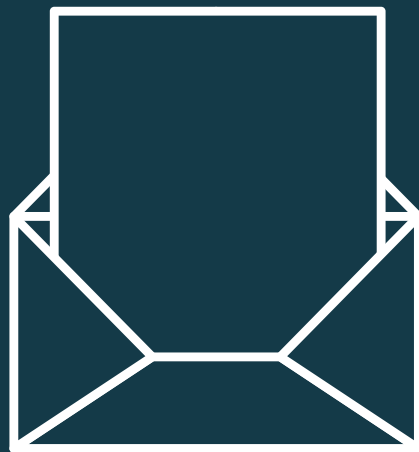


THE DEFINITIVE GUIDE TO VIRTUAL MAIL



Set Up Your Space for
Profit with Virtual Mail



Get the inside tips on scaling your virtual mail business straight from the pros.



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INTRODUCTION

Welcome to the *Definitive Guide to Virtual Mail* eBook. In the next few pages, we aim to demystify virtual mail and guide you toward launching a successful virtual mail service in your coworking space.

► WHY VIRTUAL MAIL?

Virtual mail is a high-margin opportunity to generate additional revenue for your space, provide additional value to current members, and nurture prospective members. There is no cap on the revenue you can generate with virtual mail. The opportunity depends on your location and the effort you put into building your virtual mail business.

“One thing about the virtual mail program is that it’s very easy to add,” said Lori Spiess, CEO of OffiCenters. “It doesn’t take much time and effort and it can add additional revenue.”

Here’s the thing, ***any space can offer virtual mail.***

Virtual mail, not to be confused with virtual offices, is a mail service that allows you to turn your space into a member acquisition and member retention machine. How?



YOUR SPACE’S PHYSICAL ADDRESS IS AN ASSET – AND WE’RE GOING TO TEACH YOU HOW TO CAPITALIZE ON IT.

Perhaps you've heard about virtual mail but aren't sure how to get started or why you should offer it in the first place. If you're new to the flexible office industry, virtual mail may be an unfamiliar concept. Either way, this eBook will teach you what you need to know about the best kept secret in maximizing your coworking space and generating revenue even if your physical space is at capacity.

► USE THAT ADDRESS!

Coworking space operators can offer virtual mail services as a benefit to current members. However, you can also use this revenue stream to attract new members — especially if you have a prestigious address.

Your address is not only a way of adding value to your members, but a significant opportunity to increase your revenue. As Hasan Mirjan, CEO of SphereMail, states, virtual mail is “a way to scale your business without having to worry about increasing the size of your real estate space.”

“ [VIRTUAL MAIL IS] A WAY TO SCALE YOUR BUSINESS WITHOUT HAVING TO WORRY ABOUT INCREASING THE SIZE OF YOUR REAL ESTATE SPACE.

- Hasan Mirjan, CEO, SphereMail

***Note:** virtual mail is not the same as virtual offices. Virtual mail is typically limited to selling a member the ability to use your address for their business mail and packages. A virtual office package might offer virtual mail as well as other services including virtual assistants and mail forwarding. This eBook will focus exclusively on virtual mail.*



CHAPTER 1:

WHAT IS VIRTUAL MAIL AND WHY SHOULD I OFFER IT?

So what is virtual mail, anyway? **Virtual mail, or digital mailboxes, provides individuals with a physical address where they can direct their mail.**

There are many different groups who benefit from virtual mail.

1. ENTREPRENEURS EXPANDING THEIR BUSINESS PRESENCE.

A business address offered through a virtual mail service is a great resource for entrepreneurs seeking to establish a business presence in a new area. For coworking spaces with more prestigious addresses, like the Avenue of the Americas in New York City, members purchasing virtual mail services reap the benefits of associating with a prominent physical location.

“What flexible office providers offer that a UPS-like PO Box provider can’t provide is a professional business address that helps virtual office users establish a business identity because the mail plan gives them the right to use the operator’s professional address on their website and collateral,” explained Laurent Dhollande, CEO of CloudVO and Pacific Workplaces.

2. FREELANCERS WHO DON’T WANT TO USE A HOME ADDRESS.

For entrepreneurs or freelancers currently working out of a coworking space, having a virtual mailbox is a way to get away from having mail delivered to their home address. This is helpful for those business owners that don’t get reliable mail service or package delivery at home. It’s also a way to avoid handing out your home address to clients that might be tempted to look up the value of your home. Let’s keep personal information private!

3. ENTREPRENEURS ON THE ROAD.

The biggest benefit of virtual mail is that clients don't have to be in any proximity of the location where they receive their mail — which is great for professionals traveling abroad for extended periods of time. If you use a platform that also offers a digital app, your virtual mail member can access their mail account on their mobile device and easily see who sent them mail and request actions such as scan, shred, or forward.

4. A NEW GENERATION THAT WILL BE “DIGITAL MAIL NATIVES.”

If you're not offering a virtual mail service today, you may be more behind than you think. Matt Going, CEO of Anytime Mailbox, suggests, “the marketplace for virtual customers is starting to demand digitized mail. If you don't offer it soon, you will face the potential of losing existing clients and miss out on new clients.”

Simply put, offering virtual mail is a win-win situation for you and your virtual mail clients. As a coworking space owner, **you benefit from virtual mail in several ways:**

1. VIRTUAL MAIL IS AN ADDITIONAL RECURRING REVENUE STREAM.

Besides memberships, how else does your space generate revenue?

Revenue diversification is sound advice for both personal and business finances. Virtual mail is one of the deepest opportunities to add a revenue stream to your coworking business.





**BY OFFERING A VIRTUAL MEMBERSHIP,
YOU CAN BUILD A NEW RECURRING
REVENUE STREAM FROM HUNDREDS OF
CLIENTS GENERATING THOUSANDS OF
DOLLARS MONTH AFTER MONTH.**

- Barry Gesserman, CMO, iPostal1

As the economy braces for another economic downturn, implementing virtual mail now can help mitigate some of the financial implications of a recession. Businesses are quick to cut expenses in shaky economic climates. If your current customers decide they are better off working at home during a recession because of the cost of renting space, some will still not want to receive business mail at their home address — meaning they will still have a need for a virtual mailbox.

Laurent Dhollande of CloudVO expands on this idea:

“It is important to remember that Virtual Office plans are resilient in economic downtimes. [More than 30%] of Pacific Workplaces’ revenue is from this line of service. Pacific Workplaces was fortunate to have a very robust Virtual Plan program prior to the start of the great recession and this is one reason we were able to hold on to all of our locations despite the worst financial crisis in decades. All businesses should do what they can to recession proof themselves, wherever possible.”

Considering the low cost for you to operate a virtual mail program and the low cost for members to use the service, you’ll still be able to provide them a benefit while also having another source of income to help you manage through a downturn.

2. VIRTUAL MAIL EXPANDS YOUR GEOGRAPHIC REACH

While your physical coworking space's reach is limited by the number of prospective clients near your location, virtual mail isn't limited by geography.

With a SEO-focused marketing strategy that aims to get your website in front of potential clients from all over the world, you can market your virtual mail services to a wider audience.

***Remember:** your address might be one of your biggest business assets — and one with unlimited capacity!*

The ability to have an address without a physical presence is invaluable to some businesses. You might be surprised how many companies may be interested in being able to say they have a location in your city without the cost and hassle of actually moving there. Your address offers them a solution.

Beyond that, there's also a number of small businesses who also want the perceived perks of a business address in a "good location." Barry Gesserman from iPostal1 says, "there are 14 million home-based businesses in the U.S. who need a real street address like yours to register their business and use as a company mailing address."

“ “ ...VIRTUAL OFFICE PLANS ARE RESILIENT IN ECONOMIC DOWNTIMES. [MORE THAN 30%] OF PACIFIC WORKPLACES' REVENUE IS FROM THIS LINE OF SERVICE...

- Laurent Dhollande, CEO, CloudVO and Pacific Workplaces

3. VIRTUAL MAIL GIVES YOU A COMPETITIVE ADVANTAGE OVER OTHER SPACES

The crux of virtual mail is the ability to access mail through a digital mailbox, meaning that customers can view mail they have received before deciding to either pick it up, have it forwarded, or trashed. This is a necessity for non-local clients, but it can be a great perk for members of your physical space as well.



Remember: virtual mail adds value to your coworking space, as members can access their mail from anywhere in the world

Even though your members receive mail at your space and can pick it up during their next visit, having the ability to access their mail through a digital mailbox gives them options if they're not coming in to your space on any given week.

Offering virtual mail for your members adds value to your coworking space, making it convenient for them to access their mail from anywhere in the world, or choose to pick it up the next time they're working from your space. Now there's one less thing for your customers to worry about when they travel for extended periods of time or otherwise choose not to come into your space for awhile — and you're the one who removes this stress source from their lives.

This type of service allows you to differentiate yourself from the coworking space down the street who may not offer virtual mail to their clients, and when a member is thinking about renewing the following month, that could be the one offering that makes them stay even if your space is more expensive than the space down the street.

Barry Gesserman of iPostal1 one explains:

“From a competitive standpoint, consider the impact on your brand and business of not offering virtual membership. The demand for a virtual office and mailing address is strong and will continue to grow. Awareness of digital mailbox service is exploding. If you don’t provide the products and level of service that people want and expect in this digital age, someone else will. Plus, virtual clients who are local or travel to your city are great candidates for upselling day desks, meeting rooms, or event space.”

It’s a low-maintenance, marketing-tool service that costs you little in terms of workload but goes a long way in terms of relieving stress and adding value for your members — local and non-local. With virtual mail, everybody wins.



CHAPTER 2: HOW DO I GET STARTED WITH VIRTUAL MAIL IN MY SPACE?

Are you sold on virtual mail yet? If you still have questions, you might consider checking out the Global Workspace Association's other resources on virtual mail. However, if you're looking to get started, here's a basic list of steps to follow.

1. SELECT A 3RD PARTY VIRTUAL MAIL PARTNER.

Your first step will be to choose a virtual mail lead generation partner with extensive experience in virtual mail, such as those quoted in this eBook. (You can also check the GWA's [list of member vendors](#) for an up-to-date listing of the industry's most committed virtual mail partners.) The benefit of working with lead gen partners is that they bring you customers. You'll pay them a marketing fee for bringing you a customer, but some are investing significantly into paid advertising to create a pool of leads that they service with their partner addresses. You can certainly run your own ads and try to rank for the keywords, but you're facing stiff, global competition with that effort.

The other consideration to make when choosing a partner is your technology preferences. Some partners have consumer-facing websites and apps that help to make the process streamlined and secure. If you use a partner without a technology platform, you will process all mail notifications as well as contracts via email and spreadsheets.

Choosing to use a third-party software company helps protect you and your virtual mail customers from fraud — an important security consideration when working with people's mail.

The benefits of using a third-party software company are multifold. “When you have a handful of customers, you may be thinking you can manage your customers’ mail yourself using email to save money, however you will be running into some potential risks of exposing private information if hacked. Emails are not secure when sending scanned copies as attachments,” Hasan Mirjan from SphereMail explained.

Important Note: you may use more than one lead-gen partner. We suggest starting with one to get comfortable with the operations - then choose others that easily integrate into your process.



2. DECIDE HOW YOU’LL HANDLE THE PHYSICAL MAIL AT YOUR SPACE.

Most services will require you to take a picture of the outside of the envelope and upload it to their platform. Others allow you to simply enter the name of the sender into the service provider’s platform, and the recipient will be notified that a new piece of mail arrived at your space. Members

will receive a notification that they have new mail, and they can elect how they wish to handle the mail.

Mail and packages should be stored in a locked cabinet or storage room. ***It’s your responsibility as a commercial mail recipient to keep mail secure.***

For non-local clients who would like to receive their mail, ***you can offer mail forwarding as an additional paid service***; you shouldn’t forward mail for free. “We recommend that you charge additional admin fees to sort and forward mail in addition to postage. These fees represent a valuable revenue stream for workspace locations while causing minimal additional overhead,” explained Martin Senn, CEO and Co-Founder, Davinci Virtual Office Solutions.



**WE RECOMMEND THAT YOU CHARGE
ADDITIONAL ADMIN FEES TO SORT
AND FORWARD MAIL IN ADDITION TO
POSTAGE.**

**- Martin Senn, CEO and Co-founder,
Davinci Virtual Office Solutions**

3. PLAN YOUR STAFFING NEEDS.

A common concern for all operators who are on the fence about offering virtual mail is the volume they'll receive on a regular basis and how it will affect their staffing needs. The volume of mail and packages will vary by location and is dependent on several factors, including number of clients and the type of client.

Matt Going of Anytime Mailbox explains:

"Mail volume varies but the vast majority of digital mailbox clients receive very little mail....less than 5 pieces per month. It will not overwhelm staff. We have over 500 operators using our platform and they all want more customers; if it was too much work they would ask to be removed from our website and that never happens. Lastly, the operators are already running a mailroom...this is a way to make it more efficient and provide a valuable service to their clients."

Chances are you won't be receiving large amounts of mail in the beginning. This gives you an opportunity to put a system in place that works, and scale it as your virtual mail service grows over time.

You can always set limits later that make sense for your business as it scales. "You may want to consider placing a cap on the number of mail items your members receive and place additional fees for extra pieces received. This can provide an additional source of revenue and compensate you for the additional time spent sorting your members' mail," said Nathan Jansch, Director of Corporate Services, Alliance Virtual Offices.

4. REGISTER WITH THE U.S. POST OFFICE.

Contact your local post office about applicable requirements and regulations before beginning to offer virtual mail services. Any business taking others' mail must submit a completed **USPS Form 1583-A** which allows your space to act as a Commercial Mail Receiving Agency to receive mail on behalf of your members. This form must be returned to the main U.S. Post Office facility in your locale.



WHEN SIGNING ON NEW VIRTUAL MAIL MEMBERS, YOU WILL ALSO NEED TO HAVE EACH NEW MAIL-RECEIVING MEMBER FILL OUT A USPS FORM 1583.
- Nathan Jansch, Director of Corporate Services,
Alliance Virtual Offices

"This completed form for each mail recipient does not need to be submitted to the post office, but it does need to be kept on file, as it provides your company authorization to receive and process mail on behalf of your member. To properly complete Form 1583, your member will need to fill it out, sign it, and ***have their signature notarized by a notary public.***"

5. DETERMINE YOUR PRICING STRUCTURE.

Martin Senn of Davinci Virtual Office Solutions suggests: "First, you need to determine your offerings and set your retail pricing for the services you would like to offer. Most of the successful workspace operators offer a basic monthly virtual address rate that includes utilizing the address and receiving mail. You then can provide add-ons such as mail forwarding, mail scanning, mail notifications, lobby directory listing, etc. All of these additional services should carry extra fees.

Different addresses will command different prices based on the demand for the service and the prestige of the address. Do some market research by searching for your city on the vendor's website. Some vendors focus on volume business and encourage lower pricing. Some encourage you

to maintain higher pricing. You may need to do some testing to see what resonates in your market. Beware of starting too high or too low - start in the middle and adjust as you learn.

Scale is also a factor to consider, however, “the simple fact that if a space gets 100 virtual subscribers on an average of \$50/month that’s \$60,000/annual revenue,” Hasan of SphereMail pointed out. Given that most virtual mail offerings take up comparatively little space, pricing can vary quite a bit and still be a significant revenue driver for the space.

IF A SPACE GETS
100 VIRTUAL
SUBSCRIBERS
ON AN AVG. \$50/MONTH

= \$60,000
PER ANNUAL REVENUE

“If the service is priced right to the end user, upselling a digital mailbox should be immediately profitable,” said Laurent Dhollande of CloudVO. “There aren’t any fixed costs to amortize over time. The service can also be upsold to an existing full time member, or to any other type of virtual office members.”



CHAPTER 3:

HOW TO BUILD YOUR VIRTUAL MAIL MEMBERSHIP

Getting clients for your virtual mail business requires marketing resources and a sales funnel just the same as your memberships.

START WITH CURRENT MEMBERS.

Focus first on the value proposition for your members if you don't include mail service with their membership.

If this new service will be an a la carte option, start with your current members and upsell them.

Your Community Manager probably already knows a lot about your current members, including how much mail they currently receive at your space, how often they travel for work or pleasure, etc. This can give you some good input for creating a value proposition and marketing messaging.

Additionally, your new virtual mail offerings are a good upsell when prospective members are touring your space. Let them know that you offer a virtual mail service.

While no one likes to think about losing members, Tracy Wilson, Managing Partner at Pacific Workplaces, noted that having a virtual mail offering can help to retain a member, even if at a lower membership tier. "Equally important are full time clients who, when experiencing financial struggles, may downsize to a virtual plan. This means, you keep the client, and generally you keep the client in a highly profitable service and then have the opportunity to re-rent the full-time space."

USE DIFFERENT MARKETING CHANNELS.

A huge opportunity for virtual mail exists in getting non-members to use your space. Standard marketing practices like SEO, social media marketing, and directory services, all apply here. "Advertise online with keywords like 'commercial mail receiving', 'mail receiving services, 'virtual mailing address' and other phrases that you think apply to your members and location," said Nathan Jansch of Alliance Virtual Offices.

“ ... [A VIRTUAL MAIL OFFERING CAN HELP TO RETAIN A MEMBER, EVEN IF AT A LOWER TIER... EQUALLY IMPORTANT ARE FULL TIME CLIENTS WHO, WHEN EXPERIENCING FINANCIAL STRUGGLES, MAY DOWNSIZE TO A VIRTUAL PLAN...]

- Tracy Wilson, Managing Partner, Pacific Workplaces

Virtual mail experts suggest using other formats to market your service as well.

Martin Senn of Davinci Virtual Office Solutions suggest that you target directories and services lists that are not just centered on coworking: "We encourage you to also list your offerings with national / global industry channels which will allow you to maximize your marketing outreach and increase your revenue opportunity."

Of course, always be sure to advertise on your website, promote at your space and at networking events, and make sure your virtual mail offerings become part of your conversation during prospective member tours.

HOW FAST WILL VIRTUAL MAIL GROW?

How quickly you build your virtual mail business depends on a number of factors. One major factor to consider is your location.

“If you are located in a building with a prominent address, such as Wall Street in NYC or Michigan Avenue in Chicago, you may sign-up one or more new virtual mail members every day. But, if your location doesn’t feature such a recognizable address, your addressable market for mail receiving services may be limited to your current members and other small businesses in the immediate vicinity, and you may sign-up just a few new members every month,” explained Nathan Jansch of Alliance Virtual Offices.

Even if you start out slow on sign-ups, you may still see this service take off down the road. “The important thing is to start, because at some point down the road your business will have stronger cash flow and be worth more with a virtual membership program than without it,” explained Barry Gesserman of iPostal1.

“ SOME OF THE SPACES USING THEIR SERVICE HAVE REACHED MORE THAN 500 MEMBERS IN UNDER TWO YEARS.

- Matt Going, CEO, Anytime


Matt Going of Anytime Mailbox added that some of the spaces using their service have reached more than 500 members in under two years.

If you jump in with a solid marketing plan and a clear value proposition — both for current and prospective members — your service is likely to grow.

TRAINING YOUR TEAM MEMBERS.

Many of the virtual mail referral partners provide training, either via phone or video. It's important that the staff handling incoming mail are informed, know how to handle problems, and can identify red flags when taking mail and packages in for a business that may or may not be legitimate.

When initiating a virtual mail plan, it is the owner's responsibility to ensure that the staff is trained. While virtual mail is a fairly streamlined process to manage once it's up and running, there are important adjustments and best practices to set on the front end.



IT'S A CONTINUOUS PROCESS THAT OWNERS NEED TO BE AWARE OF AND NEED TO MAKE SURE THAT PEOPLE ON THE FRONT LINES ARE PROTECTING THEIR POCKETBOOKS AND MAKING SURE THAT IF THEY SEE SOMETHING THAT LOOKS A LITTLE SUSPICIOUS THAT WE'RE CALLING OUR VENDORS OR THE RIGHT AUTHORITIES. IT'S OUR JOB TO REALLY POLICE THAT SERVICE. DON'T START A VIRTUAL MAIL PROGRAM UNTIL YOU HAVE A TRAINING PLAN IN PLACE.

- Lori Spiess, CEO, OffiCenters

CONCLUSION

Whether you're looking to expand your reach to new markets, attract new clients from your local area, or simply add value to your current members' services from your space, virtual mail is a low-maintenance revenue stream that coworking spaces should consider adding as the market continues to change.

As work becomes more mobile and methods of growth become increasingly digital, a space that can offer mail receiving services and the draw of a physical address without presence from the customer will stand out.



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