

J Leif Jensen and Associates

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Solutions Based Consulting & Certified Public Accounting Firm



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Space for your Start Up

Where would you start your business?
Where would you interview clients?
What type of facilities do you need?
Would the space be dedicated?

There are many questions to ask when



deciding on a location for your new business. Those answers may have financial savings or consequences.

When I started my business, it was physically located in my basement. It was impossible to see clients in my home. For one I could not legally meet clients in my home because of zoning, not to mention the toddlers. Starbucks' were out of the question, because who wants to share personal information in a very public space. So, I eventually secured my office.

But I do have clients who love working from home and their business thrive. Others secure meeting spaces in other's offices for special meetings. Some clients have used my office when needed.

The home is the default location for many start-up businesses, or their garages depending on the type of business. Where would you start your business? Where would you interview clients? What type of facilities do you need? Would the space be dedicated?

There are many questions and those answers may have financial savings or consequences. For more information give us a call.



Rental Space

Starting or maintaining a business? Where to locate it!

As discussed above, deciding what kind of space is an important decision. Next stop, Rent or Buy? In this blog we discuss some reasons to rent your work space location. But be weary of hidden costs. Nothing is free.

There are those who believe that renting space makes more sense than purchasing business space.

There are those who believe in renting because of the

concept of flexibility. If they need to grow, they will just move to a larger space. If they need to contract, they can move to a smaller space.

I met with one business who loved renting. They had no lease with the owners but had been in the building for years. They have occupied several offices within the building, moving to meet the needs of the owner, taking space in whichever corner that was not rented by a full paying tenant.

Because of this their rent cost were less than all of the other tenants in the building, but they seemed to literally be working out of boxes.

But a cautionary note to renters, the belief that you are immune to property tax increases is a fallacy, those rents and increases you are paying are covering the property taxes, mortgages and profit as well as all tax increases. There needs to be a specific profit margin for the owner in the rents as well. Nothing is free. The costs have to be covered; otherwise the building will be foreclosed on and sold to another.

Own Your Space

Why own when you can rent.... Actually there are a lot of reasons to own.

I am currently working with a couple of clients who have been in business for decades and they wish they had purchased their buildings way back when. One client has been in the same location for more than two decades, if they bought the building, they would be looking at a mortgage burning ceremony in the not too distant future. At present they are just looking at more rent payments in the coming years.

I find that a number of companies who believe that they will only rent for a short time fall into the trap of inertia. If the issue of moving to a purchased building is



brought up they start looking at the costs to move, the trouble to pack everything up and the horror of looking for new space. So, nothing gets done.

But there are those with the vision, passion and ability to overcome inertia to venture forth and buy a building. One of my clients is looking at doing just this. Others move and buy out of plain necessity. While others make the decision to just stay put and rent.

Idiom of the Month:

Barking up the wrong tree

Meaning: pursuing a misguided course of action

Origin: Likely referring to hunting, this saying explains when a dog would literally bark at the bottom of the wrong tree after the prey in question moved to the next branch.



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