

IN THE NEWS

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Headquarters at Home and Proud to Be There

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Chris Elam, left, a choreographer, and his employees run the Misnomer Dance Theater out of his apartment in Brooklyn.

Ruby Washington/
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LYNNE KILLEY followed the advice books when she opened a spa and started producing a line of natural skin care products out of her home in Pagosa Springs, Colo.: she tried to make her one-woman operation look bigger.

"I referred to the company in the third person," she said. "I made a logo, Stella, and sometimes billed things out under Stella's name."

Then, last summer, Ms. Killey's publicist organized a trip to New York so she could meet with magazine editors. In describing her business, Queen Bee Skin Care, Ms. Killey revealed that she made her products in her own kitchen. Even as she spoke, she said, she realized that perhaps her home-based model was a selling point and not something to hide.

"Here I was sitting in front of people that I needed to impress, and they just loved that I was making the stuff in my kitchen," she said. Right about then, she rethought her strategy.

With about 50 percent of businesses in the United States based out of the home, this kind of transparency is likely to become more common. "Place honestly doesn't matter anymore," said Maggie Jackson, author of "What's Happening to Home" (Sorin Books 2002).

"It is no longer a faux pas to have a life at the other end of the telephone line." Ms. Jackson said. "It can make you feel like you're dealing with a holistic person. And it is just another sign that we are moving away from the industrial age in that we no longer have two totally separate spheres called work and home."

Just as customers, vendors and other outsiders are getting a chance to peek behind the curtain into home offices, home-based entrepreneurs are also getting more opportunities to interact with each other. StartupNation, an online hub for small businesses, is running a contest, the Home-Based 100, that will rank home-based businesses according to various criteria, including "the top financial performers," "the greenest," "the wackiest" and "boomers back in business."

"Home-based businesses are out of the hiding part, but when we talk about business, we still talk about the Fortune 500, but not the half-trillion dollar economy of home-based businesses," said Richard Sloan, co-founder of StartupNation. "This new community will also allow home-based businesses to connect with each other, get inspired and share best practices."

Chris Elam, the founder and choreographer of Misnomer Dance Theater, runs the company out of his Brooklyn apartment, and he is a big proponent of transparency. His company videotapes rehearsals and even office meetings for

posting on its video blog, which allows audiences to get a behind-the-scenes look at what it takes to run a dance company.

"Dance audiences traditionally interact with a dance company for only two hours a year and maybe get a couple of postcards," Mr. Elam said. "But so much happens outside the performance, and we are trying to find ways of making the whole function of the company more open-source."

Margot J. Tohn is another home-based business owner who thinks there is no point in hiding. Her decision to start a publishing business came after a disastrous evening of trying to find parking in the theater district in Manhattan. She thought she would write a book about finding parking in New York, and since she was staying in her childhood home in Larchmont, N.Y., it made sense to start her business there to keep her start-up costs low. She could also store books in the garage.

The book, "Park It! NYC", is now in its second edition. She also works as a consultant for small financial advisers serving affluent families.

Around the same time she started her business, Ms. Tohn, 43, and her two sisters bought the house from their parents, who had moved to Florida for their retirement. Even with this rather unusual housing arrangement, Ms. Tohn says she has found that being candid often worked to her advantage.

"If the local bookstore runs out of my book, I can easily run some over," she said. "My consulting clients know that I am unusually accessible. It isn't uncommon for a client to call at 8 or 9 in the evening. It used to happen at 7 in the morning, but we put a stop to that."

Clients also know that she often leaves the office midday to play tennis or tend to her garden, and leaves the cellphone behind. "When you start work 10 minutes after waking up, it's healthy to take real breaks."

Still, Ms. Tohn does not want to confuse her openness with a lack of professionalism. When she brings in a team of interns to help with a project, she sets them up in dining room where everyone can spread out around the table. "It's all about creating a separate area from where I live," she said.

She is also a stickler about noise. "I've learned from watching my two sisters keep home offices while raising their children," she said. "When the door is shut to the office, it is shut, and they can't be interrupted unless it's blood or death."

Debra M. Cohen, 40, by contrast, says she designed her business, a contractor referral service for homeowners, around the idea that she might be on the phone for business and her children might be making a ruckus in the background. Her company, Home Remedies of New York, has become so successful, she says, that she now offers consulting services

to others who want to copy her business model in their communities. Ms. Cohen says she has home referral operators running her programs in nearly every state and Canada.

When exploring ideas for a business, she ran every idea through the “can it be done from home with kids underfoot” test, she said.

Working from home may allow for certain informalities, but it does not necessarily signal the size of an entrepreneur’s vision. Ms. Cohen’s business passed the million-dollar revenue mark four years after its founding. Bradley Rhine, 46, who works out of his home in San Jose, Calif., is a chief executive of Cogentes, a virtual consulting firm specializing in the information technology industry. Cogentes plans to hire 100 to 200 employees over the next several years.

The company has nine employees, in Atlanta, San Jose and Boston, and as it expands it does not consider where a person lives. “Our ongoing proposition is to find the best people wherever they are,” Mr. Rhine said.

He said his firm’s business model makes sense because it is now possible to outsource many aspects of a business’s operations. The company uses outside firms for payroll, benefits, human resources, recruiting and marketing.

No one commutes, and everyone can live where they want, he said. “It is just a ridiculous waste of time and resources. It is both wasteful and stressful,” he added. “Plus, it is bad for the environment.”

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