3 Tips To Effectively Manage Your Side Hustle and Avoid Costly Mistakes

Take that hustle from the side to full-time.

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According to a Bank Rate study, 4 in 10 Americans having a side hustle and earn over $8K annually through that side hustle. More and more people are freelancing, driving in the car share industry and starting their own small businesses. The car-sharing market is set to exceed $11 billion U.S.D by 2024, according to a research report by Global Market Insights, Inc.

35 percent of the U.S. workforce, or 55 million people, were freelancers in 2016, according to the Freelancers Union. Even the youngest generation, Gen Z, is looking to the gig economy. In a survey by Deloitte, 62 percent of working Gen Zers said they would consider joining the gig economy to supplement full-time employment, while 15 percent already have a side hustle in addition to their full-time job.

With this increase in side hustles, it’s critical for entrepreneurs, freelancers and independent contractors to know how to effectively manage their business, not only to increase their take-home income but also to ensure they don’t run into any unforeseen (or costly) issues.

Let’s take a look at three effective strategies to manage these endeavors that can help in maximizing sales and

minimizing the amount of time spent. Let’s face it, side hustles are cool, but not having any free time or losing money is not.

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1. Meticulously track your income streams

When you run a side business, there can be many income streams (and if your business doesn’t have more than one, look for additional opportunities), the main one being obtaining new clients, of course. But, other ways to make some extra cash can arise as well, such as speaking opportunities as a result of the work you’ve done, creating content for other sites if you’ve positioned yourself as a thought leader within an industry or ad revenue from your company blog posts.

The key is to track how much revenue is coming in from each of these avenues, and then put more time and effort into the areas that are making the most money. This is especially important in the beginning when funds are necessary to re-invest in the business to keep it moving forward. Creating a spreadsheet to tally each revenue stream and checking your performance regularly will help determine where and how you should be spending your time.

It’s very easy to fall into the habit of focusing on the aspects of the business that you prefer to do or want to spend your time on, rather than on what’s bringing in the most revenue. But, that’s not the best way to increase your earnings.

For example, a graphic designer may freelance and take on clients for extra income, and since their passion lies in the design work, they spend the majority of their time on perfecting the deliverables for clients. But, another aspect

of the business is identifying new leads in order to get more clients, which takes sales skills the individual may not possess or enjoy. Being that this is the best way to increase their income, a set amount of time should be allocated to this task, no matter how less desirable it may be. I like to call these rainmaking activities. Focus on these activities that are going to make it rain for you and the business, even if they suck to do.

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Grow your team systematically

The time will come when you can no longer wear all the hats and do everything as a one-man (or woman) band. Bringing on additional team members can free up your time to focus on the growth strategies that will bring in even more income, so it can be a win-win.

Knowing whether your business needs a full-time employee, a freelancer or an intern can be a tough decision, but an important one. And knowing what differentiates an independent contractor from an employee is critical. Not only so you can be as productive as possible, but also because you don’t want to violate any labor laws or get into costly disputes with your hires. Because technological advances such as drag-and-drop website builders create a low barrier to entry for new businesses, many entrepreneurs may not realize all the rules and regulations around minimum wage, overtime pay eligibility, and record-keeping.

With the rise of ecommerce companies, some key points for business owners to stay abreast on are that employees could be subject to Fair Labor Standards Act (FLSA) protections if the employee’s regular work involves interstate commerce. In today’s digital world, that applies to a lot of people. Not to mention some of the most common mistakes made by employers are paying employees who may otherwise be exempt on an hourly

basis, docking pay for partial days worked or misclassifying employees as exempt.

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Spend your time very wisely

Since your full-time job most likely takes up the majority of your time, it's critical to make sure the time you spend on your side hustle is worthwhile. That's why it's important to know when to say no.

Opportunities pop up all the time, and it's natural to think that you need to capitalize on all of them. After all, you could miss out on an opportunity that could've been huge, right? Well, not so fast. Mark Cuban once said, "every no gets me closer to a yes," and if you follow this advice it may be in your best interest to say no more often so you have the time and bandwidth to say yes to the opportunities that will truly grow your business.

Additionally, how you spend each minute per day is vital when you have a side hustle you're trying to build and can't dedicate full-time to it. There are some time management techniques I follow. For example, I like to use the Pomodoro technique when managing my time and to-do list. This keeps me focused on what I'm working on at the time. Here's how it works:

1. Set a timer for 20 minutes (or whatever amount of time you want to work. I like the 20 minutes).
2. Focus on one task during that time.
3. At 20 minutes, take a 5-10-minute break (depending on whatever works best for you).

This is an effective way to focus without distraction. Work on completing a certain number of pomodoros per day. Doing more

with less is the name of the game, especially until that side hustle becomes the full-time hustle. Good luck and happy hustling!

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