

## **BASICS OF BUSINESS**

### **LOCATION, LOCATION**

Choosing the best location for your new business is a critical decision not to be made in haste. Your first consideration for convenience and cost factors is contemplate the possibility of running your startup company from home. With the rising number of virtual companies, it's easier than ever to work remotely and take advantage of some home-office tax deductions at the same time. If the home-based option won't work for you, finding a location for your small business requires doing due diligence.

**YOUR HOME OFFICE** Home-based businesses are on the rise. According to research done by IncFile (<https://www.incfile.com/>), it's estimated that there are 38 million home-based businesses that generate \$427 billion a year in the United States; 20 percent of them bring in \$100-500k per year. Big or small, home-based businesses all share one common challenge: Setting up a space to get work done. Read these tips to set up your home-based business office.

### **EQUIPMENT AND SUPPLIES**

- Set a budget and stick to it. You probably don't have an abundance of funds if you're just starting out. Thrift stores, clearance aisles and yard sales are all great ways to score good buys.
- Think technology. Do you need a new phone line? Consider a [VoIP](#) (Voice over Internet Protocol), which allows you to make voice calls over a broadband connection. You might need a faster internet connection to support it.
- Keep your receipts and bills. Many items you purchase and a percentage of your utility bills (including high-speed internet) for your home-based office might be eligible for tax deductions.
- What equipment do you *really* need? If you use a piece of equipment on a daily basis, buy it. For equipment you use less often, a trip to a copier or office supplies store may be more economical.
- Stock up on supplies. Whether it's paper, pens, printer ink or boxes, make sure to have plenty of supplies on hand. Constantly having to buy one thing at a time cuts into your productivity — plus, you usually pay less buying in bulk.
- Invest in ergonomics. A properly set up work station helps lessen muscle fatigue, increases productivity and reduces the risk of work-related injuries (like carpal tunnel syndrome, tendinitis, or other muscle strains). [Read this checklist from OSHA](#) on setting up a comfortable and safe home office.

### **LOCATION AND LAYOUT**

- Determine what kind of space you'll need. You may need room for inventory or extra room for files. If you're building your business as a wholesaler or reseller but don't have a warehouse yet, make sure you have a safe, dry and organized place to store your inventory.

- Plan for doing business on the go. If you're often on the road providing quotes, consider a good brief case to keep a laptop, paperwork and any devices you need to take your business with you.
- Consider noise level. Think about the noise levels both inside and outside your home for the working space. To reduce distraction and add to privacy, consider a white noise machine.
- Create a separation from the rest of your house. Having physical boundaries helps create mental boundaries, when the temptation to work around the clock hits. If you don't have a separate room, try to partition part of your home. Having a clock in clear view and setting office hours will also help you establish a line between your personal and professional lives.
- Personalize it. Small touches go a long way to make your office a space in which you'll actually want to work. Plus, research has shown that certain [colors](#), [scents](#) and even [house plants](#) can increase your productivity.

**INSURANCE SOLUTIONS FOR HOME-BASED BUSINESSES** Many home-based business owners don't realize their homeowner's insurance does not protect their business in most cases. It's best to check with an insurance professional about the coverage you need.

### **CHOOSING A NON-HOME-BASED LOCATION**

If you run a business dealing with clients or customers, consider how your location will contribute to your business. Your location should be inviting and refined, creating a positive association for clients and customers so they think highly of your business.

Answer these questions before you put down a deposit on any location for your business:

- **Accessibility:** Do you need foot traffic? Lots of parking for customers or employees? What about the distance from prospective customers or employees? If you run a B2B company located outside of city center, clients may not want to drive long distances to visit your business. Besides office space for your staff, do you need a dedicated space for a receptionist? One option is to look for office space with shared resources such as receptionists, copiers, and a mailroom.
- **Growth potential:** Do you need a location with room to grow? In a few years, you might need to hire more employees or accommodate new inventory.
- **Technical needs:** While more and more buildings are wired for high-tech needs, it isn't always the case at older buildings. If your business requires a lot of electrical power for computers, printers, servers, etc., you don't want to blow the whole building's power source. Finally, more and more customers expect free Wi-Fi when they shop in your store or sit in your lobby before appointments, so make sure you offer it.
- **Cargo needs:** If you're working in the industrial sector, or you're running a business that receives large supplies of goods, pick a location with warehouse storage space and easy

delivery options for clients and customers. A business that specializes in shipping and holding goods needs certain structural amenities, like loading docks.

- **If you meet with customers and clients regularly** consider how your clients and customers will see your location. Do you need to have reception areas, waiting rooms and conference rooms so you can meet with multiple clients and customers throughout the day?
- **Dedicated parking** Your employees will likely have to drive to your location. Is parking available? Do you need convenient parking options for clients and customers? Sometimes, the most important aspect of a business location is the existing parking options.
- **Building structure:** Of course, finding the right business location is not just about the property, but about what's *on* the property. You need a location with a structure making the most sense for your business and your clients or customers.
- **Zoning:** Research zoning maps for your local town or city. This allows you to gauge what business activities are allowed, according to your local area. If you're a retail store or restaurant, considering the proximity to commercial zoning can be essential. Nearby residential zoning means you could have direct access to foot traffic in your area.

Once you know your needs, it's a good idea to research locations before talking to a commercial realtor. Check with your city's small business development office and your local [Chamber of Commerce](#) to get their suggestions on where to locate your type of business. You may find out your city offers tax incentives to attract small businesses to certain areas. Ideally, you want to locate in an area with active support for local businesses. Consider state and local tax implications of your prospective location. Depending on your business type and location, it may be more lucrative to seek out a location outside a certain zone or municipality to get a tax benefit.

Read the area's local paper to get a sense of the economic climate, type of businesses opening and closing, and general vibe of the area. Then, study any marketing research reports on the area from the city's business development office, [SCORE](#) and local city colleges.

No matter how good a location looks on paper, you need visit the different locations you're considering in person to check out traffic patterns and types of customers in the area. Does the location portray the image you want for your business? Is the area in need of street repair? Is there a nearby anchor store to help attract customers (or a competitor to lure them away)?

Finally, make sure you've figured out what monthly rent your budget will allow before you speak to a commercial realtor. You don't want to be talked into more than you can afford.

Consider these factors, too:

- **Competition:** Consider where your competitors are. Do you wish to move in directly next door or across the street from a business rival? There are some businesses, such as fast food establishments, that do well in a competitor-rich environment. But, that's the exception, not the rule. By knowing where your competitors are, you can choose a location allowing you to establish your own base. It can also allow you to better gauge demand for your product or service compared to other companies.

Also, consider what other businesses are nearby your potential location. This is important, because those businesses could attract customers in your target demographic. Make a balanced, conscious decision when considering your neighbors. You should collaborate with other businesses to create a prosperous economic environment. You shouldn't have to settle for adversarial business relationships.

Some portions of this resource are excerpted from an article titled [“Tips on Choosing the Right Location for Your Business”](#) By Matt D'Angelo, Business News Daily Contributing Writer