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Business and the family

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The day-to-day routine of running a business out of the home can result in family conflicts. New stresses and demands can affect not only the family, but neighbors as well. Families need to plan new businesses together: how much space will be dedicated to the business? how much time and energy will be needed to run it? who will be involved? The goal of this publication is to help you avoid conflict and achieve a balance between your business and your family life.

Goals

Hold a family council *before* the business is set up. Sit down with your family and identify the advantages and disadvantages of a home-based business. Consider your needs and goals. What needs will your home business fulfill? Do you want the achievement and recognition a successful business will bring? Do you want to be your own boss and more in control of your work? Are you creative and do you want an outlet for your creative expression? Do you want to determine where the business is located and what the hours of operation will be? Do you desire a business in your home to allow greater flexibility and more time with your family?

Qualifications

Once you have established your goals, then consider your chances for success. Operating a business takes certain skills and personal qualities, but you may be more qualified than you think. Few people have all of the skills needed to run a business, so they compensate by hiring staff or consultants and by becoming more knowledgeable through education or training.

Assess your skills in each of the following areas. Consider your past jobs, volunteer work, positions in organizations, and personal traits. Under each heading list your experience and qualifications.

Organization and planning — setting and following through on goals, time commitments, and work schedules.

Handling money — determining budgets, securing loans, raising funds, keeping financial records, and completing income tax forms.

Selling ideas and products — determining sales quotas and projections; presenting projects to or for committees, organizations, and administrative groups; selling to customers.

Management — handling the management or a part of it for a small business or an agency; serving as director or major officer of an organization.

Working with people — arbitrating between people with opposing views; handling complaints for an organization or company; organizing and planning large public events; holding officer or executive secretary positions in an organization.

Ability to take risks — taking moderate, calculated risks in varied situations: those where the chance of winning was not so small as to be a gamble or so large as to be a sure thing, but where there was a reasonable and challenging chance of success.

Willingness to lead and work alone — handling situations that required you to be self-disciplined, that were ambiguous and full of uncertainty as to the job requirements, that required you to be efficient in the midst of an emergency or crisis.

Personality traits — taking the initiative in situations where you were expected to accept and accomplish more than your share of the work; being willing to establish high standards of performance for yourself.

Knowledge and/or skill — having competence in the service or product offered by your business.

You do not necessarily need all the experience listed above. You can learn additional skills or pay someone

who has the skills you lack. However, you must assess your strengths and weaknesses honestly before you decide whether you can spend the time to learn what you need to know or whether you can afford to hire staff or consultants. Only you can assess whether you have the right expertise to succeed.

Personal/family inventory

After thinking through your experience and qualifications, list your assets that can help you realize earnings from a family business.

Education — that which you and other family members have completed or could complete.

Professional and other skills — those for which you are trained and licensed and those you and your family do very well.

Hobbies and other interests — those you enjoy enough to try in a business venture; experiences and contacts with others that could lead to a business.

Ensuring family support

While your business may involve a great deal of your time, energy, and money, you do not need to sacrifice your family. You do not have to choose between a happy family and a successful business; you do have to establish priorities and manage time so that neither the family nor the business is neglected. Discuss with your family the plans for a new business and the changes it may bring for the family. The following suggestions are a few ways you can accommodate both business and family.

- Start your business before you have children or when the children are older, or operate part-time while the children are very young.
- Store expensive or dangerous equipment or supplies safely away from young children.
- Involve the older children in the business.
- Divide home responsibilities with your spouse or hire help.
- Allow time for family vacations.
- Limit business activities to weekends or to a specified day of the week.

Space needs

Analyzing your business from the standpoint of space is an important early step. Does your business require storage space, an area for customer interaction, or specialized tools and equipment? You'll need to provide separate areas big enough to perform the work that have the conveniences necessary for the business — phone connections, water supply, electrical hookups, sound barriers, and access for pickup and delivery. Space separations that clearly distin-

guish between family and business work areas are required for tax deductions as business expenses.

Will customers be visiting your home as part of your business? When you interact with them, you need to ensure a lack of interruptions and possibly even privacy. The most convenient part of the house for customer interaction, pickup, and delivery is often the most shared and public part of the house — kitchen, dining, and living rooms. This can create conflict. Keep communicating with your family; encourage an ongoing dialogue between the business and family concerns. Family members may have to compromise.

Friends and neighbors

A business in the home certainly can change the neighborhood and how the neighbors feel about you. Shipping and deliveries and increased traffic can strain relationships. Be sure your business operations comply with local planning and zoning ordinances, or secure conditional use permits to ensure your right to operate in your home. Communicate your business intentions to your neighbors and work with them to avoid and minimize conflicts.

Financial resources

Many home businesses evolve from activities or hobbies that seem to have good business potential. While still employed, you can "moonlight," then quit your job outside the home and launch the home business full time. Before doing this, take the time to figure out what financial cushion is needed. It is recommended you have savings to cover 3 to 6 month's living expenses. Use the worksheet on the back of this publication, "Cost-of-Living Expenses," to estimate your family's monthly expenses.

Start-up costs

Each business is unique in terms of how much money is needed in the beginning. Consult experts at small business development centers, read trade journals, and make lists of all the initial expenses associated with the type of business you are going to operate. Service businesses using telephone contact need money to buy equipment and supplies (an answering and fax machine, licenses, and insurance). If the business produces a product, you might require storage space, lots of supplies, specialized tools, and equipment to deliver or mail the product, or get you and the product to trade shows. If your business requires the customer to come to your home, renovations or cosmetic improvements to the home may be necessary.

Depending on the kind of business you plan to start and your management skills, you may need to consult attorneys or accountants; costs to consult or hire professional services is also part of your start-up costs.

Time management

Managing your time for the production and day-to-day operation of the business is probably the biggest challenge facing the home-based business owner. You may be able to perform work in small blocks of time despite interruptions, or you may require large blocks of time with intense concentration. Production, taking orders, and packaging deliveries may be easily integrated into family activities. In contrast, seasonal businesses are controlled by the nature of the task at specific times of the year.

Time management books are abundant for the office environment. Translate those same principles to your home business to maximize your time. Here are a few suggestions:

- Arrange storage areas and work centers so frequently used items are at your fingertips.
- Use bits and pieces of time for tasks that can be done in only a few minutes.
- Recognize the time of day when you are most productive and do the most important tasks during your prime time.
- Delegate any tasks you can; identify certain jobs (home or business) that members of your family can handle.
- Reduce clutter; if you allow clutter to build up, you may develop feelings of being "snowed under."
- Prevent a crisis. Don't procrastinate; failure to act may become a problem.
- Don't spread yourself too thin.
- Know when to close the door.

Tell your family, friends, and business acquaintances that even though your business is located in your

home, you have set work hours in which you are unavailable. They do not always realize you have time commitments at home similar to theirs at work.

Maintain a separation of the business from your personal life to avoid the overload often associated with the obsession of running the business. Learn to say "no" if your involvement in too many activities becomes a problem. "Because home-based business owners work in the same place where they live, they have a hard time separating personal life from work," says Barbara Brabec, publisher of the *National Home Business Report*. Home business owners work in the office after dinner, or take business calls at all hours. But this can get out of hand. Check yourself regularly and know when to close the door, turn on the answering machine, and not feel guilty about time set aside for you and your family.

For further reading

PNW 127 The Family Council (25 cents)

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Worksheet: Cost-of-living expenses

Regular monthly payments

Rent or mortgage
(including property taxes) \$ _____

Cars (including insurance) _____

Appliances/television _____

Home improvement loan _____

Personal loan _____

Insurance premiums _____

Miscellaneous _____

TOTAL \$ _____

Monthly household operating expenses

Telephone \$ _____

Gas and electricity _____

Water, sewer, and garbage _____

Other household expenses,
repairs, and maintenance _____

TOTAL \$ _____

Monthly food expenses

Food at home \$ _____

Food away from home _____

TOTAL \$ _____

Monthly personal expenses

Clothing and clothing care _____

Drugs _____

Doctors and dentists _____

Education _____

Dues _____

Gifts and contributions _____

Newspapers, magazines _____

Auto upkeep, gas _____

Spending money, allowances _____

TOTAL \$ _____

Monthly tax expenses

Federal and state income taxes \$ _____

Other taxes _____

TOTAL \$ _____

Budget summary

Regular monthly payments \$ _____

Household operating expenses _____

Food expenses _____

Personal expenses _____

Tax expenses _____

MONTHLY TOTAL \$ _____

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