

VIRTUAL OFFICE IS WHAT YOU MAKE IT

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Author: PENELOPE TRUNK

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While everyone was watching for the telecommuting trend to explode, something else exploded right next to it: The virtual company. The business with no office to telecommute from.

These companies give new opportunities to entrepreneurs to get started with no money down. But a virtual business also gives people the opportunity to create the personal life they want.

"The future is likely to be the age of virtual businesses," writes Anita Campbell, founder of Small Business Trends. "Forget three guys in a garage that was your father's startup. Today it's three people spread out across the country or even across continents, each in their home offices or back porches with laptops, mobile phones, and WiFi."

Pamela Slim, who blogs at Escape From Cubicle Nation, says a perfect storm of factors is converging to make virtual businesses more popular, and easier to start:

1. Workers will quit regular jobs to get control over their time. Both men and women are increasingly willing to leave the workforce to create personal time and family time, according to Jacqueline Luffman, a labor analyst for the Canadian government. In light of that, a virtual office ends up seeming like a compromise rather than an extreme solution.
2. Technology levels the playing field. It has become so cheap and easy to use that someone who doesn't have a lot of resources can create a Web presence that looks established and professional.
3. Retail businesses can be virtual. Of course, there's always eBay. But you can also set up a shop with Amazon, where you create a storefront and Amazon handles all inventory and fulfillment issues and then sends you a check for the sales you make. Or you can work with a slew of smaller online wholesalers the same way.
4. The rise of telecommuting. Established companies such as Sun Microsystems realize that telecommuters are happy, appreciative, and cost-effective, so they encourage people to telecommute. Smart companies provide essential training and support so workers are productive at home from the start. The side effect is that location-based companies are training workers on how to set up their own virtual companies.

This trend means that it's easier for you to have a work life that you can control whether you're working at your own virtual company or at someone else's. The benefits are

flexibility, efficiency, and little overhead. The draw back is that time management is difficult, and not everyone adapts.

Dennis Yang works at Techdirt, a virtual company that provides daily news and analysis to corporate clients. While Yang does not sit with co-workers, he is never lonely. He typically has about seven conversations going on at any one time on his computer screen, and he can work anywhere he wants for example, his grandmother's living room.

A typical day involves constant instant messaging, occasional e-mails with clients, and Skype for Internet-based phone calls, which are free though Yang adds, "We don't like to have phone conversations because it's difficult to have more than one at a time."

Techdirt's 14 employees hang out in a virtual conference room, which is really a chat room, and when the once-a-week phone call happens, someone types in the chat room that it's time to move to the conference call.

Not surprisingly, members of Generation Y populate many of the virtual companies. "The younger generation is very attracted by the virtual companies because they are used to it. Skype and IM are normal to them, and it is not weird to work with people you rarely see when most of your friends are people you rarely see." says Chris Yeh, cochairman of the Founders Forum for entrepreneurs, and founder of his own company, Targetfirst.

But virtual companies have a lot to offer Generation X as well: "We want a career that gives us control over our schedule and our life," says Yeh. "I want a work environment where I can also focus on my kids. Working from home is not a panacea for everything because the kids take time and they are always calling for you, but at least there's no commute time."

The virtual business community is huge, so there's room for everyone. In fact a whole economy has developed in which virtual companies do business with other virtual companies. Sharon Sarmiento, founder of Streamline Virtual Office Solutions, offers project-based, administrative assistance to companies that do not need a physical presence. So it is no surprise that a major client is Andy Wibbles, the king of promoting blog-based businesses.

For some people, such as Yang, virtual companies present a continual mix of work life and personal life where neither begins or ends. For others, such as Yeh and Sarmiento, a virtual company is a way to discover optimal methods for dividing a day.

This week Sarmiento is experimenting with a four-hour workday. "I'm trying to be really productive," she says, and then defines what she means by that in a blog post aimed at helping other virtual entrepreneurs manage their time.

"You cannot work harder," she advises, it's more about prioritizing. "Just turn off the computer at the end of four hours. This experiment is almost entirely psychological."

It might seem that in the land of virtual companies, in a virtual economy, there is virtually no work getting done. But Yang and Sarmiento both exemplify the work ethic that typifies virtual offices.

"In a small company where people know each other and are dedicated to a cause or a calling, you can count on everyone to be productive," says Yeh. But even a technology cheerleader such as Yeh doesn't foresee a workplace devoid of stupid meetings and wasteful schedules.

"The virtual office can cut down on the BS," he says, "but BS is part of human nature."

Penelope Trunk writes the Brazen Careerist blog at blog.penelopetrunk.com

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