

MIDAS SHARE TIPS: Cashing in on the Working From Home hybrid revolution with software wizards SmartSpace

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Little more than a year ago, working from home was a rarity. Fewer than 5 per cent of employees did it on a regular basis and there seemed little prospect of radical change.

Within weeks of last year's lockdown, almost half the UK workforce – tens of millions of people – had relocated from the office to their bedroom, kitchen, garden shed or, if they were lucky, study.

At first, many people hated it. Then they adapted. Now, more than 80 per cent of office workers would prefer to spend at least part of the week at home, according to independent research.



Space saving: SmartSpace allows staff to book their desks online for when they need to be in the office

For many companies, this is great news. Hybrid working, as it is known, means fewer employees in the office at any one time. Handled correctly, that should generate significant cost savings for firms.

[SmartSpace Software](#) helps businesses to adapt to this new way of life. The shares are £1.45 and should increase rapidly in price as the company is growing fast and its chief executive Frank Beechinor has a stated ambition to take the stock to £5 in the next couple of years.

Beechinor has form. As chairman of online marketing specialist [dotDigital](#) from 2011 to 2019, he oversaw a surge in the firm's value from £15million to more than £300million. [Recommended by Midas at 37p in 2015](#), dotDigital has gone from strength to strength and the shares now stand at £2.24.

Beechinor is hoping to do something similar at SmartSpace.

Originally an audio-visual equipment business, the company has transitioned under Beechinor's watch into a software firm specialising in three areas – desk management, meeting room bookings and visitor check-ins.

Office receptions use an iPad to check guests in – a more hygienic and efficient option than the traditional visitors' book. The desk management and meeting room divisions allow employees to reserve desks or book rooms using an app on their phone. Each division is making impressive progress.

The visitor management subsidiary is the most established, with almost 5,000 customers around the world, from small, single office firms to multinational companies, such as DHL.

The business was doing well before Covid-19 erupted but the pandemic gave it new momentum, with 1,500 new accounts added between March and June last year alone and numbers increasing steadily since.

The desk management has seen growing interest too, as companies start to assess how best to handle hybrid working. Most are keen to retain their employees – or even expand their workforce – while reducing the amount of space they need.

In London, for example, every desk costs an average of more than £25,000 a year in terms of rent and associated facilities, so cutting back on office space can deliver serious cost-savings.

SmartSpace makes this relatively simple, allowing workers to book desks for certain days or even hours. Once a desk is booked, it will show up red online, a little like booking seats on an aeroplane. And, if an employee fails to show up, the desk goes green again.

Firms have taken to this with enthusiasm, some more ruthlessly than others. One large bank, for instance, has even put managers' offices on its system so their spacious workstations do not sit idle when they are not around.



More than 80% of office workers would prefer to spend at least part of the week at home

The meeting room service is equally efficient, enabling staff to book not just private rooms but facilities from whiteboards to sandwiches online.

SmartSpace sells the visitor management software directly to its customers, but the desk and meeting room services are offered through specialist distributors, including Softcat, itself a £3.5billion UK business, which only last week reported double-digit growth for the three months to April 30.

In December, Beechinor signed up Swedish firm Evoko as a partner too. The group specialises in touch-screen panels and has installed around 300,000 of these in meeting rooms worldwide.

Now, they are offering to upgrade customers to new, improved panels using SmartSpace technology so companies and their employees can organise meetings, book desk space and arrange for visitors to be welcomed through a single system. Early signs are encouraging and there are high hopes that the Evoko deal will boost sales substantially over the coming years.

Analysts are optimistic about SmartSpace, predicting a more than 50 per cent increase in turn-over to £7million for the year to January 31, 2022, rising to £10.5million in the following 12 months.

The group is loss-making right now but it should move into profit during next year, with earnings rising sharply thereafter.

Midas verdict: For many companies, hybrid working is the way forward, not just for the next few months but for the foreseeable future. SmartSpace makes the switch simple and cost-effective. At £1.45, the shares are a buy.

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