

Sebastian Olma

# The Serendipity Machine

A Disruptive Business Model for Society 3.0



With a foreword by B. Joseph Pine II,  
author of *The Experience Economy*

Illustrations by Yulia Kryazheva

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Sebastian Olma

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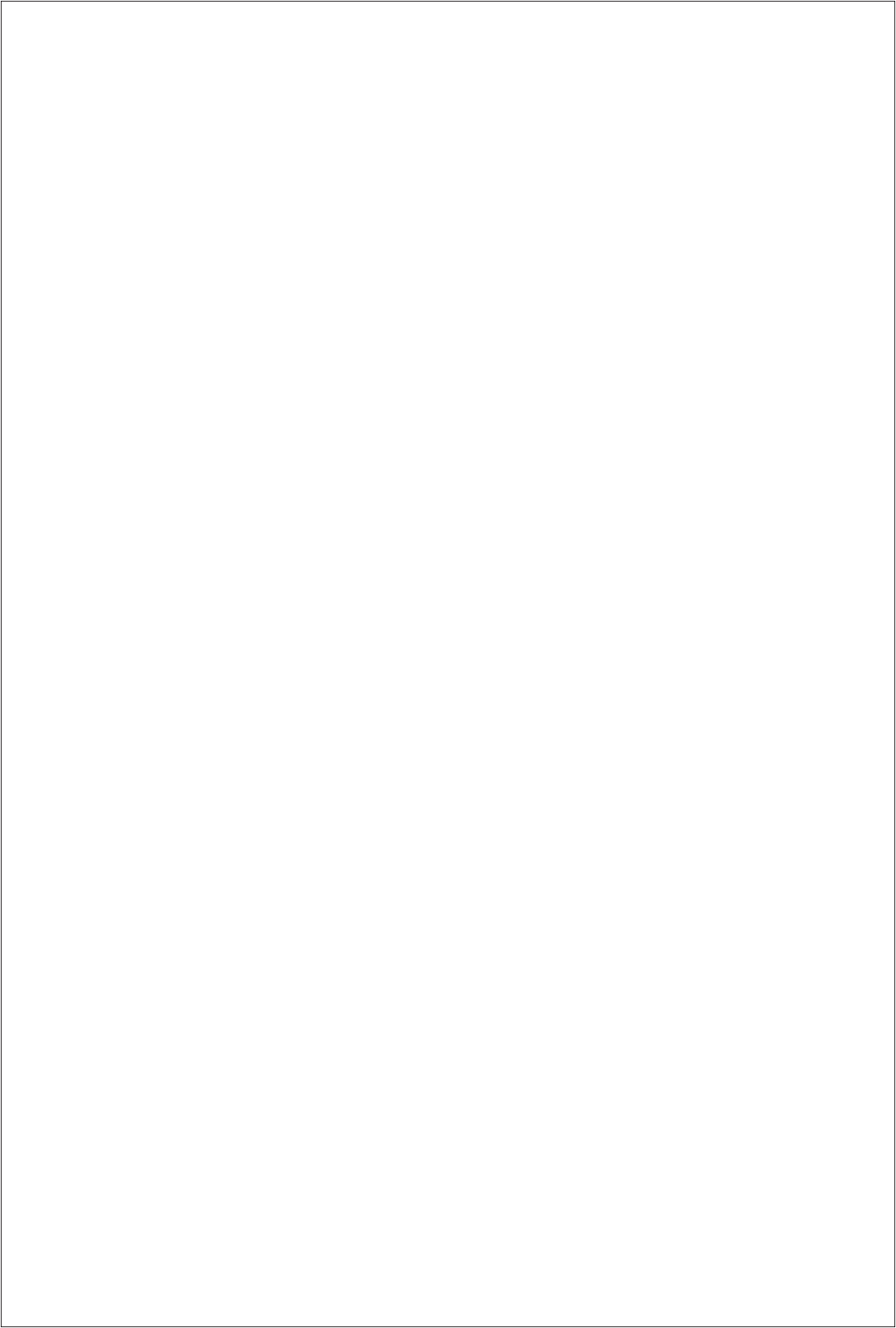
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# Foreword

Let me state something right from the start: I love Seats2meet.com. In fact, I am in awe of Seats2meet.com. But I have no idea how the heck my good friend Ronald van den Hoff, the director of the company, does it, how he created and keeps going such a vibrant, impactful, amazing network of places, community of free agents, and mesh of knowledge.

Until I read this insightful book, that is. Now I get it. Don't get me wrong, from my first (of many) visits to the original Seats2meet.com in Utrecht I could see what a great place it was, what a wonderful experience was (co-)created, how it was the place to hang out for free agents and digital nomads of every stripe, and, yes, what a great meeting space it provided (including for several events that I myself have staged there). What I did not get was *how it made money!* It was giving away all this free space, it was giving away coffee, it was giving away lunch, and the people were always so very helpful and giving of their own resources. I mean, the one core principle of any economy is to charge for what your customers value, and with the Experience Economy that means charging for the time your customers spend with you. If you do not charge an admission fee or membership fee or in some other way charge for time you are not, economically speaking, in the experience business.

I could also see the great value his "customers," those sitting and meeting in Seats2meet.com, were getting out of the place far beyond the physical place, the coffee, the lunch, the Wi-Fi, and so forth. The connections were always there – I myself have met former and future clients there and enjoyed serendipitous conversations. The value was always present. But how was it making money? Why not, in addition to everything else, just charge a small membership fee, a euro a day – heck, even a euro a week would send the signal in my mind that it was an experience worth having, and make a noticeable difference on the bottom line.

But Ronald and his business partner Marielle Sijgers refused my entreaties, saying they were getting paid in what they called “social capital.”

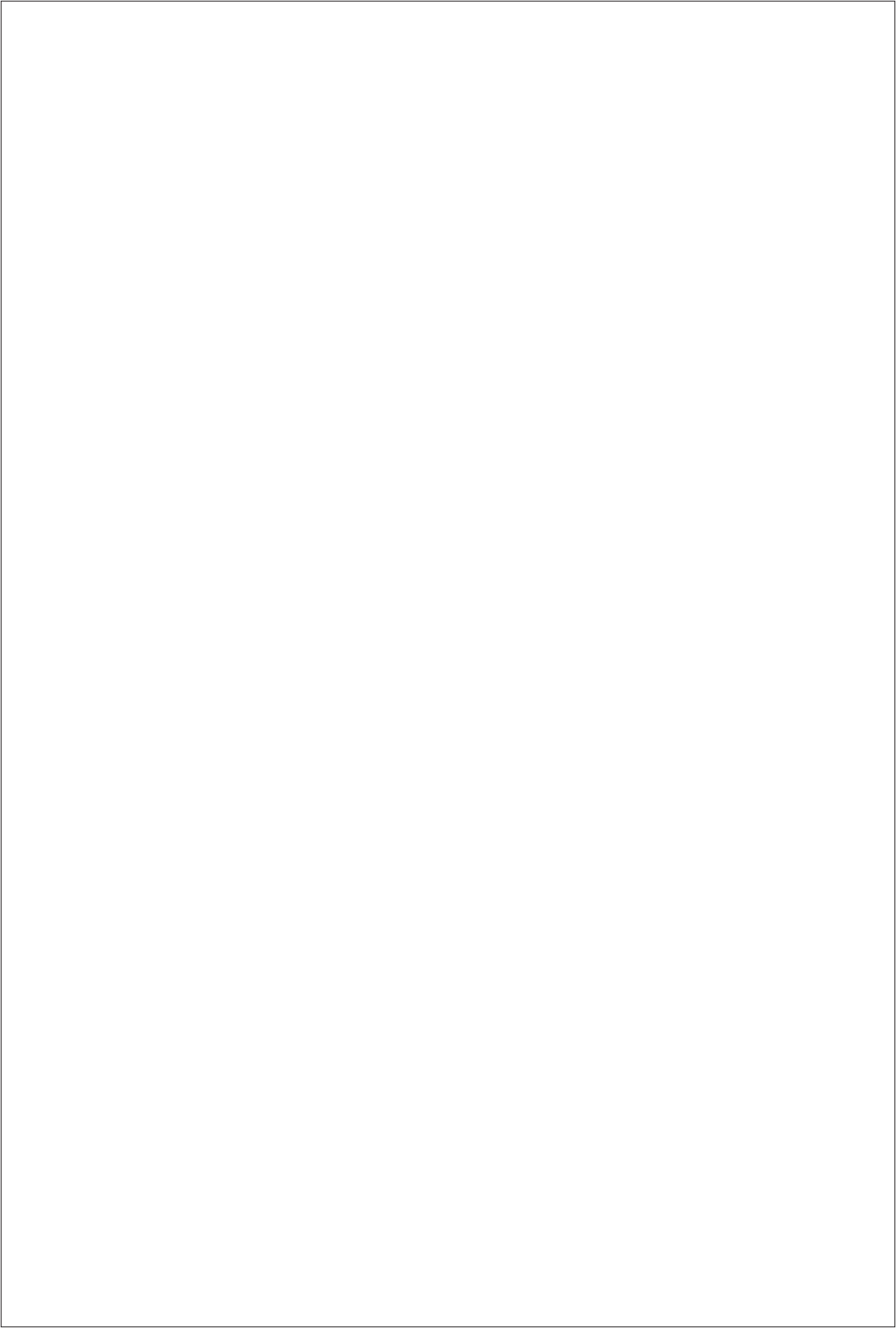
And I didn’t get it. But again, now (finally) I do. Social capital – what Sebastian Olma here defines as the attitude “to be open to unexpected and valuable encounters and to share your knowledge and talents” – truly is a form of capital, as valuable as money (if less tangible). The people who come to every Seats2meet.com location get it too, and give as well as they get. Social capital is the entry fee, the grease that oils the machine of serendipity, the connective mesh that enables and enhances the entire Seats2meet.com ecosphere. That ecosphere then generates money – old-fashioned monetary capital! – not least by greatly encouraging the booking of meeting rooms. Thus social capital and monetary capital work together, strengthening each other in a unique and prosperous way.

The end result is what Kim Korn and I call a “third space” in our book *Infinite Possibility*, a place that fuses the real and the virtual. No one comes to these very real places without bringing their own access to the virtual world, while the very act of going creates virtual identification on the Seats2meet.com dashboard, opening up possibilities for serendipitous connections. And I now think of the social capital generated itself as a virtual entity, not something that exists in the physical world, but something that only exists virtually, in the minds of every user and between the thoughts of every conversation, wherever they may lead. It is an attitude.

Ronald and Mariëlle have indeed created a serendipity machine. I’ve experienced it for myself. I encourage you to experience it for yourself, but more importantly to apply its principles and the lessons you will read in this book to your business.

**Joe Pine**

**Co-Founder, Strategic Horizons LLP**  
**Co-Author, *The Experience Economy and Infinite Possibility***





# I. The Serendipity Machine: A Disruptive Business Model for Society 3.0

# A Day at Seats2meet.com



Meet Mary, a marketing and communications professional. Six months ago, she decided to quit her job in order to start her own communications agency. After a difficult first few months, things started to look promising. She did a few small but exciting jobs for interesting clients, and now her first big contract is about to come in: a communication strategy for a large conference on e-mobility. Tomorrow, she's been invited to take part in the first brainstorming session, which will determine the degree of her involvement.

Mary is nervous about the meeting. She'd like to impress her prospective client but feels that she still needs quite a bit more input. Luckily, she knows a number of different locations where she can go for inspiration. So she opens her Seats2meet.com app to find the right place to get the input she needs. In the app, she can see the skill cloud, displaying all the knowledge and skills of the people who'll be present at Seats2meet.com locations tomorrow. Mary is interested in competencies around social media, web design, project management, journalism, writing and marketing.

DESIGN  
INNOVATION SALES  
SOCIAL MEDIA APPS  
COMMUNICATION  
RETAIL IT WEBSITES

For that combination of skills, the Seats2meet.com at Utrecht railway station will be the best location tomorrow. Mary logs on to the Seats2meet.com app to book her workspace. As she sees right away, the cost of her workspace and lunch is €0. That's not a typo. It's not going to cost her any money. Instead, she's supposed to pay with social capital. The agreement on the screen states:



## ***Pay with social capital***

*As you are not paying with money for your workspace, we expect you to pay with social capital: to be open to unexpected and valuable encounters and to share your knowledge and talents!*

The next morning, Mary arrives at Seats2meet.com in Utrecht, where Peter welcomes her. He's a regular user of the workspace, and today, he's chipping in as a temporary host. His business is slow at the moment, and the arrangement allows him to make some money while giving Seats2meet.com a host who knows the ins and outs of the location. Mary tells Peter how nervous she is about tomorrow's meeting. He promises to introduce her to a group of app developers who are using Seats2meet.com as their headquarters for the day. They have a reputation for crazy cutting-edge ideas, and that could help her in the brainstorming session.



After finding a workspace among the 40-odd people who've already flocked to the open lounge, Mary decides to get cappuccino from the coffee machine in the middle of the room. While she's making her coffee, she bumps into Tom, a friend from university. Today, he's a manager at an appliances company who comes to Seats2meet.com every two weeks. He likes the atmosphere, and he says it helps him to think out of the box. Mary and Tom start chatting. He's just returned from a trip to La Rochelle, France, a city with a highly innovative transportation system largely based on e-mobility. He found the experience so inspiring, he posted a blog entry about it on Seats2meet.com's social media platform.

Mary starts working. She reads Tom's article, Googles La Rochelle, and collects background information on cities and e-mobility. She also finds several additional blog posts on the subject on Seats2meet.com's community platform. After an hour of research, she already feels much more knowledgeable about it.



# E-MOBILITY

Her next stop is the open buffet in the workspace for a tasty lunch. While choosing fresh bread and a salad, Mary runs into Rose, a former coworker at



her old company, who today happens to be hiring the Blue Ocean meeting space for a strategy meeting. Rose tells Mary the company has a problem with its website. Mary is surprised: it sounds like a bug that bothered her back when she worked for the company. Right away, she has a good idea how to solve it, and since she started working at Seats2meet.com, she's met a programmer who can help with the hardcore technical bits. Rose is enthusiastic and emails her line manager, who replies right away, asking for a quote. Now Mary's in a bit of a pickle, because she's unsure what to charge for this kind of project. Luckily, she knows she can reach hundreds of people who can help via the #S2M Twitter hashtag. Within ten minutes, she's got a handful of helpful responses and can send off a quote. Fingers crossed that she'll get the assignment!

In the afternoon, Peter, today's temporary host, introduces her to Mike, one of the app makers he told her about in the morning. Mike, an American, worked for Apple before coming to Europe and is aware that e-mobility is a hot topic at the moment. He even knows someone who knows someone who built the public transportation app for the city of La Rochelle. Because of the research Mary did in the morning, they have a well-informed discussion on how to use apps as interfaces for e-mobility. Mike turns out to be an inexhaustible source of information, so Mary asks if she can suggest him as a speaker at the conference. He agrees enthusiastically. In return, he bombards her with questions about Seats2meet.com, because, he says, "as an American," he finds it hard to understand how a place like this can exist.

**Mike:**

*Sorry, Mary, but all this is new to me. They offer free workspaces, free coffee, even free lunch. You know, there's a saying, "There's no such thing as a free lunch." How do they do it? I really don't get it!*

**Mary:**

*Well, it isn't really free as in "free lunch." You're supposed to pay with your social capital. I think what you've been doing here in the last 15 minutes, sharing what you know about apps and e-mobility, is exactly what they mean. This information is invaluable to me. Where else would I have gotten it?*

**Mike:**

*All right, fine. But what does Seats2meet.com as a business get out of it? I mean, how do they make money?*



**Mary:**

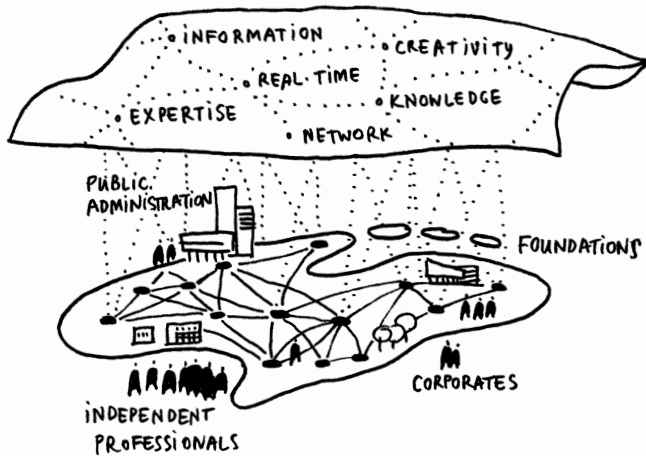
*I guess what they get out of it is a situation where the users of the workspaces really co-create a great work environment. And that must create a huge buzz around the space. I always tell people about this place. In fact, I just ran into an old colleague, a manager at a big corporation, who books meeting rooms here a lot because of the amazing atmosphere. Who knows, maybe one of my tweets even brought her here in the first place.*

**Mike:**

*Interesting! So they don't really need to do marketing any more. That must save them a lot of money. Wow, they really get the potential of social media. Using it as a business model – that's awesome. But what I really still don't understand is why everyone's so freaking nice here.*

On that note, Mary returns to her computer with a big smile on her face. Instead of being nervous about tomorrow's meeting, she's enthusiastic and brimming with ideas. She wraps up the day by sketching a first draft of her communication strategy for the conference. Now she can top off the skills and ideas she already had with a concept for a conference app and even a potential speaker who can give a presentation on apps and e-mobility. And yes, she definitely agrees – everyone's freaking nice here!

# Introduction



The day at Seats2meet.com we've just described is a reconstruction, assembled from elements we collected while doing research at different Seats2meet.com locations around the Netherlands. Of course, not all these things happen to everyone every day at every location. Nonetheless, these things have happened at Seats2meet.com and continue to happen all the time. And although they might seem to occur by chance, they're not accidents! In fact, the entire purpose of Seats2meet.com is to facilitate such unexpected encounters.

Let's start with some basic facts. Seats2meet.com is a network of physical coworking, office and meeting locations. Meeting rooms and office spaces are booked by corporate clients and independent professionals who pay a fee per seat used (not per room), with pricing based on a sophisticated yield management system. For independent professionals who just want a place to work, meet and connect, Seats2meet.com offers coworking spaces that include Wi-Fi, beverages and even lunch free of charge – free, that is, in traditional monetary terms. However, “free” doesn't mean you get the proverbial “free lunch”: when you reserve your spot, you put your skills, field/s of

work and topics of interest into the booking system, sharing them with the S2M network. Each person booking thus commits her-/himself to the network: s/he is available for unexpected encounters and may be asked by paying customers in the meeting spaces to share expertise and knowledge. So the coworkers pay in social capital. Traditional organizations renting regular meeting rooms, though, pay in euros. Seats2meet.com has created a system linking traditional monetary capital and social capital.

Everyone present at Seats2meet.com's locations at a given time is logged on to the booking system and visible within the virtual network. This adds a real-time, virtual blanket of information and knowledge to the Seats2meet.com locations, increasing the possibility of encounters that could add value to a user's business. The occurrence of such encounters is called "serendipity." Seats2meet.com facilitates serendipity by providing users with a dynamic software platform for virtual interaction. When a physical meeting room is booked through the online system, a virtual meeting space is generated automatically and linked to the group of people attending the meeting, training session or conference. These virtual meeting rooms are used to interconnect participants up front, to link organizers with participants for communication with them before and after the physical session, and to communicate organizational details around the meeting.

Thus, at the heart of Seats2meet.com's business model lies a practice of fusing the virtual and the real in order to facilitate all kinds of encounters that can create value for all stakeholders.

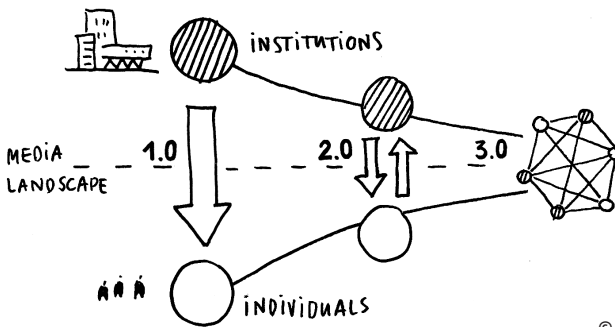
Of course, they aren't doing this out of pure altruism. This is business. What Seats2meet.com has managed to create is a powerful serendipity machine operating at the intersection of digital technology and physical space and giving the company what Joe Pine and Kim Korn call a "multiverse" of opportunity for the innovative creation of customer value.<sup>1</sup> The great thing about this serendipity machine is that it creates so much value that it turns an economy of scarcity into an economy of abundance. Through the serendipity machine, more than enough value is created for all the stakeholders of the S2M ecosphere.

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1 Pine, B. Joseph, and Korn, Kim C. (2011) *Infinite Possibility: Creating Customer Value on the Digital Frontier*, San Francisco: Berret-Koehler Publishers.

However, behind the business model, there's a vision – a vision of Society 3.0. Ronald van den Hoff, co-owner of Seats2meet.com, delineates this vision in a book with that title.<sup>2</sup> Society 3.0 describes how we can use technological progress to redesign our economic system according to values and principles that allow individuals to truly contribute something meaningful, not just to the market but to society per se. Society 3.0 is a society emerging from the ruins of industrially managed capitalism. In fact, it is a vision of the first true network society, one that uses its social and technological potential to the utmost while simultaneously building structures that valorize our contemporary sources of value, human knowledge and creativity in a sustainable manner. In Seats2meet.com's serendipity machine, we believe we have found a practical path towards such a society.

### MOVING TOWARDS SOCIETY 3.0



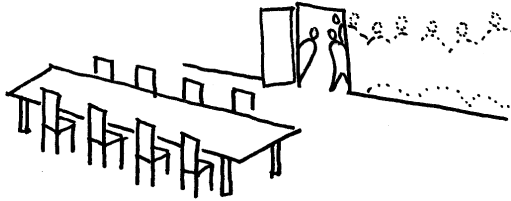
© Marco Derksen

In what follows, we will try to paint a clear picture of this serendipity machine: its genesis, its values, and its principles of operation. During our research, it was difficult to resist being drawn into the enthusiasm almost everyone we talked to seemed to exude. And although we believe we have managed to keep a reasonable degree of academic distance from our research subject, we cannot deny it: we have become believers in the logic of social capital, serendipity, asynchronous reciprocity, and all the other principles that Seats2meet.com have fused to co-create its own creative revolution.

<sup>2</sup> Van den Hoff, Ronald (2011) *Society 3.0: A Smart, Simple, Sustainable & Sharing Society*, Utrecht: Stichting Society 3.0.



# To Give or Not to Give: Enter the Gift Economy



The construction of the serendipity machine started with a piece of furniture. When the first Seats2meet.com location went live in Utrecht in April 2007, a proper glass table for 20 people was set up in the lounge to provide free workspace for a new breed of entrepreneurs: independent and self-employed professionals. Previously a traditional meeting business catering for hundreds of professional users every day, the company (then called Meeting Masters) always had space available for extra people. The new idea was to use the available space that was there anyway to attract this dynamic new group of professionals to the company's business model. In the beginning, it was not entirely clear what would come of this open invitation. What was clear, however, was that there was an unprecedented dynamism among this new group of entrepreneurs, and Seats2meet.com wanted to invite it into their company. Director Ronald van den Hoff explains:

*“With regard to the independent professionals, we began to understand that we needed to think in terms of abundance: of course, the lounge was empty most of the time, used only during breaks – so yes, why not let those independent professionals use it in the meantime?”*

But Seats2meet.com's abundance thinking didn't stop with free workspace. On top of that, it even offered free coffee and lunch as a way of making its open lounge even more attractive. The idea was that if you needed to provide lunch for 150 users anyway, feeding another 20 people would cost next to nothing.

The glass table and the literal free lunch opened the floodgates. The seats around the glass table filled up in no time. And people kept on coming. So more tables and chairs were added. Eventually, the 120 seats in the open lounge were being used by up to 150 people a day. This was not what Seats2meet.com had initially expected: in 2008/09, coworking existed, but it was still a somewhat marginal phenomenon. This was also around the time when cafés started to worry about the growing number of people with laptops who, many believed, didn't consume enough and took up valuable commercial space. Plus, social media was starting to take off in a major way. So the resonance was overwhelming. Van den Hoff recalls:

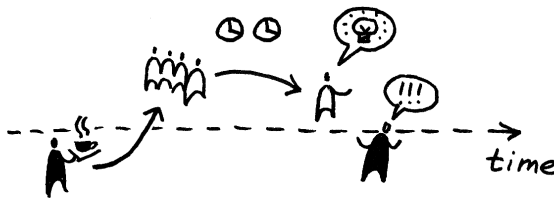
*“In the beginning, we had this one table with 20 seats. I mean, we thought that would be the size of this thing, the number of people we could perhaps expect. And we didn't want to register them or anything, or make them pay for their lunch. We just thought it would be great to have this new group of independent professionals around, give them some space to work and connect, and get some liveliness into those otherwise empty spaces in return... But we were literally overrun by them.”*

How did Seats2meet.com react to the unexpected magnitude of its own success? It decided to push right through the wall of conventional business thinking by remaining open to the newcomers. The team around Seats2meet.com founders Mariëlle Sijgers and Ronald van den Hoff resisted the temptation to close down a great entrepreneurial experiment by turning it into a linear business strategy. So instead of the expected 20 independent professionals a day, they welcomed the 150 they were getting and treated them in the same way they had treated the initial handful. Van den Hoff says:

*“When we started, it was good old-fashioned giving away. We didn't ask anything in return. Just to see all these people working in the open lounge was so overwhelming. The social media buzz they produced – this was all so new to us. It was simply amazing!”*

What Seats2meet.com experienced at that moment was the manifestation of an archaic principle, albeit in very modern form: the potlatch. A potlatch is a ceremonial feast that has been found to be an integral part of many archaic economies. The word comes from a native North American dialect term meaning “to give away” or “a gift.” Anthropologists have long been fascinated with the potlatch, because

it is the cornerstone of an economic system in which acts of exchange do not take place in a space abstracted from personal relations. In our modern economies, a transaction is sealed by paying a price, thus alienating the previous owner from the good or service. Paying the price, one might say, cuts off the previous owner's bond with the object of exchange and also prevents the emergence of any social bond between the two parties. The potlatch, in contradistinction, is a form of exchange designed to *establish a social bond* between the parties engaging in the exchange. The gift is never alienated from the giver. Rather, he or she enters into a relationship of *asynchronous reciprocity* with the receiver of the gift. The exchange establishes a strong social bond between the parties involved in the gift exchange, obligating the receiver to repay his or her gift debt. However, the reciprocity is asynchronous, meaning that when and how repayment takes place is left to the will and capabilities of the receiver.



### ASYNCHRONOUS RECIPROCIITY

Of course, in the ICT sector, gift economies have re-emerged over the last few decades, for instance around operating systems such as GNU and Linux.<sup>3</sup> In the meeting business, though, they were unheard of. Seats2meet.com threw a potlatch because it wanted to establish a bond with the emerging group of independent professionals. And they didn't need to be anthropologists to understand the notion of asynchronous reciprocity. Marcel, who runs Seats2meet.com's Strijp-S location in Eindhoven, explains:

*"Asynchronous reciprocity is a term we often use to describe what's going on in the workspaces. It simply means that you stop thinking in terms of exact equivalences. My experience here at Seats2meet.com is that if you leave it to the other person to decide when and how to reciprocate, often you're surprised at how much you actually get back."*

3 See, e.g., Raymond, Eric S. (2001) *The Cathedral and the Bazaar: Musings on Linux and Open Source by an Accidental Revolutionary*, Sebastopol, CA: O'Reilly Media.

Culturally, this chimed beautifully with the company philosophy of Seats2meet.com's mother ship, CDEF Holding. CDEF stands for *Cada Día Es una Fiesta* – Spanish for “Every day is a feast.” Seats2meet.com literally turned its open lounges into sites for daily gift-exchanging ceremonies. Every day was a potlatch. As a business, they were, of course, conscious that they weren't just in it for the fun of it. The company certainly saw that this had potential for its business, but it didn't yet see exactly how. So it just continued to give things away. Later on, it realized that giving things away did indeed create a particular social bond. Felix, who has worked for Seats2meet.com since the beginning, puts it this way: “We give away all these things, and this creates social capital. It means that it's OK to ask something in return.”

In his famous book *The Gift*, Marcel Mauss makes the point that gifts are never free.<sup>4</sup> The fact that we train our children to automatically say “Thank you” whenever they receive one might be a sign of the modern compulsion not to enter into social relations via acts of giving: the thanks replaces the obligation to reciprocate. Seats2meet.com's network potlatch started out of an intuition that this did not have to be the case, even in the world of business. Yet accepting the gift and entering into a social relationship didn't come naturally to all Seats2meet.com users:

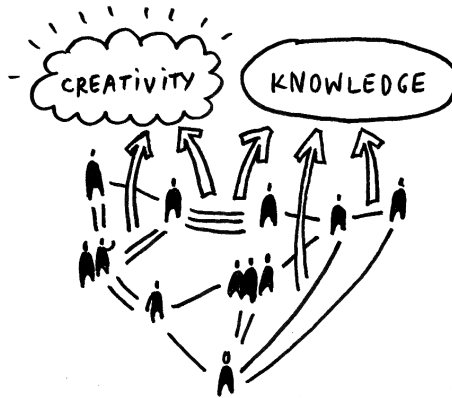
*“In the beginning, I used to bring my own lunch, because I was suspicious. I thought maybe there was some small print somewhere I hadn't read. Of course, there isn't. But for me, it was a bit of a challenge to accept their 'gift.’”* (user, Eindhoven Strijp-S)

Everyone knows the saying, “There's no such thing as a free lunch.” It's as true at Seats2meet.com as it is anywhere else. The question was: what exactly could they ask for in return without destroying the delicate logic of the gift exchange? Could Seats2meet.com, with its users, co-create a business model that would keep up the buzz yet allow the company to profit from its generosity as well? Would it be able to invent a currency that was valid within the gift economy?

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4 Mauss, Marcel (1990) *The Gift: Forms and Functions of Exchange in Archaic Societies*, London: Routledge, originally published in 1922.

# Social Capital: The Invention of a Currency



The notion of social capital has recently become big in economics and business thinking.<sup>5</sup> Once we began to realize that human knowledge and creativity were becoming our most important sources of value creation, we also became aware of the fact that they could not be exploited as easily as traditional resources. The reason is that knowledge and creativity are not resources in themselves but potentials generated by social relations. Talking about social capital is a way of saying that if you want to be successful within a creative knowledge economy, what you need are the right connections to the right social networks.

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5 In the mid-1980s, the American sociologist Mark Granovetter initiated the academic debate around social capital by arguing that economic relations are always embedded in social relations. In other words, economic and social capital are intricately linked. See Granovetter, Mark (1985) "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91 (3): 481–510. Since then, there has been a veritable flood of publications on the issue. Three interesting ways in which this debate is evolving today can be seen in three very diverse publications: White, Harrison C. (2002) *Markets from Networks: Socioeconomic Models of Production*, Princeton, NJ: Princeton University Press; Leadbeater, Charles (2008) *We-Think: The Power of Mass Creativity*, London: Profile Books; and Sennett, Richard (2012) *Together: The Rituals, Pleasures and Politics of Cooperation*, New Haven and London: Yale University Press.

Over the last few decades, literally thousands of books have been written that try to tell companies how to create social capital in order to generate valuable knowledge and creativity. As Harvard law professor Yochai Benkler has beautifully shown, the reason these strategies tend to be inefficient is that companies operate according to a transactional logic that requires clear “contractual specification of the individual effort required in a collective enterprise.”<sup>6</sup> In other words, they use a logic of precisely quantified transactional value. Social capital, in contradistinction, can neither be quantified (hence, calling it *capital* is actually a bit misleading) nor contracted via an individual. It is *social capital*, i.e., the value inherent in social relations. This is exactly what makes it so difficult for companies to deal effectively with knowledge and creativity.

When Seats2meet.com opened its lounge to the logic of the gift economy by sharing its resources with the growing network of independent professionals, it began to build an interface between its business and the wealth of social networks. Its next step was to use the power of digital technology and social media to invent a currency that would allow the company to enter into nonmonetary, nontransactional exchange with its users. And it aptly called this currency social capital.

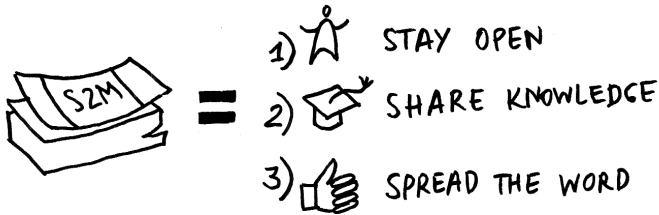
What Seats2meet.com accepts as a payment for the use of its open lounges is simply the adoption of a particular attitude. It is an attitude of openness and sharing that anyone operating within a social network needs to have anyway. What Seats2meet.com asks is that its users extend this attitude to the company as well. In concrete terms, this means:

*Please tell your social network about us! Please be so kind as to share the experience you receive as a gift from Seats2meet.com with your social network. Use social media to help us go viral. And please be aware that just as much as you depend on your network to generate business for your company, we depend on our network to generate business for us!*

Again we encounter the principle of asynchronous reciprocity. For Seats2meet.com, this can also mean being confronted with users who do not have the means to engage with the company on a financial

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6 Benkler, Yochai (2006) *The Wealth of Networks: How Social Production Transforms Markets and Freedom*, New Haven and London: Yale University Press, p.111.



level – yet. But this does not necessarily have to be a disadvantage for Seats2meet.com. One of two young, very enthusiastic workspace users at a location in The Hague says:

*“We don’t have the money to support Seats2meet.com financially, but we do lots of word-of-mouth propaganda for them, and I know that we have made many people book meeting spaces here.”*

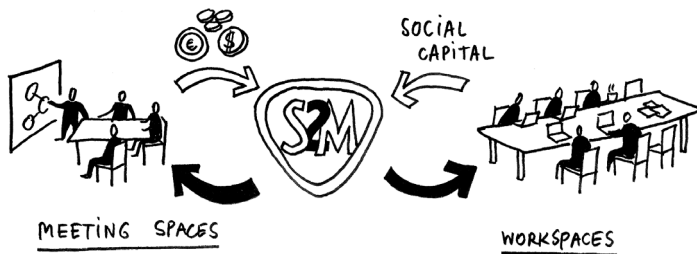
Seats2meet.com sees clearly that the emergence of social media has given it the opportunity to upgrade its initial gift economy by turning buzz into a marketing tool. All it had to do was ask the independent professionals who populated its workspaces to tell others about it. In fact, it hardly even had to do that: everyone was so enthusiastic about Seats2meet.com’s potlatch that it was the talk of the town anyway.

Against all received business wisdom, Seats2meet.com co-created a social capital business model based on the power of digital technology and social media. The company understands that having 100 people sitting in your workspace tweeting, posting, texting and emailing about how great your space is is priceless. Even from a pure business perspective, the power of viral marketing makes it sensible for Seats2meet.com to provide workspaces without asking for financial compensation.

Of course, this strategy only works because Seats2meet.com also offers a premium service: its meeting and office spaces. In the Seats2meet.com flagship location in Utrecht, for instance, the viral buzz in the open lounge leads to an average 95 per cent utilization of the meeting spaces. Why would you charge independent professionals to use your workspaces if they helped you to achieve that? So formally, Seats2meet.com has created a freemium model that enables it to share a substantial portion of its physical assets with the growing number of independent professionals on a noncommercial basis. And of course, independent professionals also need meeting and office

spaces. In this respect, as our interviews make absolutely clear, the logic of the gift economy applies very strongly here: independent professionals return the gift they receive by booking meeting rooms and offices from Seats2meet.com. Many professionals whose organizations and networks have grown too large for them to keep using the workspaces seem to make a “habit of returning as often as we can,” as one user at the Utrecht location says he does – partly “just to be back and taste the atmosphere once more.”

Giving users the chance to pay with social capital means respecting



the logic of social networks. “Paying” with social capital is not, of course, really paying in a transactional sense. In the words of a Seats2meet.com regular, “Social capital is simply people talking to each other!” This is true in a certain sense: in order to be successful as an independent professional, one needs to be open to new connections and willing to share one’s own resources. For instance, take the curious case of a swimming pool retailer. He says he likes working at Seats2meet.com because of the feeling of being part of a community of coworkers. And he clearly adds a lot of value to the space as well: “I am a successful entrepreneur; I have a lot of experience and love to share it with people who are just starting up.”

And this is exactly the attitude that Seats2meet.com seeks to facilitate at its locations. This mindset began to emerge when Seats2meet.com switched from a logic of scarcity to a logic of abundance. This change created the conditions that made the exchange of social capital possible. In other words, social capital is created by the exchange of social capital. This idea may sound paradoxical, but it is the gist of what the academic literature has to say on the question of social capital.



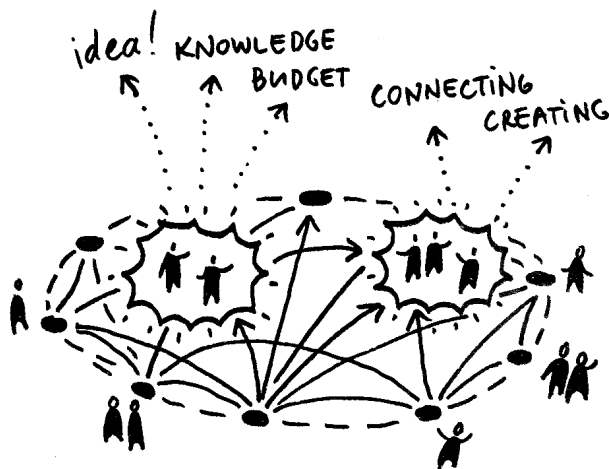
The great thing about Seats2meet.com's adoption of social capital as "legal tender" in its open lounges is what it does to the people there. Some people are terrified of coworking spaces because they believe they'll have to network all the time. Of course, this is not true, and at Seats2meet.com it's arguably even less so because of the complete absence of transactional attitude. As one user at the Amersfoort railway station location says, "I'm not a natural networker. I hate it. But here, I don't really have to; it just happens. It's like another gift – a free delivery from Seats2meet.com."

As soon as one walks into a Seats2meet.com location, it's as if one has entered a cosmos that's a few notches more positive and accommodating than the world outside. This is not magic: it's the logic of social capital. One user at the Amersfoort Meet & Discover location puts it this way: "When I come in, I get the feeling of being part of something special. Partly because instead of making you pay for everything they offer, they have a reason why you don't have to pay." And there also seems to be an aesthetic dimension. An enthusiastic student at Utrecht railway station observes, "You know, at Seats2meet.com, everyone is trying to get the best out of themselves. And you can really see that in the people."

However, the value of social capital here isn't limited to the exchange going on in the open workspace. It also extends to the users of the commercial spaces. One regular reports:

*"Every time I hold a meeting at Seats2meet.com and I see someone struggling with a particular problem, I make a point of sending them into the open workspace. And most of the time, they come back totally amazed, saying something like, 'This is unbelievable; you can just approach these people with your problem and they actually help you to solve it. Without asking for payment. I don't get it.' In my opinion, this is pure value."*

# The Fabric of Network Value: Enter the Serendipity Machine



Seats2meet.com requires its users to register via its app or website before they book a workspace. Each prospective user is asked to include a photo (or a hookup with his or her Twitter and/or LinkedIn account) and specify his or her particular skills and expertise. Every time a user books a workspace, he or she signs an agreement stating:

*“As you are not paying with money for your workspace, we expect you to pay with social capital: to be open to unexpected and valuable encounters and to share your knowledge and talents!”*

Clearly, paying with social capital doesn't exclusively mean paying Seats2meet.com. It also means paying tribute to the social network physically present at the location by contributing to its strength and purpose. At Seats2meet.com, they have a term for this: “serendipity.” In the Seats2meet.com context, serendipity means the increased likelihood of an encounter that will add value to a user's entrepreneurial activity. The company understands it as the fabric out of which value is created in the network economy. Serendipity is fed by the constant exchange of social capital. Seats2meet.com makes an

enormous effort to develop the best technology available to support this serendipity. This is why it asks users to sign in to the system: doing so allows them to see the current state of the Seats2meet.com social network.

This is done via a real-time community dashboard, which lists the registered users and organizes their skills in a cloud. This enables the user to decide on the best Seats2meet.com location based on the skills of people available at each. A dashboard screen on the wall is also an integral part of every Seats2meet.com location, giving users the opportunity to always see who is present at every site. A web designer we met in the workspace at Utrecht railway station says, "This is a great tool! I always use it to Google who's around before I start working." For other users, it serves as a contingency tool, something they can use "to always find an accountant or a developer in case of emergency," as a user at Eindhoven Strijp-S says.

Whatever its different modes of application might be, the dashboard screen visualizes the Seats2meet.com network at any given time, turning the open lounge into a veritable serendipity machine.

The notion of serendipity is not new to business thinking. The importance of unexpected conversations and knowledge exchange in innovation has been noted in the management literature for many years.<sup>7</sup> What is new is actually building a business – a machine – that systematically facilitates serendipity. This is what Seats2meet.com has achieved. As a user at Amersfoort railway station makes clear:

*"Every time I'm working at a Seats2meet.com workspace, I end up talking to two or three people with whom I'm going to have some professional engagement in the future. Every time!"*

Serendipity can take many forms. Here are a few examples from the Seats2meet.com ecosphere:



*I'm a web developer. I'm about to start a project for someone who I met over lunch at Seats2meet.com. She's a very successful entrepreneur in hair removal and cosmetics. In my wildest dreams I would not have thought of meeting people like that. Ever!" (web developer, Eindhoven Strijp-S)*

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<sup>7</sup> E.g., Nonaka, Ikujiro (1991) "The Knowledge-Creating Company," *Harvard Business Review*, 69, November–December, pp. 96–104, and Lester, Richard Keith, and Piore, Michael J. (2004) *Innovation: The Missing Dimension*, Boston: Harvard University Press.



*“One day I’d just popped in for 15 minutes, in between two trains, when someone asked me if we could do a quick interview for a piece of research he was doing. We started talking, and it turned out that we both had entered a competition for a scholarship at Holland’s top business school. A few weeks later, we found out that both of us had become finalists. Neither of us got the scholarship. However, today we’re sharing an office and do projects together.”  
(social entrepreneur, Utrecht railway station)*



*“Last week, I was interviewed by the country’s biggest free newspaper, the one everyone reads on the train. They recently did a piece about Business Centre’s new flex work locations. So one of our users called them and said, ‘Look, if you want to do a piece on great coworking locations, you have to talk to Seats2meet.com.’ So that’s how we got this article in the newspaper. I didn’t have to do anything for that.”  
(Marloes, location manager Utrecht railway station)*

These are a few fairly straightforward cases of serendipity. Most of the time, however, the value unexpected encounters create tends not to be measurable right away in exact terms. Obviously, serendipity is no guarantee of successful acquisition. It might not even generate any direct revenue at all. It might simply open your mind to entirely new ventures. And that’s what people value about Seats2meet.com. “I don’t come here to get business, I come here because of the inspiring atmosphere” is something we heard people say time and time again in our interviews. What you give could come back to you without you even noticing. Or it could take the long way around. Again, that’s the nature of asynchronous reciprocity. Elise from Amersfoort says:

*“I got an email last week, a job offer from someone I didn’t know, that was based on a recommendation from a neighbor of someone who I once – really, only once – met here at Seats2meet.com.”*

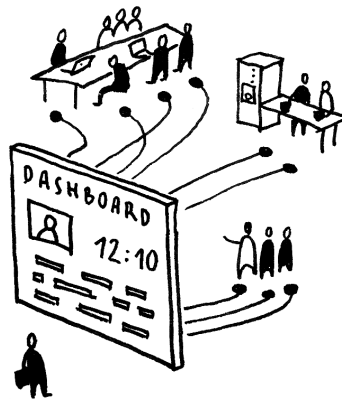
The atmosphere at Seats2meet.com really does seem to be charged with unexpected encounters and the value they generate. We must be absolutely clear about something: it would be a fatal mistake to understand serendipity in terms of a “soft” factor. In Seats2meet.com’s business model, serendipity is as hard a factor as they get. And it will have to be one for every organization serious about building a business

that can sustainably rely on human knowledge and creativity as sources of value. One successful consultant and Seats2meet.com power user explains how Seats2meet.com's serendipity machine supports his business:

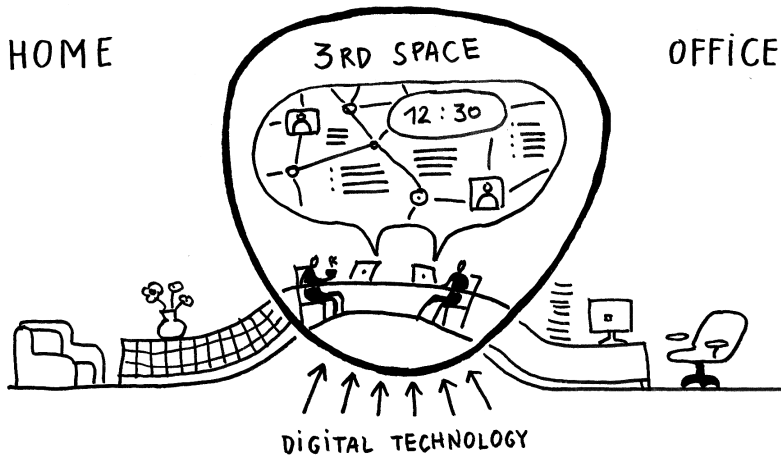
*"Through the Seats2meet.com network, I'm able to organize a project by bringing people together whose quality is a thousand times better than the ones I worked with in [a] big consultancy. For me, this is incredibly valuable. I'll never go back, that's for sure."*

By reinventing social capital as the currency of network culture and fusing it with the technology of serendipity, Seats2meet.com has created a serendipity machine that increasingly looks like an appropriate platform for value creation in a network economy. It seems to have effectively put into practice something academics have been feverishly looking for for the last two decades. And the key to it all is serendipity. Marloes from the Seats2meet.com flagship location sums it up beautifully:

*"The great thing about serendipity at Seats2meet.com is that you sometimes find what you weren't even looking for, and then it suddenly hits you in a flash!"*



# Experiences in the Third Space: The Future of Prosumption



About a decade ago, American business guru Joe Pine coauthored *The Experience Economy*, a book that transformed everyone's understanding of the economy by showing that successful businesses were no longer primarily creating products and services but experiences.<sup>8</sup> In his latest book, *Infinite Possibility*, Pine argues that in the digital age, creating experiences is increasingly about reaching what he calls a "third space."<sup>9</sup> A third space is what emerges when digital technology fuses the real and the virtual in such a way that an unprecedented customer experience is created. Third spaces arise at the digital frontier, where technology enables the imagination to create new worlds by bringing together reality and virtuality. Pine's objective is to push companies to realize the infinite possibilities that might be waiting for them beyond the digital frontier.

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8 Pine, B. Joseph, and Gilmore, James H. (1999) *The Experience Economy*, Boston: Harvard Business School Press, 1999.

9 Pine, B. Joseph, and Korn, Kim C. (2011) *Infinite Possibility: Creating Customer Value on the Digital Frontier*. San Francisco: Berret-Koehler Publishers.

Joe Pine's thinking has an enormous resonance at Seats2meet.com. "You know," community manager Vincent explains, "what Joe Pine talks about in terms of the third space is exactly what we're trying to create for our customers and users. It's a process of constantly reimagining the perfect interface between physical space and the virtual world for our users of the workspaces and our users of the meeting rooms."

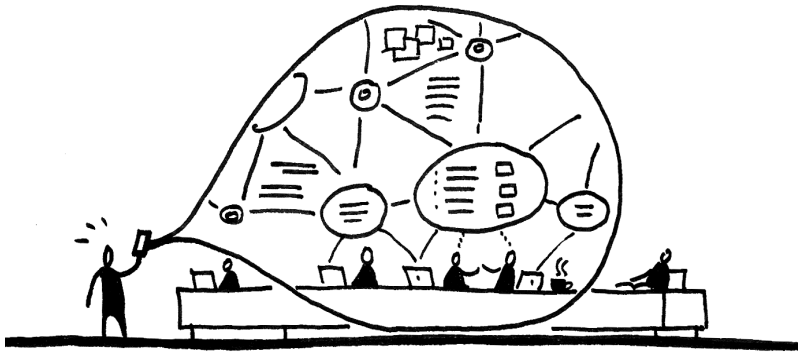
The reason Pine has such a strong following at Seats2meet.com is that the company sees its business as a practical evolution of what the American urbanist Ray Oldenburg calls a "third place": a location that has elements of both home and the workplace.<sup>10</sup> Of course, Seats2meet.com does offer spaces that combine the disciplined atmosphere of the workplace with the laid-back feel of home. However, digital technology and social media permeate this third place to the extent that it is lifted out of the purely physical dimension of place. The third place becomes a third space.

In reality, this means that, among other things, as soon as one enters a Seats2meet.com workspace, one is able to see the skills and competencies of everyone present at the push of a button. This effect clearly creates a third space in Joe Pine's sense, because it layers the workspace with a virtual dimension of possible encounters, of serendipity. Very soon, this third space is set to deepen even more: the dashboard screen that visualizes the skill cloud is being turned into an augmented reality app using GPS. So, by walking through a Seats2meet.com location with a smartphone or Google Glass, a user will be able to identify the skills of each and every person at a glance. In spring 2013, Seats2meet.com will launch a digital platform where users can offer their skills for training purposes, organize training events, and form teams of professionals matching the specific requirements of particular projects.

Another dimension has been added to Seats2meet.com's third space with the integration of meeting software developed by the Finnish company Meetin.gs. The application supports real-world meetings by creating virtual gathering spaces to facilitate numerous aspects of individual meetings, from the planning phase to the sharing of documents and the dissemination of minutes.

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10 Oldenburg, Ray (1999) *The Great Good Place: Cafes, Coffee Shops, Bookstores, Bars, Hair Salons, and Other Hangouts at the Heart of the Community*, New York: Paragon House.



## HAND-HELD SERENDIPITY

However, what turns such third-space experiences from neat tricks into elements of a serendipity machine is something Seats2meet.com cannot provide on its own: a culture of openness and sharing that actually lets you walk up to anyone you like and talk to him or her (unless, of course, there is a deadline to be met, in which case you use Twitter to arrange a meeting at a later time). Seats2meet.com is a thoroughly co-created third space, where the “consumers” are simultaneously “producers.” There is a constant “prosumption” feedback loop keeping the third space dynamic.

The genesis of the dashboard screen is actually a good case in point. It only came into being because at a certain point in 2011, users started to complain about the number of people in the workspace at Seats2meet.com’s flagship location at Utrecht railway station. The company had become too successful; there were so many users that it had become virtually impossible to get any work done. At one point, staff were dealing with an influx of more than 150 people a day. This also made it hard to keep track of who was present, so that facilitating serendipity became difficult.

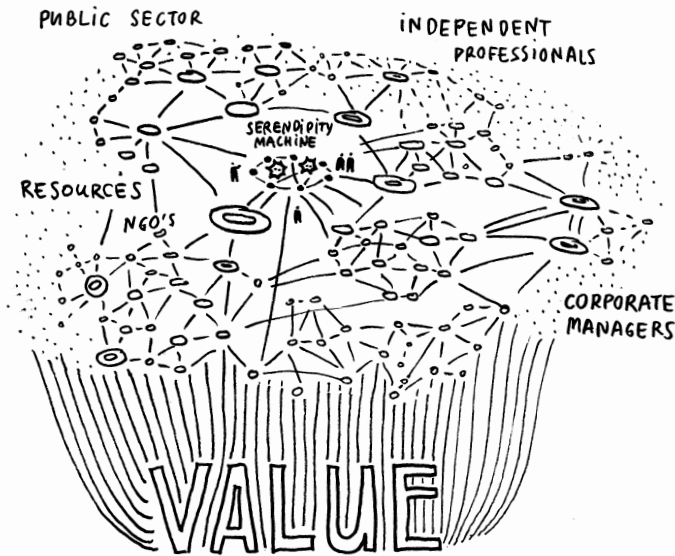
Seats2meet.com responded by asking people to register and reserve seats before entering the workspace. There’s still no financial transaction involved, but the system is a great way of reminding people to pay with social capital. And most importantly, it tells them which Seats2meet.com locations have workspaces available (and meeting and office spaces, of course). The company then designed



the dashboard interface and hooked it up to the booking system. Now, everyone who enters a Seats2meet.com location has been booked in beforehand and appears on the dashboard. So user numbers can be limited and the work atmosphere stays great. People who show up without booking are allowed in but reminded to register first next time.

For Seats2meet.com's prosumers, the opportunity to pay by nonfinancial means is, of course, a great advantage. Conversely, since there's no financial barrier, the space never closes itself off to the influx of new skills and capabilities. New people come in all the time, keeping Seats2meet.com's "ecosphere" – the mesh – at the cutting edge.

# The Mesh: Turning an Environment into a Sustainable Resource



There can be no doubt that Seats2meet.com's logic of presumption is one of its great attractions. Gerhard Schulze, Joe Pine's sociologist counterpart and the author of *Erlebnisgesellschaft* (*The Experience Society*) has pointed to the fact that today people expect their work environments to provide them with "meaningful experiences."<sup>11</sup> Such experiences provide feelings of belonging and contribution – not necessarily to an organizational structure but to various open value networks. Seats2meet.com has become a platform for new kinds of value networks that together are co-creating a new economic playing field. At Seats2meet.com, they call it "the mesh": a constellation of

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11 Schulze, Gerhard (1992) *Erlebnisgesellschaft: Kultursoziologie der Gegenwart*, Frankfurt/New York: Campus.

networks of professionals forming a dynamic collective intelligence to which everyone contributes meaningfully in his or her own way. The mesh dynamically connects networks, raising their capacity exponentially. This is not your relatively static Facebook or LinkedIn group: people come and go all the time; networks connect, disconnect, and reconnect. Yet the mesh as an ecosphere remains intrinsically stable; it evolves, and this is the condition for its survival.

What Seats2meet.com understands is that the mesh can neither be hired nor turned into a network of regular/traditional paying customers. The mesh is a strange organism that resists transactional relationships precisely because the value it adds is immeasurable. This does not mean the value of the mesh cannot be turned into monetary profit. Of course it can. In fact, the mesh is going to be a necessary condition of future value creation, simply because you need it to obtain a high degree of serendipity as well as passion for your products and services. “Wikinomics,” “we-think” and “collaborative consumption” are all buzzwords that emphasize this fact.<sup>12</sup> However, the authors behind these buzzwords show that in order to reap profits from the mesh, an organization needs to engage with it in a nontransactional way.<sup>13</sup>

Wikipedia describes mesh networks as “systems of nodes where each node must not only capture and disseminate its own data, but also serve as a *relay* for other nodes, that is, it must collaborate to propagate the data in the network.” This is right. In mesh networks, people act as sovereign “nodes,” deciding for themselves whether or not to share information with other networks. Therefore, the networks themselves become extraordinarily dynamic and flow into each other, forming a mesh. This makes it difficult to determine the exact place of value creation within the mesh. It no longer happens between four walls under a single roof in a building with the company’s name on it. The actual site of value creation has, in fact, become a non-

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12 Cf. Leadbeater, Charles (2008) *We-Think: Mass Innovation, Not Mass Production*, London: Profile Books; Tapscott, Don, and Williams, Anthony D. (2007) *Wikinomics: How Mass Collaboration Changes Everything*, New York: Penguin; and Botsman, Rachel, and Rogers, Roo (2010) *What’s Mine Is Yours: How Collaborative Consumption Is Changing the Way We Live*, New York: HarperBusiness.

13 Jeremy Rifkin went as far as suggesting an evolutionary tendency toward the mesh, i.e., what he calls “distributed capitalism” running on the principles of “openness, peering, sharing and acting globally.” See Rifkin, Jeremy (2009) *The Empathic Civilization: The Race to Global Consciousness in a World in Crisis*, Los Angeles: Archer, p. 531.

space, a mesh of distributed relations waiting to be engaged by an organization in order to do what the mesh does best: create value.

The future will belong to organizations that embed themselves within their “own” mesh. You cannot, of course, *own* or *control* a mesh. However, it is possible for an organization to turn itself into a serendipity machine by connecting to and sharing resources with potential stakeholders. This is the way to co-create a mesh, and the only way to construct a resilient guarantor of future value creation. A first step into the mesh for an organization is to have a coherent communication strategy that is in sync with today’s communication culture. As Ronald van den Hoff puts it:

*“An organization should do itself the favor of developing a solid social media strategy. Social media really is key to building a stakeholder network and creating a mesh.”*

It is crucial in this context that at every communication moment – touchpoint, if you will – a stakeholder is immediately and directly linked to the person relevant to his or her request. If the stakeholder has a query about a particular part of a service or product, the connection needs to be to the person responsible for it. This requires dynamic, flexible internal processes and a large degree of operational freedom for the people involved. Says Van den Hoff:

*“At Seats2meet, our process is such that we let stakeholders interact in the mesh without any ‘employee’ involvement, i.e., without having to go through a webcare team, helpdesk, service department or sales desk. Through the network of interpersonal contact, a permanent connectivity comes into being between the organization, its people and its other stakeholders. This is the mesh you’re looking for! The social exchange of information and knowledge leads to collaboration and eventually results in ‘doing business’ with each other in value networks.”*

This is to say that Seats2meet.com facilitates collaboration between its clients without looking for its own immediate financial benefit. What the company gets out of it is a living, thriving mesh – and that’s all the payoff it’s looking for. There are challenges, though. One of them has to do with attribution. For “customers,” it isn’t always clear who bears final responsibility for things, and for mesh members, it isn’t always clear how revenues will be shared or copyright issues dealt with. Seats2meet.com appears to be dealing with this issue

with pragmatism and fairness, to the general satisfaction of parties involved.<sup>14</sup> In the long run, however, a new legal framework for mesh constellations will be needed. This legal framework will have to address occasional, informal formations typical within the mesh and provide transparency for all stakeholders, including the final client.

An organization that succeeds in getting a serendipity machine operational within its “own” mesh will be able to valorize the infinite potential of a highly resilient source of value. It will be able to work with and in the interest of stakeholders to create products or services of great value. Eventually, such businesses will grow to become “real-time companies”<sup>15</sup>: network organizations with permanently connected stakeholders in which informal and formal relationships flourish and complement each other. The Internet and other technologies are turning into the backbone of the mesh, facilitating the collaboration process and the creation of value.

However, technology is only the infrastructural facilitator. What is important here is that those who connect to the mesh feel at home – comfortable in the digital or physical presence of the other “swarmers” in the mesh. This is possible at *Seats2meet.com* because at its third-space locations, the mesh constantly materializes and shows itself:

*“With Seats2meet.com, there’s a place you feel you can always go to. It’s like a creative safe place.”* (user, Utrecht CS)

However, the materialization of a mesh does not have to happen in such a literal, physical way. As I have said above with reference to Schulze, feeling at home can also mean contributing to open value networks, adding something to a process that is also meaningful to oneself. The meaningful experience that gives rise to social capital and the value it generates does not necessarily require continuous physical presence. The crucial condition for a functioning mesh is authenticity, making it hard to achieve for corporations. Only if the sense of belonging and contributing is genuine will the third space emerge where co-consumers are happy to be co-producers as well.

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14 Which is to say that we encountered no complaints about it during our research.

15 This is what Ronald van den Hoff called them in one of our interviews.

# Revolution in the Third Space: The Digital Bohemians



## PARIS 1960's

Another version of the third space exists, invented by the Situationist art movement of the 1960s.<sup>16</sup> The Situationists looked for third spaces because they were appalled by the way in which industrial capitalism was shaping the urban life of the time – not just in terms of the city's infrastructure but also in terms of its imagination. In their view, the city had turned into a giant factory and had occupied the heads of the city dwellers. For the Situationists, the third space was the space of intervention, a place where people could be shocked into new ways of thinking. It was a space they wanted to create in order to challenge the limitations of both physical space and the concepts and ideas about what might be possible there. For them, it was a place of playful experimentation with the purpose of liberating – if only temporarily – everyday urban life from the colonization of industrial production.

The most important and famous strategy of artistic exploration the Situationists employed was *la dérive*: the practice of drifting aimlessly through the city, subconsciously directed by its aesthetic contours and by unexpected encounters, with the ultimate goal of creating an entirely new and authentic experience.<sup>17</sup> They called this a “possible

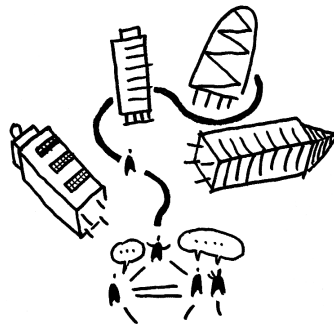
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16 The classic is Lefebvre, Henri (1991) *The Production of Space*, Oxford: Basil Blackwell, originally published 1974.

17 Debord, Guy (1959) “*Theorie of the Dérive*”, republished in Knabb, Ken (ed.) (1981) *Situationist International Anthology*, Berkeley: Bureau of Public Secrets, pp. 62–66

rendezvous,” which undoubtedly was the artistic predecessor of what today we call serendipity.

The Situationists invented their own third space by infusing physical presence with so much subversive energy that it became malleable, if only in the imagination. Their radical art projects made space and imagination collide in such a way that third spaces emerged that were laden with possibilities for creativity that transcended the physical and landscape of industrialism. As Guy Debord, the movement’s most prominent figure, put it, “The goal of the Situationists is the immediate participation in a passionate abundance of life by means of deliberately arranged variations of ephemeral moments.”<sup>18</sup>



### CAPITALISM 2010's

Many of today’s independent professionals find themselves in a situation that is somewhat analogous to that of the Situationists, drifting through the ruins of the old economy in search of a possible rendezvous with their own professional future. German business hipsters Holm Friebe and Sacha Lobo have baptized them “digital bohemians:”<sup>19</sup> a new generation of independent professionals who reject corporate hierarchy because they believe it strangles their creative capabilities. Instead, they are embracing the new technocultural possibilities. Today, the infrastructural challenge of becoming an entrepreneur can in most cases be solved by buying a laptop. The Internet takes care of logistics. Communication takes

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18 Debord, Guy (1958) “Theses on the Cultural Revolution,” republished in Knabb, Ken (ed.) (1981) *Situationist International Anthology*, Berkeley: Bureau of Public Secrets, p. 53.

19 Friebe, Holm, and Lobo, Sascha (2006) *Wir nennen es Arbeit: die Digitale Bohème oder: Intelligentes Leben jenseits der Festanstellung*, Munich: Heyne.

place via Skype, VoIP, Twitter, Facebook, LinkedIn and so on. Still, the situation for most independent professionals remains precarious. Making a living does not always come with the lightness of an art project. Valuable connections that can place you inside a third space of innovation are sometimes hard to find; often, anxiety and despair are much easier to get hold of.

This is exactly where Seats2meet.com makes a difference. By inviting the growing network of independent professionals into its serendipity machine, Seats2meet.com has opened itself to the influence of the most innovative minds in today's workforce. It has created an environment that effectively combats precarity by granting professionals the kind of third space where the Situationists' "possible rendezvous" is transformed into a high level of serendipity. At Seats2meet.com, this means the increased likelihood of an encounter that will add value to a user's entrepreneurial activity, thus transforming the individual into a superior professional.

Seats2meet.com has built a serendipity machine starting "from the principle that each individual should have the basic right to develop and utilize his or her creative talents fully – in ways that generate a livelihood for the individual and foster productivity for a society as a whole."<sup>20</sup> The quote fits Seats2meet.com like a glove. However, its author, Richard Florida, the American guru of the "creative class," wrote it as part of a demand for a new social contract. The problem today is that there is neither a traditional social movement powerful enough to demand such a new contract nor a political elite competent enough to sign it.

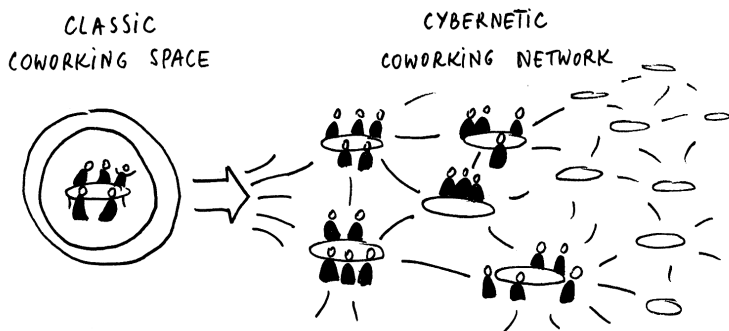
However, a creative revolution is on its way, driven by the so-called digital bohemians. Seats2meet.com has created a business model that is able to accommodate these digital bohemians and their creative revolution. It provides a platform for the "homeless" entrepreneurs of the future to unleash their creative powers. By co-creating the infrastructure today's creative revolution needs in order to crystallize, Seats2meet.com has projected itself into the future of capitalism. Creative revolution has become the company's business.

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20 Florida, Richard (2010) *The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity*, New York: HarperCollins, p. 184.



# Cybernetic Coworking: The Next Generation



Since the beginning of the millennium, digital bohemians have increasingly been flocking to so-called coworking spaces. Coworking spaces offer desks to rent on flexible terms, usually in an open space with an explicitly relaxed and informal work atmosphere. Some people call them “un-offices.”<sup>21</sup> The first coworking spaces popped up in big US cities like New York and San Francisco and in Silicon Valley, and later they appeared in Europe as well. Today, coworking is a global phenomenon that gives independent professionals the chance to escape the isolation of their home offices, sidestep noisy coffeshops and avoid paying high office rents.

The people who decide to open coworking spaces are not run-of-the-mill entrepreneurs. They tend to be driven by the idea that their coworking space makes a valuable contribution to an emerging new and better world of work. Often, they see themselves as social entrepreneurs for whom assisting the entrepreneurs of tomorrow is at least as important as financially succeeding as entrepreneurs themselves.

Coworking entrepreneurs are value-driven. Some of their most important values are openness, accessibility and sharing. These are

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21 DeGuzman, Genevieve, and Tang, Andrew (2011) *Working in the UnOffice: A Guide to Co-Working for Indie Workers, Small Businesses, and Nonprofits*, Night Owls Press.

perhaps the most important principles distinguishing coworking spaces from traditional office environments. These entrepreneurs work to build spaces that truly live up to these values. One of the things that make it difficult for coworking entrepreneurs to be as open as they might be is the fact that they have to charge fees for their desks. This, of course, introduces a financial barrier, though it is still lower (often much lower) than the cost of rent in a business center. Coworking spaces usually offer flexible membership rates that allow users to rent desks on a daily, weekly or monthly basis. While this is great for creating a somewhat flexible community around a given space, it also limits the size and openness of the network. The level of serendipity a coworking space can achieve is constrained by its number of actual members. The membership model creates a natural barrier, turning a potentially open network into an internal and therefore somewhat closed community. Through the membership model, coworking spaces even run the risk of creating relatively exclusive community islands that, instead of exploiting their shared serendipity, weaken each other through unnecessary network competition.

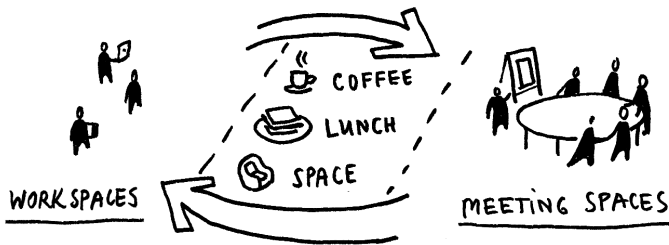
Seats2meet.com's hybrid model combining the commercial exploitation of meeting spaces with "free" workspaces paid for with social capital offers a way out of this dilemma. Today, there are more than 70 Seats2meet.com locations in the Netherlands alone, and locations in other countries are in the process of being set up. All of them are connected through the company's digital network. Each user is connected to every other user within the Seats2meet.com ecosphere. Everyone present at a Seats2meet.com location is automatically signed in, and his or her name and skills appear on the dashboard. Workspace users can search in the skill cloud before booking a workspace for the day. At each location, there is a dashboard screen visualizing the set of skills and expertise present at any given time.

Seats2meet.com's network is emphatically open because the currency of social capital this approach to coworking uses is also the currency of the social network itself. In this model, coworking becomes much more sustainable, because the continuity of the social capital flow is guaranteed. Transactional logic, i.e., the logic of scarcity, cannot spoil the principle of abundance on which social networks operate. And this is exactly why Seats2meet.com is able to maximize its level of serendipity. Social capital keeps the network systematically open while smart digital networking tools push coworking onto the

next level: from an intimate community of members to a cybernetic community of networked serendipity.

The hybrid business model adds another great advantage to coworking: an effective interface with the traditional corporate world. Although digital bohemians enjoy the company of like-minded professionals, they also need to make money. Hence, it is not effective for them to limit their network to entrepreneurs like themselves. They need connections to bigger business as well if they are to survive. Seats2meet.com has this interface built into its business model, Ronald van den Hoff explains:

*“We try everything we can to facilitate the connection between the independent professionals in the workspaces and the commercial [users] in the meeting spaces that are often more traditional business. One thing we’ve done from the beginning is not to serve coffee in the meeting spaces. This means that each time someone wants to have a cup of coffee, they need to go into the workspace to get it. And this is when your unexpected conversation happens.”*



## CONNECTING DIFFERENT WORLDS

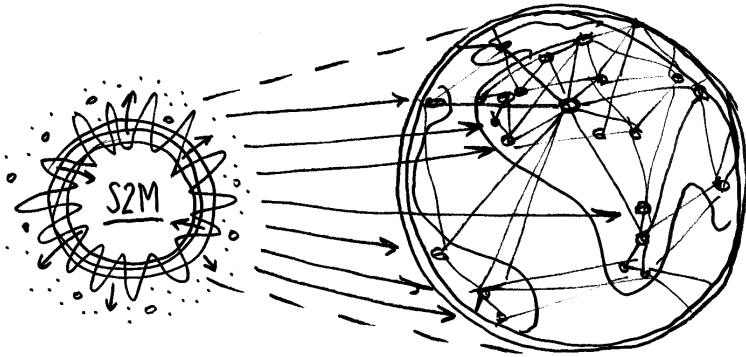
Lunch is also served to all workspace and meeting space users at the same time. A shared buffet is available at every Seats2meet.com location. Some locations even have large tables where everyone can sit together. One of the users we talked to actually referred to “the acquisition zone around the lunch buffet.” A young entrepreneur reports how this works:

*“At the lunch buffet I overheard a conversation. I think they had just come out of a meeting... They were talking about a communication job. So I introduced my partner and myself to them. We didn’t get the job, but they invited us for a brainstorm[ing session] on a different project. We were able to give them a fresh perspective. We really surprised them – I mean, positively. So they sent us through to one of their partners, and there we landed a nice contract.” (user, Eindhoven Strijp-S)*

Seats2meet.com’s entrepreneurs use its particular spatial setup to create interfaces that facilitate connections even more. In Eindhoven, for instance, they’ve created a “central square” where they’re experimenting with various triggers to make connections happen. What is crucial here is not to try to force it. Felix, who runs Seats2meet.com in The Hague, puts it this way: “You cannot draw a direct line between coworkers and [meeting space] bookers. However, there are touching points in the logic of coworking and meeting, and these you need to trigger and facilitate.” Triggering and facilitating are all that is necessary, and they can be done on a day-to-day basis. Of course, there are also Seats2meet.com networking events and the like, which help to bridge the gap between the old and new worlds. These work better on the Seats2meet.com platform, precisely because the casual interface has already helped to remove some of the psychological barriers.

None of this is meant to suggest that traditional coworking spaces cannot be great places. Rather, it is meant as an invitation. Many coworking spaces have joined the Seats2meet.com network without losing their strong individual identities. Some, like Meet & Discover in Amersfoort, are more arts-oriented; others, like BounceSpace in Amsterdam, cater to software developers. The District in Cairo is also linked to Seats2meet.com, and there’s even a location in Uganda. Other coworking sites can simply join the network, use the reservation software, and get operational knowledge at no initial cost at all.

# Fanchise: Scaling the Future of Work



Can the creative revolution be franchised? Yes, but not with a traditional franchise model. Formally, a franchise works as follows: the franchisee pays a royalty to the franchisor for the use of a business model. The franchise license usually involves a high degree of standardization with regard to the “hardware” of the franchised outlets, ensuring a high degree of comparability of customer experience. That’s why Seats2meet.com engages in *fanchise* rather than franchise. Fanchise basically means franchise-as-sharing. The “fan” in franchise refers to someone who believes in this new way of doing business, someone who is eager to build his or her own serendipity machine and link in to the Seats2meet.com ecosphere. In Seats2meet.com’s franchise model, three conditions are crucial:

- 1. There are no franchise fees.**
- 2. Each partner has complete control of his or her location’s design (the “hardware”).**
- 3. The DNA of Seats2meet.com is hardwired into the software.**

Let's look at these principles in more detail.

**1. Free or fee?** Instead of a traditional license agreement, Seats2meet.com uses a “rights and responsibilities” agreement that does not involve royalties in the traditional sense. Any entrepreneur who wants to join the creative revolution can jump onto the Seats2meet.com bandwagon at no initial cost. He or she gets the booking system, including the social networking tools, for free. The only revenue flow Seats2meet.com receives from its franchise partners is a transactional fee per seat booked through the system. This fee is charged only for the commercially bookable seats – the workspace seats remain free of charge. As a recent Seats2meet.com franchise partner puts it:

*“Being part of Seats2meet.com becomes a cost factor only when your location starts to be financially successful.”*

The reason Seats2meet.com has adopted this democratic franchise model is absolutely coherent with its business philosophy: a bigger Seats2meet.com ecosphere means a more extended network, which, in turn, increases serendipity and hence the value users get out of it. As the number of Seats2meet.com locations grows, the skill clouds on the dashboard become denser, making it even more expedient (and, of course, fun) to jump from location to location. And that makes the network even more dynamic. In this open approach to franchising, Seats2meet.com has once again linked its efforts to increase its revenues to its efforts to increase the value of the social network.

**2. The hardware.** Seats2meet.com deviates from another principle of traditional franchising models as well: it doesn't pay too much attention to “hardware.” That is, the company leaves it to the wisdom of each individual entrepreneur to design the Seats2meet.com that will best fit his or her own local context. As Ronald van den Hoff puts it:

*“The most important thing is that we don't have fees [or] tell you what chairs you have to use and where to buy them, what color your walls should be, what your house style should look like, what your reception should look like, what your employees should look like and how they should be dressed.”*

Seats2meet.com leaves these “hardware” factors to the local operators, but that's not because it doesn't care about them. It's because it

understands that openness within a networked economy means respecting the values of different network cultures. The advantage of this unorthodox approach is a high degree of flexibility. Elise, who runs Meet & Discover in Amersfoort (“inspired by Seats2meet.com”) came up with this analogy: “Seats2meet.com is like a Barbapapa – it can take any shape or form you desire!” Of course, Seats2meet.com has a lot to offer in terms of knowledge and experience when it comes to designing and running a location. Nonetheless, every entrepreneur is free to appropriate the model in such a way that the location truly becomes a third space of his or her own.

This approach has led to enormous growth in the Seats2meet.com ecosphere. Within a period of three years, the number of locations increased from two to more than 70. The upward trend is continuing, and the ecosphere has grown far beyond the Dutch borders. As we write, Seats2meet.com locations are being planned and prepared to go live in places as diverse as the United States, Japan and Finland. In the context of such global expansion, an even higher degree of flexibility is necessary, says Seats2meet.com’s Vincent:

*“We’re talking to a number of parties in Japan. How could I tell a potential location manager in Japan that he’s not suitable for Seats2meet.com because he might be, in my opinion, too stiff or whatever, while the entire community of Japanese can’t stop cheering because they find him such a fantastic guy? How could I do that? I obviously don’t understand their culture, so it has to be up to them.”*

**3. Hardwired DNA.** This situation raises the question: How can Seats2meet.com ensure its standards are met at all? The answer is that there are no standards, only values. This is an important difference, as values resist standardization. Seats2meet.com runs a web shop offering furniture, design objects in the house style, selected wines, clothing and other lifestyle items. However, these are entirely optional for operators. What’s important for Seats2meet.com is that local operators are able to connect to more and more platforms that are able to carry local networks by engaging them in the exchange of social capital and the creation of serendipity. And Seats2meet.com has managed to encode this value in its software system by hardwiring a number of conditions.

One of those conditions is the percentage of seats each location offers in exchange for social capital. To ensure the quality of the

location, a review system grants the local community an opportunity to evaluate the location. Each time a user books a workspace in a given location, s/he receives an automated email afterwards asking for a review of the experience. The review is immediately published on the website and becomes part of the location's review score. The key: *there is no way for the operator to turn the review function off.* This creates a high degree of transparency for both the Seats2meet.com entrepreneurs and the community. If a location falls below a certain threshold, it will have no choice but to either change its ways to keep the community happy or leave the Seats2meet.com ecosphere.

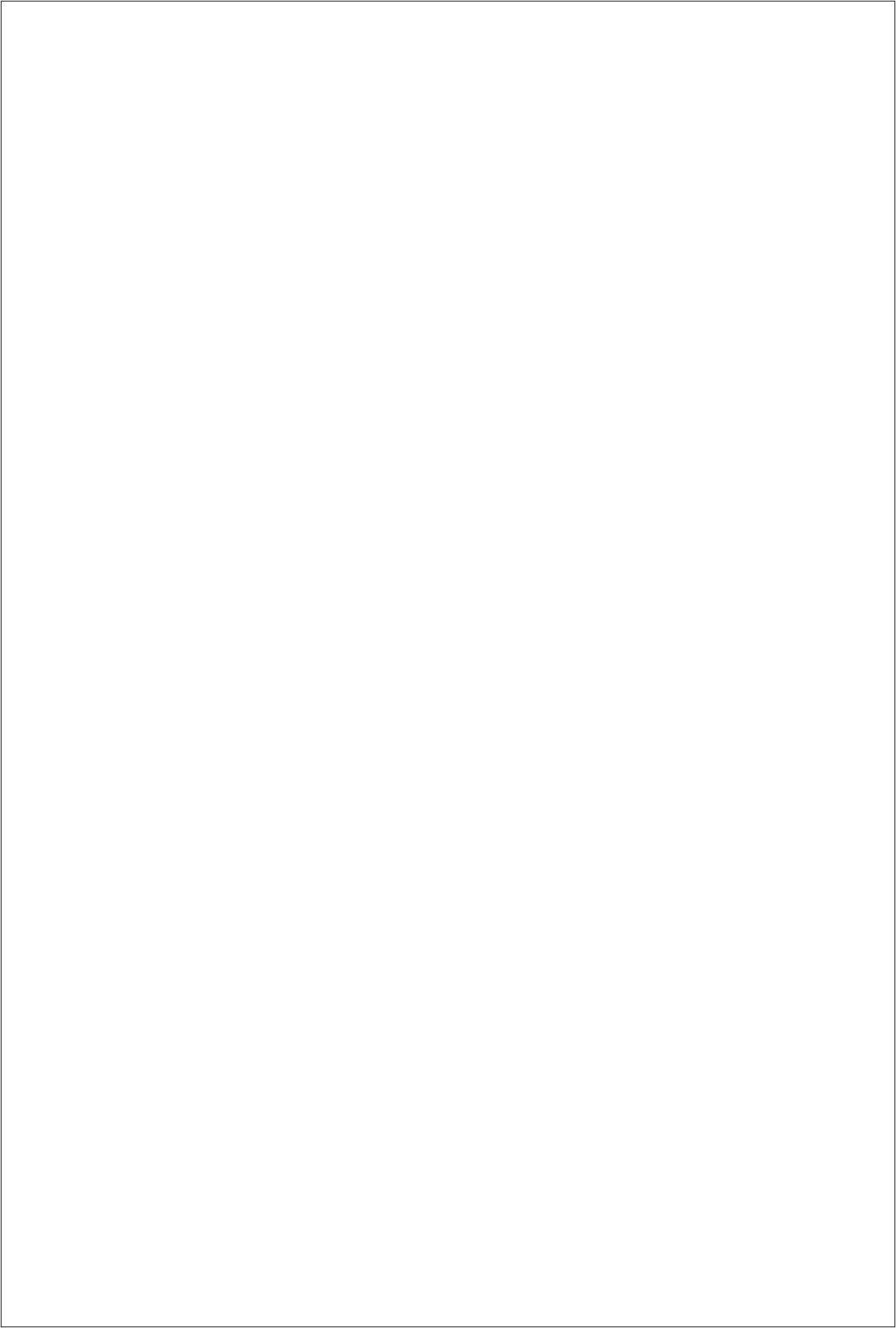
Seats2meet.com is able to hand over its flexible fanchise model to a variety of very different players: enthusiastic startup entrepreneurs and coworking spaces but also corporate players. Since 2011, the retail department of the Dutch national railway company, NS, has been a Seats2meet.com licensee. One of the reasons it became a partner was the approachability of Seats2meet.com. The project leader reports:

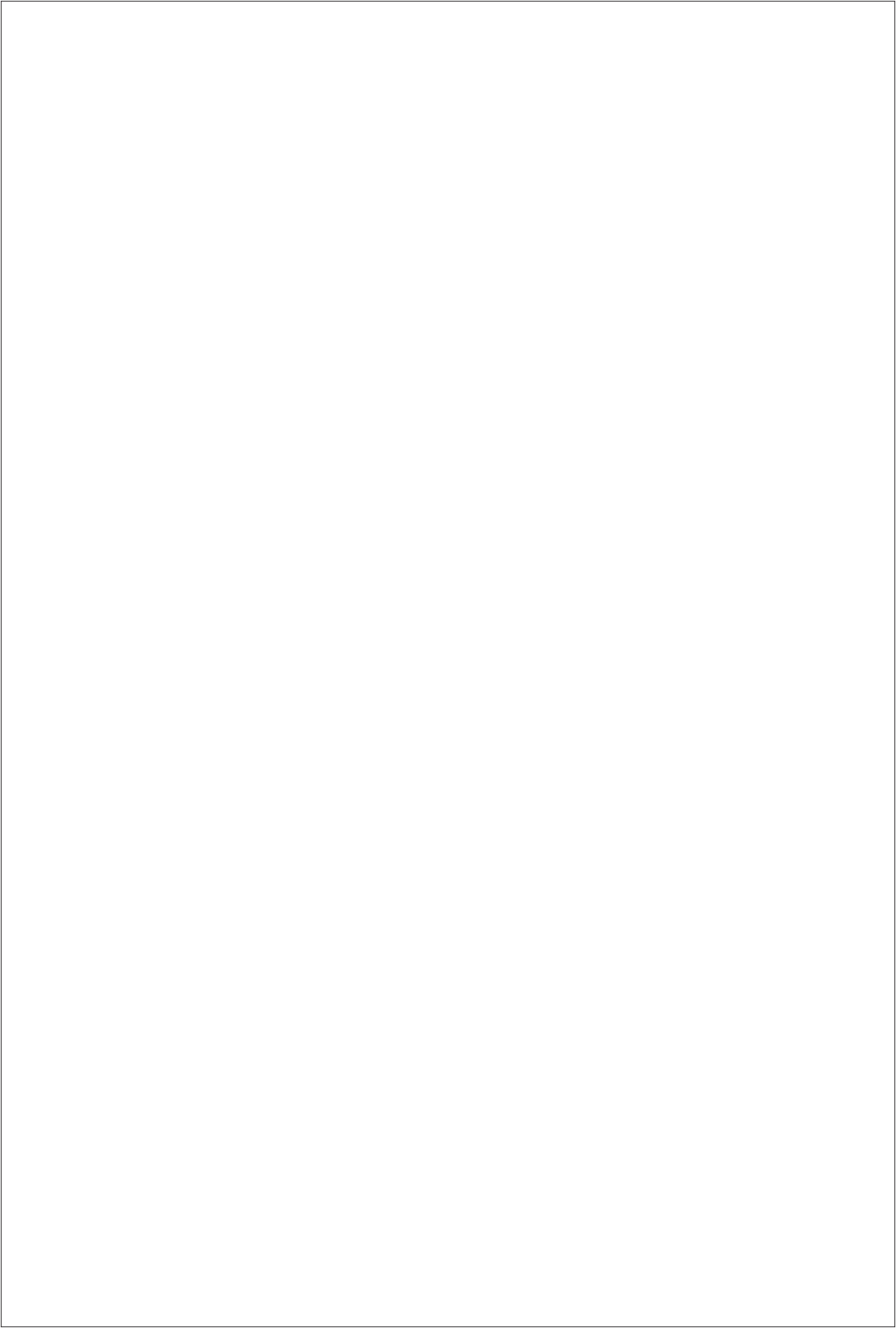
*"I think it took no more than two days from first Googling them to sitting in a meeting with Ronald. They are amazingly approachable. All it took was a phone call."*

Today, the Dutch railways run three locations and are planning to add more. Of course, for a corporation like NS, implementing Seats2meet.com's values remains a challenge. Extending hospitality to everyone who enters your location because "every user brings something whether or not they are paying customers" is not a behavior that is intrinsic to corporate culture. However, Seats2meet.com's fanchise model has enabled NS to grow into it and "turn it into our space." And it seems to have worked, according to the project leader:

*"Seats2meet.com just fit perfectly with our aspirations, our big topics like combining travel and work time, flexibility and sustainability. People can just pop in for 15 minutes and then hop on the next train. Since we started, I've become a religious believer in the S2M philosophy. I'm convinced that this is the future of work!"*







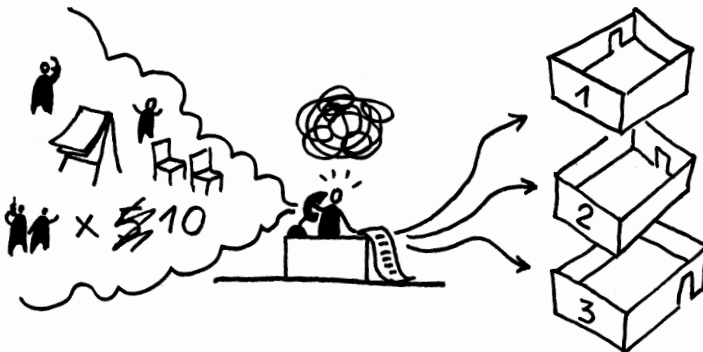
II. Open Social Innovation:  
A Conversation with  
Seats2meet.com Founders  
Mariëlle Sijgers and  
Ronald van den Hoff

## Jumping into the Blue Ocean

**Sebastian:** At the beginning of the book, I say the construction of the serendipity machine started when you put the table into your lounge in Utrecht, inviting the independent professionals into Seats2meet.com. However, I can imagine that the actual process of rethinking your business model must have started well before that. Could you tell us a little bit about that? I think it would be incredibly interesting to see how a fairly traditional meeting-center business got to the point of such radical change.

**Mariëlle:** You're right. The story of Seats2meet actually began in 2001, when Ronald and I became aware of a radically changing market. There were, above all, two signals that the market sent: speed and flexibility. Clients' booking behavior increasingly became spontaneous; there were many more bookings at short notice. Because of that, they also became more volatile, constantly changing their minds about details of their requests up to the last minute. This led to a bottleneck situation with a permanently overloaded booking department who wasted their time changing client requests back and forth (projector/no projector, flip chart/no flip chart, etc.).

**Ronald:** So we started to look beyond our immediate business environment. Remember, these were the early years of the 21st century, the time of "blue ocean" companies such as Dell, Ryanair and EasyJet. The business world began to realize the opportunities the Internet held in terms of creating opportunities for disruptive business models. It took us no time to understand that the Internet



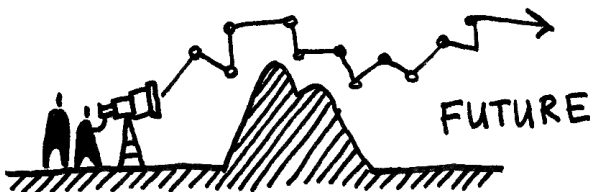
was driving a paradigm shift that would hit the meeting business as well. Of course, we did not want to get hit. We wanted to be in the driver's seat.

**Sebastian:** That's fascinating. The way you reacted to these market signals is what systems theory calls "environment scanning." In systems theory, environment scanning is what "complex adaptive systems" do in order to survive. The first principle of such environment scanning is called nonlinearity. In your case, nonlinearity meant you didn't assume that your company was operating in an environment in which the future would be a linear projection of the past. You realized that the market signaled demands that could only be met by radical transformation.

**Mariëlle:** Exactly. We were the first Dutch hospitality company to hire a webmaster who began to develop web solutions the market didn't yet offer at the time, such as event software and assessment tools. At the same time, we started a number of trial balloons, opening locations on highways and at train stations, playing with more flexible meeting concepts. Unfortunately, that didn't work as well as we'd hoped.

**Ronald:** What we've learned is that if you want to create a new kind of business, you need to do it disruptively, outside the existing structures. For two reasons: first, if you stay within your usual environment, the market isn't going to see what you're doing. Second, a new business requires new people with a new mindset. Even if you're not a big corporation, changing from within is really impossible. You need to bypass yourself if you want to innovate!

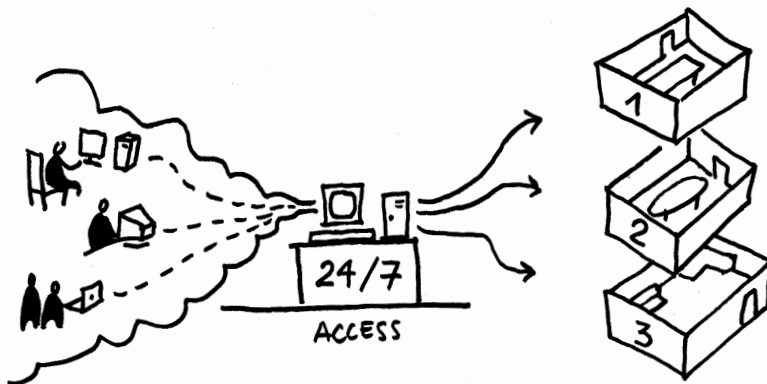
**Sebastian:** So the first Seats2meet.com location was an example of bypassing yourselves.



**Ronald:** Absolutely. We opened in 2005 at a train station in the urban village of Maarsssen in the middle of the Netherlands. This was the disruptive bypass we needed in order to reinvent ourselves. The pilot was an opportunity to optimize our transactional processes and radically improve the clients' experience. After what Joe Pine calls "thinking long and hard about using digital technology to create unique customer value," we created a physical space within which a fully automated, event-driven booking system could be tested. This was our first dive into the "blue ocean," i.e., into a business strategy that created a competition-free market. Only Seats2meet.com clients could have 24-hour access to a booking system that allowed them to flexibly customize their meeting experience themselves. It also gave the company the opportunity to introduce a smart pricing system (best seat price available, etc.), which allowed us to deal with the market's price pressure.

## Reconnecting to the Future: Open Social Innovation

**Sebastian:** So fusing the digital and the real according to the possibilities of Web 1.0 led to a smarter, more flexible and more efficient booking system. It also helped to create a better meeting experience, simply because things were running more smoothly for the client. Which is great, but it doesn't give you a serendipity machine, right?

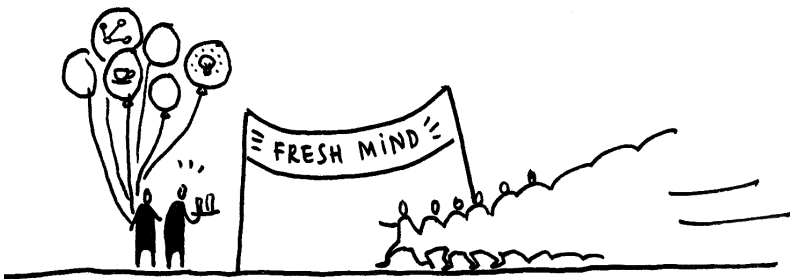


**Mariëlle:** No of course not. What it mainly did was increase our digital effectiveness. We realized very quickly, though, that this had a negative impact with regard to real client contact. Meeting space bookers now pushed the buttons themselves, which meant that we had to do something in order not to lose the social connection with them. The Seats2meet.com pilot needed a strategy allowing us to reconnect – above all, with the management support personnel that had always been our direct social contact to their clients.

**Ronald:** We needed to push the disruption even further. You know, in our business, the mantra was always: don't get involved in the content side of the business. If you're a provider of meeting infrastructure and start to get involved with the content of meetings, then you become the competitor of your own clients. However, in order to get the pilot back on the social track, we did turn ourselves into content providers. We started an event series in our location called Fresh Mind – an event series of social networking opportunities for the management support staff, with whom we felt we were losing touch.

**Mariëlle:** And this was the moment when independent professionals started to show up at these events. Suddenly, there was this new breed of people that nobody had been really aware of before: people who were professionals but not employed by companies. They simply showed up, eventually making up 50 per cent of all participants, because they needed to connect, to present themselves. Fresh Mind gave them a platform to do so.

**Sebastian:** So this is how you became aware of this new breed of professionals.

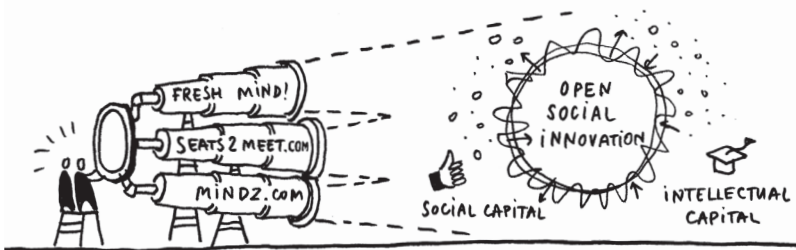


**Mariëlle:** The experience of Fresh Mind gave us the feeling that we were really onto something. So in 2005, we started Mindz.com as an attempt to push Fresh Mind into the virtual dimension. Mindz.com was initially meant to be a platform for professionals that could be used for personal branding as well as connecting to other professionals. You know, back then social media was not as nearly as big as it is today, so we thought Mindz.com might well become the next Facebook. A bit too ambitious, as it turned out!

**Sebastian:** So do you think it was a waste of resources?

**Ronald:** Very much the opposite! We treated Seats2meet.com and Mindz.com as separate brands. I think the reason why the pilot ended up eventually defining a disruptively innovative business model was that we kept both prototypes in the market, resisting the urge to make a strategic decision, leaving it to the users instead. So we had the Seats2meet.com pilot, Mindz.com and Fresh Mind. Taken together, they gave us the feedback we needed to make the pilot a success.

**Sebastian:** That's amazing. So you created a multidimensional environment scanner. Perhaps you've invented a new business strategy there. Something one might call "open social innovation," because it evolves Henry Chesbrough's idea of "open innovation."<sup>22</sup> Open innovation starts from the premise that today's increased market speed makes it less sensible for a company to hold a large pool of accumulated intellectual capital. In an environment where valorizable knowledge expires rather quickly, it's more efficient to connect a core base of intellectual capital to external resources whenever it's deemed



<sup>22</sup> Chesbrough, Henry William (2003) *Open Innovation: The New Imperative for Creating and Profiting from Technology*, Boston: Harvard Business School Press.



necessary. Intellectual capital today has become dissipated, so instead of trying to “know” everything within the firm’s boundaries, it becomes more important to create interfaces to potential partners, invest in promising startups and so on. Of course, this is true. However, open innovation remains a purely transactional strategy. It works through IP licensing, outsourcing of internal projects and so on. What it tends to neglect is the by now rather well-established insight that intellectual capital is always intricately linked with social capital. You understood this intuitively when you began to miss the social interaction with the market. So you might not be aware of it, but you probably invented *open social innovation*.

**Mariëlle:** Interesting point. What we saw in the combination of the different operations was a new way of thinking about work and dealing with each other within a professional context. We didn’t entirely understand it, but we saw it as an enormous business opportunity to look differently at the way people meet each other. So we thought there needed to be a space in the very center of the Netherlands where the followers, the “fans,” of this new way of thinking could come together and inspire each other.

**Sebastian:** And this was when the table appeared in the lounge...

**Ronald and Mariëlle:** Yes.

**Sebastian:** ... and started the invasion of the freelancers.

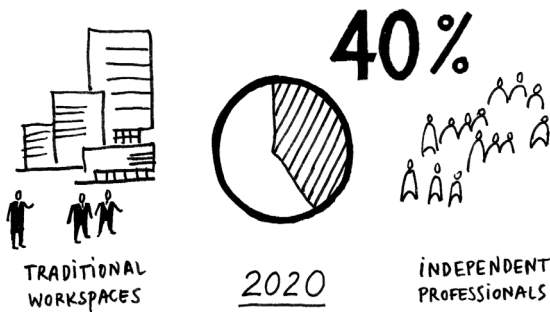
**Ronald:** Well, “invasion” sounds way too negative. No, we were totally delighted that they all came to us. I think you called them “digital bohemians.” Our friend John Moravec calls them “knowmads.” In the



Netherlands, we call them independent professionals. Whatever name we'd like to give them, they're the pillars of what I've called Society 3.0, a society using its social and technological potential to the highest degree possible. In my view, these independent professionals are people who have understood that the industrial ways of organizing no longer work. And they've lost their patience with corporate and public organizations, because they're too slow, too inflexible, too hierarchical – unable to grant them the space they need to unfold their creative professional potential. So they organize themselves independently in social networks, virtual as well as real. They've started to create value in a different way. They don't work according to formal organization structures. They guide themselves. They are themselves. Their power lies in their connections that are able to unleash an enormous amount of energy. They share; they're prepared to do a lot for each other without necessarily expecting monetary rewards.

**Sebastian:** And you can also learn something from them?

**Ronald:** Absolutely. In my experience, organizations have a lot to learn from independent professionals. I agree with the Dutch economist Marcel van Marrewijk, who argues that as societies, we've reached a stage in evolution where we're socially, culturally and technologically ready for a new economic system. He calls it the "interdependent economy".<sup>23</sup> What he means by this is an economy based on *social* values, such as connectivity, sustainability and reciprocity. Among independent professionals, we can observe the emergence of such an interdependent economy. People connect to each other as sovereign



23 Van Marrewijk, M. (2011) *De Cubrix – Zicht op Organisatieontwikkeling en Performanceverbetering*, SU De Ronde Tafel.

stakeholders. They know that in the absence of fixed organizational structures, they need to sustain the network by sustaining each other. So they operate on a value system that is very different from the market, pure and simple. The market is only able to connect through transactions. Among independent professionals, we find an economy that can also express more complex social relations. This is not just theory. I observe this every day in my interaction with these knowmads, digital bohemians and free agents at one of our locations. It's real!

**Mariëlle:** And it's growing. The number of independent professionals is growing fast. In 2002, in the United States alone there were already over 33 million "free agents" – to call them by yet another name – about one in four Americans. In the Netherlands, we see the same picture: over 1 million traditional employees will retire in the coming five years, a process that started in 2010. They'll be replaced by a staggering number of independent professionals. In 2020, we estimate this Dutch group will be larger than 2.5 million people, representing 40 per cent of the total workforce.

## Understanding Value Networks

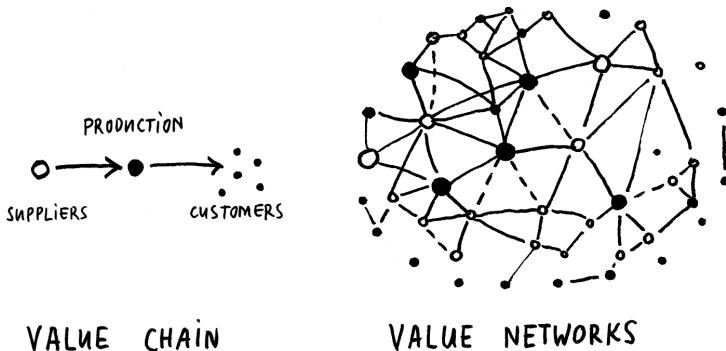
**Sebastian:** Those numbers are really impressive, aren't they? It almost seems insane *not* to believe that this is going to have major repercussions for the way we create value today – in fact, for the very structure of the economic system. I think that organizations are increasingly waking up to the fact that the most valuable resource lies with this fast-growing group of independent professionals. The question is: how do you engage with them as an organization? Obviously, I've tried to give one possible answer: turn your company into a serendipity machine! However, the challenge in this is not just to transform your organization internally but to truly open it up, wouldn't you agree?

**Ronald:** Indeed. The point I really want to drive home here is that if you want to tap into this rich potential as a business, you have to stop thinking in terms of *value chains*. Instead, you need to start thinking in terms of *value networks*, because this is how independent professionals work. Again, this is not just an academic theory but my everyday observation. In a value network, neither the position of nor the connection between network members is fixed. There might be

a few core members – including a potential co-creating client – but these core members are surrounded by occasional collaborators and incidental contributors. The core members often don't know the marginal participants, while the source of knowledge isn't always visible either; it's more of a cloud.

**Mariëlle:** Yes, we like to think of these new forms of collaboration as value networks. They emerge out of what you've described as "the mesh." What's important about value networks is that they're also different from good old teams. In traditional team organizations, the goals are usually clearly defined, as is the path that leads to them, including allocation of tasks and responsibilities. By contrast, value networks are characterized by shared points of view and a path of creation that is co-discovered and co-created in a context of collective responsibility. It's "chaordic." If a value network collaborates with or within a given organization, you would probably find someone facilitating this, but this would be very different from managing.

**Ronald:** And another thing: value networks are open structures – both outwards and inwards. [If] new knowledge and contacts are required, one can make an appeal to the entire outside world. The same goes for capturing and making available the value network's acquired knowledge. The old "team thinking" was great but also limited to keeping this within company walls. Value networks don't have such walls. They only know open connections. This is exactly why they're more appropriate and efficient for value creation. And this is exactly why organizations will have to open up in order to join a value network.

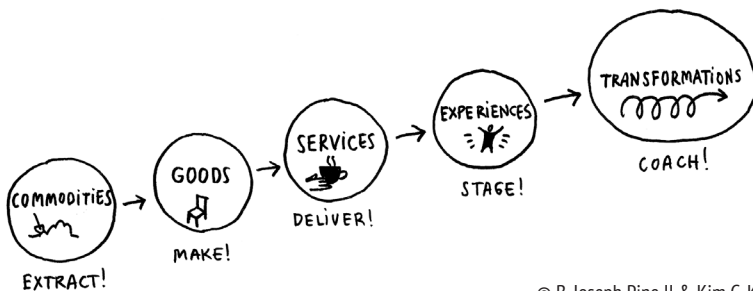


## Taking Prosumption Seriously

**Sebastian:** There's another dimension to this as well, I think. What I mean is prosumption. Of course, this is certainly nothing new, in terms of business publications talking about it, but with you I have the feeling that it's not just a gimmick. You really approach your stakeholders as prosumers, don't you?

**Ronald:** Well, of course. We want to give our stakeholders a real experience – a *transformation*. A transformation is a tailor-made experience with an educational element. In order to do this, we need to engage with our stakeholders permanently. And the only way to do this is treating them not as passive consumers, suppliers or employees but as active prosumers. This means that they're actively engaged in the production process itself. Actually, this has nothing to do with Seats2meet.com per se. It's just what people want today, because they can, and because it makes a lot of sense. They don't want to just give feedback about your products and services. They want to participate. They want to engage with suppliers. They want to co-create customized products and services of impeccable quality. You've seen how we engage all our clients in our day-to-day operations in order to constantly improve the Seats2meet.com experience. We do this because we believe co-creation is the only way to make great experiences happen. For our stakeholders, but also for ourselves.

**Mariëlle:** Transparency, accountability and authenticity are core values if you want to get prosumption right. The Internet helps to make the entire process of value creation more transparent, including the organization's own understanding of social responsibility and the like. Through their social network, prosumers have a whole range of



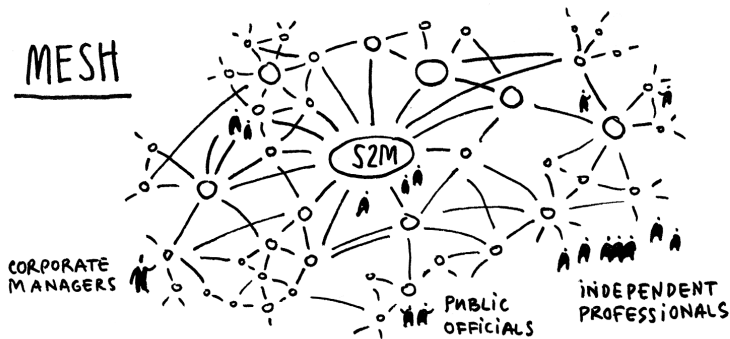
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alternatives to choose from. Prosumers want to choose, can choose and will choose. This means that an organization needs to connect with its clients at an early stage of “production” in order to determine what’s being produced and how. This is social business.

**Ronald:** I’d like to add something to this. What makes the shift toward presumption easier for an organization is that business isn’t about the product itself anymore. Increasingly, products are being packaged in services. Prosumers want to have access to products and services but don’t necessarily have to own them. This is also part of the new value system. Access has become the new owning. Organizations can use this: they connect to their clients by inviting them to improve existing products or invent new ones within the service the organization is offering already. This is how we operate on a daily basis. We’re not afraid of putting out beta versions of products and services. Their perfection is then the business of presumption, of co-creating with our clients, users and everyone else who is in the mesh. In their book *What’s Mine Is Yours*, Botsman and Rogers call this development *collaborative consumption*.<sup>24</sup> I prefer to call it *collaborative presumption*.

**Sebastian:** So value networks plus presumption equals a mesh of stakeholders?

**Ronald:** Yeah, I guess you could say that. The mesh is the network of networks made up of everyone contributing to your organization, from big-time partners to incidental contacts. At Seats2meet.com, our mesh reaches from our regular prosumers and independent professionals –



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24 Botsman, Rachel and Rogers, Roo (2010) *What’s Mine is Yours: The Rise of Collaborative Consumption*, New York, NY: Harper Collins.

who often coincide – to corporate managers and public sector officials whom we help to implement change in their own organization. Although we're merely a medium-size enterprise, there are literally thousands of people and connections we can rely on every day as partners in value creation. Only a very few of them are our employees – who, by the way, are fantastic – but all of them we consider our stakeholders.

**Sebastian:** So the mesh is a non-space?

**Ronald:** What's that supposed to mean?

**Sebastian:** What I mean is that the mesh is not actually physically here unless a concrete connection is made that creates value.

**Ronald:** Of course. But don't forget that the mesh also needs locations in order to materialize. Spaces to meet and collaborate. The office as we know it is a great enemy of serendipity. In fact, the office is dead. The traditional meeting center will follow. We need new physical locations where people can meet, work, exchange information and so on.

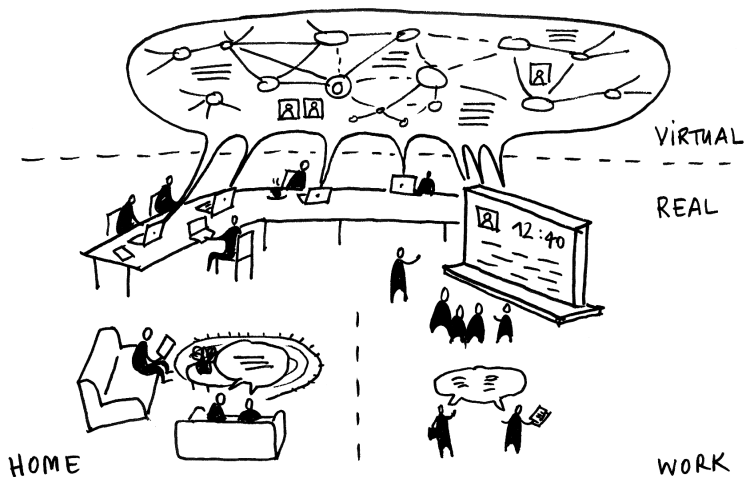
**Sebastian:** What Ray Oldenburg calls the third place.

**Ronald:** To an extent, yes. However, at [Seats2meet.com](http://Seats2meet.com), we've taken the concept of the third place a step further. We're constantly blurring the virtual and the physical until our serendipity machine runs smoothly, turning Oldenburg's third place into its timely version: third space. This enables our stakeholders to collaborate in real time within what I would call social-economic entities, i.e., the value networks within the mesh. This places [Seats2meet.com](http://Seats2meet.com) exactly at the "digital frontier" that Joe Pine and Kim Korn describe in *Infinite Possibility*. [Seats2meet.com](http://Seats2meet.com) is a third space par excellence. In pure business terms, we offer a unique, tailor-made experience in our work and meeting spaces. Because our organization runs on a serendipity machine, there's also an educational dimension to our offering. Paying with social capital and exploiting serendipity are skills one has to learn. To many of our independent professionals, knowmads and digital bohemians, this is not such a big deal. However, I've also seen people experiencing a steep learning curve before they were able to accept the logic of social capital and asynchronous reciprocity. So experiences at [Seats2meet.com](http://Seats2meet.com) locations can be quite transformative.

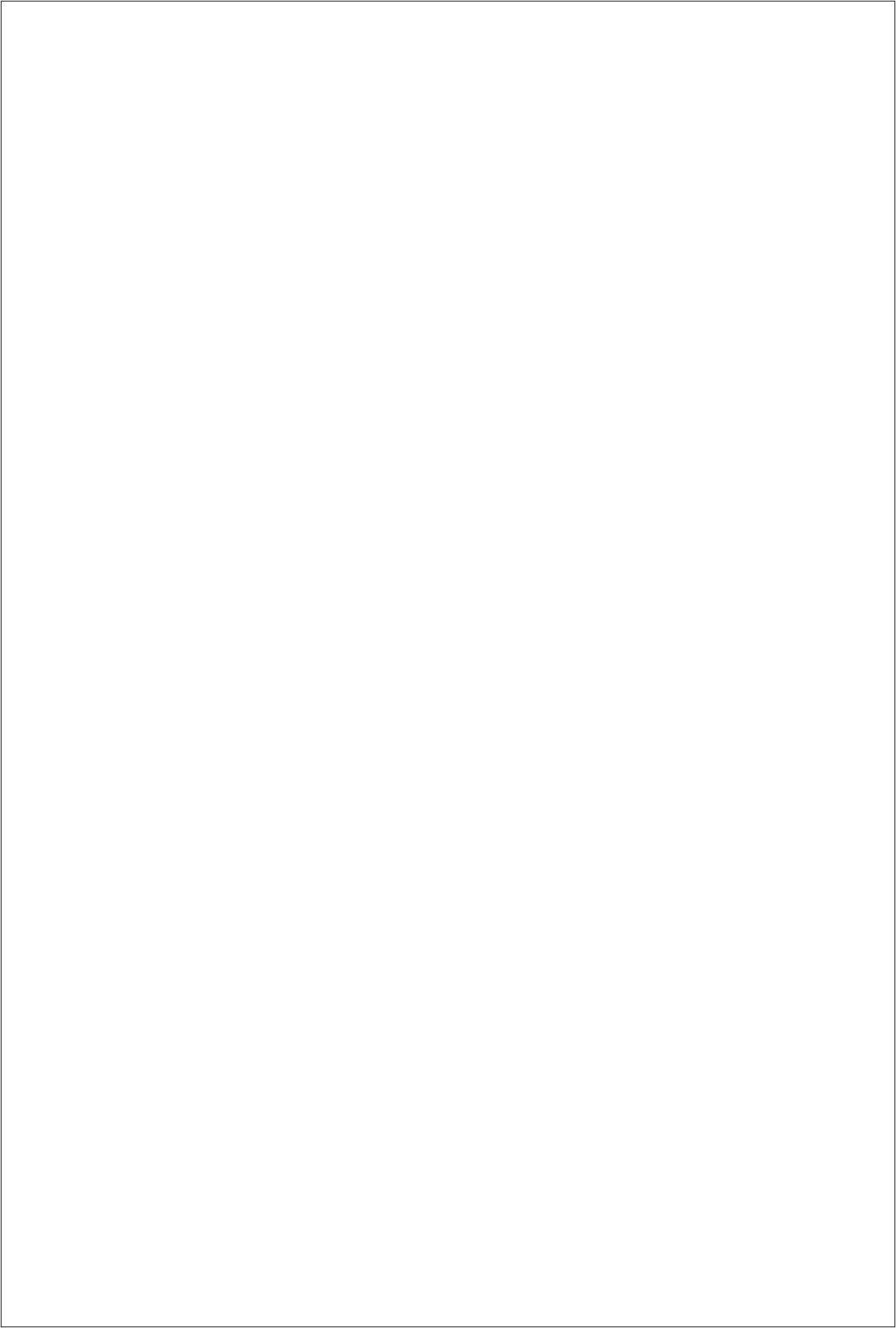
They become transformations. Once again, I'd like to refer to Joe Pine, who described transformations as the future drivers of value creation after the "experience economy." Welcome to the future!

**Mariëlle:** As an organization, we get back a lot. The return is immense. Our stakeholders appreciate our products and services tremendously and help us to position Seats2meet.com within the mesh. They create an enormous flow of buzz on the Web; in the olden days, we used to call this PR. They feed us with tips, reviews, knowledge and their time, which used to be called marketing, and actively promote us throughout their own networks and to corporate and governmental organizations; that used to be called sales. Whenever they have "real business," they book their training and meeting rooms at Seats2meet.com locations without asking for a discount. So at Seats2meet.com we no longer have a PR, sales, or marketing and reservation department. How do you think that works out for our operational costs? And the massive and still-growing number of stakeholders and "fans" who contribute to our commercial activities is staggering.

**Ronald:** What every organization needs to understand today is that working with knowmads, digital bohemians and all these stakeholders is not only a necessity but also rewarding, inspiring and pure fun!







# Afterword: Future Trends According to Seats2meet.com

Thank you for reading this book! We hope it helps you to find your way around the new processes of value creation in Society 3.0.

The challenge we are all facing today is to understand the consequences of future developments and with that knowledge, in co-creation with our stakeholders, optimize and innovate our products and services.

With the insights of today, we at Seats2meet.com are going to keep our focus for the next few years on the following trends:

## **1. Free agents**

The most important value creators in the Interdependent Economy are no longer large organizations but increasingly small to medium-sized networked enterprises consisting of an army of independent professionals, called knowmads<sup>25</sup>, free agents or self-employed professionals. We're talking about a new generation of people who consider virtual social communication a matter of course and for whom sharing is an integral part of their culture. For them, the use of social media is common practice.

In the Western world, the number of these knowmads is growing fast. Every organization that wants to survive in Society 3.0 is forced to collaborate with knowmads in order to adapt to the new processes of value creation. There simply will not be enough regular employees left once today's workforce has retired.

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<sup>25</sup> Moravec, John (2008) "Towards Society 3.0: A New Paradigm for 21st Century Education," Invited Keynote Lecture presented at *ASOMEX Technology Conference: Education for Children of the 21st Century Conference*.

## 2. Sharing

The citizens of Society 3.0 share. 'Access' will be more important to them than 'ownership'. To co-create value they first look for connections to other stakeholders. So as a citizen of Society 3.0: share your knowledge! Share your network! Share your wealth! Share your opportunities! Cooperate! Collaborate! Seek connections and connect to others! This way you will build an enormous amount of social capital. Social capital in turn is a vital social currency you need to get stakeholders to co-create and to achieve shared value.

## 3. Self-organization

The Web connects people. People share. People start to create value using their newly formed social networks. Amazingly people often create value, start organizing stuff in these networks, even in the absence of a monetary system and a formal organization. The more connected individuals become, the more powerful self-organizing groups can become.

## 4. Third SPACE

Today, new forms of value creation often develop in social economic networks that operate simultaneously in reality and virtuality. By blurring physical and virtual products, services and logistic components around (in our case) physical locations, we can create an organization in what Pine and Korn call the third space: "The digital frontier, lying at the intersection of digital technology and offering innovation, beckons companies seeking to create new customer value by mining its rich veins of possibility... But by far the greatest value will come from those innovations that create third spaces that fuse the real and the virtual."<sup>26</sup>

## 5. Progression of economic value

According to Pine & Gilmore the progression of economic value creation has reached a new stage. After delivering "experiences" it is time for "transformations."<sup>27</sup> When you customize an experience to a 'learning' experience, by making it just right for an individual, providing exactly what s/he needs right now, you cannot help changing, transforming that individual. Transformations, a changed

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<sup>26</sup> Pine, B. Joseph, and Korn, Kim C. (2011) *Infinite Possibility: Creating Customer Value on the Digital Frontier*, San Francisco: Berret-Koehler Publishers, p. 5.

<sup>27</sup> Pine, B. Joseph, and Gilmore, James H. (1999) *The Experience Economy*, Boston: Harvard Business School Press, 1999.

person, come about as a result of what the company does. In other words, the customer becomes the product.

These 5 trends will have the following consequences:

- Organizations 'move' from the classic value chain to organic value networks.
- Data sharing and the interconnected (self organized) organizations combined with interconnected equipment & machines lead to Big Data.
- Big Data lead to real time organizations with empowered stakeholders.
- Economic laws and the logic of value creation keep changing.
- Sustainable business models must have a combination of social and monetary capital in order to remain sustainable.
- Products and services are co-created, tailor made experiences with an educational element, leading to transformations.
- To share, organizations can use Google's Max Strategy: once you have developed a product and/or service and the cost of distribution is (almost) zero, drop it everywhere.

If you play it right, stakeholders want to be engaged in your organization.

If you don't play it right, stakeholders will move around your organization and it will loose its right to exist.

To be a leading, innovative organization we are convinced that you have to create a real-time, interconnected, third space organization, operating within its own mesh of value constellations.

We wanted to share with you our experiences of the journey to Society 3.0. It is not an easy journey. We're constantly looking for new innovations and solutions. We're looking for new connections. Looking for new organizational forms with chaordic structures. But it is a journey that is also fulfilling, fun and leading to unexpected interactions with amazing people!

We thank Sebastian Olma and Yulia Kryazheva for their analysis and inspiring story, Joe Pine for his introduction, the production team lead by Elise de Bres, Laura Martz and Ferhaan Kajee for their proofreading and all S2M stakeholders who were so kind to be interviewed and share their experiences and knowledge with us. We are proud to be part of a fast growing network of citizens of Society 3.0, making the world a better place to live, work and play!

**Mariëlle Sijgers**  
**Vincent Ariëns**  
**Ronald van den Hoff**

Utrecht, November 2012



Follow us on twitter!

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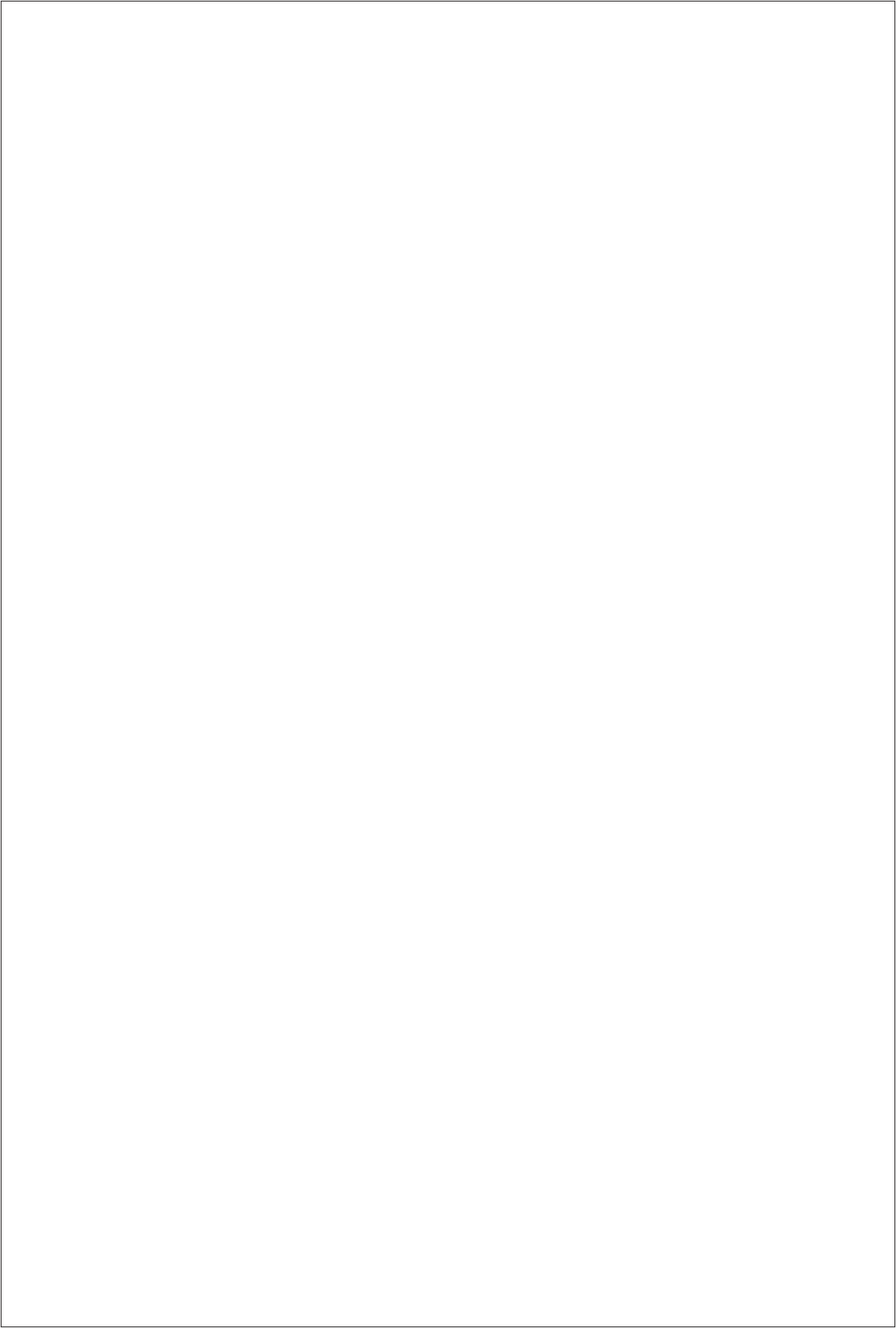


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The notion of serendipity is not new to business thinking. The importance of unexpected conversations and knowledge exchange in innovation has been noted in the management literature for many years. What is new is actually building a business – a machine – that systematically facilitates serendipity. This book presents a disruptive business model that allows you to do exactly that. It is based on a study of Seats2meet.com, the Dutch network of physical coworking, office and meeting spaces.

By reinventing social capital as the currency of network culture and fusing it with the phenomenon of serendipity, Seats2meet.com has created a serendipity machine that increasingly looks like an appropriate platform for value creation in a network economy, fusing traditional monetary capital with social capital. It has effectively put into practice something academics have been feverishly looking for for the last two decades. And the key to it all is serendipity.

Seats2meet.com has created a business model that provides a platform for the digital bohemians, knowmads, free agents, or independent professionals as well as corporate nomads to unleash their creative powers. By co-creating the infrastructure today's creative revolution needs in order to crystallize, Seats2meet.com has projected itself into the future of capitalism. Creative revolution has become the company's business. It can become yours as well!



**Sebastian Olma, PhD**, is an international scholar and expert working at the interface between creativity and economy. Trained as a philosopher as well as an organizational economist, he helps companies and organizations to effectively and sustainably make the most of their innovative potential. He lives in Amsterdam, where he divides his professional time between running his consulting company, The Think Tank ([thethinktank.nl](http://thethinktank.nl)), and codirecting the Creative Industries Research Centre Amsterdam at the University of Amsterdam.

**Yulia Kryazheva** is an architect and researcher, has worked on a diverse range of projects in the areas of architecture and urban renewal, service design and illustration, creative consulting. This practice gave shape to her current professional domain: design thinking & visual communication. From her studio, Yulia Ink ([yulia-ink.com](http://yulia-ink.com)) in Rotterdam, she works for clients all over Europe.

**B. Joseph Pine II** is an internationally acclaimed author, speaker, and management advisor to Fortune 500 companies and entrepreneurial start-ups alike. Mr. Pine co-founded Strategic Horizons LLP, a thinking studio dedicated to helping businesses conceive and design new ways of adding value to their economic offerings. A prolific writer, in 2011 he updated his best-selling *The Experience Economy* (with Jim Gilmore) and co-wrote *Infinite Possibility: Creating Customer Value on the Digital Frontier* (with Kim Korn).

### **Acknowledgments**

*To collect data for our research, we traveled to many of the more than 70 Seats2meet.com locations in the Netherlands in May and June 2012. We would like to take the opportunity to thank everyone who was kind enough to participate in our interviews and share their experience of Seats2meet.com with us – above all, the users of the workspaces, the bookers of the meeting spaces, the Seats2meet.com entrepreneurs and the staff. Thanks to Seats2meet.com community manager Vincent Ariëns for being a great connector! Special thanks go to Ronald van den Hoff and Mariëlle Sijgers for accommodating all our research requests and welcoming us into the Seats2meet.com ecosystem. This was an amazing experience.*

Yulia Kryazheva and Sebastian Olma, July/August 2012

*[Seats2meet.com has] indeed created a serendipity machine. I've experienced it for myself. I encourage you to experience it for yourself, but more importantly to apply its principles and the lessons you will read in this book to your business.*

From the Foreword by B. Joseph Pine II

*We want to share with you our experiences of the journey to Society 3.0. Not an easy journey. Constantly looking for new innovations and solutions. Looking for new connections. Looking for new organizational forms with chaordic structures. New disruptive business models. But a journey which is also fulfilling, fun and leading to unexpected interactions with amazing people: our serendipity machine makes it possible!*

Ronald van den Hoff, author of *Society 3.0*

*Serendipity, the word originally coined by Horace Walpole 250 years ago, is experiencing a renaissance. In the spirit of an old Persian fable "The Three Princes of Serendip" this book describes a new innovation platform, where unexpected encounters, insight and valuable discoveries are supported.*

Ilkka Kakko, Founder and Partner, Karostech Ltd

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