

Starting a New Business While Still Employed

Wall Street Journal - August 23, 2009 - People like to fantasize about quitting their jobs one day and starting their own businesses the next. But for most, it doesn't happen that way. In fact, the average entrepreneur is fully employed while he takes steps to get his venture off the ground.

Gregg Hammerman and Adam Finkel are partners in developing an application for Apple's iPhone called MeetMe that allows users to find a halfway meeting point (for example, picking an authentic Thai restaurant between your office and a client). Messrs. Hammerman and Finkel both work in information technology.

"MeetMe is something I wanted to try while staying committed to my full-time job," says the 37-year-old Mr. Hammerman, who is based in Ann Arbor, Mich.

"I decided that I could only launch it successfully if I could find at least five other people who'd pitch in with funding, marketing, Web development, intellectual property and more."

Mr. Hammerman doesn't want to be the person who collects a paycheck at his day job while expending much of his energy and creativity elsewhere.

Don't Forget Your Day Job

"You have a moral obligation to your employer to do focused work," agrees John Jantsch, a small-business expert and the author of "**Duct Tape Marketing: The World's Most Practical Small Business Marketing Guide.**"

A Toe in the Water

How does Mr. Hammerman manage it? He has started with a few ground rules.

- "I never schedule MeetMe calls or meetings during regular business hours, and doing all MeetMe work from my personal computer keeps me disciplined about the separation," he says.
- "I block out time at night for MeetMe, and if a thought comes up during the day, I'll make a note to address it later on."

Although Mr. Hammerman's schedule sounds challenging, there are a lot of reasons to try it out for a while. As I like to point out, not everyone is cut out for the high stress and high-risk lifestyle of an entrepreneur. Dabbling is a good way to assess whether you hunger for more or want to run for the hills.

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Also, you might not want to devote your life's work to your business idea until you're sure it has promise. "Market research is great, but you have to find out if the idea will provide value to the customer," adds Mr. Jantsch.

Give Yourself Plenty of Time

Mr. Jantsch recommends a soft start. "If you've never run a business before, find a small business development center on a college campus near you. They'll offer roadmaps and checklists as well as advice on financial and legal aspects," he says. "Take your time building the foundation, doing your research and networking."

The million-dollar question:

"At what point should you make your side business your full-time gig?"

While it's likely that you'll never be 100% prepared, a few clues may indicate a sensible time. Perhaps your youngest child has just left for college and is less dependent on you, or your side business has just surpassed your annual salary in revenue.

"If you've just landed your first big opportunity, that could be an effective milestone too," says Mr. Jantsch.

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