



# Understanding home-based businesses and the barriers that they face

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# Online businesses

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# Low cost start-up

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HSBC 

HSBC France, Société Anonyme au capital de 333 383 133 euros. SIREN 751 632 246 RCS Paris. Siège social : 102, avenue des Champs-Élysées - 75008 Paris.  
Banque et intermédiaire en assurance agréés par l'AMF. Coopération avec le Régime des Intermédiaires en Assurance. www.hsbc.fr. RCS 33 121 095 814 0017



# Remote teams



**Why we abolished the office and became a fully remote team of 72 people in over 45 cities around the world - and it works**

<http://blogs.lse.ac.uk/businessreview/2017/08/30/buffer-why-we-abolished-the-office-and-became-a-fully-remote-team/>

# Home-based businesses in numbers

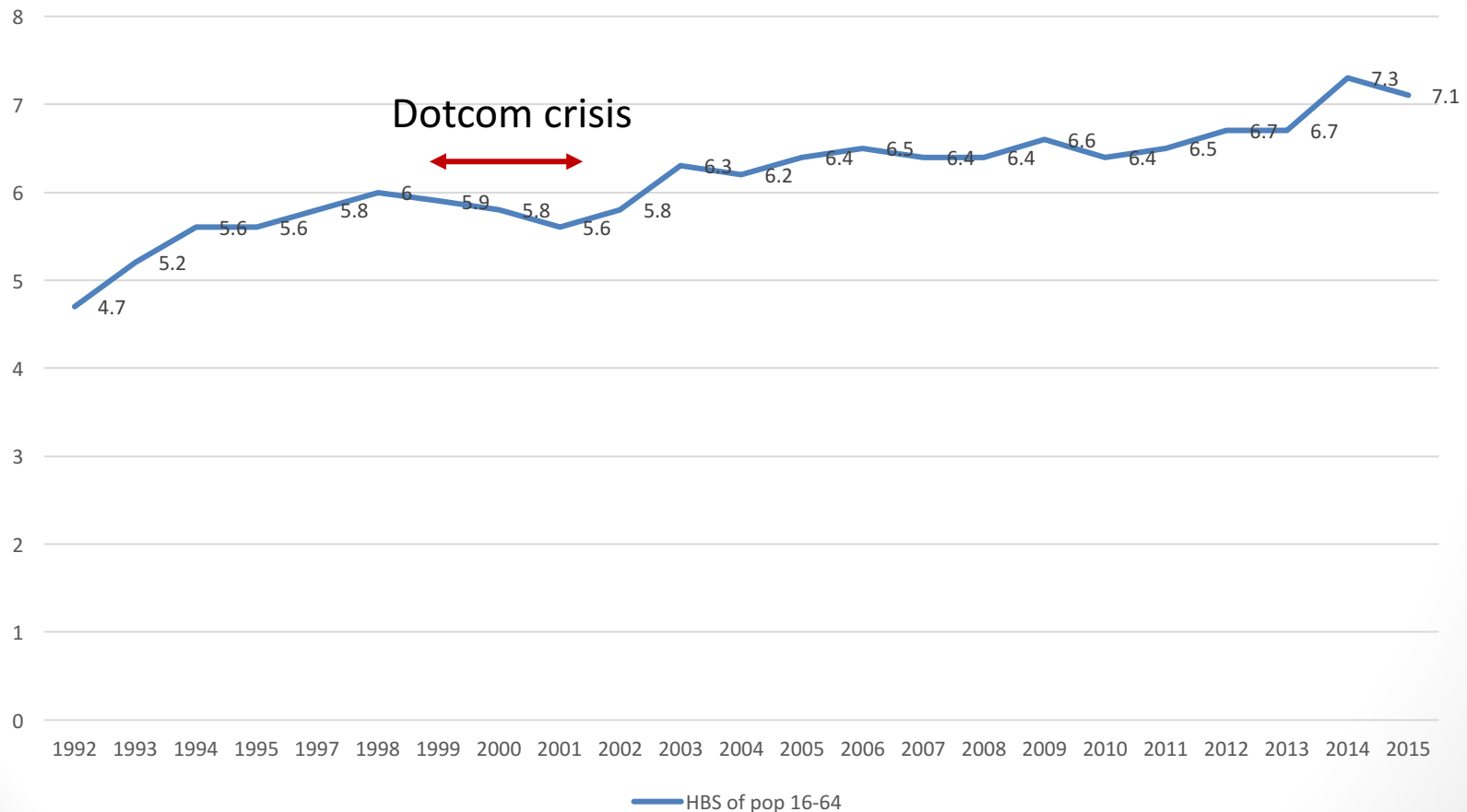
- **USA:** 52.2% - administrative data (tax)
- Estimates (survey data):
  - **Australia:** 58% of businesses
  - **Austria:** 60% of all enterprises are one-person enterprises of which half are home-based
  - **UK:** 59% of small businesses without employees, 24% with employees



Source: Holliss, 2015, 36

# A structural change of the economy – UK

Home-based self-employment as proportion of working-age population



Source: UK Labour Force Survey, own calculations

# Industry composition of home-based self-employment - UK

SIC1992	Comparison:	
	Home s/emp 1994/97- 2013/15	all employment 1994/97- 2013/15
a/b: agriculture, hunting & forestry, fishing	-2.8	-0.35
d:manufacturing	-1.6	-8.26
f:construction	-4.1	0.1
g:wholesale, retail & motor trade	-4.5	-2.85
h:hotels & restaurants	-2.9	0.14
i:transport, storage & communication	0.7	-0.05
j:financial intermediation	0.5	-0.51
k:real estate, renting & business activity	10.3	5.19
m:education	1.3	-1.22
n:health & social work	0.6	3.11
o:other community, social & personal	3.3	0.8

Source: UK Labour Force Survey, own calculations

## What location aspects are 'very important' to businesses with less than 10 employees in Edinburgh?

Criteria	Home-based micro-businesses	Micro-businesses in other premises
Fast broadband/internet	74.6	56.0
Access to transport network	30.9	17.2
Parking close-by	22.1	33.7
Proximity to customers	14.7	28.4
Appearance/image of premises	11.8	46.3
Appearance/image of area	10.5	36.5
Proximity to local workforce with specific skills	9.0	13.8
Access to business support services	6.0	2.1
Proximity to collaborators/business contacts	6.0	5.4
Proximity to suppliers	1.5	1.1
<i>n</i>	67	91

Source: Own survey in the City of Edinburgh 2013/14, Reuschke and Houston

# Needs specific to home-based business

1. Digital connectivity
2. Business support services and infrastructure
3. Business finance
4. Social isolation
5. Housing regulations
6. Urban planning and house design

# Specific needs and implications

## 1. Digital connectivity

- Residential areas
- Rural areas

## 2. Business support services and infrastructure

- IT support
- Specific business support, e.g. how to take on employees

## 3. Business Finance

- Business address is residential address
- Access to public funding schemes
- Discouraged entrepreneur?

## 4. Social isolation

- Formal and informal meeting spaces
- Networking

# Specific needs and implications (2)

1. Digital connectivity
2. Business support services and infrastructure
3. Business Finance
4. Social isolation
- 5. Housing regulations**
  - Lease agreements
  - Social housing regulations
- 6. Town planning and house design**
  - Neighbourhoods are planned for residential use
  - Inflexible house design
  - Multi-use difficult to implement at both housing and neighborhood scales

# Summary of key findings

- Business infrastructure and services **where people live**
- **Fast broadband** in residential areas
- **Variety of business premises** and **transport connections** across cities (not just in designated areas)
- **Collaborative working facilities** for business networking/advice as much as social networking
- **Access to business funding** and review of public funding schemes
- **Mixed-use** town planning and building design
- Review of **tenant leases** and **social housing regulations**
- Improvement of **data and evaluations**



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Acknowledgement: The work of Darja Reuschke and Markieta Domecka on the policy brief and the organisation of the policy seminar are funded through the **ERC Starting Grant 639403 WORKANDHOME ERC-StG-2014** and co-funded by an **UK ESRC IAA** grant to Darja Reuschke.