



# 12

## Setting Up An Affordable Business Location

Your business needs a base, but how big and fancy does it need to be? Here are some options for services, retail and manufacturing.

### **1. Set up an online business run from home or a co-working space**

A lot of goods are ordered online and delivered by courier these days. And many services are delivered through a mix of video conferencing and online collaboration. You may only need a virtual office or online shop.

#### **How to start a business without an office**

Starting a business doesn't mean owning real estate. A lot of consultants and online retailers work remotely from a virtual office. They communicate and collaborate online. In-person meetings may only happen at the beginning and end of projects, and can take place at someone else's office or at a hired venue.

#### **Here are the basic tools of a virtual office:**

- Video conferencing that allows you to have face-to-face meetings online.
- Online documents which can be edited by multiple people at once, from anywhere.
- Chat services that make it easy to send short messages back and forth.
- Apps that make it easy to share work-in-progress and keep client feedback in one place.

- Project management software that shows who's responsible for each step in a piece of work.

There are dozens of apps that can do some of these jobs. Avoid chopping and changing for different clients or it will slow you down. You're better to learn a few core systems that really work well and ask clients to use your suite of tools.

#### **Benefits of working from home**

Working from home can be great for small business owners. It saves you paying for a work space and could save you an hour or two a day on commuting each day. But it's not for everyone. You may go stir crazy being in the same place day and night. Or your home simply may not be a suitable space to work.

#### **Two home office rules to live (and work) by:**

- **Figure out what you need**  
Do you need super-fast internet? Good mobile reception? Space for a desktop computer or printer? A little studio? Storage for physical documents? Whatever your must-haves are, list them out and ensure your home office can provide them.
- **Keep your professional and personal life separate**  
Create your workspace away from the home's communal areas. You don't want to have to pack up so the household can have dinner. Stick to set work hours if you can, otherwise your days could get very long.



## Tax and the home office

If you use a room in your home for business purposes, you may be able to deduct certain payments from your income taxes.

## Try a co-working space

Lots of places will rent you a workspace for short or long stays. Co-working spaces become hubs for startups and freelancers who often end up working together and referring business to their neighbours. They're great for people who love the buzz of an office, and they often come with bookable meeting rooms. A web search will tell you what's available in your area.

## 2. Set up a bricks-and-mortar shop

If you need a place for customers to come to, then you'll need to do some market research to figure out where the opportunities are.

### • Go toward competition or away from it?

If you're near competitors, it's easier to take business off them. And your general location will be more of a destination for your target market. But you can also win big by being the only option in a poorly-served area. Do some market research to see how much your target market values convenience versus choice. It can vary from one industry to another.

### • Walk-past versus drive-up

It can be great when lots of people walk past your shop every day, but not if you sell big TVs and they can't park near you. Do you want pedestrians, cars, couriers, or a bit of everything? Choose a place

that is practical and accessible for your customers.

## 3. Set up a space for production or distribution

Manufacturing and logistics can be complex businesses. Extra time spent in transit or unloading a truck can drive your costs up a lot over a year.

### • Make sure you're legal

Not all areas allow all types of commercial activity. There are a lot of rules about production and manufacturing because they often create noise and traffic. Check that your activity is allowed in the areas you're looking at. And make sure the space will comply with health and safety requirements.

### • Figure out the costs of getting things in and out

You need to get materials in and products out. Make sure your site is close to important transport routes and can accommodate the vehicles that are likely to visit. Poor loading (or unloading) bays can slow you down and create safety risks.

## 4. Set up an office

If you're starting a business in which people need to meet and work together, then location could require a lot of thought. It can be tricky to strike a balance between convenience and budget.



- **Do you need to be close to clients?**

If you serve a specific industry and they're all located in a particular part of town, then it might make sense to go there. However, face-to-face meetings are becoming less common. Weigh up whether it's good enough to be accessible rather than nearby.

- **Is your location attractive to staff?**

You could get less applicants for vacancies if your office is out of the way. You may also suffer more disruptions from bad traffic, public transport breakdowns, or difficult weather. That may not matter if you don't have a lot of staff, or you allow them the flexibility to work from home occasionally.

You don't have to commit to a long lease straight away. You could start by renting an office in a co-working space.

### **Budgeting and business location**

Location can affect both the cost of doing business and the amount of revenue you earn. Do some budgeting when you're considering options.

- Real estate agents should be able to tell you the average lease cost per square metre per month for a given neighbourhood. Investigate a few areas to see what's affordable.
- Estimate how certain locations and spaces will affect other costs. Will it

cost more to get supplies there? Will a certain building cost you more to heat in the winter?

- Work out how location will affect your access to customers. A cheaper location might end up costing you more in lost income. People with experience in your industry will have good advice to help you understand the balance.

### **Do you have room for growth?**

Most new businesses are on a tight budget, so it's rare to lease more space than you need at the time. But don't forget to factor in growth if that's a goal. Look for places that could take a few extra desks or more equipment.

Create some contingency plans. If business booms, where will you base new staff or extra supplies? Although they generally cost more, some landlords offer flexible leases which you can break if you outgrow the building.





**FINANCIALLY  
SORTED**

## **NORTH MELBOURNE**

Ground Level  
124 Errol Street  
North Melbourne VIC 3051

## **WHEELERS HILL**

Level 2 Suite 10  
622 Ferntree Gully Rd  
Wheelers Hill VIC 3150

**Ph:** 03 9888 3175

**E:** [info@financiallysorted.com.au](mailto:info@financiallysorted.com.au)

**W:** [www.financiallysorted.com.au](http://www.financiallysorted.com.au)

