

# From the Home Front



A COSE Home Business Survey dispels myths and proves this sector plays a significant role in the economy.

by Kristen Hampshire

What have you heard about home-based businesses? That the arrangement is transitional housing until the owner “makes it.” That downsizing is the reason for starting. That the owner is a part-timer and not entirely focused.

Flexible is misinterpreted as noncommittal. Home office attire is assumed to be old sweats, maybe pajamas. Even popular culture has painted a clever, but untrue, picture of the female home-based business owner, calling her the “Mompreneur.”

But none of these ideas proved correct when COSE conducted a survey of more than 400 home-based businesses, HBBs for short.

The small business owner who operates from home is not an amateur. In fact, 45 percent of HBB owners had more than 11 years of industry experience. Important HBB issues are not isolation or loneliness as a quick Internet search would indicate, though these are surely concerns. Own-

ers cite marketing and sales as their No. 1 challenge, and they are every bit as interested in growth and expansion as business owners with an outside office.

“Because of the lack of objective information, and the many myths and preconceived notions that exist, many people dismiss the impact and opportunity that home-based businesses represent,” says Steve Millard, COSE president and executive director.

The survey conducted by Cypress Research Group validated what many HBB owners have known all along. Their ventures are born of desire, not desperation. They work just as hard and, in many cases, earn just as much or more than other business owners. And their struggles are not that different.

“Small businesses are running the economy and so many of them are run from home for a variety of reasons,” says Jeanne Bluffstone, president, Bluffstone Public Relations and chair of the COSE Home Business Network advisory board. Bluffstone is proud to give clients her home address rather than a P.O. Box. She tells customers that her home-based culture means she’s more flexible and readily available. “We [HBB owners] need to be proud of the fact that we work at home and use that as a sales tool.”

Here, COSE shares myth-busting

information that creates a strong, well-supported case for why HBBs can steer the influence small business has on our economy and future.

## Happy at Home

Mark Madere, owner of SpectraLight Photography, built his North Ridgeville home to accommodate an office and studio. The upstairs dining room serves as a waiting room for customers, and the adjacent den is where Madere completes sales. Pocket doors separate the home office from home life. In the basement is his studio, which consists of the same equipment any storefront establishment would have. But for many clients, the home setting is more comfortable, and that’s important in Madere’s line of work.

Madere has been in business at home since 1986. He represents the population of HBB owners who are established, mature and certainly not using their home office as a launch pad for something better. After all, his commute is short and sweet, if you can count walking downstairs as travel time. This allows Madere the flexibility to work on projects as needed. This doesn’t mean working less.

Of the HBB owners who responded to the survey, 87 percent work 31 or more hours per week, and 41 percent work in

Take a closer look at the study results at [cosehome.org](http://cosehome.org) or request a copy at (216) 592-2222



excess of 51 hours. Compared to non-HBB owners, those who work at home labor more until the 41-plus hour mark. Then, non-HBB owners work slightly more, 47 percent working 51-plus hours.

Productivity may be one reason for this discrepancy, though the sheer volume of business and time spent managing large staffs are issues that HBBs do not confront.

Bluffstone can work smart because her home provides a culture of concentration. She can focus and get more done. "I had a big jump in productivity when I moved from a traditional office to my house," Bluffstone says. "There aren't distractions from meetings or people pulling me away from what I'm doing."

Another benefit HBB owners enjoy is the ability to multi-task home and work responsibilities. Fifty-two percent of survey respondents break up the day to run errands or tend to children or other responsibilities. That doesn't mean HBB owners don't put in the same time that other small business owners do. They just work differently.

Jim Smith, The Executive Happiness Coach, recalls a fall day when he heard the leaf collection truck rumbling down his street. He took a 30-minute "exercise break" to clean up the yard, then was back at his desk feeling refreshed. "You can't do that when you are in an office—you don't get to be outside in the sunshine," he says.

Smith describes one of his clients, a mother who started a business that grew exponentially. She builds her workday around child care, but this actually translates to extended hours. She squeezes in a couple of hours of work before the household wakes up, then reconvenes after the school bus picks up her children. She breaks at 2 p.m. until after dinner, when the family settles down and she can return to her desk.

As a human resources arm for small businesses, Smith recommends setting regular work hours, even if they are non-traditional. "Have a starting and ending time," he advises, recognizing that without parameters, HBB owners will pick up e-mails day and night.

### Similar Challenges and Goals

Pressing the "off button" is one of HBB owners' key challenges. Separation of work and home, business and family. Calling it quits for the day is tough for 38 percent of

surveyed HBB owners. "I have to leave the house," Madere says.

He recalls early days in business when his daughters were young. Children do not understand "home office." They see dad at home. "I'd be working on a project and my daughter would say, 'Do you want to play with me?'" Madere says. "I'd say, 'Let me finish this first,' and that always took longer than she wanted."

Today, his girls appreciate the work ethic Madere has. His 20-year old daughter penned him a letter thanking him for coming

## Help!

# My Ugly Office Needs a Makeover

COSE Home Business contest helps winner clean up her act.

**S**helley Pearsall's office is filled with 40 pounds of rough drafts from her children's books, which are published by Random House and Little, Brown & Co. Folders explode with paper: research, calendars and itineraries she creates to organize nearly 50 annual school visits, the other hat she wears is public speaker. Her computer desk is broken, and stacks of mail—fan letters—blanket every surface in her home office. It didn't help last winter when Mother Nature contributed to the office clutter. An ice dam caused the ceiling to cave in. Water poured into the space.

But enough about the disaster. "I like to say a messy office is a sign of a creative mind," Pearsall says. "My mom, on the other hand, says it's a sign of a messy office."

Pearsall's Silver Lake writing oasis—or crowded, aggravating, disorganized home office, as she bluntly wrote in her entry essay for the COSE Home Business Ugly Home Office Makeover contest—will get a face lift and new equipment this month. Her plea was convincing: "I may write children's books for a living, but my home office is anything but a fairy tale," she described to judges.

Pearsall says that like many home-based business owners, she spends time catching up with her business. Aesthetic improvements to her space never make the priority list. "Even though I create fictional places in my books, I know I need help with the 'real' space where I work," she says.

Pearsall will get just that. New furniture, a computer and a free year of membership to COSE will help her get down to business.

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to the important events. “I understand why you put in the hours you did,” she wrote.

To help define the line between work and home life, a separate work space is critical for HBB owners, Smith says. So are office hours and some ritual that indicates that the office is closed. Smith likes to make a to-do list for the next day and tidy his desk area. He dresses for work. “Once I am showered and dressed, I am in a different state than when I am in my pajamas and reading the newspaper,” he says.

Still, work-life balance is second to marketing and sales for 63 percent of respondents. Madere suspects this is because HBB owners are passionate about their ventures—but not necessarily wired to manage the selling/marketing side. “Find classes, go online, go to a community college, talk to successful business owners,” Madere advises, noting that he attends chamber of commerce and COSE Home Business meetings to connect with those who excel in these areas of business.

Meanwhile, non-HBBs have the same issue. Forty-six percent of non-HBB owners report struggling with marketing and sales. So all things considered, home-based businesses are not that different from their small-business counterparts with storefronts. They report that access to new customers is the greatest barrier to growth, followed by access to capital and skilled workers. Sixty-five percent of HBB respondents financed their entrepreneurial dreams with personal savings, compared to 54 percent of non-HBBs.

And HBBs are no less equipped than companies with headquarters. “We have a setup with multiple computers, laptops, multiple printers, phone lines,” Smith says. “Because we can bring broadband Internet into our homes, we can basically have anything a large company has: Web sites, fancy phone systems, BlackBerries.”

Customers don’t know the origin of a business unless you tell them. “I have about 1,200 readers who are in all kinds of states and countries and corporations, and I’m doing it all from my desktop in my old family room,” Smith says. “No one cares.”

## Generating Jobs & Income

But is it true that no one cares if an office is based at home? Sixty-five percent of HBB owners say their location does not impact their ability to attract customers. While 12 percent of respondents said their HBB status hurts business, 23 percent report that they actually attract customers because they work at home.

“It’s a wonderful positioning tool to say to customers, ‘This small business is available to you and ready to respond to your needs,’” Bluffstone notes.

Perhaps what’s most surprising is that almost half of HBBs surveyed have one or more employees. Seventeen percent employ three or more people. HBBs can take advantage of virtual arrangements and, in effect, expand the labor pool. Bluffstone knows a jewelry designer who employs workers who live in different countries. “Certainly, technology makes it a lot more possible to work from home,” Bluffstone adds.

HBBs are making a lot more than peanuts. Seventy-nine percent of HBBs reported revenues in excess of \$51,000, and 27 percent brought in more than \$251,000. With Ohio’s 2007 per capita income at 34,509, HBBs fare better than the average Ohioian.

Because of this success, HBB owners shouldn’t be hush about their work environment. “I’m amazed when people say, ‘My office is out of my home,’ and their voice drops, their head goes down,” Smith says. “Say it like it’s a fact. Never apologize. Be proud of it.”

A strong voice is one way of showing legislators and the public at-large that HBBs play a significant role in the economy. So are hard facts, which the survey provides. Smith believes that HBBs will gain more clout as businesses relax their work cultures to allow employees flexibility to work from home. Consider the advent of “hoteling,” which is common among high-end consultants and executives who work remotely and check in at a headquarters, where they are assigned a temporary office space.

“If a global powerhouse’s leaders can work at home and be effective, so can small business owners,” Smith says. ●