of startups.

**Office hours:** Mentor sessions between startups and key experts or Venture Capitalists - usually 1:1 or in a small group. Office hours provide a format where the wider community can receive advice or feedback about their products and ideas.

**Meet ups:** A format allowing like-minded groups to meet, connect and discuss specific topics. Group sizes are typically small but can range from 30-150 people.

**Workshops:** Lessons or lectures from experts on specific areas or topics. Typically the workshop format has only one ‘instructor’ and a small audience - think classroom and teacher.

**Pitch competition:** A format that allows startups to present to a wider audience who can provide feedback. Audience size can range from 30-200, respected judges are often involved and prizes are handed out.

**Hackathons:** Large developer centric gatherings - often across multiple days and nights - where a challenge is proposed and groups come together to develop solutions as rapid prototypes.

**Startup Fair:** A group of stands organized in a “flea market style” layout for startups to present their products and give out freebies. This is a great way of engaging the attendees with startups directly, allowing them to test the products and interact with a representative of the company. Often in combination with another format.

**Receptions:** A networking event that includes many people and often cocktail drinks. No furnishing is necessary - only a bar and perhaps high tables. Event organizers typically enjoy this format to introduce dissimilar parties, i.e. startups and corporates, etc.

**Conferences:** One of the largest event formats, often with multiple stages and back-to-back presentations, fireside chats or panels and hundreds of attendees. Conferences showcase various aspects of the startup ecosystem - from various concepts to various players and provide great networking opportunities and learning potentials.

**Fireside Chats:** A high-level speaker moderated by a journalist or specialist in a particular field on stage. The moderation focuses on creating conversations and is one of the most interesting formats for an audience.
Factory’s Involvement

Factory can organize its own events, act solely as an event location for external organizers, or ideally find a sweet-spot in between, where collaboration with local friends allows each party to play to their strengths. There is no golden rule to defining a specific level of involvement. Simply answer the questions below before making a decision.

What does an event organizer want to achieve?
Many people underestimate the workload in hosting an event - test their knowledge before anything else.

How many events are already planned for the week?
Events can be draining, so don’t over extend if the team cannot support.

Does the proposed event add value to the community? Will it introduce them to something or someone new and valuable?
Ask a few residents what they think.

Is the event organizer a potential future sponsor or very high-level?
Hustle hard to impress them - they’ll recognize this later.
Element 6: Communication

Communication and marketing are an integral component to achieving our mission of empowering entrepreneurs. At its core Factory’s voice is a reflection of the brand itself - it is how we reach our audience. The audience should never be categorized or siloed: never distinguish in tonality or style when talking to the team, the tenants, the startup world or mainstream media. Speak with one voice. Keep Factory’s brand principles in mind. The Factory concrete commandments section will be your bible.

*Communication is the way we project our fundamentals verbally and visually. The mission is to live and breathe the communication strategy until it becomes natural.*

**Tonality**

Your tone of voice needs to clearly reflect what your brand stands for and your goals as an organization. Treading carefully between the complex corporate buzzwords and unique startup language can be a difficult task. Find your middle ground and be sure your strategy aligns with startup culture.

Here are a few golden rules we learned along the way to start you off:

- Don’t share random shit. Be tactical.
- We don’t do press releases. Ever.
- No shouting, breast-beating or self-aggrandizing.
- Write mostly about others and let others write about us.
- Break news. Don’t be the last to the party. If you are, be the first in the pool.
- Timing is key. Create relevant timing. Don’t spread rumors.
- Use content to tease your audience and make them curious.
- Live and die by analytics. Learn what your audience likes.
- Drive interaction with your community. Listen, interact, share and connect.
- Photos and videos say more than a thousand words.
- Social media channels should reflect your community interests.
- Stay away from religion, think as multi-national and global as possible.
- Source content wisely by using twitter lists and Google alerts.
In order for a Factory location to be set up and run successfully you need a combination of the right city, neighborhood and building. Though we attempt to guide decisions using a data-driven approach, it is quite difficult to place more importance on one factor than another. A neighborhood may be a better fit for Factory in a particular city, but a building in a more up-and-coming part of town may present the better opportunity. This section provides a blueprint to go from scouting a location to growing a community.

The past two decades have seen a dramatic shift in work styles and spaces. Trends such as urbanization, proximity, collaboration and a diversity of work spaces are changing the importance of where we work and who we work for.

Certain cities in the world have this captivating flare: they attract an international community of open-minded entrepreneurs and tech enthusiasts. Keep an eye on these emerging hubs, as they host the unicorns of tomorrow and certainly will see more international companies flocking to them in the near future.

While focusing on the hubs do not forget about the spokes. Emerging startup ecosystems that are yet to manifest themselves present a wonderful opportunity for Factory: the location can act as the gravitational center of the startup scene and support its connection to international hubs.

At the end of the day, although a decision may be an emotional one, be sure to use data and key metrics to influence your decision for a potential location and ecosystem.
Evaluating the City

The notion that only few startup hubs will dominate has passed. While some cities may attract a greater density of entrepreneurs, it is clearer than ever before that startups can come from anywhere.

Many call this the globalization of entrepreneurship - talent, knowledge and a certain entrepreneurial culture are being transferred to places many never would have expected to become startup hotspots.

There’s plenty of existing research on this topic, both from an academic and industry perspective. The World Startup Report, Global Startup Monitor, European Digital City Index and many further initiatives have exposed this paradigm shift, and paved the way for future findings.

For us, ranking is not important - finding out the maturity of a startup ecosystem and how it can be impacted is. We compile data using the following framework to try to achieve this:

Metropolitan Area
- Overall population over 1M
- Cost of living (Big Mac Index)
- Quality of life
- Direct flights to these other major startup cities: NY, SF, London, Berlin, Stockholm, Singapore, Tokyo, Beijing, Tel-Aviv, Rio, Amsterdam and Paris
- Average number of low cost carrier flights per week
- # of major cities within ½ day of travel (excluding flights)
- Growth of population per year
- % of high-speed Internet penetration in city
- % of mobile LTE availability
- % of smartphone adoption
- % of city accessible with public transport
- # of tourists per year
- Unemployment rate
- Crime rate
- Population density (# of ppl per km²)

Industry
- # of international tech giants with a presence in the city
- Average number of people employed by tech giants in the city
- # of local Internet startups / companies
- # of “local heroes” (post Series B investment)
- # of local early stage startups
- # of startups founded in the past year
- # of local VCs based in city
- # of local business angels based in city
- # of international VCs active in city
- Average amount of investment per year into locally based companies.
- # of startup events / meetups per week
- # of major internationally known events
- # of local tech media outlets written in English
- # of local tech media in local language
- # of exits / acquisitions

People
- % of the population is <18
- % of the population is between 18-25
- % of the population is between 25-40
- % of the population in “creative” industries
Factory Assembly

- % of the population is self employed
- % of the population that speak English
- % of population that are expats
- % increase of expats moving to the city
- % of current Factory members willingness to move / open an office there

**Education**
- # of Universities
- # of research institutions
- # of Universities in top 25% of league tables
- # of students overall in city
- # of students studying tech degrees
- # of Universities with instituted entrepreneurship program

**Government**
- Corporate tax & sales tax rate
- Average time required to set up a business
- Average time required to close down a business
- Amount of govt. investment available
- # of govt. initiatives for startups
- Average time to get a working visa
- # of country ministers who attended a startup event in the past year

**Soft Factors**
- Top 5 industries
- Major active sectors in Internet industries

- Common modes of transport
- Corruption
- IP protection
- Cultural risk aversion
- Has the demand for co-working been filled?
- Tendency towards liberal voting in local elections (liberal mindset)
- Acceptance of diversity
Evaluating the Space

Once a city has been decided upon, finding the right location and the right building is the next essential step. When it comes to picking a neighborhood, analyze both developed and up and coming districts - the former may be the norm in some cities while the latter may have more of an pull within the startup and entrepreneurial crowds.

Deciding which building to choose can be difficult as well. Try to find sites with historical significance. It builds an emotional attachment to the site itself.

Finding the perfect Factory site quite a complex process. Take a look at some of the factors listed below and always think about how well you can integrate, and the impact your building can have on the neighborhood.

Location, location, location
To what level is the neighborhood gentrified or being gentrified?

- # of pop-up shops
- Food indicators:
  - # of third wave coffee shops
  - # of coffee shops: more espresso options than milk
  - # of street food joints
  - # of vegan restaurants
- # of yoga studios
- # clubs / nightlife
- Average rent
- Distance to a gentrification hot spot
- # of restaurants / bars are in the area
- # of public transport links
- Neighborhood type: residential, commercial or mixed
- Commute time from main residential areas

Cold Shell
- What is the m² - is the size fitting to the local ecosystem
- Can the space be broken down to create a stage-agnostic environment (i.e. co-working, small startups, bigger companies)

Communal Space
- Amount of communal m² - event spaces / co-working / outside courtyards / cafes / restaurants etc
- Feasibility of non-disruptive tours

Infrastructure
- Fiber / Internet infrastructure
- Can the building be fitted with cool tech
- Cool interior design possibilities?
- Mixed-use designation (residential/commercial)
- General accessibility
- EV charging stations / bike storage

USP
- Standout among neighboring buildings
- Historical significance
- Local significance
- Skyline View
- Top floor event space
Factory Assembly

Building Partnerships

Factory is only as great as the sum of its parts. You need the best local partners who are invested and excited about working with you to pull off something truly great. It is always a shame to see third parties come in and egotistically start waving their flag. When approaching a new city or geography it is imperative - and much more appropriate - to lift up the people who are doing great work already.

Often in emerging start up ecosystems there are community activists and authentic organizations that already have the trust and support of local entrepreneurs, but lack a physical location.

Instead of reinventing the wheel and competing with local stakeholders, try to partner and form a joint local venture with existing, experienced parties. Identify your strengths and put them on the table: we, for example, bring our expertise in real estate, an international network and are open to investing in a building and giving local partners the opportunity take part in the benefits of owning real estate.

**There are many vibrant, local startup communities around the world. We want to give them a home.**

Instrumental to empowering local startup communities with a physical location is finding local real estate partners. Having local real estate partners invested in the development of a Factory building makes sure that all regional, legal and cultural restrictions are observed as well as continuing our mission to support local businesses.
Once a city has been chosen, a building acquired and local partners identified, the community work begins. We also call this the “buzz phase,” as it is the time when local connections need to be strengthened, potential ecosystem partners energized, a local team sourced and potential tenants acquired.

This phase will be accompanied by several events that should, if at all possible, be held in the construction site in order to start connecting people with the future space.

Making the space more tangible by showcasing 3D renderings and physical models will help build an emotional attachment. A showroom can also be invaluable during this period, and additionally tours through the construction site can act as teasers for potential residents, partners or even policy makers.

The launch strategy, announcement of the building and any marketing or PR around it should be planned centrally and remain minimal. What works well is to not include a visual advertisement of the brand name in the space before completion, so that the building remains a mystery to anybody who has not toured the space or been to one of the construction site events. It is paramount to strategically implement the opening and all communication around it, so that there is (or can be) a strategic element of surprise.
Up & Running

Constructing a building is like developing a website or any other product for that matter: there are continuous improvements and changes necessary to make things work better. Embrace that process as a necessary refinement of the product, and listen to your residents for the specific needs and suggestions they may have.

The previous buzz phase should have created a lot of awareness around the opening, and events will bring people into the building and further the reach significantly day by day.

*Don’t be scared. If the frequency of happenings are low, don’t just take on every event. Never compromise quality just to have “something going on” - the key to growth is to make things work perfectly over time.*

**Record successes and failures**

Not only should all events and happenings be recorded through social media channels, but collecting further data is essential. Video, sound, photography, presentations and everything else that can be collected should be. Only data can illustrate what is going right or wrong.

**Don’t compromise**

There will be empty spaces: the restaurant might not be as full as it should be, fewer requests coming in than expected or free co-working desks. Escalate these worries if necessary, but never lose focus on the 6 key elements and push forward.
Factory reporting
Measuring our KPIs internally is a very valuable tool to continuously improve our impact and monitor our goals. These reports should be collected quarterly and it is always a plus to complement the data with a graphic style. It is important to be as accurate as possible with data - do not just estimate here. Connect with Residents and find out what their real data is. If there are any data security concerns, ensure them it is all anonymous and will only be used internally. Feel free to add your own relevant data as seen fit and make sure to include the following:

Residents
• € of funds raised by residents
• # of resident companies

People
• # of employees
• # of jobs created
• # of nationalities on campus
• % male / female
• Average age
• # of events
• # of people at events
• # of people engaged
• # of founders engaged

Media
• # of press articles
• # of press article origins
• Press article country of origin
• # of followers on Twitter
• # of retweets
• Page likes on Facebook
• Post likes on Facebook
• Important milestones (residents moving in, significant events or tours etc.)

Maintaining a buzzing ecosystem is a moving target and will bring different challenges in time. Everything we do has been designed for founders from founders and our stage-agnostic, technology-enabled spaces are specifically developed to support startups in all growth phases. To measure how successful we are at achieving our mission and vision, the data-driven blueprint we have outlined above is key. Quantifying the impact we have in a community is difficult, but essential for continued improvement and self-reflection.
Conclusion

The playbook hopefully gives a good understanding of how Factory functions. Ask questions. Challenge what is written here. Be the entrepreneur that confronts everything and continuously looks for ways to improve.

Always and under all circumstances understand that you should not deceive your audience. You are hustling to create momentum, you expect fast growth, and the stakes are high. Failure is always just around the corner.

In an era where digitization is taking shape, building a network of spaces and understanding how legal, economic and sociodemographic circumstances impact opportunities for entrepreneurs to thrive will provide a whole new understanding of how innovation takes places; this future is the one with the brightest outlook yet.

We believe that the Factory model is an engine to drive innovation and impact society, providing the base layer for a better future and better circumstances for the next generations to come.

If what is written here challenges you, welcome to the team.
Credits

All images are used with explicit permission or are in the public domain.

Image credits:
Page 5: Gallereplay (Berlin, Germany)
Page 9: Flippant Media (Sydney, Australia)
Page 11: f1 Mario Sahe-Lacheante (London, UK)
Page 12: apricotberlin (Berlin, Germany)
Page 13: Osman Korur (Istanbul, Turkey)
Page 14: Virgo Haan (Tallinn, Estonia)
Page 15: apricotberlin (Berlin, Germany)
Page 16: George Messaratakis (Athens, Greece)
Page 17: Virgo Haan (Tallinn, Estonia)
Page 18: Marco Woldt (Berlin, Germany)
Page 19: City of Portland Archives (Portland, USA)
Page 20: Martin Dobbeck (Berlin, Germany)
Page 23: Ralf Ruehmeier (Berlin, Germany)
Page 25: Gallereplay (Berlin, Germany)
Page 30: Ralf Ruehmeier (Berlin, Germany)
Page 32: Ralf Ruehmeier (Berlin, Germany)
Page 36: Ralf Ruehmeier (Berlin, Germany)
Page 38: Martin Dobbeck (Berlin, Germany)
Page 43: Gallereplay (Berlin, Germany)
Page 47: Gallereplay (Berlin, Germany)
Page 50: Martin Dobbeck (Rheinsbergerstr. 76/77, Berlin, Germany)
Page 5: Gallereplay (Berlin, Germany)
Page 9: Flippant Media (Sydney, Australia)
Page 11: f1 Mario Sahe-Lacheante (London, UK)
Page 12: apricotberlin (Berlin, Germany)
Page 13: Osman Korur (Istanbul, Turkey)
Page 14: Virgo Haan (Tallinn, Estonia)
Page 15: apricotberlin (Berlin, Germany)
Page 16: George Messaratakis (Athens, Greece)
Page 17: Virgo Haan (Tallinn, Estonia)
Page 18: Marco Woldt (Berlin, Germany)
Page 19: City of Portland Archives (Portland, USA)
Page 20: Martin Dobbeck (Berlin, Germany)
Page 23: Ralf Ruehmeier (Berlin, Germany)
Page 25: Gallereplay (Berlin, Germany)
Page 30: Ralf Ruehmeier (Berlin, Germany)
Page 32: Ralf Ruehmeier (Berlin, Germany)
Page 36: Ralf Ruehmeier (Berlin, Germany)
Page 38: Martin Dobbeck (Berlin, Germany)
Page 43: Gallereplay (Berlin, Germany)
Page 47: Gallereplay (Berlin, Germany)
Page 50: Martin Dobbeck (Rheinsbergerstr. 76/77, Berlin, Germany)

Authors:
Jeremy Bamberg
Malte Delbrueck
Simon Schaefer
Travis Todd

Contributors:
Christian Allen
Ejiro Oviri
Katharina Bruenner
Martin Dobbeck
Rosalind Polya
Vanessa Butz

Special thanks to: