

Home Office Pros and Cons

Many small businesses start out in an extra room or in the basement of an entrepreneur's home. The space is available, cheap and convenient. In addition, with current technology, renting office space can seem unnecessary. But setting up an office at home isn't for everybody. Here are some issues to consider as you ponder your work environment.



Type of business. If your business is primarily a personal service business (consulting, phone sales, research, writing), working from home can be attractive. If however, you have clients visiting you, consider the impression your home office will make on clients. Meeting in your dining room with three or four prospects is unprofessional if the aroma of dinner is wafting through the room. Certainly any type of retail business that attracts customers would require separate space that includes adequate parking. In these cases, an off-site environment might be a better choice.

Zoning restrictions. Many communities have ordinances that make it almost impossible to run a business from your home, especially if that business includes traffic, frequent delivery vehicles or signage that identifies the business. In addition, you should determine what the affect would be on your homeowner's insurance policy if running a business from the house.

Physical space. Is there space at home that is conducive to your business? While computers and phones don't take up much space, adding a printer, fax machine, copy machine, file cabinets, a large desk and storage area will fill that space quickly. In addition, consider the actual space itself. The room in the basement may work, but will you be comfortable there for hours at a stretch?

Family reaction. You may love your family a great deal, but are you ready to spend all your time with them in a close environment? If you decide to go the home office route, be sure to establish some rules about interruptions. A closed door could mean "stay out" unless it is an emergency, while a door slightly ajar could mean "come in only if it is important." Setting ground rules will prevent hard feelings and miscommunication with family members.

Financial issues. Having a home office will probably save money. You are already paying rent or mortgage payments and won't incur the additional costs of renting

space, moving, furnishings (maybe), commuting and parking. You may also get some tax benefits from a home office. The rules are a bit complex, but you may be able to claim a depreciation deduction. Consult your tax advisor.

Suggestions for Working from Home

Be sure that a home office doesn't isolate you from a healthy, vibrant business environment. Casual conversations with co-workers or others in a business setting are important. If you are planning to work from home, be sure to get together with others for lunch or meetings. Don't let your office environment isolate you from the rest of the business world.

Plan for your technology needs early. Adding extra phone lines for your fax machine and a rollover line isn't very expensive and will ensure that calls are not missed. Set up a voice mail system that will enable you to easily access messages when you are out. Be sure to have high speed internet access. Set up your plan so the phone and cable company only have to come once.

Keep a professional and serious manner for your business if working from home. Tee shirts and sweat pants may be comfortable, but they could lead to a casualness that is perceived by your customers and prospects. Also, pay attention to how you sound on the phone. Background noises of children, the TV or a barking dog can distract you and the listener from the business at hand, as well as reduce your credibility.

Whether you choose to set up shop in your home or off site, your image, as perceived by clients or prospects, is important to maintain. Keep that, and your own sanity, in mind when choosing where to run your business from.