

Start Your Business: 5 Steps to Transition from Employee to Solopreneur

By Femi Lewis



Four years ago, Ayanna Penn was full time social worker with a growing family. She was ready for a change.

Penn wanted to be able to spend more time with her family and the ability to be creative. She wanted to be her own boss. “It started with the desire to want more financially,” she said. “Then I realized how I felt unfulfilled. Even with the degrees I’d earned, I was not making ends meet. And, I was limited to how I could help people.”

Today, she is a health and fitness coach with Team Beachbody and owner of Diamond Cut Fitness, a Bronx-based boutique health club.

Penn is not the only woman who has stopped punching a timecard and established a profitable business. According to recent statistics released by the National Association of Women Business Owners (NAWBO), 9.4 million businesses are owned by women and generate an estimated \$1.5 trillion in sales.

Ready to strike out on your own and start a business?

While the lure of skipping the daily commute might be enticing, don’t just hand in your two weeks’ notice yet! Instead, give yourself time to build a strong foundation for your business and your life by following these 5 steps.

1. Establish a Budget and Create a Cushion to Cover Expenses

If you want to go solo, you've got to be ready not to expect a bi-weekly paycheck.

Business coach Malla Haridat recommends having at least three to six months, if not a year of savings. "It's going to take time to bring in money," Haridat acknowledges. "It's a hard transition to make and your money will fluctuate."

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This means while you're still working, you've got to pay down your bills, live on the budget of an entrepreneur, and create a financial cushion for your future.

When Penn realized that she wanted to eventually make her side hustle a full time enterprise, she buckled down financially. "As my income grew, I put all of the extra money into savings and to develop my business," she said. "I simplified my life. I got rid of excess expenses and invested in business development."

Two years after establishing her business, Penn was able to resign from her job with her major bills paid off. With very little expenses, she was able to focus her energy on running her business.

2. Develop your Business Plan and Operations

Successful entrepreneurs just don't wake up one day and say, "I'm in business!" They create a business plan that includes their daily operations, fees, operating budget, marketing plan, branding and so much more.

Haridat recommends writing a one page business plan that includes your mission, a marketing plan, and a sales strategy. Of course, this is not the traditional business plan, but it will provide you with a focus for your business.

"If you outline these three aspects of your business, you can revisit in 90 days," she says. "This way, you can analyze what worked and change what did not."

3. Set a Work Schedule

If you want to be a successful entrepreneur, it's important that you establish a schedule for completing your projects, networking and building your business.

"The biggest challenge is transitioning your mindset. You can no longer think like an employee. You have to think like an entrepreneur," says Haridat. "If you've only got five extra hours per week, commit those five hours per week to your business."

As Penn realized that she wanted to grow her business, she realized that she would have to make a lot of changes in her life.

This meant waking up everyday at five in the morning to exercise and plan her day before her children woke up and it was time for work. On her way to work, she nixed music stations and instead, listened to audiobooks on developing an entrepreneurial mindset.

Lunch hours were no longer spent with co-workers. Instead, she used this time to connect with clients and build her business.

“I got laser focused and figured myself out,” Penn said. “The time that I used to spend sleeping late on the weekends or binging on television shows was no longer there. I had a fire in my belly.”

4. Network and Build your Clientele

Begin attending events that meet the needs of your business’ demographic and join some organizations for small business owners.

Don’t worry if you don’t know of a lot of networking organizations or even the first steps you should take to begin networking. Both Penn and Haridat recommend becoming active on social media in business groups.

This will help you to establish relationships with other entrepreneurs as well as potential clients. Plus, by joining organizations for business owners, you'll be creating a support system, an essential need for entrepreneurs.

In addition, whether you're a service or product-based business, it's important to begin establishing a clientele. This way, when you're ready to make your transition from employee to entrepreneur, you'll already have a strong understanding of your clients and prospects so that you're not wondering where your next meal is coming from!

5. Maintain a Strong Working Relationship with your Current Employer

Just because you plan to leave, does not mean that you should give everyone the middle finger on your way out. That's actually a really bad idea.

"Do the job you were paid for at 100 percent," Haridat said. "There are some jobs that you might not be appreciated but they are paying you for a specific job so make sure you are at it 100 percent." Instead, keep working hard and you never know, your last employer might become a long standing client.

When Penn resigned from her job, she was able to return and build relationships with her coworkers and even bosses. She was even asked to help plan the office's annual retreat because administrators understood her business and how it could help them build a stronger workplace culture.

"There was no love lost," Penn said. "I came back with respect and our relationship in tact. There are those meant to do a nine to five and others who are meant to metamorph."

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FEMI LEWIS

<http://www.theentrepreneur.com/>

Femi Lewis is a freelance writer and editor who lives in New York City with her family. She runs The Entrepreneur, a blog for women entrepreneurs. She can be reached on Instagram @theentrepreneur, Twitter, @theentrepreneur and the Facebook page, The Entrepreneur.

