



THE MONARCH GROUP

wework

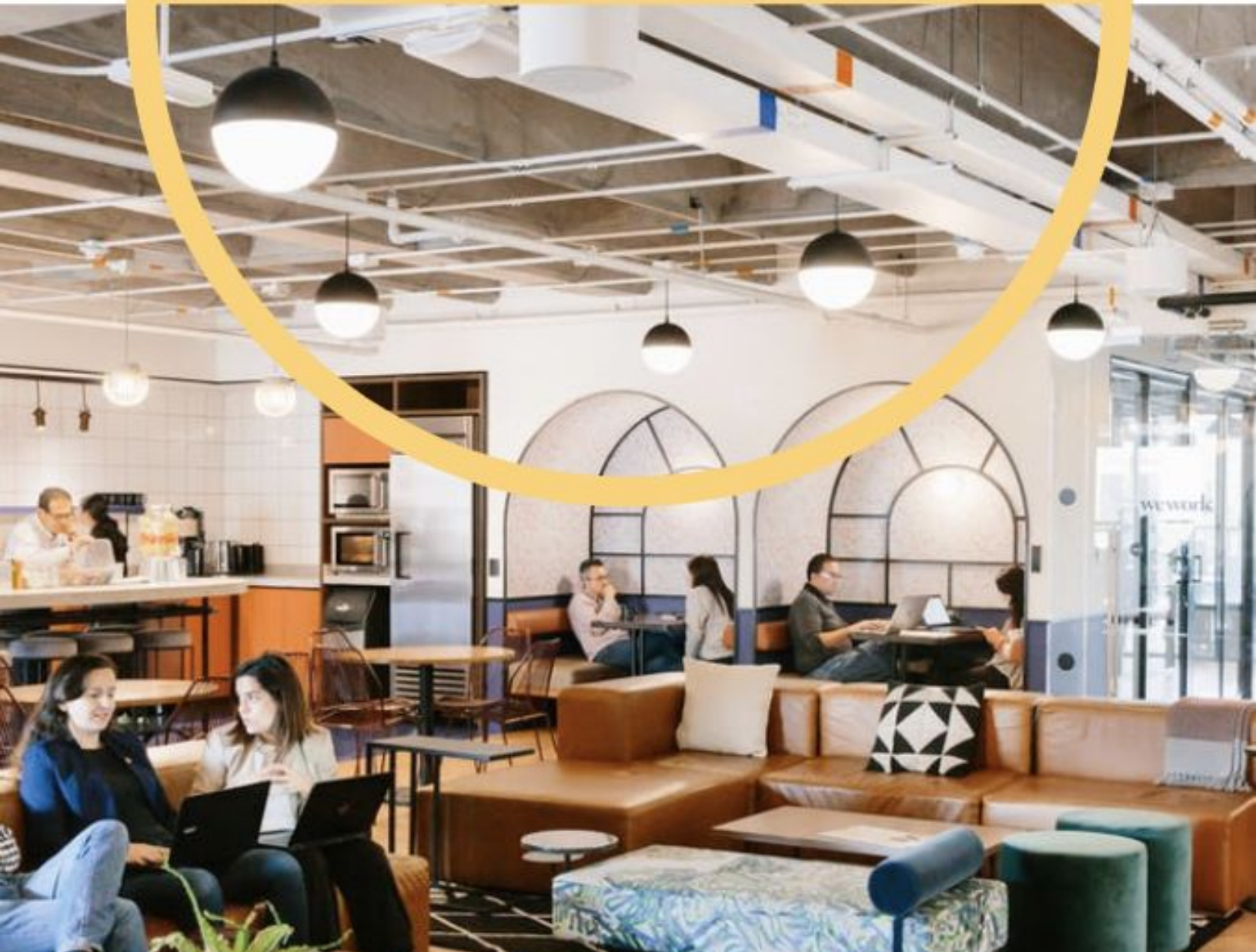


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Agency Credentials



THE MONARCH GROUP

The Monarch Group is an Austin-based team of forward-thinking individuals who believe in the art of strategy and organization. We are eager to bring your business plans to fruition and provide the expertise necessary to reach your goals. We guarantee that our services will fortify the vision of your company. Sit back and enjoy a cold brew while we take care of the rest!



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How We Work

Founded in 2010, WeWork is a company that specializes in buying, renovating, and renting out office spaces for individuals and companies looking for a creative and inspiring environment to work in. The spaces are designed to fit the specific functional and operational needs of their tenants. Each office is specifically tailored to its community and the surrounding culture. Although each space is different, every WeWork office is a piece of a greater network of We people. By 2019, the brand grew to over 800 spaces across 86 countries.

In early 2019, WeWork announced that it would be rebranding itself as the We Company, which would expand into other avenues such as schools and gyms. At the time of this announcement, the company's value was estimated at \$47 million.

Notoriously a very private company in terms of its structure and finances, WeWork's initial filing for an IPO this year opened the world's eyes to its deeply flawed business model and launched a scandal so major that the company postponed the IPO until further notice.



Current Situation

On August 14th, WeWork filed for an IPO and lifted the veil to its once-private business practices. With this filing, the public became aware of WeWork's consistent money loss and questionable structure, which placed CEO Adam Neumann in an unchecked position of power.

After receiving backlash from current and potential stakeholders, Neumann stepped down from his position, but not before being promised a buyout of over a billion dollars. Additionally, WeWork is set to lay off over a third of its employees, totalling about 5,000 people.

In the midst of all of this, Chinese company Soft Bank invested another several billion dollars in WeWork and gained control of the company. They are still in the process of selecting a new CEO and have repealed their filing for an IPO.



Problem

WeWork must generate public trust by maintaining consistency with its original mission of fostering a progressive and empowering community.

Critical Factors

1. Negative public perception

- People are unhappy about WeWork's treatment of its employees due to the massive payout its CEO is receiving.
- WeWork is also facing criticism regarding allegations of sexism due to the predominantly male workforce and a gender pay gap within the company.

2. Transparency

- With the recent controversy over the company's structure and CEO, people have been critical of WeWork's irresponsible use of money.
- People no longer trust WeWork due to the amount of controversy suddenly coming out about a once-private company.

3. Enterprise client relationships

- WeWork's business structure relies on constant occupancy of its spaces, so large, longer occupancy companies like Amazon, Facebook, and IBM are integral.
- These large companies may feel public and internal pressure to leave WeWork's spaces due to its recent controversy.

4. New client development

- With a 90% occupancy rate, WeWork still has room to grow. The company has yet to turn a profit, and new business is the key to making that happen.



Alternative 1

Charity Outreach Program

Overview

WeWork would partner with charities and nonprofits focused on women entrepreneurship on a corporate giving structure, and would provide PTO volunteer days for employees, employee match programs, and also place donation boxes at all 500+ WeWork locations.

Example of charities and nonprofits that focus on women entrepreneurship are Dress for Success, The Malala Fund, Ladies Who Launch, etc.

ICM Strategy

- *Online + Interactive* - 15-30 second ads on YouTube and Facebook.
- *Public Relations* - encourage clients to make donations.
- *Publicity* - press release to national news outlets announcing charity outreach integration into business structure.
- *Events + Sponsorships* - women's entrepreneurship workshop in Los Angeles on International Women's Day with prominent women entrepreneurs.
- *Owned Media* - section on WeWork website dedicated to initiative and testimonials from women who have been positively impacted by the program.

Pros

- Addresses perceived sexism in the company and integrates women into the company.
- Helps improve public perception and trust of the company.
- Will not be perceived as an irresponsible use of money.
- Can alleviate public pressure on large clients by improving WeWork's image.

Cons

- Does not directly address issue of building trust with current and potential clients.
- Could be perceived as self-serving if there is no follow through in the company's internal actions (i.e. directly addressing sexism within the company).

Alternative 2

Community Centers

Overview

WeWork will host a mentorship experience in local communities of major cities i.e. Atlanta, Austin, Chicago, New York City, and Seattle. Vacant buildings will be transformed into unique, public WeWork spaces. There will be partnerships with famous entrepreneurs from each city to host relevant mentor workshops. This will be a well-rounded experience that offers opportunities for professional development growth and resources to design and launch a small business.

ICM Strategy

Phase One:

- *Advertising* - OOH Billboards.
- *Public Relations* - promoting workshops at local universities and small businesses.
- *Publicity* - press releases for local newspapers, magazines, community social media accounts and news websites.
- *Influencers* - local and famous entrepreneurs encouraging audiences to attend workshops through social media promotions.

Phase Two:

- *Online + Interactive* - YouTube & Facebook spots featuring impact/success stories of participants. Instagram posts and stories about Community Center events and testimonials.

Pros

- Increases positive public perception with local communities.
- Enforces enterprise-client relationships with notable entrepreneurs.
- Can build clientele by promoting growth of small business owners.
- Huge PR swing with famous entrepreneurs and potential for buzz.
- Can alleviate public pressure placed on large clients by improving WeWork's image.

Cons

- Can be expensive to book big-name entrepreneurs.
- Does not address transparency.
- Control over narrative lies within community.
- Success depends on proper execution of each individual center.

Alternative 3

Grassroots Rebrand

Overview

WeWork should revise their messaging to reinforce their core purposes and their reason for being. This will switch the focus from the chaos that has unfolded to their original vision and how they plan to recommit to their values moving forward. Redefine what the brand means both internally and externally.

ICM Strategy

- *Advertising* - campaign that features WeWork success stories via ads on TV and streaming services (Hulu, YouTube, Amazon Prime).
- *Public Relations* - reinforce messages within the company that promote core values and remind stakeholders that WeWork strives to bring people together.
- *Online + Interactive* - revise website messaging to reflect core purposes and humble beginnings.
- *Events* - WeWork internal refresher day for their employees and brief on refocused brand vision.

Pros

- Redefines WeWork's brand mission.
- Has the potential to change the conversation about WeWork.
- Addresses negative perception and transparency with both employees and the public.
- Opens internal communication between employer and employees.
- Positive brand image has the potential to attract new business.
- Improved image can also help alleviate public pressure from our major clients.

Cons

- Could be expensive to reach the amount of people that would make this campaign effective.
- Hard to combat negative perception of WeWork after strong CEO distrust.
- May come off as disingenuous due to history of little to no transparency.

Alternative 4

Pitch Competition

Overview

WeWork will produce a limited Netflix series about the launch of WeWork's pitch competition. Famous entrepreneurs Oprah and Chip & Joanna Gaines will guest judge startup pitches alongside a panel of WeWork executives. Each episode will feature two pitches and will be shot at a unique WeWork office space. The final episode will feature the top three entrepreneurs and their ideas, and the judges ultimately choose a winner to receive a \$500,000 investment and personalized WeWork space.

ICM Strategy

- *Advertising* - TV commercials on business/home networks (HGTV, NBC).
- *Publicity* - press release to business publications; call for submissions.
- *Public Relations* - engage public by allowing product/concept testing on selected consumers during filming.
- *Influencers* - engage special guest judges and sponsored posts from DIY influencers.
- *Online + Interactive* - social media accounts for the show, Instagram competition to select users for live product testing.

Pros

- Viewership metrics make it easy to track reach and success.
- Attracts potential tenants and addresses new client development.
- Can highlight female entrepreneurs to combat perceived sexism.
- Highlights unique workspaces WeWork has to offer.

Cons

- Extravagant budget.
- Film industry lacks transparency..
- Exclusivity lacks sense of community.
- Long-term execution timeline.

Recommendations

Considering all of the proposed alternatives, WeWork should use both Alternative 3: Grassroots and Alternative 4: Pitch Competition. These alternatives address three identified critical factors of negative public perception, transparency, and new client development.

Alternative 3: Grassroots will refocus the brand image back to the original vision for WeWork. It reinforces the community-centric aspect of the company and brings the attention back to the people. This new messaging will bring transparency to WeWork's communication methods. Success stories from WeWork tenants will also encourage new business.

Alternative 4: Pitch Competition will attract potential tenants and help bring new clients into the door. The Pitch Competition brings a fresh new perspective and interesting alternative that shows WeWork's vested interest into getting the public involved in the new structure at WeWork. This series will foster a much needed positive light onto WeWork and encourages entrepreneurship.

Overall, this combination of Alternative 3 and Alternative 4 addresses three of four critical factors in the most effective way.



Additional Comments

For any advertising, we will need to flesh out viable target markets and determine specifically who is most valuable for us to communicate with (i.e. clients, potential clients, the general public).

The critical factor of enterprise-client relationships is very difficult to address with advertising and public relations. This matter would be better handled privately between leaders of WeWork the major businesses who rent its spaces to smooth over ethical concerns about company structure, transparency, and treatment of employees. While advertising can help alleviate public pressure placed on companies like Amazon, internally this matter will require a different solution.

