

Where Will Your Business Live?

If you are running a retail business, then you will have through your financial plan already set a budget for a shopfront, however, if you are selling products and services that don't require a retail space you will be seeking to work from home or finding office space. There are many solutions available but you need to consider a few aspects when determining where your business will live and the work involved in setting it up.

The location you select will have an impact (both positive and negative) on the types of customers you attract and the types of marketing you can do. It could also impact the speed to which you can grow. Location can be a contributing factor to success and failure.

When considering where you will set up your business review the following information:

Location Costs

- Be realistic with how much you pay for space. Your projected cashflow might look good on paper but sales may be slower than expected and operating costs could be higher, so be careful not to spread yourself too thin with how much you pay for space.

Visibility

- Does your business need to be seen? Do people need to see your promotions physically? If you are on the tenth floor versus the first floor - will this affect you. If you are in the heart of the city versus a fringe area, will this impact your business?

Transportation and Parking

- Is your location easy to access? Are parking costs high? Consider your clients' and suppliers' access to you when deciding on a location.

Your Competition

- If you locate your business among your competitors, then there might be a likelihood that your clients could end purchasing from your competitors. If you do locate your business in a competitive area, consider your signage and how you will differentiate yourself.
- Research the Council Regulations, as areas may be more stringent than others. Ensure there are no restrictions that will limit your operations or that will act as barriers to your store.

Your Marketing

- Make sure you are generating interest from day one of commencing at your business location. So review promotions and signage, so people know where you are.

Office or Store Design

Consider how you will light your space and display your products, what is the colour palette of your space and how will it affect people buying from you? Think about if your products should be placed low or high and the reasons for the impact on purchasing products. Will someone purchase a product if it is on a very low shelf?

Product Selection

Your products and how you price them will create an impression in people's minds (and establish a reputation), so carefully select the products you display and how they make people feel.

Council requirements

Most local authorities have rules about the use of property and land within their area. Sometimes whole areas are designated for particular purposes, such as 'residential' or 'industrial'. To avoid future problems, it is essential to find out, before you start, whether or not you would be allowed to run a business from your home. The answer may depend on the kind of business you want to run. Also, different local authorities have different rules.

The local authority will probably ask you a number of questions about the business you are proposing to run. They may send an inspector to your home to assess such things as the availability of parking space and the effect of noise on other residents. Since a certain amount of time will be required before a decision is made, be available to submit your application as early as possible.

As an example, in New South Wales, home-based businesses can only be operated on either 'home occupation' or 'cottage industry' residential zonings. Where motor vehicle traffic is increased due to business activities or additional air, noise or visual pollution is caused, development approval will be refused. If the business employs others or requires motor vehicle repair or used vehicle licences, a shop and factory licence, second-hand dealer's licence, pressure vessel licence or meat or food licences, permission will generally be refused by the local authority.

Your home business will also be subject to all of the legislative and regulatory requirements that impact all other businesses.