



"I want to be a work-at-home mum"

You've got the time and the enthusiasm, but planning and research are essential if you want to make your at-home business a success, advises **Pam Walkley**.

I have two preschool children and am determined not to go back to work until they are both at school in three years. Even then, I would only want to work school hours, so I can take them to school and pick them up afterwards. My husband has a job that pays quite well, but with costs rising constantly, especially petrol and the mortgage, it's getting harder and harder to balance the budget. I'd also like to keep my mind active and have been thinking about starting a part-time, home-based business. Can you advise me how to go about finding out everything I need to know to start up a business and keep it running properly?

A: Stay-at-home mums finding it hard to balance the budget often consider starting a home-based business, but this is often easier said than done, with a high percentage failing in their first year. So it's good to see that you want to start out by gathering all the information you can to make sure yours is one that works.

You also need to realise that it will probably be some time before the business makes money, says Sonia Williams, author of *Show Mummy the Money*, a book aimed at helping stay-at-home mums make money.

If you need to earn money right now, starting a full-on business may not be the way to go, says Sonia. Instead, investigate

what you can do online on websites such as eBay, where you could develop your own virtual shop. The type of shop you establish can depend on your talents or interests. You can spend as much or as little time as you want doing this, giving you flexibility.

Jill Potter, a stay-at-home mum with an eye for fashion, developed a business selling Australian designer clothes and accessories. Many of her customers were from regional areas, where access to the latest trends is limited.

One trap you must avoid when planning what to do is falling for any of the "get-rich-from-work-at-home" scams, which normally require you to pay a fee upfront. By the >>>

time you realise your mistake, the promoter will have vanished with your money. If it sounds too good to be true, it is.

Given that your husband does bring in sufficient money, however, you have the time to get a small business right. You have to put the work in at the start to make a home business succeed and it's good to be able to do it in a non-pressured environment, Sonia says.

Home-based enterprises are an important sector of the Australian business community, with nearly one million people operating a business at, or from, home, so there is quite a lot of help out there. Several have developed into multi-million-dollar enterprises.

Janine Allis, the woman behind Boost Juice Bars, started testing drink recipes in her Melbourne kitchen before opening any retail outlets. So you need to plan.

Step one is to come up with the idea, Sonia says. "Examine yourself. What are the hobbies, skills and professional background you can leverage off?"

It's worth exploring whether you can combine your talents with other stay-at-home mums you know to establish a more rounded business, Sonia says.

PLAY THE RIGHT CARD

With more than 240 different credit cards out there, how do you choose the best one for you? First, you need to work out how you actually use your card – and you must be honest with yourself.

Leading financial researcher Cannex (see www.cannex.com.au) has developed four credit card profiles to help you find the best card for your needs.

If you are a "habitual spender", you routinely spend more than you can afford to pay back each month. Look for a card with a low interest rate and a low fee. There are more than 10 with rates under 10 per cent, says Cannex, and more than 40 with rates under 13 per cent, several of which have no annual fee.

Card features and reward programs are more important aspects than rates and fees for "everyday spenders", who use their card for most spending, but pay the entire balance off each month. These types of cards also suit "big spenders", who benefit from racking up a lot of rewards.

"Impulse spenders", who mainly use their card for emergencies, over Christmas or on holidays, should focus on paying no annual fees.

Once you have the idea, do the research. "The fundamental mistake many people make is to fall in love with the idea of having a business and rush to start it before they do their homework," she says. This can be a recipe for failure.

Work out who your customers will be, how you will market to them and who the competition will be. You need a budget. This should detail all costs of producing, marketing and distributing your chosen product or service, and how much profit you expect to make. Account for every possible cost, so you are not deluding yourself about the profit margin.

The next step is to get down to the practicalities. First, register your business. The task of taking out the appropriate licences is made all the easier thanks to the combined "business entry point" service provided by the federal, state and territory governments.

At www.business.gov.au, you'll find everything you need to know about the business registration process, as well as the various licences that are required by the different levels of government. This site also provides links to all the relevant state and territory governments' websites, where you can get home-based business kits and fact sheets. One example is the "Stay home and mind your own business"

guide for those thinking of starting a home-based business in Tasmania.

Think carefully about what you call the business, says Sonia, as other businesses may be using that name, or a similar one, already. Get a good accountant to help you set up your enterprise with the best structure to minimise the family tax liability and check council by-laws to make sure they don't impinge on your business.

It's likely you will need some funding for your business. It's probably better if you can raise this seed money without borrowing formally, which would require a very detailed business plan.

Some experts say a business plan is essential and makes you even more disciplined about doing adequate research. There are courses that can help you with this. The NSW Enterprise Workshop, for example, offers a five-month course costing \$4345, for people planning to start a business. If that is too pricey, check out your local Business Enterprise Centre, community education centre or TAFE.

Other funding sources can include savings, family or a government subsidy.

BUSINESS START-UP CHECKLIST

- Prepare a business plan.
- Register your business name.
- Register your domain name with your internet service provider.
- Apply for your Australian Business Number (ABN).
- Get the relevant licences and permits for your business.
- Protect your brand: register logos, trademarks, etc.
- Raise the capital.
- Set up your banking arrangements.
- Look at your insurance needs.

Again, go to www.business.gov.au and research grants and subsidies.

So how much will you need? The basics include a desk, computer, software, mobile phone, website, a copier and stationery. Depending on the quality of the equipment, all up it should cost about \$5000 to \$10,000. You could cut the initial outlay by leasing the computer and possibly the copier.

It's important when you set up at home to establish a few rules, Sonia says. "You will not be taken seriously if you have

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kids screaming in the background. Work out how to keep them occupied and fed while you are working. Provide suitable activities, drinks and healthy snacks before sitting down to work."

WHERE TO GO FOR HELP

- The www.business.gov.au site should be your first port of call. Business Enterprise Centres also offer a wide range of advice and support for new businesses. They are in all states and territories. To find your closest, go to www.beca.org.au.
- Sonia Williams' book is a good start. It generates ideas for home-based businesses, detailing methods to evaluate ideas and also provides tools to turn them into reality. A "hall of fame" provides some inspirational success stories. *Show Mummy the Money* by Sonia Williams, rrp \$29.95 (including postage), is available from www.showmummythemoney.com.au. ■

DISCLAIMER: THIS ARTICLE IS GENERAL IN NATURE. READERS SHOULD SEEK FURTHER EXPERT ADVICE BEFORE MAKING FINANCIAL DECISIONS.

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