How to set up a home office: 5 things to consider.

For many people, working from home seems like a dream come true. But if you don't have the right office space, it can easily turn into a nightmare of distractions and low productivity. Before you reduce your commute to zero with a home office, here are a few factors to consider:

How much space do I need? A writer may only need a small desk with a laptop. A lawyer may need both an office area and a separate space for meeting with clients. Consider all the functions your work requires, and make sure you have room for each.

Who will join me? Do you need to meet with clients in your space, or will you meet them elsewhere? Will colleagues be joining you to collaborate on projects, or are you a solo act? If clients or colleagues will be there often, choose a space closer to the entrance of your home, so you won't have to give them a full tour of your house to reach your office.

How well do I handle distractions? Some people can focus anywhere, but most need some privacy. Ideally, you'd have a spare room with a door to shut out distractions (especially if you have kids at home). If your space doesn't have a door, consider a curtain or folding screen to separate the space visually, and noise-cancelling headphones to tune out the rest.

What equipment do I need? Once you've picked out your space, set up the essentials:

- Desk

- Chair
- Computer
- Printer/copier/fax machine
- Storage (file cabinets, shelving, etc.)
- Lighting
- Office supplies
- High-speed internet connection
- A separate business phone line and address

Don’t forget insurance coverage. Don’t just assume your home office is covered by your homeowners policy. Small businesses usually need commercial coverage, even if they are run from home. For instance, you may need:

- **Liability coverage.** If a client or employee injures themselves on your property, they could file a lawsuit that could be financially disastrous for your business. Business liability coverage would protect you. You might be able to add an endorsement to your current homeowners policy for such liability – ask your independent insurance agent.
- **Property coverage.** Theft, fire, natural disasters – anything that threatens your home could threaten your home business. And business-related property like computer equipment, inventory and important papers are often excluded from homeowners policies. Business insurance can cover the cost of replacing your property, and even reimburse you for lost income in certain cases.

With the right space, a little discipline and adequate insurance protection, you can be just as productive (or even more productive) working from home as from a corporate office. And working in your sweatpants is a nice perk, too.

Talk to your independent insurance agent about what kind of commercial coverage is right for your home business.