

## Staying in business by sharing costs

# Successful synergies



By Heather Larson

IN ORDER TO SURVIVE in this uncertain economy, small businesses have had to take a closer look at how they do what they do. The traditional way of doing business, with one company in a single space, doesn't always make the most sense financially. Instead, some smaller companies have chosen to share office space, a storefront or even a receptionist to cut costs. Here's a closer look at several companies that have made these collaborations work.

When Costco member OfficeDrop, a digital filing and document scanning company in Cambridge, Massachusetts, leased a fairly large office space, it was with the intent of sharing that space with another business until they had enough of their own employees to fill it.

"We posted on our blog and Twitter that we wanted to sublet and even joked that the arrangement included food and coffee from Costco," says Healy Jones, head of marketing for OfficeDrop. Yamli, an Arabic language processing business, responded first and moved in with OfficeDrop in March 2010. Yamli pays a fixed amount per month for rent, utilities and other costs of doing business, based on the number of employees they have, and then OfficeDrop pays all the bills.

Jones says that Yamli occupies the opposite side of the building, so employees from each company don't interact very much, but

that because both businesses use the same Internet connectivity, if it's not working or has issues, resolving the problem is even more urgent than it would be for a solo business.

As for combining marketing strategies, Jones admits employees from the two com-

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panies often have discussions about that around the refrigerator, but there's no formal partnership.

Two other unlikely collaborators, Raw Talent Guitar, a guitar training software developer and Costco member in Coral Springs, Florida, and the accounting firm of Freund, Katz, Goldston & Young have been successfully sharing an office for two years. It helps that the accountants are rowdy, says

Marc Quadagno, director of media relations for Raw Talent Guitar.

The president of Raw Talent Guitar, Lawrence Fisher, started the accounting firm, (formerly Freund & Fisher, before selling his half) so sharing space was a logical transition.

"We give them a predetermined amount of money for all the expenses, which is about a third, including the receptionist we share," says Quadagno. "Although we have our own computers, we also share their phone lines, Internet connection and fax."

While conflicts could arise between raucous guitar players and accountants, the only real challenge has been that the accounting firm caters to clients who come to their offices, while Raw Talent Guitar's work is more virtual.

"We have to close our doors when we play guitar, and sometimes when we're brainstorming in the conference room they ask us to leave so they can speak with a client," says Quadagno. "But it's all done lightheartedly."

STL-Style, a St. Louis-inspired apparel company, had been using Lighthouse Design as their contract screen printer, so when STL rented a storefront in January 2010, teaming up under one roof seemed like a logical progression. Both companies agreed to split costs in half—the rent, utilities, signs, software and anything else that benefitted both companies.

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