



# Entrepreneur Incubator

## Reference Article

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### *Tips for Incubating your Small Business Idea While Still Working Full-Time*

Have you considered starting a business while still employed?

My Shanghai-born friend, Annie, says the Chinese have a term for this: "riding in the big boat while carrying the little boat."

Some entrepreneurs only launch their business officially once they leave employment. However, they incubate the business concept while employed. Other times, they actually launch the business and run it on the side while still employed. They may continue to run it as a side business for a period of months or even years. Only later do they leave their jobs.

No matter how you do it, I've got 6 practical tips for starting a business while you're still employed:

#### **1. Consider Your Employer Your Banker**

I am a huge fan of bootstrapping a business, i.e., using personal money to fund growth. One form of using personal funds is to set aside a portion of your salary to fund your business. That means you need to protect your funding source -- your job -- until you are ready to cut the cord.

Remain a productive employee. Also, make it a point to know your employer's policies on moonlighting. You don't want to find yourself out of work prematurely, because your employer caught wind of your new venture and disapproved.

Employers are all over the map on whether they support employees' entrepreneurial side ventures. Some employers do. Others are vehemently opposed. Still others don't mind as long as you are not competing with them and you are a good worker.

If your employer prohibits moonlighting, then you may have no choice but to keep your business percolating in the idea stage until you have saved enough money to pursue it on a full-time basis.

#### **2. Write a Business Plan**

Sure, much of your plan will turn out to be incorrect (same goes for most startup business plans). But it's not the plan that's important ... it's the [planning](#).

become profitable; anticipated expenses; and staffing required. Writing a business plan forces you to address such issues. If it turns out that your business idea is not feasible, better to find out before you quit your day job.

#### **3. Get your Spouse's Buy-In**

Your husband or wife needs to be committed to your startup. If it isn't a shared dream, or if your spouse is resentful of the time you are spending away from family, you're adding stress on your relationship.

Plus, a startup often takes some initial outlay of money for technical product development, business filings, marketing, a website, etc. And it may mean years of sacrifices until the business takes off. These are fundamental money matters that your spouse needs to agree on.

To secure buy-in from your spouse, talk frequently about your dream. Paint a picture in words. Get him or her involved, too. Nothing creates buy-in better than



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being actively involved in business decisions.

### **4. Choose the Right Business**

If you are planning on running your business on the side for several months or years while still employed – it's especially important to start the right kind of business. You'll need a business where you can set your own hours. You may also need a business that allows you to hire outside service providers or contractors who are literally working on your business while you are at your job.

Here are some examples of businesses that can be operated on the side indefinitely for years, or eventually taken into full-time businesses:

- Software development
- Web design
- Freelance writing
- Online businesses
- Graphics design
- Consulting
- eBay business
- Event planner
- Any hobby that you can turn into a business

### **5. Set Aside Dedicated Schedule for Your Startup**

In my experience, the biggest challenge you will have during the incubation is sticking with it and finding time. After the initial flush of giddy energy, it's hard to stay motivated to build a business. It's even harder when you are tired and stressed after a full day's work.

Many entrepreneurs who have successfully started a side business do it by setting aside dedicated hours each day for their startup. I've known budding entrepreneurs speak about going home to "start the second shift." That's exactly how you have to think of it. Commit to spending X hours per weekday and/or on weekends on your business. Stick to a regular schedule – it makes it easier. [P.D. James](#), the novelist, worked for years as a hospital administrator, arising early to write for 2 hours each morning before work.

### **6. Turn Your Employer Into Your First Customer**

Think of your employer as your first big sales target (assuming your product or service is relevant to your employer). Many a business has gotten off to a great start when the owner's former employer became the first customer.

Securing a large customer early on gives your business credibility in the form of a referenceable customer. It also helps you ramp up sales and bring in necessary cash flow early on.

That's why it is so crucial to perform well on the job and maintain good relations with your employer throughout the incubation period. When you are ready to go out on your own, you'll be glad to have your former employer's support.

Now – off to your startup, and good luck!

Written by Anita Campbell, editor of Small Business trends, Sept 08