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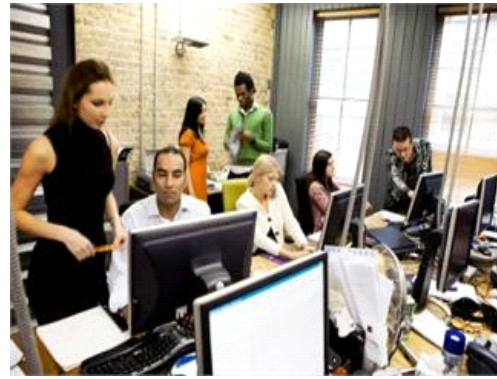
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Checks and (Watch Those) Balances

Steve Viuker (The Business Insider)

Oct 05, 2009 -

“From raising start-up funds to running a business, the internet has changed the rules for entrepreneurs,” explained Rick Singer Chairman/CEO Network Media Holdings, Inc. “Now, a click of a mouse gives you instant access to numerous funding options”.

But Singer has a warning. Funding is just the first step. A start-up must focus on containing operating costs.

“Typical class A office space can run from \$25-45 per square foot (depending on the location and amenities of a building), he said. “If a startup was to occupy 1,000 square feet, the monthly rent would be anywhere from \$2100 to \$3750 per month.”

“Electricity is \$150-300 per month. Further, a startup would have to purchase a phone system at a minimum of \$1,500, furnishings, internet connection, photocopy machine, etc. This is not a cost effective plan unless the startup was heavily funded, which most entrepreneurs are not.”

Singer believes a better scenario for a startup would be to try to work out of home. “Even if a startup has 2-3 employees, they would not require a huge amount of space,” he explained. “While working from home, there are many tools available such as a virtual phone answering service, efax, virtual office, etc. Companies such as **J2 Global** provides many of these services. An advanced automated call and voicemail service starts are \$39.00 per month, thus eliminating the cost of secretary to answer the phones, a savings of \$2,000-\$3,000 per month.”

Singer also suggests an executive suite (shared environment). “Companies such as **The Regus Group** offer many services including a furnished office suite; with a phone system, and someone that answers the telephones from 9am-5pm,” he said. “Typically, the costs start at approximately \$1,000 per month. The startup can have a corporate environment to work out of, a support staff and a professional image to attract investors.”

Networking and VC Contacts:

Venture Capital Institute - Info about venture capital.

Price Waterhouse Venture Capital Survey

Find That Money is an online investment network.

Venture Capital Access Online is an online marketplace for the venture capital and private equity industry.

RaiseCapital is an online community, where entrepreneurs can display their business ideas and capital needs to investors.

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