



## Starting a PC Repair Business

### 10 smart tips that will help you start and grow your computer repair service

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Are you the person everyone calls when they have a computer problem? Have you considered getting paid for fixing near-fatal errors and turning your PC prowess into a business? According a recent report, sales of computer services are expected to exceed \$47 billion this year in the U.S. alone, with PC repair leading the way.

"Almost all small businesses and home offices use computers and depend on them to be working properly," says Chip Reaves, CEO of [Computer Troubleshooters](#), a franchise network of computer professionals. "They don't have the skills, the time or the desire to do their own computer service, repair and upgrades, and that puts us right in the middle of one of the fastest-growing industries in the world."

But if your only business experience is selling your mom's friend her first computer, how do you get started? Besides coming up with a business name, getting a business license and obtaining general liability business insurance (which ranges from \$300 to \$1500 annually and is obtainable through your local city hall), there are a number of things you need to do to get started on the right foot. Here are 10 tips that will help you successfully launch and run your new endeavor.

**1. Know your street (and hourly) value.** In the early 90's, running a PC repair business centered around selling parts and products, with service on the side. Today, it's about selling hours. "You're making money by selling management services [of computers, networks and servers]," says Reaves. "It used to be that you made your money when a virus needed cleaning up or parts broke. Now we're helping our customers prevent problems before they start by using management technology."

To determine what your time is worth, investigate what your local competition is charging. While the national average is \$100 per hour for computer service billing, it's much higher in certain regions--\$160 an hour in Manhattan, for instance. When you must order new parts, such as modems or motherboards, for a job, you'll need to make the purchase worth yours and your client's time, especially if he/she has pre-paid you. So remember to factor in shipping, handling and insurance costs, as well as an "opportunity" cost for ordering parts from lower-priced national vendors vs. a local supplier.

**2. Determine who your ideal customer is.** If you're looking to sell and service computers within your local community and remain a one-person operation, residential clients may suit you best. They're generally more responsive to advertising and marketing than small-business owners are, according to Reaves. Plus, residential work is less demanding and the market is huge, although the competition is fierce--think Best Buy's "Geek Squad" and Circuit City's Firedog services, both of which make house calls to perform installations and upgrades and to troubleshoot. Another downside to residential customers is that your clients will tend to be more budget-conscious than if you target the business owner.

If you decide to target the non-residential market, think small. "Nicheing is one way to go," says Reaves. "Look at your existing contacts. Perhaps you know the principal at a school, a banker or the owner of a real estate firm. These folks may lead you in to an area of specialization since the software systems tend to be similar."

**3. Realize that financial stability doesn't happen overnight.** It's tough to juggle a day job with a side gig, especially if you're honing in on small-business clients. But if you're not running your business full time, you run the risk of losing clients, especially if you're targeting the business market. "If you're not around to field tech support calls from nine to five, they'll quickly pick up the Yellow Pages and move on to the next guy," says Reaves.

You'll need to build up a financial cushion--six to nine months salary is advisable--for when you ultimately do turn in your pink slip and become fully self-employed. "People make better decisions when they're not worried about their money running out," Reaves says. "And while it's hard to relinquish the safety net of a paycheck and downgrade your lifestyle, you have to reach the point where you treat it like a business instead of a hobby."

**4. Know your strengths and weaknesses.** If your background is strictly technical and you aren't very business savvy, hire bookkeeping or accounting experts to handle the busywork and keep you at your most productive so you can steadily increase your billable hours. You can also invest in software products to handle administrative tasks. A few of the top software sellers, which can help you manage people, projects and processes more efficiently, include [AutoTask](#), [ConnectWise](#) and [Results](#).

**5. Market your business every day.** While you don't have to walk around wearing a sandwich board when you're out on the street, the phone on your desk isn't going to ring until people know you exist. And you can't rest on your past successes either. Whether you choose direct mail, pamphlet drops, telemarketing or web marketing, you need to come up with a marketing mix that works for you. For instance, advertising in your local community coupon book may prove to be a waste of money, while networking at business trade organizations and chamber of commerce meetings may pay off big.

"I easily put in five to 10 hours a week of promotion," says Jason Kaufman, owner of Computer Troubleshooters of Mamaroneck, New York. "This doesn't mean just sitting at a desk, punching out press releases. You've got to get your face out there, go door to door if you have to, to let people know you exist. If you're bashful--not comfortable putting yourself out there or handling rejection--you might find this business isn't for you."

**6. Keep your skills current.** Techies can easily fall into the trap of believing they can pick up new skills on the fly or after quickly reading a manual. But if you fail to partake in continued education and training, your knowledge base may become obsolete. "It's the nature of the business," Kaufman says. "You have to find time to see what's new." Make time to visit such websites as CNET and ZDNet to update yourself on new software applications and to find out about technology webinars being offered.

**7. Reach out if you need assistance.** "Coming from a 100-person IT department in a large setting where you have colleagues to help you and collaborate with, it can be pretty daunting and isolating if you do run into an issue or problem while out on your own," says Kaufman. Fortunately, there's great camaraderie in the tech community. There are fantastic web sites out there where you can bounce a question off an "expert" and get a response within a few hours (Microsoft's Experts Exchange charges \$99 per year for this service). Learn what you can and cannot do well, and ask for help when you need it.

**8. Customize your workspace.** Adjusting from an office cubicle to a home office environment takes a commitment to organization. You'll need a clean, dedicated workspace (not the desk that the family PC rests on) with room for a repair bench area for your tools and easily accessible storage shelves and bins. The area doesn't have to be too big to start out with, but it should be able to accommodate at least two tower PCs and monitors. A direct entrance to the area is nice, especially if you expect drop-offs or are employing interns or other tech people to work with you. A converted garage is a favorite area of a lot of techies.

**9. Don't sign on the rental line just yet.** If your ultimate business goal is to open up a PC service center, realize that this type of venture takes more planning and management than you may expect. Service centers must operate regular business hours, so sufficient staffing is essential. Capital requirements are also significantly higher than for a work-from-home business, so a comprehensive business plan is essential. Prepare for the worst-case scenario, insofar as cash flow is concerned and make sure you have enough money or access to it, such as through a line of credit, to carry you through the lean times.

Before committing to a lengthy, expensive storefront lease, you might opt to set a more realistic goal of bringing on technicians within a year and opening up a space where customers can drop off their computers up the road. "The added expense of overhead can be dangerous and backfire, unless you already have steady clientele," says Jim Greenfield, owner of Computer Troubleshooters' New York Midtown South franchise location.

**10. Hire smart.** Your first hire is going to make the main impression about your company with your customers, so be sure to screen candidates on more than just their tech skills and certifications. Your first employee should be driven and well-versed in both technical expertise and interpersonal skills. Before hiring anyone, get three relevant, work-related references and written consent that you may perform a background check before hiring. "If you're uncomfortable conducting an interview on your own, ask a friend or mentor with more experience to join you in the process," advises Greenfield.

The first step in the hiring process is to get an EIN (Employer Identification Number) by filing Form SS-4 with the IRS. This nine-digit number is for you to use on tax forms specifically where it's asked for by name--it's not a substitute for your Social Security number. You can get an EIN immediately by applying to the IRS over the phone at (800) 829-4933.

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