

Household Management Service

Vital Information

Start-up Investment

Low - \$1000 (home based)

High - \$7000 (storefront in the city, with some advertising)

Break -even time - One to six months

Estimate of Annual Revenue and Profit

Revenue \$20,000 - \$500,000 (solo at low end, with ten employees at high end)

Profit (Pre-tax) - \$18,000 - \$100,000

Superwomen Doesn't Live Here Anymore

In this era of ever-increasing costs, most families can not exist without two incomes. Long gone are the days when the man brought home the bacon and the women cooked it. And since very few people can leap tall buildings in a single bound... or successfully run a household and hold down a career ... more and more often someone is needed to fill in the gaps.

We know that Household Management is a service industry whose time has definitely come, but the need is so great and the industry so young, it is very difficult to define just exactly what "Household Management" is. Existing Household Management services vary greatly in scope and services provided. Some try to be all things to all people, others act primarily as employment agencies for household help.

The Sky's the Limit

The only absolute in this blossoming industry is that there are absolutely no pre-existing limitations to what a Household Management firm can be and how far it can grow. This in itself could cause you some problems when you begin. The first question you will want to answer is what exactly are you going to do for your clients? What are their needs? What are you willing and qualified to

provide to them?

Chores and More

Perhaps the first thing you will want to is ask a sampling of people in your geographic and economic target area to fill out an informal questionnaire asking what type of services they would be most likely be willing to pay to have an "outsider" perform.

- * Picking up and dropping off clothes at the cleaners
- * Overseeing independent contractors: plumbers, house painters, renovation contractors
- * Going to the motor vehicle administration to get licenses renewed
- * Party planning (tent, dishes, and flatware rental, hiring the caterer, buying flowers, hiring a band)
- * Grocery shopping
- * Window washing
- * Supervising a complete house move
- * Providing a car-pool driver for children's activities

When you have a good idea what people want, you will be able to decide what your Household Management firm will provide. You may want to start with just a few items and then let your clients lead you in other directions.

Open for Business

One of the most important aspects of getting started in your new business (after you've gotten an idea of exactly what that business will be) is deciding who your target customers will be. Lower income families probably can't afford to hire someone to do the type of tasks you are providing. Very affluent families can probably afford to have full-time or live-in help and also would not need to have your services.. Most undoubtedly your target market consist of middle-to-upper-income families where both spouses work. Other than that limitation, just about everyone and anyone who holds a job can be a potential client: young professionals, bachelors, and couples with children.

Since you now have an idea what you will be providing to your clients, you will need to decide on potential staff needs. If you're going to be one-person operation in the beginning or plan to stay a solo operation, you may want to have some references on hand that you can provide to potential clients.

If you are planning to act primarily as an employment agency for household help, you will need to have a good roster of qualified, well-screened, employees to

send out on demand.. The capabilities of your employees will vary greatly depending on the type of services provided. If you are providing companionship and care to the elderly, your screening process will probably need to be more thorough than if you are primarily providing grocery shopping or someone to water the plants or walk the dog. Since you will probably be sending your employees into customer's homes, you will want to be very vigilant about the character of the people you hire. Check references and make sure the employees representing your company is going to enhance your reputation, not ruin it.

Now that you have a fix on your target market and have an idea of how many employees you're going to need, or if this going to be a one-person operation to start, you can begin to advertise your services. Distributing flyers either by hand or through bulk mail, can be reactively inexpensive way to get your name out there. There are magnetic signs available that you can attach to the side of your vehicle which allow you to make your car a "rolling billboard".

Most areas' local newspapers charge a reasonable rates for their advertising and local newspapers also mean that you're staying within your targeted locality. And of course, like all service industries, word of mouth will probably be your best advertising. You want your clients to tell their friends what a great service you have to offer, so be sure to keep your customers satisfied.

Most Household Management firms charge on a hourly basis for the services provided. These rates can vary dramatically because the skill and effort expended can also be so broad. You could hire a student to sit in someone's home waiting for the washing machine repairman to come and because the student could study "on the job" and face very little in the way of responsibility, what you would need to pay the student would be relatively modest. If you are providing registered child care or supervising a move, you would need a responsible, realiable person and probably would need to charge (and pay) a higher fee.

As you begin to more thoroughly define your services structure, you will be able to ascertain a more definitive fee schedule.

This whole adventure will probably be "learn as you grow" and the bottom line for your success will most undoubtedly be flexibility.

Most Household Management firms that their clients are repeaters. Once a client begins using the services of this type of firm, they begin to see the advantages of having someone who can prepare a meal, buy a gift, plan a party or screen child care providers, etc. If you provide your customers with an efficient and cost-effective way to simplify their lives, they will be beginning asking themselves, "Why am I doing this, that or the other thing myself when I can hire

someone else to do it for me?"

For additional information helpful in setting up your new business, information about licenses, permits, the legal structure of your business, taxes, insurance and much more refer to the Business Start-Up Fact Finder Manual