Home Office Perks And Pitfalls

Many start-up small business clients that I mentor plan to do their new business from their home. Here are some of our discussions on this topic.

Operating a business from home offers small business owners some notable advantages—and some considerable disadvantages, as well. Some entrepreneurs find running a home-based business works exceptionally well for them, while others do much better at an office located somewhere other than where they live.

Consider the following pros and cons before you decide whether to build your business from the home front or work from a different office location.

The Perks Of A Home Office

- Flexible work schedule – Working from home often gives you more control over your schedule. You generally have more freedom to take time off during the day and then pick up the slack by working at night or early in the morning.

- More productive time – Without having to waste minutes or hours driving to and from an office, you have more time to get your work done. You can jump right into the tasks at hand—without worrying about shaving or fixing your makeup and hair.

- Fewer distractions – You have more control over your surroundings (with some exceptions as noted below), which ultimately can result in less stress and more peace and quiet to do what you need to accomplish.

- More cost effective than an office elsewhere – When you work from home, you don’t have to budget for office rent. You’ll also save on fuel costs because you don’t have a commute.

- Lower wardrobe costs – Depending on your type of work, you may not need to keep as extensive of a professional wardrobe than you would if you had an office outside of your home.
• Less food and beverage spending – Coffee at home is far less expensive than hitting the Starbucks drive-thru on the way to the office. You will be less inclined to eat out for lunch, too.

• Home office deduction on your income tax return – Depending on your business legal structure, you may be able to report a portion of your electric bill, heating expenses, etc. as a tax deduction. That means more money in your pocket and less to Uncle Sam.

The Pitfalls Of A Home Office

• Difficulty stepping away – You may find it tough to separate yourself from your work when your office is just a few footsteps away at all times. There's always the lure of unfinished business tasks during your downtime. Unable to escape for some mental rest and relaxation, you could end up burned out and overwhelmed.

• Potentially more distractions – If you can't block out an overgrown lawn or piles of laundry from your mind, you may find working at home a not-so-productive work environment.

• Feelings of isolation – Working from home generally doesn't provide as many opportunities for social interaction as working at an office. If you thrive on ambient noise and conversations throughout the day, you may feel lonely in a home office.

• Not taken seriously – Some people perceive working from home as a sign that you're only mildly serious about being in business. Realize that to combat this, you will need to work extra hard to show you’re a professional who is capable of delivering on your promises to clients.

How To Make A Home Office Work For You

Carefully consider your personal working style and your home's capacity to accommodate your business when deciding whether or not a home office is the right work environment for you.
Having a private space reserved for doing your work where the kids, the dog, and household chores won't hijack your attention can help you succeed in a home office. You also may need to set boundaries for friends and family who might believe you can drop what you’re doing to entertain guests in the middle of the day. In addition, setting up a schedule for your work can help you draw the line between “home” and “business” so you stay on task and don’t neglect your personal life.

Talk to someone who is doing it. Also, for guidance about any aspect of starting or running your business, contact your local SCORE chapter to talk with a mentor. Mentoring is free and provides you with insight and expertise as you face your small business challenges.

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