

**DIFFERENCES BETWEEN WOMEN-OWNED
HOME-BASED & OFFICE-BASED BUSINESSES:
AN EXPLORATORY STUDY**

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ABSTRACT

In this paper, the differences between women-owned home-based and office-based businesses are explored through an empirical study of 150 attendees of small business workshops and conferences. Home-based and office-based business locations are compared based on an analysis of the following variables: prior industry and managerial experience, business plan development, length of time spent planning the business, adequacy of starting capital, income level, self-reported success rating, and financial and personal satisfaction levels. Frequency data were assembled and characteristics identified. Cross-tabulations and Chi Square analysis of expected and actual related factors was performed with significant factors identified. Results of this exploratory study suggest that women entrepreneurs with home-based businesses have less employees, work fewer hours, are more likely to hold second jobs, are not involved in international business activity, and are most often located in suburban and rural geographical areas. Although there were no significant differences in the business planning activities between home-based and office-based women entrepreneurs, the study results indicate that home-based businesses generate less income, are not perceived to be as successful, and are not as financially satisfying to the entrepreneur as are office-based businesses.

INTRODUCTION

According to the National Foundation of Women Business Owners (NFWBO), women-owned businesses account for 38 percent of business ownership in the United States and hire one-quarter of the American work force—which is double the number of women entrepreneurs found in the U.S. in the early 1980's (NFWBO, 1995, p. 4). In 1999 there were 9.1 million women-owned businesses in the United States, accounting for nearly half of all small businesses in the country (George and Lyon, 2000, p. 7). Between 1987 and 1996 the number of women-owned firms increased by 78% nationwide, outpacing overall business growth by

nearly 2-to-1 (Kroll, 1998). According to the U.S. Census Bureau, women own 17% of retail businesses and 26% of all businesses nationwide (Bertagnoli, 2004). Women entrepreneurs employ 27.5 million people—which is one-third more workers than the *Fortune* 500 firms (Buttner and Moore, 1997, p.34). Although many of these women-owned businesses are very small, each contributes to the economy. Despite the significant contribution that women entrepreneurs are making to the economy, most of the entrepreneurial research has focused on their male counterparts. Significantly fewer research studies have been dedicated to female entrepreneurs (McKay, 2001.)

Therefore, due to the rapid growth of women-owned businesses this research study will focus on women-owned small businesses. This paper presents the results of an exploratory study that compares entrepreneurial success and business planning activities of women entrepreneurs operating small businesses from their homes versus formal office settings. The decision for the female entrepreneur, whether or not to locate the business inside the home or to seek and establish an office-based location, is a crucial managerial decision and may affect business success. While numerous recent studies on female entrepreneurs have addressed motives for business launch (Gundry, Ben-Yoseph & Posig, 2002; Robinson, 2001; Lombard, 2001; McKay, 2001; Orhan & Scott, 2001) few studies have addressed home-based businesses (Edwards & Field-Hendrey, 2002; Phillips, 2002) and no such study compares the location selection decisions of women business owners. The only published study that the researchers could find related to this topic was one addressing home-based work and women's labor force decisions—which overviewed the ways that home-based work differs from other forms of employment (Edwards & Field-Hendrey, 2002).

Previous research investigating why entrepreneurs start a business have found that quite similar entrepreneurial motivations exist between men and women with respect to the desire for independence and the need for self-achievement (Hisrich, Brush, Good and DeSouza, 1996). However, other researchers have found some gender differences regarding a women's desire to "make a difference" in addition to pursuing economic motives (Still and Timms, 2000, p. 3). An explanatory model has been developed to address the many factors that motivate women to start a business. This model reports that occupational flexibility providing choice in terms of the hours worked is another important factor motivating female entrepreneurs (Orhan & Scott, 2001).

It has been predicted that changes in the availability of the home office deduction, and other tax law changes have provided additional up-front incentives to creating and maintaining a home-based business with traditional office capabilities. Fraser (1999) believes that due to technological developments and financial incentives, even growth-minded small businesses are taking advantage of the home-based business model. If this is true, then profiling the similarities and differences between home-based and office-based entrepreneurs could provide strategic insight for other entrepreneurs facing location selection decisions.

LITERATURE REVIEW

Entrepreneurial Success Factors

There are many studies examining the success factors for small businesses, home-based businesses, entrepreneurial businesses and even small office/home office (SO/HO) businesses. In a study of business success factors affecting the entrepreneur and the impact of capitalization and the selection of location, Van Auken, (2000) contrasts the availability of capital and sources of capital to the type of firm and community size. He concluded that size of community and capitalization are not significantly correlated. The findings of other researchers challenge the purely ratio-based business prediction model for success or failure

(Corman and Lussier, 1991). Lussier (1995) identified fifteen variables in the development of his business success versus failure of small firms model. The fifteen variables are: capital, record-keeping and financial control, industry experience, management experience, planning, professional advisors, education, staffing, product/service timing, age of owner, partners, parents owned a business, minority and marketing skills. However, there is no mention of business location as a factor for business success. Other studies indicate that local conditions may "predominate" in business success or failure prediction (Lussier and Pfeifer, 2001). However, these models do not measure location (neither home-based nor office-based), and fail to identify the selection of home based or office based as a potential predictive variables. Moreover, while previous research has addressed women entrepreneurs, little has been reported on home-based versus office-based business location settings for this growing business segment.

Several researchers who have begun to study the variable of business location determine the concomitant differences between office and home-based businesses. One recent study of success factors analyzed success based upon percentage of financial support for the family provided by the home-based business (Soldressen, Fiorito, and He, 1998). In this study of a fairly small usable sample, several significant relationships were identified and the authors concluded that previous business experience was correlated positively with success.

The decision to launch a home-based business, the issue of entrepreneurial risk-taking, and factors affecting the decision to start and continue with a businesses have been the subject of several academic inquiries, surveys and studies. Van Auken (1999b) examined the business launch decision through an empirical examination of individuals attending a workshop concerning screening the business idea and launching the business. His study revealed that "business related" factors including profitability, business conditions and customer demands were ranked as being less important to the discontinuance of a business, than were "personal" factors. His research has also revealed that in all cases, the study respondents who had not previously owned a business believed that "lack of time, risk, and lack of skill/knowledge were significantly greater obstacles to business launch as compared to individuals who had previously owned a business" (Van Auken, 1999b,p.51). The influence of prior business experience and ownership of a business were identified as significant factors in the business launch decision in Van Auken's conclusions in his companion article (Van Auken, 1999a).

Variables affecting business success in small home-based businesses have been studied and analyzed from the perspective of relationship to business satisfaction, business financial success and continued operation of the business. Related research (Love, 1998) indicates that home-based entrepreneurs and telecommuters who were interviewed for a success factors study demonstrated that the business idea is less important than the entrepreneurs' desire to succeed. The study also indicated that education level is not predictive of success, and that many entrepreneurs are unemployed when starting their business.

Prior Business Planning

Literature that discusses business planning in small businesses and the existence of a formal business plan by women entrepreneurs is extremely limited as it relates to home based businesses. Birritter (2003) contends that "the written business plan should be part of the entrepreneur's ongoing business life that evolves just as the business does." Mueller and Naffziger (1999) discussed the general observation that strategic planning is an important factor in small business success. Although planning may be currently more widespread in small firms than in the past, there is currently insufficient evidence to conclude that a formal business plan is a significant factor in the success or personal satisfaction of home-based business owners.

Researchers have generally regarded conducting business planning activities prior to starting a business as positively correlated to business success (Hormozi, Sutton, McMinn & Lucio, 2002). However, in a recent study and commentary, "The Relationship Between Written Business Plans and the Failure of Small Business in the U.S.," Perry (2001) observed that there is inherent difficulty in quantifying any relationship between written business plans and success or failure. An exploration of variables related to business success and failure should include business planning efforts and the existence of a written business plan.

Home-Based Businesses

The number of home-based businesses is continuing to grow—especially for female entrepreneurs. Previous studies have reported that there are approximately 3.5 million women-owned home-based businesses in the United States in 1995 (Kroll, 1998.) More importantly, this number was expected to grow. The number of start-up home-based businesses was dramatically on the rise in the early 1990's and is still booming, but at a slightly slower pace (Dun & Bradstreet, 2000).

Defining home-based businesses is one of the aspects of the discipline that requires further exploration and explanation. Home-based business statistics generated from governmental agencies indicate that the number of these businesses is growing. Non-governmental and independent tracking firms, like IDC/Link Resources have suggested the number of home-based workers is far in excess of officially tabulated home-based workers in the BLS census (Laurie, 1998). However, in a recent sample drawn from Dun & Bradstreet's database of 11 million U.S. businesses, only 30 percent were home-based, which is down from 50 percent the previous year (Dun & Bradstreet, 2000). In fact, many small business owners classified as home based or self-employed also have "jobs" as paid employees of another on-going business. Many entrepreneurs work at both an office-based location as well as at a home-based office. Some entrepreneurs may be operating their home-based business as "moonlighting" enterprises.

Even the best statistics inadequately identify, define and describe the small business, home-based, entrepreneur. The best estimates may be drawn from several reliable sources, including the Bureau of Labor Statistics, the Internal Revenue Service, and Dun & Bradstreet. Many other equally important statistical resources are available and should be included in any review of data purporting to show trends or define parameters. Research studying the growth and development of businesses with a home-based location versus office-based location may trail actual practice. Studies that explore the factors influencing entrepreneurial success in home-based businesses are inadequate to measure the more than one-half million home-based businesses starting up each year. Thus, the need for additional empirical study is warranted.

RESEARCH QUESTIONS

An empirical study was conducted to address the issues related to entrepreneurial business location. Whether an entrepreneur locates the small business inside the home or leases a formal office location is an important strategic decision. This study was based on a variety of strategic managerial factors which were self-reported by female entrepreneurs participating in the study. Insight about the similarities and differences of these two business locations as provided by self-reports by entrepreneurs should prove useful to those women entrepreneurs facing location selection decisions. Four research questions being investigated in this study were selected to provide insight and assistance in the formulation of a location selection business strategy. The first three questions relate to business planning factors while the final research question relates to perceived success factors. The research questions being investigated are:

Are there any business planning differences in the amount of planning, business plan development or adequacy of starting capital between those women entrepreneurs who conduct their business from their homes versus those who utilize formal office locations?

Are there any differences in the amount of prior managerial or industry experience between female entrepreneurs operating their business from home versus an office setting?

Is there a difference between the adequacy of starting capital of women-owned businesses that are located in the home versus an office setting?

Are women-owned home-based businesses more or less successful as determined by business income generated, degree of personal and financial satisfaction, and a self-reported success rating) than office-based businesses?

METHODOLOGY

Design and Sample

The primary methodology was survey research. Approximately 200 entrepreneurs attending various small business conferences and workshops in Southeastern Virginia were personally asked to participate in the study. All surveys were administered at the conferences/workshops and personally handed back to the researcher. Data for this study were generated from the attendees of 4 conferences/workshops during a two-month time span. Each of the conferences/workshops was dedicated to entrepreneurship and/or small business success. Three of the four conferences/workshops were single-day events, while the other was a two-day event. The two-day conference was dedicated to female entrepreneurs.

A 30-item written pre-tested questionnaire was administered to each study participant. The variables addressed on the questionnaire included business success ratings, various business planning activities, business location questions and classification data. Business planning variables specifically investigated included prior industry experience, management experience, amount of planning time, the existence of a business plan and adequacy of starting capital. Business success is operationally defined in this study by an assessment of personal and financial satisfaction with the business, a self-determined business success rating and business income level. A business location question determined if the entrepreneur operated their business from their home or from a formal office setting. Demographic and classification variables included age, race, gender, number of employees, number of hours worked per week, amount of international business activity, and geographical location of the business (urban, rural or suburban).

All survey questions were closed-ended providing a list of possible responses requiring participants to check the box that most closely represented their situation. Six numerical categories (anchored at each end) were provided as the response format for the survey questions requesting the number of years spent planning the business, previous industry experience, previous managerial experience, small business operation and the number of hours worked per week. All other closed-ended questions provided a 4-point scale (1=extremely, 2=somewhat, 3=not very or 4=not at all).

The data were analyzed using descriptive statistics to determine the frequencies and means. Chi Square analysis was used to determine if any differences exist between the observed and expected frequency data reported on the two business locations.

DISCUSSION OF RESULTS

One hundred eighty-three attendees at small business workshops and conferences in Southeastern Virginia participated in the study by completing the written survey. This represents a response rate of approximately 92%, thus non-response bias did not appear to be problematic to this study. It is believed that the overly high response rate is due to the researcher's personal request for participation in the study delivered at each of the 4 conferences/workshops. However, although 183 surveys were completed, the actual study size was reduced to 150 usable surveys due to respondents who were either male or not yet "entrepreneurs" or "small business owners," but were in attendance at the conferences. Frequency and numerical data were analyzed and characteristics identified. Chi Square and Cross-Tabulation analysis of expected and actual factors were performed with statistically significant factors identified. The research results proved interesting and provided answers to the four exploratory research questions posed at the onset of the study.

Demographic & Classification Data

All study participants owned and operated a business venture with fewer than 100 employees. Table 1 presents a demographic profile of the study participants.

Table 1 – DEMOGRAPHIC PROFILE OF STUDY PARTICIPANTS

AGE	%	n
Less than 20 years	0	0
21-34 years	16	24
35-49 years	60	90
50-65 years	24	36
Over 64 years	0	0
RACE	%	n
Caucasian	91	137
African American	6	9
Other	3	4
LOCATION	%	n
Urban Area	16	24
Suburban Area	57	86
Rural Area	27	40

In terms of age, sixteen percent were in the 21-34 year range, sixty percent were in the 35-49 year category, twenty-four percent were in the 50-65 year old range, and no respondent was younger than 20 or over 65 years old. Regarding race, ninety-one percent of the respondents were Caucasian, six percent were African American and three percent were "other." Of those sampled, forty-four percent of office-based businesses were located in an urban area, forty percent were located in the suburbs, and fifteen percent were located in rural areas. As shown in Table 2, significantly fewer home-based businesses were located in urban areas (16%), while significantly more were located in the suburbs (57%), and rural areas (27%). Additionally, significantly more businesses located in formal office locations are involved in international business activities (74%) than are home-based businesses (26%).

Table 2—BUSINESS LOCATION

Variable	Home-Based	Office-Based	Chi-Square	df	p.
GEOGRAPHICAL LOCATION:			14.23	4	0
Urban	16%	44%			
Suburban	57%	40%			
Rural	28%	15%			
INTERNATIONAL ACTIVITY:			11.51	4	0
Involved in International Business	26%	74%			
Not Involved in Int'l Business	74%	26%			

Significant differences were found between home-based entrepreneurs and office-based entrepreneurs with respect to the number of people they employ, the number of hours they work per week for the business. As shown in Table 3, significantly fewer individuals are employed by home-based entrepreneurs than office-based entrepreneurs. Approximately 49% of home-based entrepreneurs have no paid employees in their business, compared to 16% of office-based entrepreneurs. In addition, no home-based entrepreneur reported having more than 10 employees, whereas a number of their office-based colleagues reported having more than 50 employees.

Table 3—HOURS WORKED AND NUMBER OF EMPLOYEES

Variable	Home-Based	Office-Based	Chi-Square	df	p.
NUMBER OF EMPLOYEES:			48.72	10	0
Less than 1	49%	16%			
1 to 5	46%	34%			
6 to 10	5%	18%			
11 to 20	0%	14%			
21 to 50	0%	9%			
More Than 50	0%	8%			
HOURS WORKED PER WEEK:			35.89	10	0
Less than 20	19%	.1%			
21 to 30	19%	4%			
31 to 40	11%	5%			
41 to 50	21%	36%			
51 to 60	17%	27%			
More than 60	13%	27%			

Also shown in Table 3, home-based entrepreneurs work significantly fewer hours per week than do office-based entrepreneurs. Almost 19% of home-based entrepreneurs work fewer

than 20 hours per week, while only 1% of office-based entrepreneurs work that few hours in a given week. In addition, almost 27% of office-based entrepreneurs report working more than 60 hours (on average) per week, whereas only 13% of home-based entrepreneurs work that much per week. Although, home-based entrepreneurs work fewer hours per week on their small business venture, significantly more of them hold a "second job". When asked whether or not they held a paid position other than their small business, significantly more home-based entrepreneurs said "yes." In fact, approximately 59% of home-based entrepreneurs report holding a second paid position versus 31% of office-based entrepreneurs.

Research Question 1: Business planning of home based and office-based businesses.

As shown in Table 4, there were no significant differences found for the amount of time spent planning for the business venture, nor for the type of business plan prepared prior to starting the business between home-based businesses and office-based businesses.

Table 4—PLANNING

Variable	Home-Based	Office-Based	Chi-Square	df	p.	
YEARS SPENT PLANNING:			5.23	8	0.732	ns
Less than 1	57%	61%				
1 to 5	40%	31%				
6 to 10	1%	4%				
11 to 15	0%	3%				
16 to 20	0%	0%				
More Than 20	1%	1%				
TYPE OF BUSINESS PLAN:			5.24	8	0.732	ns
Highly detailed plan	58%	61%				
General plan	41%	31%				
Informal plan	1%	4%				
No plan	0%	3%				

The majority of female entrepreneurs spent five or fewer years planning their business venture, regardless of the location selected to house the business. In fact, over half of all businesses included in the study (office-based = 61%; home-based = 57%) spent less than one year in any formal planning. Therefore the length of planning may not be a differentiator between home-based and office-based businesses.

Table 4 also shows the type of business plan in terms of detail. No significant differences between home-based and office-based locations are found. However, what is found is that despite the less than one-year time factor these women entrepreneurs spent planning their business ventures, a highly detailed business plan is reported by both office-based (61%) and home-based (58%) businesses. This may be partially due to the fact that most entrepreneurs must present a detailed business plan in order to obtain financial support for their new venture, regardless of the location of the business. Or, perhaps it is a reflection of the interpretations of what a "highly detailed plan" entails.

Research Question 2: Adequacy of starting capital between women-owned home-based and office-based businesses.

Table 5 shows no significant difference in perception of the "adequacy of starting capital" between women-owned office-based and home-based businesses. In each case, only 4% thought the amount was "more than enough." In addition, 38% of the office-based businesses felt there was "about the right amount," with 46% of the home-based businesses thinking so.

Table 5—PERCEPTION OF ADEQUACY OF STARTING CAPITAL

Variable	Home-Based	Office-Based	Chi-Square	df	p.	
STARTING CAPITAL:			10.25	6	0.115	ns
More than enough	4%	4%				
About the right amount	46%	38%				
Less than enough	28%	44%				
No capital used	22%	14%				

Research Question 3: Previous experience of women-business owners between home-based and office-based businesses.

There were no significant differences in the amount of prior experience possessed by the woman business owner between the two business locations. Most female entrepreneurs possessed ten or fewer years of prior managerial and industry experience. Table 6 shows that over 50% of all women small business owners had fewer than five years of prior managerial experience, with 21% office-based business owners and 39% home-based business owners having less than one year of previous managerial experience. As can be seen by the distributions in Table 6, there were also no significant differences in the amount of prior industry experience that home-based versus office-based business owners possessed.

Table 6—PRIOR EXPERIENCE

Variable	Home-Based	Office-Based	Chi-Square	df	p.
PRIOR MANAGERIAL EXPERIENCE:			13.43	10	0.201
Less than 1 year	39%	21%			
1 to 5	22%	31%			
6 to 10	10%	21%			
11 to 15	17%	13%			
16 to 20	4%	7%			
More than 20	7%	7%			
PRIOR INDUSTRY EXPERIENCE:			8.03	10	0.626
Less than 1 year	36%	34%			
1 to 5	22%	24%			
6 to 10	20%	24%			
11 to 15	9%	10%			
16 to 20	4%	3%			
More than 20	9%	6%			

Research Question 4: Success ratings of home based and office based businesses.

Significant differences were found in response to our final research question concerning the success of women-owned home based and office based businesses. The study findings revealed that differences exist in the amount of income the business venture produced, the degree to which the business venture was found to be financially rewarding to the entrepreneur, and in the self-reported success rating placed on the business venture.

The data in Table 7, show striking and statistically significant differences in income received between office-based and home-based businesses. Some 76% of office-based businesses yielded above \$100,000 in income, while only 22% of home-based businesses did so. At the other end of the spectrum, 6% of the office-based businesses reported less than \$25,000 income, while 50% of the home-based businesses reported less than \$25,000 or less. In addition, 50% of the home-based business ventures investigated produced income levels below 25,000 per year, compared to only 6% of office-based ventures.

Table 7—INCOME RECEIVED

Variable	Home-Based	Office-Based	Chi-Square	df	p.
PRIOR MANAGERIAL EXPERIENCE:			13.43	10	0.201
Less than 1 year	39%	21%			
1 to 5	22%	31%			
6 to 10	10%	21%			
11 to 15	17%	13%			
16 to 20	4%	7%			
More than 20	7%	7%			
PRIOR INDUSTRY EXPERIENCE:			8.03	10	0.626
Less than 1 year	36%	34%			
1 to 5	22%	24%			
6 to 10	20%	24%			
11 to 15	9%	10%			
16 to 20	4%	3%			
More than 20	9%	6%			

A related success variable investigated in this research study was the degree to which the entrepreneur found their business venture financially rewarding. Significant differences exist in the degree of financial rewards obtained from the business venture based on where the business is located. More office-based entrepreneurs (25%) rated their businesses "extremely financially rewarding" versus home-based entrepreneurs (15%). The majority (73%) of home-based entrepreneurs claim their business venture is "somewhat rewarding." A sizeable number (20%) of office-based entrepreneurs claimed their business was "not very" financially rewarding.

Also shown in Table 7 is the degree of personal satisfaction that the business venture generated for the entrepreneur. Interestingly, no significant differences were identified

between home-based and office-based entrepreneurs. Thus, regardless of the fact that home-based businesses generate less income and are less financially rewarding, the business venture still produces similar amounts of personal satisfaction for the entrepreneur.

A final significant variable produced by this study and shown in Table 7 is the overall success rating that the female entrepreneur assigned (based on self-report) to their business venture. Considerably more office-based entrepreneurs rated their business more successful than did home-based entrepreneurs, with 49% of office-based entrepreneurs rating their business as "extremely successful" compared with 21% of home-based businesses. Although no entrepreneur rated her business as "not at all successful", 7% of home-based businesses were rated "not very successful", while no office-based business received that rating.

CONCLUSIONS & IMPLICATIONS

The findings of this empirical study were contrary to the expectations of the investigators in two major areas. First, the investigators had expected female entrepreneurs of home-based businesses to work more hours than those of office-based businesses. This presumption was based upon an expectation that flexibility of schedule and time management in the home-based setting would facilitate multi-tasking. If the home-based worker could intersperse trade with the home demands, the expectation was that productivity would be increased and personal satisfaction would likewise be enhanced. It was expected that productivity would benefit from a series of fine tunings rather than being continuously worked on until completion. Flexibility of home-based schedules allow for these re-visitations to a task. The research results did not support this expectation.

Findings regarding the amount of prior experience were contrary to research expectations. Based on previous research findings reported in the literature (Soldressen, Fiorito and He, 1998), the researchers expected to find that the years of industry experience would show significant patterns of relationship with business location. They did not. Nor did prior management experience, current business experience, amount of planning time, or amount of starting capital. Each of these variables was found to be independent of location of the business for female entrepreneurs. Further research into business success factors and business failure factors would be facilitated by a unified approach using equivalent language as descriptors in any new survey instrument.

The study results have several implications for female entrepreneurs contemplating business location strategies. The first is that similar business planning activities are taking place by all of the women small business owners included in this study, regardless of where they have decided to locate their business. Second, a detailed business plan may be a necessary component to launching a business enterprise, regardless of the physical location selected for the business. This assumption is based on research findings indicating that similar types of business plans are being prepared by women small business owners regardless of where their business is located. Additionally, business location does not seem to influence the length of time spent planning the business prior to launching the venture. A longer planning period is not a necessity for an entrepreneur selecting an office-based location for her business, even though it is outside of her home setting.

Third, based on this study, those entrepreneurs selecting home-business locations may need to be motivated by factors other than sheer profitability. The research results of this study indicate that home-businesses are not nearly as profitable as are office-based businesses. The notion that women small business owners are not solely motivated by profitability is supported by earlier studies (Gundry, Ben-Yoseph & Posig, 2002; Robinson, 2001; Lombard, 2001; McKay, 2001; Orhan & Scott, 2001; Love, 1999; Van Auken, 1999b) that determined

that business-related factors (including profitability) are less important than are personal factors for women small business owners.

Fourth, women small business owners should be cognizant that home-based business locations do not generate significantly more (or less) personal satisfaction for the entrepreneur. Therefore, one might assume that some of the potential disadvantages of commuting to an external office location must be offset by potential drawbacks of using one's own home as her business location. Additional research is warranted to analyze those specific positive and negative factors that are associated with business locations.

Finally, based on this study, female entrepreneurs facing business location decisions should bear in mind a few things. Particularly, home-based business owners who tend to work fewer hours but have to hold a second paid position, don't earn as much money and are not as financially satisfied with their business. Therefore, the low overhead involved with operating a home-based business may not be as much of a financial perk as one might think. While it might be assumed that a home-based business launch involves less financial burden (and personal effort) than starting an office-based business, this has yet to be determined. Although home-based entrepreneurs may be personally satisfied, they are not significantly more satisfied with their business than are office-based entrepreneurs. While there are many resources available for home-based businesses (internet cites, newsletters, etc.) that can keep these entrepreneurs in the network with other home-based entrepreneurs, the impact of these resources has yet to be measured and determined.

Study Limitations

As with any study, this research has limitations. First, the data represents subjective self-reported perceptions of the entrepreneurs participating in the study. Although self-reported perceptions are a recognized and frequently used method of data collection, they may not be as reliable as objective measures. Second, all study participants were attending conferences and workshops in an effort to obtain information and networking contacts. Thus, these entrepreneurs may not be representative of the greater body of entrepreneurs who do not attend such functions. Third, the external validity of this study may be cautioned due to the fact that the results were obtained from entrepreneurs operating business ventures in Southeastern United States. Thus, results may be different for studies based in other parts of the United States or in different countries. This may be especially true for Western United States—which has been dubbed by the Center for Women's Business Research as the "hot spot" for women's entrepreneurship (Wease, 2004.). Fourth, the small sample size of entrepreneurs (albeit larger than some reported in other published empirical studies) contributes to the questionable external validity of the study. Fifth, industry classification information was not collected, thus the type if industry of each of these entrepreneurial business ventures is unknown. Finally, although the survey instrument was pre-tested on a small sample of entrepreneurs, it has not been previously validated. Findings from this study should be interpreted with these limitations kept in mind.

Areas for Future Research

Some areas fruitful for future study include investigating whether the office-based business initially began as a home-based business. Thus, longitudinal research would provide the success patterns of the transition from a home-based business to an office-based visit (or vice-versa). In addition, further study on why the female entrepreneur changed the location of the business from home to office or from office to home might provide insight and assistance for those entrepreneurs currently contemplating moving their business.

The industry type of these businesses was not investigated in the current study and could possibly be an influencing factor on the success of women-owned home-based businesses. This is another area that would prove interesting for future exploration.

Additional investigation comparing the average number of hours the entrepreneur works per week with self-reported measures of success and personal satisfaction is another area that may prove insightful. Future research in this area may determine personality profiles or segments of successful women entrepreneurs. Finally, since home-based businesses have just recently started to be measured by U.S. statistical business reporting avenues, additional research on their economic impact would be helpful to have in order for more governmental resources to be targeted toward home based business support.

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