



Their company Newable chief executive Chris Manson (left) and Citibase chief executive Steve Jude

Flexible friends

Newable's Chris Manson and Citibase's Steve Jude tell Emanuele Midolo how they plan to grow from 40 to 100 locations and create an ecosystem in which SMEs can thrive

In 1996, Chris Manson wrote a letter to the then owner of Chelsea Football Club, Ken Bates. Manson, a lifelong Chelsea supporter, thought that some things at the club could be done differently. Much to Manson's surprise, Bates called him and invited him to lunch. "If you are so bloody clever," Bates told him after their meeting, "why don't you come and do it?" So he did. Manson was eventually placed in charge of the commercial activities at Chelsea FC, including the refurbishment of Stamford Bridge stadium and development of the club's hotels and Chelsea megastore.

This experience has stood him in good stead in his current role as chief executive of Newable - a non-profit organisation that helps small and medium-sized UK businesses to grow. One such business is flexible workspace provider Citibase, which it acquired in November last year.

Property Week caught up with Manson and Citibase chief executive Steve Jude to find out about their plans for the business.

Manson's path to Newable and Citibase has been a varied one. After gaining a degree in history from Oxford University,

Manson qualified as a chartered accountant and worked for three years at PwC before joining Andrew Lloyd Webber's company, The Really Useful Group.

Then, in 1999, he decided to strike out alone and launch his own TV company, called Sit-up, which six years later was sold to Virgin Media for £194m.

Manson came out of semi-retirement at the end of 2015 to help Newable, which at the time was called the Greater London Enterprise - "become a business capable of delivering the kind of services and products that small and medium-sized businesses need".

Newable focuses on three areas, he says: "Money, advice and space."

He elaborates: "For money, we're the leading provider for responsible finance. We lend to businesses that are unable to get the support of the traditional high street banks."

"Our job is to build an ecosystem that enables companies to look for investments and match them

with the appropriate investors, both in terms of cash and in terms of experience."

Newable also owns and manages space. It currently operates 10 light industrial parks across the country, with another four under construction.

Space is the reason Manson came across Citibase. Last year, Newable was planning to move out of its old office close to Tower Bridge, but it still had three years left on its lease, so it started considering its options.

Enter Steve Jude. Like Manson, Citibase's chief executive has had a colourful career. Jude hails from the travel industry and following brief spells at TUI and British Airways, he spent seven years working for Avis car rental as director of international sales.

"Another thing he has in common with Manson is that his big career change happened during the course of a lunch - with Mark Dixon from Regus. Dixon persuaded Jude to join the company in the late 1990s as

worldwide sales and marketing director and in 2007 he was approached by Citibase to take on the chief executive role.

Newable hired Citibase to manage its offices at Tower Bridge for the remaining three years of the lease. "We entered into a management agreement with them and the budget that we jointly agreed was to get up to 85% or 90% capacity after six months," recalls Manson.

"We were full after 14 days. My business plans don't always work like that, unfortunately."

The right questions

Newable was impressed by how Citibase operated and Manson started asking very specific questions.

"I thought, hang on, these are not common questions," recalls Jude.

Then Manson began courting Citibase's shareholders. "The thing that was most attractive to them, and to Steve too, was what we do in terms of delivering money, advice and space," says Manson.

"This could prove a very competitive proposition for a flexible office operator."

Jude was certainly won over. "There were other people knocking on our door," he says. >

“We are the leading provider for responsible finance”

Chris Manson, Newable

Insight | Big interview

“People had spotted that flexible offices are the future, but we were really struck by how much the Newable team got it.”

The acquisition took just eight months and was completed in November last year.

“We see the [flexible office] disruption as significant and enduring,” says Manson. “We want to be a part of it and we think Citibase is the best operator in the sector. With our combined forces, we can deliver a very compelling proposition.”

The duo say their ambition is to boost the number of locations Citibase operates from the current 40 across the country to more than 100 sites within the next couple of years.

Since the acquisition, the company has already opened three new sites - in Leeds, Uxbridge and Aberdeen - and is under offer on three more. In total, the company has circa 830,000 sq ft of flexible workspace under management, with options to take an additional 300,000 sq ft.

Expanding existing centres

Jude, who hopes to punch through the 1m sq ft threshold before the end of the year, says the company is also expanding the size of its existing centres.

Like Newable, Citibase is focused on the SME market. With their combined forces, Manson and Jude believe Newable and Citibase can really create “an ecosystem for SMEs” to thrive in.

“We don’t just sell them office space,” reasons Jude. “We can provide whole support, through advice, money and space. This is the new thing. You can play table tennis, and I love to play tennis, but you can also get a loan, which is great.”

Jude points out that 50% of SMEs nationally have difficulty obtaining access to finance and that in London the figure rises to 71%.

“We talk to 20,000 SME businesses every year,” he says. “The fact that we can become a finance provider is a game changer.”



Combined forces: Jude and Manson say they are focused on giving SMEs the support that they need

It is also something he feels differentiates Citibase from the growing number of other operators in the booming flexible office sector - not that Jude is afraid of the competition.

“The forest is a really big place, where there are different products for different customers. Everyone is welcome. What 20 years ago seemed to be a weird thing on the outskirts of the commercial real estate sector has now become the future of real estate as a whole - or at least a big part of it.”

That is unless a cataclysmic event such as a no-deal Brexit changes the landscape altogether. A recent survey published by YouGov showed that 66% of SMEs

in the UK think Brexit will have a negative impact on them. So are Manson and Jude concerned about a hard Brexit?

Manson says that because Newable is a ‘delivery partner’ for the Department for International Trade, he is unable to comment on specifics, but

“We can provide whole support, through advice, money and space”

Steve Jude, Citibase

for SMEs “it’s all about putting one foot in front of the other”.

Jude, on the other hand, sees any economic uncertainty caused by Brexit as an opportunity for Citibase.

“When you’re in uncharted waters, the rational thing to do is to keep your options as wide as possible,” he argues. “For example, thinking carefully before signing a long-term lease that you might regret later on. It’s the natural

human reaction to uncertainty. And this is very good for the flexible office sector.”

Jude hints that the business might even consider expanding abroad, if the right offer presents itself. “I haven’t told my boss yet,” he jokes, glancing at Manson. “But we’ve been approached. Whether we’ll do it or not we don’t know yet.”

Manson is equally optimistic about the future. “We’re hungry for growth,” he says. “We’re looking at a number of acquisition opportunities. My job is to ensure that we can collectively push the stone uphill to the extent that SMEs, which are the beating heart of the UK economy, get the support that they need. That’s what we’re passionate about.”

It is the same passion that moved Manson to write that letter to Chelsea owner Ken Bates 20-odd years ago. And look how that decision turned out. ■