**Virtual or Physical Office?**

Whether you have been in business for a while or you are a startup, there are many options in terms of how and where you should work. Your home location, personality, type and size of business are all factors to consider in making the right choice for you, your business, your staff and your pocket. “The office” as we tend to think of it, may be heading the same way as “the typing pool”...

Service businesses lend themselves to the more flexible options; whereas, a manufacturing or retail business may require specific physical locations. Here’s a comparison of the types of *office* workspace available:

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| **Type of Office** | **Description & Considerations** | **Pros** | **Cons** |
| **Virtual** | Thanks to technology and gradually changing attitudes, your office could be in your car or even your handbag! Information and communication technologies (ICT) allow for many business functions to be performed via a portable device e.g. a smartphone or laptop. Business can be conducted anywhere - a coffee shop, a park or at your child’s cricket match. | * No commute to “the office” in traffic, hence no wasted time and reduced stress. Also environmentally-friendly * Drastically reduced costs. A device plus data and you are good to go * Improved productivity due to time-saving * Lifestyle – flexibility & more time at home (possible added benefit of reduced day- care costs) * Better work / life balance with more time for sport, recreation and less stress, resultant health benefits | * Perceived lack of professionalism without a credible address (this attitude is waning but it is a consideration) * Longer working hours and possibly higher stress levels because “the office” is always with you. It requires self –discipline to limit your hours worked and to juggle with other demands on your time and attention * Productivity may be impacted negatively because of a lack of routine or discipline * Requires the business owner to be self-driven and self-motivated * Less inter-personal connection and commitment to staff and customers * Heavily reliant on technology and data |
| **Hot desk / Shared** | Hot desking or office sharing is perfect if you travel for business or you just need a place to work on occasion.  If you simply need a desk with internet connection, then hot desking refers to renting a few hours or a day’s use of a workstation.  Shared office space allows you to rent a private, fully furnished office but with access to shared use of reception, boardrooms, mail handling etc. | * Flexible and affordable without massive capital outlays * Exposure to other people (possible suppliers or customers) and opportunities that you otherwise wouldn’t have had * Credible environment for meeting with customers or investors without unnecessary overhead costs * Being surrounded by other business people is motivating and stimulating. It helps to reduce the sense of loneliness * Access to security, printing, Wi-Fi, meeting rooms & fully equipped boardrooms * Technical support when it’s needed * Ability to scale up and down with the business needs | * The number of other businesses and people in the environment will affect your access to the facilities and equipment * Flexibility and affordability of upgrades in packages is a consideration. Your business needs to grow without sudden & disproportionate increases in overheads if you hire more people * Possibility of direct competition in the same building |
| **Home** | Working from home is very attractive and one of the more affordable options, however, not everyone can do it. The type of work, family considerations and customer expectations are important factors…   * Small children, pets and customers are not always the best mix * Can you create a dedicated and professional work space that allows you to separate work and home * What equipment and furniture do you need to run your business effectively? Can you access sufficient and reliable Wi-Fi? * Expensive equipment requires extra security and data back up * Will you have staff working on the premises? (health & safety considerations plus public liability) | * No commute in traffic – more time, less stress and petrol price increases don’t affect you * Flexibility – you choose when and where you work and you can save money on formal office clothes * No irritating colleagues interrupting your productivity * Stress levels are within your control because the day is largely within your control * If you have a dedicated office at home, this may be tax deductible * Improved work / life balance. It is easier to juggle family and work demands plus there is the benefit of time gained through no commuting. | * Family distractions and a blurring of boundaries * Temptation to stay in pajamas and slippers * Flexibility requires self-discipline and organisational skills * It can be lonely and isolating working from home - no-one to bounce off ideas * There is no escape from work because it is literally in your home space. This can lead to poor time management and long working hours * Limited staff or customer contact which negatively affects relationship building * Limited stimulus from other business people hence the need to invest time and effort in networking |
| **Rental / Bought Workspace** | Whether you buy a house and convert it into business premises or lease commercial space, this is the more traditional option. Having a dedicated workspace for the business allows for building culture, brand and customer confidence, but it does come at a price.  The best locations are expensive and the cheap locations are cheap for a reason… | Buying Office Space   * You are in control of your repayments and you are not subject to arbitrary rent hikes. * Possible tax deductions may be available * Potential for additional income if part of the space is rented out to another business * In time, the property may be a real investment * Property can be sold if business needs change or the business is not profitable   Leasing Office Space   * Potential to rent in a prime location for your business that you would not afford otherwise. E.g retail or restaurant space in a mall. * Buying a property ties up money which may be better used as working capital. * Access to mortgage bonds as a business is very limited, unlike lease agreements * Running the property is someone else’s headache so you can focus on your business | Buying Office Space   * Limited opportunity for growth without encumbering the business with larger overheads than necessary at the beginning * Subject to the vagaries of the property market in terms of selling * High upfront costs that few small businesses can afford   Leasing Office Space   * Subject to rental increases and building alterations beyond your control * No guarantees of lease renewals or of price increases * Tied into lease for fixed term regardless of sales and business performance – there is no escape clause * Commercial rentals are very expensive and the lease agreements are usually tenant- unfriendly |