

4 Ways to Know If You're Treating Your Company Like a Hobby or Like a Business



Do you simply have a hobby or are you truly running a business? Let's find out.

December 28, 2019 5 min read

Opinions expressed by *Entrepreneur* contributors are their own.

How are you showing up for your business? One of the most common pitfalls for entrepreneurs is treating their business as more of a hobby than an actual business. Of course, it's great to enjoy the process of building and creating your startup, but oftentimes a mindset shift is necessary to step into the next phase of running a successful business. Treating it like a hobby, on the other hand, keeps things more stagnant.

Related: 10 Entrepreneurs Share How They Turned Their Hobbies Into Successful Careers

As for how you know if you're being a hobbyist about your business – well, it differs for every person. Here are seven telltale signs that you may need a shift in mindset in how you're approaching your company. These mindset shifts can completely transform how you do business, handle company finances, and think about the next steps in scaling or mastering your company... and just reading them may be a wake-up call.

1. Are you busy, or are you productive?

Business owners are highly productive. Hobbyists are always busy, but never seem to get much done.

The baseline indicator for how you're treating your business is how you're spending your time. Is your day spent flitting from emails to calls with little to show for it by 5:00 pm, or are you actually making real progress on your business goals? Chart your daily activity and identify any areas where there is an imbalance of resources (your time) and the results.

To switch to business owner mode, make a list of your top two business goals for the quarter. Then, make sure your time (outside of the necessary housekeeping) is allocated towards furthering those goals productively.

2. Do you invest in a business team or fly solo with your hobby?

Business owners plan ahead for the investment of building a team. Hobbyists consider themselves the sole team member for the foreseeable future.

When you start a company, there may not be funds available to bring on a team in the beginning. But the fact that you're thinking about it in the future is a sure sign that you're thinking of the operation as a business. Hobbyists solely consider themselves in the lifespan of the business, which means scaling is significantly harder. Nathaniel Koloc wrote for *The Muse* that, because of this, it's important to hire as soon as possible. "Hire someone as soon as you know that you need them and can afford them, even if it's tight at first, he advises. "The extra oomph that another person gives in brainpower, creativity, and sheer legwork is totally worth it."

Related: How to Turn a Hobby Into a Profitable Business

To switch to business owner mode, start to survey your finances for a possible investment in an employee. That may mean you have to sacrifice some short term expenditures, but for the business' long term sake, it's worth it.

3. Is your website in its prime or has it been a while since you updated it?

Business owners keep websites up-to-date with high-quality content consistently. Hobbyists check in on their websites infrequently.

Make sure your website is current and has quality content that is driving traffic to it. If your website hasn't been spruced up in a while, not only does it suggest that you're a hobbyist about your company, but it tells potential customers that you don't take your company seriously.

To switch to business owner mode, set aside a day to dive into your website and make sure all the content is up to date. Then, create a robust content plan to continue bringing people

to the website.

4. Do you make business decisions based on how you feel or the numbers?

Business owners make decisions based on numerical data. Hobbyists make decisions based on how they feel day-to-day.

A business owner has a clear idea of where their business numbers stand, and what threshold needs to be met for company goals. Otherwise, the numbers may differ from month to month. If your business has clients, how do you approach sales calls? A key difference between running a business and running a hobby is how stern you are in upholding your prices. Do you firmly state your monthly rate, or do you tend to let the potential client negotiate you down?

Related: How to Turn Your Hobby Into Your Job (Without Losing Your Passion)

Hobbyists decide whether or not to work with a client based on how they feel about the client; business owners know they have a quota to meet and don't split the difference.

To switch to business owner mode, make sure you have a clear grasp of your numerical goals and don't sway on them.

It's never easy to realize you haven't been doing your business the justice it deserves. But, if you truly are passionate about it, you can transform how you show up for it and turn that hobby into a more serious commitment. Your company will reap the benefits of these mindset shifts.

<https://www.entrepreneur.com/article/343149>