

How to Run Your Side Hustle Like the Business It Is

Sharon Goldman (VentureBeat)

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For Wendy Conklin, her Chair Whimsy company is now serious business | Credit: Courtesy of Wendy Conklin

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Chronic back pain led Cindy Maricle, 59, of Bend, Ore., to launch a side hustle selling essential oil products aimed at helping others with the condition, and teaching people about aromatherapy. "I had run businesses before," says Maricle. "But in this case, I had no intention of generating taxable income at first. It was more about optimizing my own wellness."

Maricle quickly realized that succeeding with her business that sells [Young Living Essential Oils](https://cindymaricle.com/) (<https://cindymaricle.com/>) could help provide her with a lifestyle upgrade — but only if she took it seriously. "I knew that I needed to structure my efforts and be intentional about it," she explained.

So, she gradually implemented simple business strategies, including a filing system to organize invoices and a mileage log to record business-trip expenses. Eventually, Maricle went several steps further, creating an [LLC \(limited liability company\)](https://www.nextavenue.org/8-ways-make-incorporating-company-breeze/) (<https://www.nextavenue.org/8-ways-make-incorporating-company-breeze/>) on her accountant's recommendation, opening a business checking account and completing a formal certification program in natural wellness.

Thinking Like a Business Owner Is Crucial

These days, Maricle says, her essential oils side hustle generates a tidy income and has allowed her enough flexibility to take a seven-week backpacking trip across Europe with her family.

[Bola Sokunbi](https://www.clevergirlfinance.com/about-bola) (<https://www.clevergirlfinance.com/about-bola>), a certified financial education instructor and author of "Clever Girl Finance: The Side Hustle Guide," says treating your [side hustle](https://www.nextavenue.org/side-hustle-in-retirement/) (<https://www.nextavenue.org/side-hustle-in-retirement/>) like the business it is — with a realistic financial plan and a strong marketing foundation — is crucial from the get-go.

"If you're going to take time away from other parts of your life, you need to keep track of your expenses and your progress," Sokunbi says.

Many side hustlers, especially those who have spent decades in full-time, W-2 positions, may give scant thought to basic business functions such as paying taxes on self-employment 1099 income; keeping track of customer invoices and payments and making sure prices reflect the fair-market value of a product or service.

"When you start your side hustle, getting your business ducks in a row helps keep you from getting overwhelmed," says Katie McCarthy, 51, of Grand Junction, Colo., who runs the blog Gig Boss Money and recently opened The Solopreneur Café, a website focused on personal finance advice for the self-employed.

Chair Whimsy Is Now Serious Business

Wendy Conklin, of Round Rock, Texas, says that when she started her [Chair Whimsy](https://chairwhimsy.com/) (<https://chairwhimsy.com/>) side hustle in 2012, selling brightly colored, eclectic custom-upholstered chairs on Etsy, she didn't have a



business mindset. "I just wanted to see if I could make some fun money," says Conklin, now 51. At the time, she was working full-time as an educational consultant.

But after struggling with pricing and barely breaking even, Conklin got more serious, opening a business bank account and doing bookkeeping in QuickBooks. "It was a learning process," she says. In 2018, Chair Whimsy blossomed into a six-figure, full-time venture that now includes a branded website and online upholstery courses.

Changing her attitude made a huge difference for Conklin. "It was really a surprise to realize I could build a creative outlet into a successful business — I mean, who sells just chairs?" she says.

Sokunbi and McCarthy offer the following four tips to turn a side hustle into a full-throttle business:

4 Tips for Side-Hustle Business Owners

1. Keep your side-hustle finances separate from your personal finances. That could mean opening a separate business bank account or simply carefully tracking your customer transactions in Excel or QuickBooks. Doing so will help you take advantage of tax write-offs and keep track of business expenses in case of an Internal Revenue Service (IRS) audit, says Sokunbi.

"If you need help getting things in order, [SBA.gov](https://www.sba.gov/) (<https://www.sba.gov/>) is a tremendous resource for managing your finances," she adds.

2. Put aside the right amount for taxes. You'll need to sock away some of your side hustle dollars to satisfy the IRS, since self-employed income is not subject to tax withholding.

Since you'll owe quarterly estimated taxes based on

your reported income, McCarthy recommends setting aside at least 20% of your gross income to make sure you're covered.

"That way you keep your tax estimate low, but not so low that you're dealing with a huge tax bill at the end of the year or worrying about an audit," she says.

3. Don't be afraid to outsource business tasks (<https://www.nextavenue.org/hiring-virtual-assistant/>) . Says McCarthy: "It's easy to find somebody to do things that might save you hours of time."

Maricle quickly hired a part-time bookkeeper and assigns many administrative tasks to a part-time assistant. "I say: 'Do what you love and outsource the rest,'" she notes.

4. Don't undervalue yourself. Many side hustlers mistakenly charge rock-bottom prices for their work without realizing that someone else might be charging much more.

"Do your homework on the competition and make sure that you're making a fair amount for the effort you put in," McCarthy says. "Otherwise, it's just a hobby with a lot of pain-in-the-butt paperwork."