

Leaving Your Job for Entrepreneurial Aspirations? Keep These Things in Mind

Develop a strategic plan and an action plan.

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If you have entrepreneurial aspirations beyond your current 9 to 5 job, you aren't alone. *Fortune* reported that as of last year, 49% of Americans under the age of 35 have a side hustle, which can range from a part-time job driving for Uber or owning a small business. Many will remain content with the juggling act of both their full-time responsibilities and their side hustle, especially with today's more precarious economic environment. It can feel too risky to consider one day leaving the comfort of a steady paycheck. Others, however, wonder how to start laying the groundwork for their eventual departure from their full-time jobs to pursue their business idea.

Here's the good news: Laying the groundwork can feel far less intimidating than plunging into the abyss. If you can plan for an assigned date of when to bid adieu to the company you currently work for, you can plan for details like your finances and how to launch your new business or transition into it full-time. This can create a more seamless transition to the entrepreneurial life. If you're ready for the "gear up," here's what needs to be on your mind.

Prove to yourself that you can rely on your business

Leaping passion is great, but it's far more logical to ensure that your business can actually make money – and *enough* money. The best way to prove the economic viability of your business idea is to just get started as if your livelihood currently depends on it. Sure, market research and competitive analysis can help you understand how your business will do, but nothing will help you take realistic stock of the economic feasibility like pretending you already solely rely on your business.

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Camilla Love is the managing director of eInvest, a company that provides Active ETF investments. During a recent email exchange, Love underscored the importance of having a financial and mental safety net. She explained, “Having a mental safety net can be hard to achieve. Using an advisory board to help guide you and to bounce ideas and challenges around is very useful so that you aren't fighting all the battles yourself. Personally, I allocate times during the day when I'm working on the business, not in the business. Keeping your mental health in the green is critical for the sustainability of your business success.”

Relish in the overlap

Ensuring your business's economic viability inevitably means that there will be an overlap between your full-time job and running your business full-time. Some hopeful entrepreneurs may feel wary about being spread too thin between both, but this overlap can also come with its own opportunities. In *The Harvard Business Review*, marketing strategist Dorie Clark advocated that ideally, you should stick with your day job alongside your personal business endeavors for as long as you

can. Benefits of this overlap include more time to validate your entrepreneurial idea and funding opportunities for your own professional development.

Clark also noted that beginning to take strides for your business aspirations *before you need the money* can be quite advantageous. “If money isn’t your primary object at first, you can be far more selective, over-indexing on unpaid but prestigious engagements (guest lecturing at business schools or giving TEDx talks, for instance) and avoiding low-margin work or questionable clients that could taint your brand later on,” she wrote. Take advantage of the overlap interim by making strides for your name and your new company’s name, so you have a launchpad when you finally quit.

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Plan six months ahead

Even if you’re close to verifying your business’ full-time viability, a six-month plan can help to ease anxieties and ensure that your launchpad has everything you need. One of the major changes that newly full-time entrepreneurs confront is the inevitable ebb and flow of income. Some months may be slower than others. So, using at least six months to save a nest egg and plan for these lulls can help the transition feel more seamless.

A general rule of thumb is to ensure that you have six months of expenses in savings. So, if your monthly expenses total \$3,000, make sure there’s \$18,000 tucked away. It’s natural to be optimistic about your business’ potential when you’re just getting started, but it’s also important to be smart. You’ll never regret saving that extra money, even if that means that you have to stay at your full-time job longer than you’d hoped.

As founder of the Debt Roundup, Grayson Bell wrote for

Mint.com, “While you may think saving up six months worth of current expenses will be tough, it will be easier to already have it socked away before quitting your job. It’s easier to save money when you make money.”

When you set your gaze on the end goal of being your own boss, it marks an important transition that many entrepreneurs inevitably make. Take it at your own pace and complete the evolution in a way that feels good for you and your business. You’ll know when it’s time to trust the call.

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