

How to Start a Business: The Side Hustle Route

In the previous article, **From Side Hustle to Real Business Pt 1**, I discussed the growing phenomena that **37% of Americans have side hustles** to supplement their incomes. For millennials, this phenomena is even more prevalent.

In Pt 2, we'll look at the 3 Steps to make the transition from "Side Hustle" to "Real Business".



The secret to moving from a side hustle to full-time business is, begin functioning as a business with your side hustle. You already have customers and you are generating revenue. Now you want to structure your side hustle to compete in the marketplace, increase your revenue, and allow you to live the lifestyle you desire. The good news is, just 3 simple steps will have your side hustle functioning like a real full-time business. Here's what you do to start functioning as a real business.

Step 1: Do Your Research

Successful businesses rely on knowledge of their industry and market to achieve success.

From Side Hustle to Full-Time Business in 3 Steps - Pt 1 Function Like a Real Business

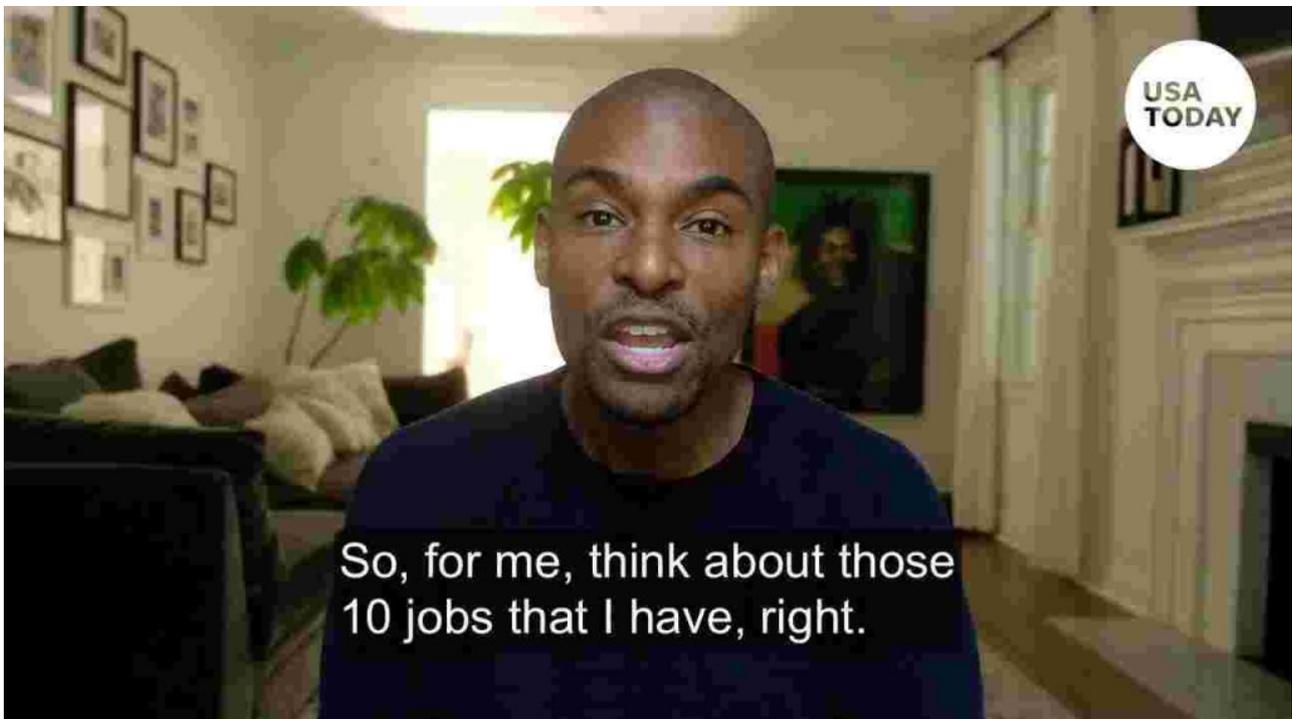
Working your side hustle has provided you with some insight on your products/services advantages, the customer wants/needs, etc. In your move from side hustle to real business, you want to arm yourself with information about the business beyond that which comes from your own perceptions. Become acquainted with the industry by becoming knowledgeable about issues such as:

- History
- Trends
- Financial & operational benchmarks
- Industry participants
- Future outlook

In addition, become acquainted with the market about issues such as:

- Competition
- Market size
- Customer profiles

The research will help you define opportunities; develop strategies to compete; and establish benchmarks to monitor your business's performance.



Entrepreneur Paul C. Brunson ticks off the 10 jobs he holds to ensure that whatever happens in his career, he always has money coming in. Paul C. Brunson, Special to USA TODAY

Step 2: Apply 3 Business Fundamentals to Your Side Hustle

There are three (3) fundamentals of operating a business. The next thing to do is align the various activities in your side hustle into these categories. For example, let's say you are vending caps and sunglasses on weekends. Here is how to categorize your activities.

Sales & Marketing	Operations	Financial
Products	People who help you	Tracking money in/out
Customers	Booth Setup	Cash Flow
Selling	Buying Inventory	Profit and Loss
The message used to get people to buy	Record Keeping	Tracking what side hustle
Advertising (Social Media, PPC, etc.)	Payment Process (PayPal)	Owens/Owes
Pricing		
Collecting email addresses		

READ The Side Hustle Route - Part 3

Develop your activities in these categories.

- **Sales & Marketing**

- Define sales & marketing goals/objectives
- What makes your product/service different (Use in your advertising messaging, word of mouth, social media conversations.)
- Who is the customer (collect info about customers)
- Explore other opportunities to generate sales
- Develop other means for them to access product/services (e.g. home parties, a friend that sells for you, etc.)
- Develop mini-digital marketing (website, social media, email)
- Test pricing

- **Operations**

- Define functional areas of the hustle (i.e. production, purchasing, record keeping, inventory, etc.)
- Define the tasks in each area
- Define who's responsible
- Define resource needs to move to the next level, make you more efficient (equipment, apps, storage, etc.)

- **Financial Management**

- Test pricing
- Define the cost of goods/service
- Calculate gross profit (price - the cost of goods = gross profit)
- Calculate gross profit margin/% (gross profit ÷ price = gross profit margin/%)
- Define operating expenses
- Define breakeven
- Develop cash flow (money coming in vs. money going out)

To make it easy to apply the fundamentals to your side hustle, create a schedule for

implementing each of them.

Step 3: Create Your Plan for Implementation

Now that you understand the fundamentals/principals you are ready for Step 3. In the final step, you want to create a plan for your side hustle. The plan will define your objectives (e.g. how much money you want to make), develop the strategies and tasks it takes to accomplish the objective,; and schedule the tasks and identify who's responsible for each one.

Once you use begin approach to planning your side hustle your sales and revenue will increase; you will be able to afford more equipment, inventory, personnel, etc; and get ever closer to your dream of a full-time business.

READ [My Business or My Job](#)

After completing the 3 Steps you will be on your way to moving from side hustle to full-time business.

Summary

Transitioning from side hustle to a full-time business is doable. Remember, the fact that your side hustle has customers places you ahead in the game. The person with the side hustle has an advantage. Researching your market or niche, applying business fundamentals/principles to your side hustle and planning for it is the thing you need to do to become a full-time business.

In the next article, I will show you how the business fundamentals/principles work. In the meantime, leave our readers a comment on how you are applying business fundamentals to your side hustle.

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