

Business Bullet ~
“Keep Home Business Startup Costs Under Control”
(Part 2 of 3 part series aimed at Business Startups)

It used to be that the only people who seemed to work from home were novelists, babysitters and artists. Today, business owners and telecommuting employees in a wide range of professions work from home some or all of the time. And with them at home are many of the same types of business equipment they would have in a corporate office. So, what could be stopping you from starting the business you've been dreaming about?

If your answer is “Getting enough money to start the business”, then maybe you could take a closer look at your plans and options. You may be able to find ways to get your business rolling without spending as much as you originally planned. So, let's start with those expensive pieces of business equipment.

1. Let necessity dictate what equipment and supplies you buy. Newcomers to business are most often tempted to overbuy. To control your spending, carefully consider how you will use what you want to buy, and when you will need it. Ask yourself questions such as these before making your decision:

- Are you managing now without the product you want to buy?
- Is there a specific contract you will be able to get if you have the piece of equipment you want to buy?
- Are you sure the contract would go to you and not to a competitor?
- Can you subcontract out a part of a job until you see whether there will be enough orders to pay back your investment in a reasonable amount of time?
- Or is your productivity and ability to compete being impaired because you don't have the item you want?
- Will the item you want to purchase be something you will use every day, or only occasionally?
- Can you afford to buy the item and pay the credit card bill when it arrives?

Also, be aware of your alternatives when buying a piece of equipment. Let's say you need a new computer. Check out discount stores, and be sure to ask if they have any 'out of box' specials. These are computers that customers returned (but are in working order, or sometimes demo models, also in working order). Looking for useable bargains like this could save you hundreds of dollars on a computer.

2. Use all available space. Desktops, cabinet tops and bookshelves rarely offer enough space for equipment, supplies and work in progress. With a little creativity, you may be able to find more space by adding wall cabinets or under-desk file cabinets.

3. Make space in a closet. One way to make more space in a small room is to build your office into the closet. Remove the door, add bookshelves, and a table top for the computer. Purchase a low, rollaway cabinet to fit under the table top.

4. Turn file cabinets and a door into a desk. It's an old trick, but one that works. Get two, two-drawer file cabinets that are the same height, and then top them with an inexpensive door. You'll get a desk that's wide enough to hold a monitor and hard drive and keyboard, at a fraction of the cost of regular office furniture. If the height of the file cabinet/desk is too high to be comfortable to work at, get a chair with a pneumatic seat and a foot rest. Then raise your seat up to a comfortable work height.

5. Find used goods. Buy furniture and equipment at garage sales and auctions. Find treasures in the trash. They don't have to be new to be serviceable. Check and search in the yellow pages, or in the classifieds of your local newspaper, even trade magazines for used items for sale and auction notices. Keep your ears open for news of companies leaving town, closing divisions or closing down. They may be willing to sell you furniture or equipment for pennies on the dollar.

6. Trade up. I know someone who spotted slightly outdated computer at a garage sale. She bought the computer for \$65 and then took it to a computer shop which gave her \$500 for it as a trade-in on the purchase of a new computer she wanted.

7. Match your work surface to the job it has to do. Measure any equipment you plan to put on a desk or table to be sure that it fits and that there is adequate space around it to work.

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8. Get rid of what you don't need. Clean your file cabinets out before you buy another cabinet. If there are records you think you may need, but don't need to access regularly, put them in a plastic storage container and move them to the basement or garage. Make copies of important documents and put the originals in a safe deposit box and keep the photocopies with your business records.

9. Shop for office supplies and equipment at midnight. Or, shop any time of the day or night that it's convenient for you. Many major office supply stores have internet sites and offer free shipping. And, of course, see and purchase only items that you know you need.

10. Recycle paper. Chances are you print out a lot of information that you don't need to keep. To keep costs down, don't throw out the sheets of paper after you've read them. Recycle them. Either feed them back through your printer and use the blank sides for rough drafts of your work or cut up the paper into notepaper size and staple them together in small notepads.

Make sure to look over every expense with an eye for keeping costs down initially and you may find you can get that dream business off and running with the money you have available to you now.

COMING NEXT MONTH: How does a startup find customers? (Part 3 of 3)

