

The end of the office

BY RANA FLORIDA *SPECIAL TO THE MIAMI HERALD* APRIL 19, 2019 06:00 AM



The Miami metro — which spans Miami-Dade, Broward, and Palm Beach counties — aspires to become a hub for entrepreneurship and innovation, and it is making dramatic progress. According to research conducted by the [Miami Urban Future Initiative](#), a joint effort of Florida International University's College of Communication, Architecture and the Arts and the Creative Class Group, both venture capital investment and venture capital deals have increased more than threefold in the region since 2005.

According to a detailed analysis that we conducted with the Center for American Entrepreneurship's Ian Hathaway, Miami generates more than 100 venture capital deals on average per year, up from just 25 a decade ago, ranking it 28th on that score in the world. And Miami attracts an average of \$850 million per year in venture capital investment, 31st among global cities, up from \$255 million a decade ago. Among American metros, Miami ranks 13th for venture capital investment and 15th for deals. Based on our assessment, Miami ranks in the third tier of the world's leading startup hubs, alongside cities like Washington, D.C., Denver, Toronto, Amsterdam, and Hong Kong. In 2017, Miami ranked first on the Kauffman Foundation's Index of Startup Activity, which gauges a region's progress as a startup ecosystem.

But even as the Miami metro's entrepreneurial ecosystem adds strength to strength, its startups are struggling to find affordable office space and creative workers are increasingly unable to afford Miami's rising housing costs. Greater Miami is the seventh least-affordable large metro in the world, trailing only Hong Kong, Sydney, Los Angeles, London, and Toronto, and ranking just one place above New York. Climate change and sea-level rise threaten to compound the crisis in the near future.



Rana Florida is CEO of the Creative Class Group and Director, FIU-Miami Urban Future Initiative. AP FILE

Some see this as a challenge, but it looks more like a hidden opportunity to me. As innovative and forward thinking as the leaders of Miami area startups may be when it comes to technology and business models, most are still captive to the antiquated notion that having a big, state-of-the-art office validates their business. If they really want to push the boundaries of innovation and forward-thinking, they should rethink their notion of physical space.

Yes, access to talent is a key driver of economic growth, and creative talent tends to cluster in cities. But not all talent is located in the same city, and in expensive cities like Miami, many of your employees won't be able to afford to live within convenient commuting distance of your location anyway. The Creative Class Group's teams are based all over the world. None of us wastes a minute of productive time sitting in traffic so we can report to a desk; we work from wherever we want whenever we want. Knowledge workers need phones and laptops to be productive, not a cubicle in an expensive office building. Startups can do the same — and they can pass the costs they save down to their customers, which will make them that much more competitive.

Some believe that a traditional office is a branding tool, something that you need to impress your customers. But that's very far from the truth. If you have to see your clients in person, they will be grateful to you if you save them the time and hassle of going to you and come to them instead. If your teams need to meet in person, you can rent co-working spaces by the hour.

Having a big office is a longstanding norm, and it's hard for startups not to get caught up in it. But it's an expense that no longer makes sense in the Creative Age. Flexibility, adaptability and connectivity are what you need. Focus on building the right team and mentoring them to be more productive. Real estate is a headache you don't need.

Rana Florida is CEO of the Creative Class Group and Director, FIU-Miami Urban Future Initiative. Her most recent book is "*Upgrade: Taking Your Work Life From Ordinary to Extraordinary.*"

- This is an opinion piece written for Business Monday's "My View" space in the Miami Herald. The views expressed do not necessarily reflect those of the newspaper.
- Have a 'My View' or 'Broker's View'? If you have a point of view on a real estate or business topic that you would like to share, consider writing about it for Business Monday. Pitch your idea to rclarke@MiamiHerald.com. Guidelines: Submissions should be around 600 words; should state a topic clearly, with supporting examples; and use examples drawn from South Florida. They should also be accompanied by a photo of the writer, emailed as a jpeg. 'My View' submissions that are accepted are published as space allows.