Office suite talk pleases business

Congregation of diverse entrepreneurs provides networking, exchange of ideas

BY DIANE HESS

LIKE MANY SOLO ENTREPRENEURS, Dale Todd had trouble moving his business from his home to an actual office. To be blunt, he couldn't afford the rent at the Chelsea office suite that he had in mind.

In the end, he cut a deal with the landlord to man the reception desk part-time in return for a 50% reduction in the rent.

What Mr. Todd got, however, was more than a bargain. He got something almost as valuable for an owner of a fledgling company—a network.

While manning the desk and pondering the future for his firm, 20/20 Marketing Research, Mr. Todd discovered that one of his busier neighbors was in the same business. When he asked her the secret of her apparent success, she pointed him toward another suite-mate: Hired Guns, an employment agency that matches professionals with short-term opportunities.

Home away from home

Recently, Mr. Todd got a big assignment through the agency. "If I had not been renting here, I never would have made that connection," he says.

For hundreds of small business owners, the roughly 50 office suites in Manhattan are more than a first business home away from home, he adds. Those office suites are also accidental business incubators, places where connections are forged, deals are done and advice is exchanged freely.

"People in an office suite come from different domains, different ways of thinking," says Ari Ginsberg, professor of entrepreneurship at New York University's Stern School of Business. "Through their interactions, they provide each other with fresh approaches, opportunities otherwise unseen."

The Red Field Group office suite, where Mr. Todd has been a tenant for three years, is typical. The offices take up the second floor of a 10-story building. There are 40 fully furnished offices, each ranging from 50 to 250 square feet. Approximately half of the Red Field tenants were previously working from home. Most will stay for nine months before either moving to larger quarters or going back to their drawing boards.

Rents stretch from $500 to $2,000 a month. For that price, tenants get access to conference rooms and a receptionist, as well as high-speed wiring, tech support and 24-hour-a-day admittance. Renters also share copiers and fax machines, and an all-important coffee maker.

It is in the sharing that the incubating takes place, with a bit of help from the landlord. True, Red Field owner Charles Roth is in business to make money, and therefore does not provide the free training courses and mentoring programs that are common in official, government-supported incubators.

One way is to introduce new tenants to old tenants. Twice a year, he organizes a party where renters—which currently include a cruise operator, an accountant and a talent scout—can mingle with one another.

Watercooler action

But most of the time, the networking that happens in the suite is impromptu. "People tend to congregate," explains Kate Hartnick Elliott, president of marketing strategy and communications firm Hartnick Consulting. "The first question is always, 'How is business?'"

A few months ago, Ms. Elliott was chatting with one of her Red Field neighbors, Murray Clendenin Jr., president of security guard provider Sentry Corporate Services. When he mentioned that he was trying to get government work, Ms. Elliott suggested that he apply for Minority-Owned Business Enterprise status. She even showed him where he should go on the Internet to download the necessary forms.

Helped in part by those tips, Mr. Clendenin has won government contracts that he expects could add 5% to 7% to Sentry's revenues this year.

In the meantime, Mr. Clendenin has returned the favor by referring a client to Ms. Elliott.