

Practical Community in Business Model

ANTI-CAFÉ CASE

Prof. Fabian Salum | 2017

September / 2017

Dalini Ferraz prepared this case under supervision of Professor Fabian Salum, both from Fundação Dom Cabral. It is intended to be used as basis for discussion in classroom, rather than to illustrate the effective or ineffective handling of any particular administrative situation.

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Imagine a café where the customer does not pay for coffee, or for tidbits, or for using WiFi and not even to play videogames. This may seem strange, but this type of “café” has existed since 2010 and has spread over several major European cities such as London, Manchester and Paris.

Differently from a traditional café, the anti-café’s prevalent idea is to offer space for people to interact. People can meet at this kind of space for leisure or work; the difference is that they pay for the time spent there and not for consumption or use of certain facilities. Anti-café’s usually offer, in addition to traditional drinks – such as coffee, tea, juices and sodas – small snacks and desserts. They also make available board games, newspapers and magazines, co-working facilities, Internet access, movies and videogames, such as Xbox and Playstation. Some stores even have pianos and recorders.



Ivan Meetin, Ziferblat founder & CEO.

Source: www.ziferblat.co.uk, accessed in Sept/2017.

The Anti-café concept was created and implemented by a Russian writer named Ivan Meetin, in Moscow in December 2010.

Since then, the novelty began to spread, first into the countries that compose the Community of Independent States – a supranational organization that gathers republics that once belonged to now-extinct Soviet Union – and then into western European cities, such as Paris in 2012, London in 2013, greater Manchester in 2015 and, more recently, in Udaipur in 2017, a city located in the south of Rajasthan in India, known as the richest city in India or the: Venice of the East”. The network today includes 14 stores throughout the world.

The Russian chain Ziferblat began as a community of poets. Ivan Meetin’s idea was to create a “tree house” for adults. They picked a small attic where they could meet artists pursuing similar ideas and develop their works. With time, the people network grew and the space became too small.

In the beginning the small attic was supported by voluntary donations made by regular visitors. In the sequence the “pay per minute” model was developed and applied to the Ziferblat store

network. Ziferblat means clock in Russian and in German (Zifferblatt). This model, as developed, enabled structuring visitor service.

Upon their arrival, visitors are treated as visitors to their own homes, being served coffee, tea and cake on their tables and the possibility of helping themselves at will. The stores may serve as a cultural center, as a place for entertainment, co-working or social space.



Ziferblat, one of the first anti-cafés. Open in Russia in 2010.

Source: en.wikipedia.org/wiki/Anti-café, accessed in Sept/2017.

At the London store, customers are given an alarm clock upon entering the premises; they take the clock to the space where they wish to remain and wait until the alarm goes off, indicating that their desired permanence time has lapsed. There is no minimum time requirement.

Customers can help themselves to free snacks (cookies, fruit and vegetables) or even cook their own food in the kitchen. They can help themselves at the coffee machine or brew their own coffee.

The network's founder, Ivan Meetin, considers that the growing habit of people remaining for long times at inns, hotels and cafés the world over, remotely working or simply browsing the Internet demonstrates that the anti-café idea rests upon a growing market.

Meeting stated that he was impressed when he noticed how quickly Londoners understood the concept and adhered to the anti-café idea. During the store's opening month in the city, he said he was surprised when he noticed the customers' willingness to wash their own dishes and even their friends' dishes. Londoners had quickly understood the space-sharing proposition by all visitors and the informal, family climate offered by the café.

Customers find available relaxing rooms, reserved office space, private meeting rooms and an event agenda. The proposition is that the customers can use these spaces to work, study, relax, create or participate in events and even eat cake and drink coffee!



“Our mission is to create a space that will prompt people to feel free, despite modern life pressures.”

Ivan Meetin

Source: www.ziferblat.co.uk, accessed in Sept/2017. Free translation.

The coffee served at the stores is special. Today, the company also roasts and sells its own coffee wholesale. They are controlled origin green beans, with special blends submitted to sophisticated roasting processes. Thus, the anti-café is able to also offer their customers excellent coffee.

Meetin’s goal is to reach 1000 franchised stores by late 2025. To open a franchise, the interested party should invest in the store set up, involving an amount between \$40 thousand and \$120 thousand, and pay \$10 thousand to the brand owner for installing the store, in addition to royalties in the amount of 5% of gross sales. Net income expectation is \$7 thousand per month, after one year’s work.

Informações Básicas
Pagamento Inicial US\$ 10 mil + 2 vôos de volta para Moscow
Royalty 5% do faturamento
Investimentos US\$ 40 mil a US\$ 120 mil
Lucro 0 - US\$ 7 mil por mês, após 1 ano

Source: ziferblat.net/en/, accessed in Sept/2017.

Basic Information

Initial Payment: \$10,000 + 2 return tickets from Moscow

Royalty

5% of gross sales

Approximate Investments

\$40,000 to \$120,000

Profit

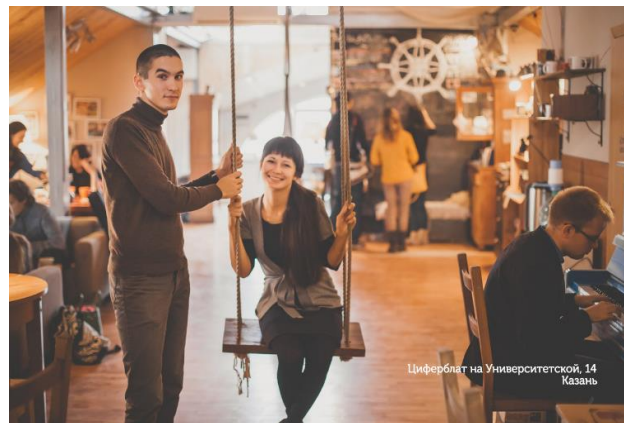
0-\$7,000 per month after a year of work

There are no strict patterns to follow for the store’s layout. Investors may open spaces with different characteristics, seeking adequacy to the location’s social and cultural profile. Nevertheless, the franchise network will not forego the service standard. The owner explained that preserving hospitality is of the essence, which requires special care in employee capacity-building. The network developed a specific methodology to capacity-build the team.

Investors are supported from the beginning by a tutor who helps them during the store concept creation, the choice of the installation site, choices for dividing the internal space, style and

décor. The proposition is that investors should take a sort of internship at another Ziferblat store, learning about all the details contained in the book “Secret Knowledge”.

Ten days prior to the stores’ inauguration, investors welcome a specialized team to support them for 20 days, of which 10 days are earmarked for final preparations, including team capacity-building and 10 days for assisted operations. Investors are also inserted in the practitioners network, press office, support in social media profile management and access to full graphic materials to support preparation of advertising pieces.



Informal environment at Ziferblat.

Source: ziferblat.net/gallery/, accessed in Sept/2017.

The major concern is preserving the hospitality ambiance and opening characteristic of the Ziferblat stores, which would be a more important difference than the “pay-per-minute” model itself.

“What is important is the manner by which people communicate and interact with one another. Everyone who has been in a Ziferblat noticed the all-prevailing ambiance taking the space. This ambiance appears as the result of an enormous effort with the team. It may seem that we only hire cool boys and girls, but this is not all. We want our employees to keep their identity in the working environment and wear no masks”, said Meetin.

The owner’s idea is to bring together personal life and work concepts and allow employees to fully express themselves. Meetin acknowledges that there is a tenuous limit between freedom and anarchy, but wagers on the possibility of reconciling informality, maintaining order and productivity. And he wants more. “We are ready to share this vision and spirit, and also the Ziferblat to other fields of activity, especially those that include communication among people. Therefore, we are already building an uncommon think in the Tula region, in Russia – an enormous Ziferblat village.

“We believe that the Ziferblat idea is ideally adequate to business formats such as hotels, inns, cafés, restaurants, co-working spaces, newspapers, radios, games, stores and space ships.”



Meetin extends an invitation “If you have an idea of how to begin a new mode of collaboration, feel free to get in touch with us.”

REFERENCE

Information for preparation of this text was extracted and compiled from secondary sources, Ziferblat’s official site, Ziferblat’s French and British franchises (www.ziferblat.co.uk and www.anticafe.eu), the Wikipedia (information was duly checked), and The Guardian, all accessed in September, 2017.

Material prepared by FDC researcher Dalini Ferraz, under the orientation of Prof. Fabian Salum – FDC, in September, 2017. To learn more about our studies and productions access website: www.practicalbusinessmodel.com