

Making the Move Out of Your Home Office

by Bob Normand

SUMMARY: The vast majority of small businesses start out as a home-based business but soon find their needs exceed what the home can offer or the level of activity begins to interfere with home life or the business becomes inappropriate for a residential neighborhood. This article presents some of the planning questions that should be asked when a move out of the home is contemplated. An unplanned move can often be disastrous to an emerging business.

As businesses grow over time, their space requirements change and the home that incubated the business at the start becomes inadequate.

Perhaps you need easier public access, private space to meet with clients, more adequate office space for employees, maybe even warehouse space for products or commercial materials. Or perhaps your office is just becoming too busy and an imposition for your neighbors.

When to make the commitment to rented or purchased space is always a major decision and can cause a significant new burden in expenses if not planned and executed properly. If you're not yet sure that it's time to move out, consider these questions:

1. Are you finding it difficult work productively because you are distracted by household demands? Do you frequently feel torn between caring for your family and caring for your business?
2. Do you have a significant level of personal interaction with customers or clients? Does your home atmosphere enhance or detract from the professional image you wish to project to your clients?
3. Does your growth require you to add employees? Is a business that started in a spare bedroom or basement now taking over the house? Is adding on to your house or moving not an option? Are employees (unintentionally) interfering with privacy in the home for either you or your family?

If you have come to the conclusion that it is time to move, develop (write out) a transition plan:

1. Analyze your space requirements for each function of your operation and project what you expect to need over the coming two to three years. You don't want to do this exercise again in 6 months.
2. Sketch a layout on a large piece of paper. Offices typically run about 100 sq ft but cubicle work areas can get along with much less and common space often runs 20-25% of the total square footage. You don't have to pay for an engineering drawing and some commercial property managers will provide them for free.
3. Consider how important it is to your operation to be near support businesses such as the post office, UPS, FedEx or an Office Supplies store.
4. Spend some time developing a budget for the move and a projection of expenses (changes to your financial income statement). You should know how you are going to fund this change and what it will do to your profitability (and break-even).

Try checking out office suites -- office space with shared amenities and administrative support provided. These suites offer access to state of the art phone, computer and networking technologies, receptionist services, furnished offices and conference rooms, and use of other business equipment (fax, LCD projector etc.) all included in the price. Contact your local Chamber of Commerce, County Economic Development Authority or Community College for information on shared facilities including "incubators".

Some temporary office space providers will even rent space for a few hours or a few days. Start your search for these flexible, low cost office solutions on the Internet with search terms like "business centers", "office suites", "temporary office space" or "business incubators" to find out what's available to you in your area.

If you rent, try to negotiate as short term a lease as possible with a monthly evergreen clause. Avoid leases that go over one year and could be quite costly if you are forced to reverse your decision in a short time.

Lastly, review your plans with your Board of Directors (sometimes that's a spouse only), Board of Advisors, mentor or other advisors. They will provide that objective evaluation business entrepreneurs need to help them arrive at the best decisions.

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