

partnership in action

UKIBC Case Study

AVANTA

Avanta are providers of Serviced Offices and meeting rooms at prestigious locations in the UK and India. UKIBC's India offices are located in Avanta's buildings and via their Strategic Partnership, UKIBC and Avanta aim to increase the number of UK companies entering the Indian market who take the necessary step of having a representative office. Chris Taylor, a Director at Avanta explains the offering and the options for an office in India.

2008 UKIBC



Avanta in Platina, Mumbai

What advantages do serviced offices have for a company entering a new market?

Serviced offices provide everything that is needed in a flexible way, saving time and capital expenditure. Most commercial offices are taken on a lease. In a fully serviced office, the fundamental difference is lease flexibility. You can come here for three months, and be gone. That is of course shorter than in a conventional lease. If an Indian company is in the UK to test the water, or vice versa, they have that flexibility.

What about conventional property acquisitions?

Most people don't know the true cost of occupational conventional space. There is an independent report by a company called Acting Consult called Total Occupancy Cost Code. Top of everywhere is London West End, for conventional space per workstation. New York is less expensive than London. Mumbai is 12th. Delhi and Edinburgh are comparable. This reflects the cost of capital expenditure, furnishings, maintenance, insurance, contracts, and so on, for a Grade A type space. That expenditure could be for relevant business expansion.

partnership in action

Avanta started relatively recently but are now a leading provider. What are some of your unique points?

We started in 2004 with a blank sheet of paper, and were able to consider what had been done before, what we could do now, and what the technology now available to us was. For example, our workstations allow people to make free calls using Voice Over Internet Protocol (VOIP). We are the only ones to do that, and it is only now that technology allows perfectly clear sound. That and other developments came at just the right time. A thing that makes us unique from every other player is the Business Services package. Water, coffees, etc are not charged separately. Photocopiers and other equipment are all included in the Business Services package price per person, and it does work out more inexpensively. Also we don't brand our buildings. We did a survey at our previous company and asked whether people wanted to be in a branded building, or one that could be their own. 99% of commercial buildings have many tenants. For a business, this created a decent quality image when meeting clients. We were the first to unbrand our buildings and others have followed. It is no longer a USP but we are glad to lead.

Why have serviced offices expanded relatively recently?

The demographic of business has changed in the last ten years. There are more consultants, and offspring companies. Hence more demand for serviced offices. Ten years ago explaining the nature of serviced offices to clients took longer. Now they understand the reason to take this option. The product is not generally understood in India, as it wasn't in the UK. Avanta have made presentations in India, and have shown that we are the best value offering. Looking at a competitor, I found that we can fix a price point for a workstation that demonstrates that we are cheaper than conventional and our competitor. This featured in Indian economic press.

When did you decide to replicate your UK offering in India?

David Alberto, Avanta's Chief Executive, recognised that India is a huge growth economy and from early on we planned offices in India. He has since spent a year building relationships and developing opportunities in that market. We are delighted with the latest Mumbai offices, at Oval House, Fort, and in Platina, in a brand new building in the Bandra-Kurla Complex (BKC). Our first office opened in Delhi, at Statesman House, Connaught Place. All are prime locations in their cities, and we will continue that approach so that our offering in India is the same as the UK.

What are the economic differences you have found when developing offices in the UK and India?

In India leases are much shorter. Developing property in India is less expensive pounds to rupees. But we're paying for quality. We source fittings and certain things in India. Some furnishings have to be shipped in from Europe. We are placing our India offices in similarly prestigious areas. One difference is that in India, many segments of an office may be owned by different individuals. That makes the process longer. We were delighted to launch our Delhi office with UKIBC on September 8th.

With the UKIBC offices in the same place as UK companies, is there an advantage to companies entering the market sharing resources through proximity?

Absolutely, Statesman House is very well located for companies in Delhi, being alongside UKIBC in our office there, and the Bandra Kurla Complex offers the best in new space in Mumbai.

partnership in action

What does the future hold for Avanta in India?

Avanta began in 2004 after planning in 2003. We have since expanded throughout the UK. We aim to create sustainable, sensible acquisitions and our plan is not overly ambitious. The target is not to take anyone out. We have created a continuously profitable UK business and aim to do the same in India. There is even potential that India could be a bigger business than our UK business. Chennai, Bangalore, and many other cities are planned for. This is a good time to acquire in both countries. The upturn is to come.

www.avanta.com