Should A New Business Start Part-time?

Over a month ago I wrote a column about how to start your new business while still working. Now I have gotten several questions asking if I believe that strategy “is the best way to start a business?” and they commonly end up asking “should I start part time or full time?”

I will quote one of my friends whom we tease because when asked a question, he usually will say “it depends”. So, I am going to use his answer. It depends. There are pros and cons to each option. Here's a closer look at some of the factors you'll need to consider.

How much time do you have available? Sometimes, circumstances force you to start your business part-time at first. Perhaps you need to keep your day job in order to finance your new business or support your family. Perhaps other commitments prevent you from devoting all your time to your startup. If this is the case, don't feel discouraged: Many successful businesses have started out part-time. It just takes a little longer to get there.

What's your financial situation? Perhaps your available startup capital isn't adequate to support a full-time startup just yet. Typically, it's wise to have enough money put aside to live on for at least six months to a year before you launch a business full time. If you can only afford to start a business on a smaller scale, a part-time business is a smart choice that won't put undue financial pressure on you.

How ambitious are your startup plans? If you are planning to launch a business you believe can become the next Facebook or Uber, or have a plan to grow aggressively and seek venture capital, you'll need to put all your time and effort behind the launch in order to meet your objectives and satisfy potential investors. However, if you simply want to make some extra money, or start a "lifestyle" business that can eventually replace your income from your job, starting part-time could be a smart move.

How confident are you about your market’s potential? Perhaps you are exploring a market whose potential is uncertain. For example, you might believe that there is a market in your area for tutoring children in foreign languages. However, you're not sure that the market can support a full-time business doing this. If so, you can start a part-time business to explore whether this market has full-time potential.
What is your risk tolerance? Starting a full-time business requires taking a lot of chances like quitting your day job, putting your heart and soul into a new venture and going without a salary until your business takes off. If the idea of doing all this at once makes you nervous, you can ease your worries by starting part-time, which poses less risk.

How much energy do you have? It might seem like starting a part-time business requires less energy than going full speed ahead. However, it’s important to consider your lifestyle and responsibilities. If you are holding down a demanding full-time job, have a young family and are also trying to get a part-time business off the ground, your situation can rapidly add up to more time than you'd spend starting a company full-time. This can become a recipe for burnout if you're not careful.

Is your family on board? If you have a significant other and/or children, you must factor them into your startup equation. Do they support your starting a business full time, or would they be more comfortable if you eased in part-time? Your family members will inevitably have concerns about financial security, how much time you'll have available for them, and other practical and emotional issues that you need to take seriously in making the decision whether to go part-time or full-time.

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