



BUSINESS **STARTUP** BLUEPRINT

CHOOSING A LOCATION

TRANSCRIPT



In this lesson, we're going to ask the question: Do I need to have a location when starting a business? Since COVID, there have been many more remote businesses.

Big corporations and businesses with physical locations are sending their workers home. The need to have a physical location is certainly diminishing.

However, depending on the type of business you want to start, you might need a warehouse for storing supplies or equipment. You don't necessarily have to rush out and rent a facility unless your business demands it. You can often run your business from home.

Many of my businesses started off running from my home office. Sometimes I stored stuff in my garage or bought a cheap shed for the backyard to store supplies. I had my employees clock in and out using a remote app, so they didn't have to check in with an office daily.

Working from home can keep overhead costs low. You also have the advantage of paying rent to yourself and writing off office expenses. Check with a tax professional, but there are different ways to manage this.

You can designate a room in your home as a work office and write off expenses as a percentage of household expenses, or charge yourself monthly rent.

The benefit of this is you avoid a commute. However, the downside is you can never escape your business. It can be hard to separate work time from relaxing at home time. If your business grows, you might decide to get an office space.

This will increase your costs but can give you better work-life balance, with a separate place for work and home for family.

Weigh the pros and cons of having a home business versus getting a physical space. If you need a physical space, there are many options. LoopNet.com lets you look at warehouses, office spaces, industrial places, and retail spaces for rent.

You can also enlist the help of a broker who will do preliminary research and help negotiate your lease rate. Brokers get a percentage of fulfilling the lease, so it doesn't cost you extra to hire them.

Personally, when starting a business, I focus on keeping my overhead as low as possible. I try to avoid getting an office space for as long as I can to keep costs down. Don't let this be a barrier to starting a business. Don't overcommit at the beginning; start slower.

We'll see you in the next lesson.

Summary of Key Points:

- **Working from Home:**
 - Keeps overhead costs low
 - Allows you to pay rent to yourself and write off office expenses
 - Avoids commute but can blur the line between work and home life
- **Getting a Physical Location:**
 - Necessary for some businesses needing storage or specialized space
 - Increases costs but helps separate work from home
 - Can provide better work-life balance
- **Finding a Physical Location:**
 - Use LoopNet.com for searching available spaces
 - Enlist a broker to help with research and lease negotiation
- **General Advice:**
 - Focus on keeping overhead low initially
 - Don't let the need for a physical location be a barrier to starting
 - Avoid overcommitting and start slower to manage costs