

INFORMING WOMEN

STARTING A BUSINESS FROM HOME?

Setting up a home business is an exciting step. But for many women, it can also make the juggling act between work and family a bit more challenging. Here's how to start out on the right foot.

Running your own business can be incredibly rewarding, but it's also plenty of hard work – especially if you're raising a family at the same time. And it can be even trickier if you're running your business from home.

However, plenty of women still manage to be successful parents and incredible entrepreneurs by finding the right balance between their work and family responsibilities.

So whether you're a butcher, a baker or a candlestick maker, here are five things you need to know so you can turn your passion into a successful home business – while keeping your stress levels to a minimum.

1. Plan ahead

Making the leap to running your own business takes a lot of careful planning upfront. You'll need to consider the right business structure (i.e. should you operate as a sole trader or as a company?) and also think through how you'll manage financially while you get up and running – particularly if starting your business means leaving your current job.

Remember, your financial adviser can help you review your options and crunch the numbers before you get started. They'll also be on hand down the track if you need assistance – for example, to help you manage your business cash flow and balance it against your household budget.

Once you're ready to go, you'll need to make your business official by getting it listed on the Australian Business Register. It's simple and free to apply for an Australian Business Number (ABN) online – you just need to provide a few details like your Tax File Number.



You can register your business name at the same time you apply for your ABN.

2. Understand your tax obligations

If you're expecting your business to have a gross income of \$75,000 or more a year, you'll need to register for Goods and Services Tax (GST). You'll also then need to lodge a Business Activity Statement (BAS) at the end of each financial quarter which reports the GST that is owed or payable to the Australian Taxation Office. The BAS return is also used to pay any Pay As You Go (PAYG) taxable amounts. You can lodge and pay your BAS online through the Australian Tax Office website.

Remember, your tax obligations depend on the nature and activities of your business. That's why it's a good idea to speak to your financial adviser or accountant to make sure you're getting it right – and to find out which tax credits or deductions you may be entitled to.

3. Get protected

When you're running a business out of your home office, it may not be fully protected by your home and contents insurance. It's therefore worth getting cover specifically tailored to small businesses – to keep your tools and equipment, your income and your clients safe.

At a minimum, you might look at getting public liability insurance to cover anyone who visits your workplace and asset insurance to protect your valuable equipment or furniture.

Income protection insurance is another great option, just in case you get sick or injured and can't work for an extended period. Your financial adviser can talk you through your options so you can choose the right level of cover for your needs.

4. Create your workspace

It's important to set up your business somewhere separate from where your other household activities take place. This will help you create a mental barrier between your professional life and your personal life. It will also help your kids get used to the fact that when you're in that space, you're in work mode.

If you are planning to have clients regularly visiting the premises, it might be best to provide a separate entrance to your workspace. But if that's not possible, at least make sure their access point is quiet and has a professional feel. This means keeping clutter to a minimum, especially non-work-related items.

5. Balance work and family

Just as you separate your home space from your work space, you'll also need to realistically divide your time between your family and your business. A good tactic is to set yourself regular working hours as much as you can, and make sure your clients and your family are aware of them. But most importantly, you need to keep clear boundaries around your work life.

Once you leave your home office, shut the door and put your work aside for the day – and that includes not answering emails or phone calls.

And don't forget to protect your 'me' time, even if it's just a few moments each day or an hour each week to spend purely on yourself. You've earned it.

SPEAK TO US FOR MORE INFORMATION

Speak to us if you would like to understand more about how this information might impact your financial situation.

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