

LEAVING THE NEST

What to do when your business outgrows the home office

HOW-TO

By ERIKA WELZ PRAFDER

For 10 years, Judie Eisenberg operated Proposal Pro, a professional research and business-writing service from a 5 ft.-by-8 ft. bedroom office in her Pelham, N.Y., home.

But the walls literally began closing in on her, inhibiting business growth.

"I couldn't hire a staff. It wasn't conducive to hosting clients," she admits.

Faced between investing in a landlord or building her own infrastructure, last month she "relocated" to her previously unfinished, 500-square-foot basement.

"I hired someone to put up concrete walls, laid down carpet, added lights and a few fake plants," she said.

Since the "move," Eisenberg's hired a part-time administrative assistant and regained her entrepreneurial spirit.

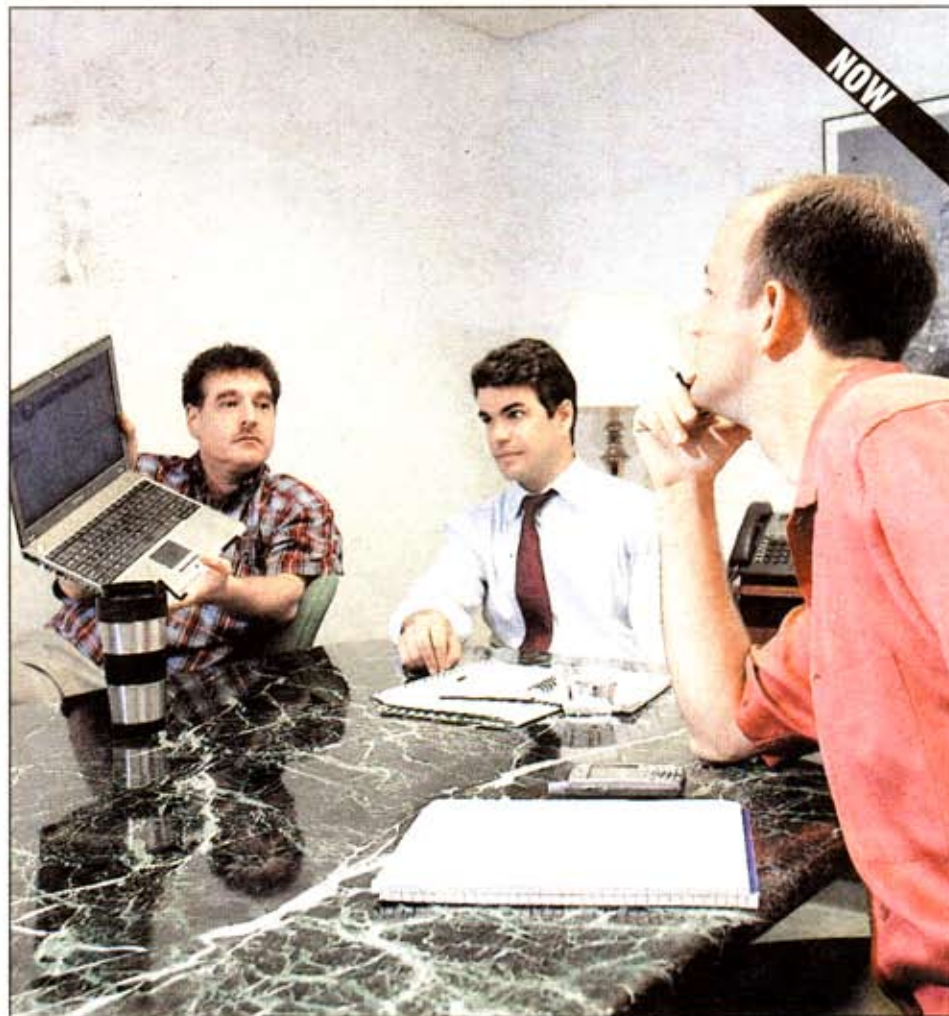
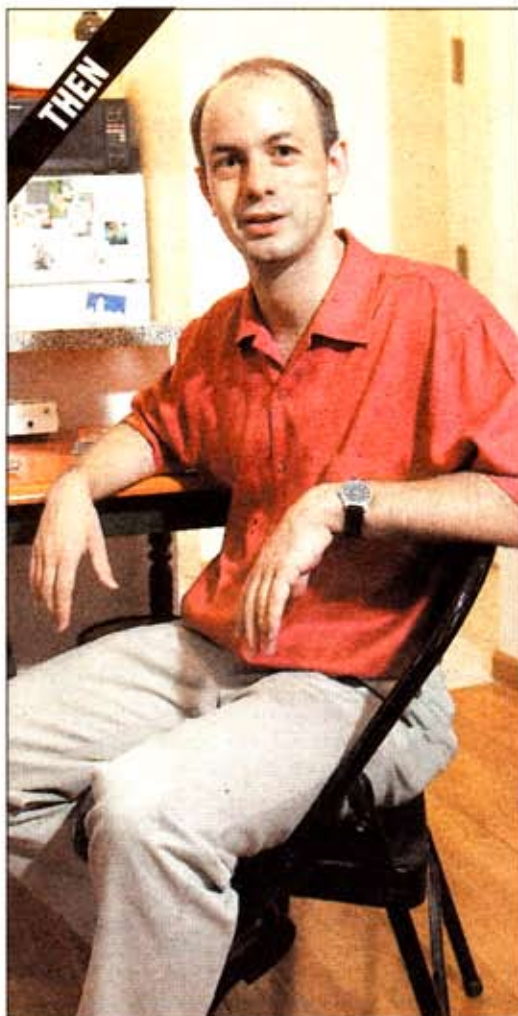
"I can more efficiently manage projects now and take on more work. We're not going to stay here forever. It's a bridge to going out," she said.

Hers is a familiar story to many home-based business owners. Making the leap to commercial office space can be an anxiety-laden decision.

If expanding your current confines isn't an option, unless you have investors bankrolling your venture, the fear of getting stuck with an unaffordable lease is very real.

To determine if branching out is right for your company, heed the advice of those who've already crossed that bridge:

Not every business should be more than home based. says Rosalind Resnick, founder and president of Axxess Business Consulting, Inc., which counsels startups and existing businesses. "The point is to make a profit, not to have the fluff and veneer of fancy space. Since most self-employed people need to operate as lean and mean as possible, acquiring a "real office" may not necessarily be a step-up."



GROWING OUT: Key Compton, co-founder of SoundSpectrum, and his associates worked out of tiny Manhattan apartments until their business needed more room. Rich Press

Calculate your total costsof getting an office and hold off until you have a good idea of monthly revenue before making a fixed commitment, Resnick adds. Besides utilities, employee payroll taxes, insurances and maintenance costs, you may incur additional "surprise" payments such as a pro-rata share of your landlord's real estate taxes, or government fines for innocently placing your trash out on the wrong day.

"Before long, the \$3000 in

monthly expenditures you projected could double — significantly cutting in to your profit margin."

Incubate, suggests Key Compton, co-founder of SoundSpectrum, a real-time audio visualization software firm. "Temporary business office centers (more than 550 complexes nationwide) offer flexible solutions that won't cost a fortune or lock you in to a long-term deal."

Services include: furnished individual offices, multi-line

phones, dedicated fax lines, high-speed Internet access, shared executive suites and conference rooms and accommodating terms (three months to five years). Manhattan's Grand Central Business Centers also rents space by the day (\$200) and even by the hour. Inquire about their "Entrepreneur's Special" — 130 square feet for \$1000/month.

Go virtual, advised Compton. "If you just need more extensive office support and a place to meet with clients once or twice

a week, many of the companies that provide physical space offer "virtual" office programs as well."