

The Side Hustle He Started in His College Apartment Turned Into a \$70,000-a-Month Income Stream – Then Earned Nearly \$2 Million Last Year

This Side Hustle Spotlight Q&A features Kyle Morrand, founder and CEO of 302 Interactive, a company providing “an all-in-one solution” for augmented reality mobile applications, game development, virtual reality and immersive experiences. In addition to its gaming offerings, 302 Interactive develops experiences for projects including assistive tech devices for the visually impaired, training simulators for the U.S. Marines, VR escape rooms and more.

Image Credit: Courtesy of 302 Interactive. Kyle Morrand.

What was your day job (or other sources of income) when you started your side hustle?

When 302 first started growing as a side hustle, I was still a student at the University of Central Florida and working as a software developer for government contractors here in Orlando, Florida.

My first job out of university was working at QinetiQ on projects under their internal research and development program. We were experimenting with utilizing virtual and augmented reality hardware for the Navy. After working there, I began a position with another government contractor, working on instructional design solutions for various maintenance and operator training programs.

While the subject matter of these jobs wasn't personally interesting to me, I learned a lot about taking R&D experiments and properly applying them to the real world. Plus, the stability these jobs provided while we were first shaping what would become 302 Interactive was really important for giving me a healthy creative headspace when I would come home and work nights and weekends on contract projects under the 302 LLC.

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When did you start your side hustle, and where did you find the inspiration for it?

I started the studio while I was still in college as a side project to work on during my classes. Growing up, I had always loved playing video games, and when I moved into my college apartment, Apartment 302, I had two roommates who shared that love, and the three of us spent a ridiculous amount of time and money buying retro games that we would collect and play constantly.

I was originally influenced by watching *Indie Game: The Movie*, a movie about "the trials and tribulations of creativity." It was eye-opening for me to see that such talented creatives with highly valuable skills were essentially living as starving artists to build their passion projects.

In 2013, I started ideating on how to build a business that could empower digital creators to apply their creativity without sacrificing healthy living and working conditions. After a few iterations, I landed on starting a game studio that could help empower other game studios through collaboration and shared resources. That idea has since evolved into the business we are today, but the core intention of creative stability is at the heart of our values and culture throughout the company.

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What were some of the first steps you took to get your side hustle off the ground?

When I had the idea to start 302, I was a computer engineering student at UCF. I started off learning about game development through books at the library and quickly decided that I needed to go all in and learn the art of game design by switching majors to UCF's game design program. That was the first big step that connected me with many of the people I still work with today.

Shortly after that, I bought my first virtual reality development kit, which started my journey into being a technologist. I began tinkering with different ideas for VR and would showcase my projects at local developer meetups, which is how I attracted our first contract projects. This idea of experimenting with new technologies, showcasing the capabilities and then attracting people who needed help doing the same organically became our company's core marketing strategy for the first five years of growth. We didn't use any advertising and very little social media, instead relying heavily on networking at events and word-of-mouth referrals for projects.

The other factor that was important in getting us started those first few years was investing in a creative team culture. We spent a lot of time together as a team. From design sessions at my apartment to local game jams and even traveling to California for the Game Developers Conference, a lot of our time in the early days was spent just enjoying the process of working together. This paid off as we started hiring our first employees because the team members who would join were always attracted most to our culture, and new members would easily jump into projects with positive energy.

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What were some of the biggest challenges you faced while building your side hustle, and how did you navigate them?

The two challenges we often faced were consistently finding contract work while also attempting to build our own creative projects.

Starting off, we were a local development shop, working mainly with startups and small companies in our community that needed support on R&D projects. This was a very difficult way to maintain revenue flow, as these projects were niche and far between. To resolve this, we started to focus on our marketing efforts to build a brand and relationships more nationally by attending events like the Augmented World Expo, Game Developers Conference and many more. Making this investment year over year helped build a strong community of client and vendor partners, which ultimately gave us a consistent stream of access to new project work.

On the other side of the business, we struggled to balance our ambitions to create a stable revenue stream from contract work while also pursuing our own creative projects, like making our own game or building XR products that we could commercialize. For the first few years, we struggled with trying to accomplish both simultaneously, and it wasn't until recently that we were able to have a more steady division of our team's time and resources to effectively manage our client projects while internally designing and building new creative projects of our own.

This is still an area of growth for us, but we've got some new opportunities ahead of us that we believe will help make our creative ambitions more fruitful.

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**How long did it take you to see consistent monthly revenue?
How much did the side hustle earn?**

In the first three years since starting 302 as a game studio, we made very little revenue. Most of our activity at that time was during class projects and then promoting ourselves at local networking events and building relationships throughout our community.

In our fourth year (2017), I started doing contract work, building small projects for local companies that wanted to utilize game design and XR technology in their own businesses. Toward the end of 2017, we started consistently having at least two contract projects going at a time. That allowed us to make around \$5,000-\$10,000 in monthly revenue. This trend continued into 2018, during which we averaged \$10,000 monthly and grossed \$130,000 for the year.

When did you take the business full-time? What does growth and revenue look like now?

In the spring of 2018, we secured a contract with Steamroller Technologies to work on a project for Universal Creative. That contract gave 302 Interactive enough of a stable revenue forecast that I was able to leave my day job and employ myself full-time under the company. That year, we made \$130,000 in revenue from just a few contract projects. In the next three years, we managed consistent growth of projects and increased our contract rates as we improved our processes and team talent.

By 2021, we were averaging \$30,000 a month, and in 2022, larger projects helped us double our revenue to an average of \$70,000 a month. That trend continued into 2023, during which we grossed \$1.9 million for the year.

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What do you enjoy most about running this business?

Honestly, what I enjoy the most is that the business is a reflection of my own life, ambitions and creativity. Growing up in a very digital lifestyle of video games, apps and social media, I've had time to reflect on some of the impacts that digital technology has had on my own life and our society, particularly around mental health. Through our company's commitment to "turning everyday life into a playful experience," I get to spend my days reshaping our relationship with technology to design lifestyles that are more playful and ultimately eliminate some of the symptoms of depression and anxiety that seem standard to modern-day living.

Another bonus is that throughout this journey, I get to work with my friends as both employees and industry partners on fun and meaningful projects that express our collective creativity.

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What's your advice for others hoping to start successful side hustles or businesses of their own

Start slowly and mindfully.

Over the years, I've had several friends get very excited about trends they've seen online and start a business quickly, only to burn out early on. They've got all the motivations, skills and access to resources you'd think you need to be successful – but I've found that rushing through healthy business practices and chasing trends usually ends with shallow results.

Instead, start your side hustle with more mindful intentions. Take time to write out the culture you want your business to

embody and the values, people and resources you'll need to grow that culture. Then, apply your culture and skills toward helping your first customer with a problem you can clearly solve. If you can effectively solve someone's problem once, that first customer becomes invaluable as a story in your marketing that you can use to organically attract more customers. It will start a snowball effect of maintaining your culture, sharing your story and helping more people through your business.

This approach takes time, but I've found the patience to be rewarding. It allows you to create deeper relationships with your customers and team, resulting in a community around you that cheers for your continued growth and success because they believe in your well-intentioned efforts.

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