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BIOTECHS AND DOWNTOWN FACILITIES – IS IT REALLY GOOD CHEMISTRY?



By Jon Boroshok

There's been a wave of recent articles about new startups - notably biotechs - opening shop in former telecom and dot-com facilities. Hopefully these biotechs and other

startups can avoid the mistakes and plight of many telecoms and doomed dot-coms or early incubator ventures.

Part of the promise of the 'Net is that business could be done from anyplace, but too many of the now deceased companies failed to practice what they were attempting sell. They bought into the myth of "location, location, location" and thought a prestigious address was the doorway to success.

Selecting expensive real estate was never a prudent investment for a fledgling business facing numerous start-up costs, even a prosperous economy. In a recession and early stages of recovery, it looks like outright financial mismanagement, despite some comparative "bargains" for short-term businesses leases in downtown office space once occupied by young upstart companies that never managed to turn a profit. Expensive real estate is no longer likely to please VCs and investors who now focusing on cost control, profitability, and long-term viability.

A facility with a skyline view is no more productive than a suburban office park, but costs much more. It's a drain on precious capital, and does little for the entrepreneurs and employees that have "a life outside of work." Would anyone run an employment ad offering a 90-minute commute as a perk? Maybe some folks in Silicon Valley or those that commute to Manhattan from Bucks County, PA would find it an improvement, but for most people, it just means adding 3 hours to the work day.

As president of a PR/marketing communications agency for emerging technologies, I've urged companies to offer employees a balance between work and life outside of work, even during the tech gold rush. I strongly recommended that they at least consider shunning prime real estate (such as Silicon Alley, San Francisco, downtown Boston or other trendy urban centers).

Sure, the downtown office might attract a few bright, single twenty-somethings that are willing to give the company a 65-hour week even though their salary supposedly covers 40 hours. *Didn't the dot-com era prove that 25-year-old vice presidents just weren't meant to be?* Today's investors seem to think so.

Maybe the biotechs will "get it." With more and more senior professionals living further out in the suburbs (for affordable housing and better schools), does a downtown location really make sense? It certainly isn't family friendly. In a stronger economy, even established companies had difficulties attracting qualified employees, as more people understandably said "no" to long commutes.

What about quality of life for employees, and how it affects a company's ability to stay competitive? Wouldn't offering a better work/life balance be a way to attract and retain the best, brightest, and most experienced talent? How does a downtown location and a 60-90 minute commute (each way) help workers achieve balance? The family breadwinner is becoming a stranger in his/her own home. Entirely too many kids are being tucked into bed via cell phone.

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The Myth and Miss of Mass Transit

Those that argue that taking mass transit is preferable to driving one's own car have never done it for a sustained period of time. Let's use Boston as an example. Suburban commuter lots are often full by 7 AM. The commuter leaves his/her house at 6:30, drives to the lot to be there by 6:45, pays for parking, and makes the 6:50 train into North or South Station. He/she arrives in town at 7:50 AM, but unless the office is in the same building as

the station, the commute isn't over yet! Next comes the 10-minute walk (perhaps in pouring rain) or a transfer to a subway. He/she arrives in the office at 8:00, roughly 90 minutes after first leaving the house.

Getting home, not only is the process reversed, but if the last meeting or phone call of the day runs even 5 minutes late, that can mean waiting at least another hour for the next train. Forget about returning quickly in the middle of the afternoon if a child gets sick at daycare - there may be a two-hour gap between trains.

After working a 10+-hour day, spending another 2-3 hours a day commuting is not a positive contribution to balancing work and family life. Does that trendy bar next to the office matter when you want to get home and have dinner with the family?

A reverse commute to the suburbs from the city can be done in a fraction of the time in most cases, so even urban dwellers can get to the office and back home easily, and perhaps still have time to "play" downtown after work.

Employees living outside the box are being asked to think outside the box - shouldn't they be allowed to work outside the box too? Unless all a company is hiring are single twenty-somethings, a downtown location was (and still is) merely a centralized *inconvenience* for everyone. It's counter productive, costly to long-term viability, and warrants far more careful evaluation than it received from the deceased dot-coms.

With 15 years of experience, Jon Boroshok is a veteran of technology marketing communications. He is the founder of TechMarcom, Inc. of Westford, MA (www.TechMarcom.com), an independent agency specializing in value-based marketing communications for emerging technology companies and its BiotechMarcom division, providing marcom and PR for life science start-ups. An accomplished strategist and writer, Boroshok's articles and columns have appeared in The Boston Globe, Pittsburgh Post-Gazette, ZDNet, CMP Publications, eCommerce Times, Mass High Tech, PRWeek, and more. Boroshok has a B.S. in communications from Emerson College and an M.B.A. in marketing from Northeastern University.

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