

**Editor's Note**

Hiring for a start-up is very different than for a larger business. Today, we explain the key qualities you need to look out for.



## Brad Callaghan

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### How do I cut the overheads in my new office space?

**I've just moved into an office space as I look to grow my new business but am very mindful of unnecessary overheads.**

**In your experience, what are the key overheads I should be looking out for and eliminating? I can't really afford any waste as cash is tight.**

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Firstly, congratulations on taking a huge step in your business career.

Moving into an office is probably the biggest expense you will have with fit-out, furniture, signage, etc, so I would suggest to find a property that was fitted out and came with furniture to save you a huge expense.

After the fit-out costs, when you move offices you have to change all your stationary and marketing material to update your new addresses and phone numbers.

Unfortunately, those expenses are necessary but you should try to limit them.

The next biggest expense you have running an office is rent. Although this is necessary, paying more than you have to isn't.

Negotiate in your rent the outgoings and reduce your rent to cover the outgoings.

Some of the other key overheads are:

- Phone – look at a business cap plan to include office phone, internet and mobile.
- Staff wages – if you don't really need the staff, don't employ them. The flow-on cost from employing staff includes workers' compensation, insurance, superannuation, sick leave and annual leave, plus staff amenities rise dramatically as well as stationary and all other costs. So think about whether you really need them.
- Marketing – sometimes you can go crazy with marketing and throw away a lot of money in the wrong direction.
- Electricity – look for saving ideas and switch items off, you should also shop around for a cheaper provider.
- Lunches, food and entertainment – if not necessary, this can be a huge waste of funds.
- Bank and merchants' fees – shop around for the best deals to reduce costs.

The biggest advice is not to spend money on something that you don't really need. Reducing overheads is about being smart and spending on what you need and can afford.

The bottom line: Always think twice before buying something. Don't be an impulse buyer, call your accountant before making a purchase so you can discuss it and think twice. I have many clients who use my suggestion of doing this and it works great.

*Brad Callaghan, of [Callaghan Partners](#), has more than nine years' professional accountancy experience. He has worked in senior management roles within taxation and business services dealing with a number of clients from a range of business sectors.*

Ask Brad or any other StartupSmart Mentor a question [here](#).