

ASBTDC

ARKANSAS SMALL BUSINESS AND  
TECHNOLOGY DEVELOPMENT CENTER



# STARTING A SIDE HUSTLE

How to Earn Extra Money  
with Your Skills, Knowledge,  
or Hobby



**If you are preparing to start  
a business, this e-book is for you!**



Business start



Business purchase



Existing business

**e**book by ASBTDC

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- » Have you found yourself feeling a cash crunch lately?
- » Do people often tell you, “You should sell that?”
- » Do people tend to listen to what you say about a specific subject?

These are all reasons people start side hustles.

## WHAT IS A SIDE HUSTLE?

A side hustle is doing something to earn extra money. Sometimes, it may mean getting a second job. More commonly, a side hustle is entrepreneurial.

People often start side hustles for the reasons above. Sometimes, people just want to make extra money for any number of reasons. Maybe you need to pay off debt or build savings. Listening to a financial guru may have sparked your interest, and now seems like the time to make extra money to meet your financial goals.

Side hustles often emerge when individuals realize they have a skill or talent that people will pay for.

For instance, a person who can play the piano may be asked to provide their skills and talents to a church or for weddings. This could be an easy opportunity to earn extra money for someone who knows how to tickle the ivories.

Likewise, products you can make or acquire can be a side hustle. For example:

- Baking cakes for special events
- Selling handmade door wreaths
- Reselling products bought in bulk
- Operating a fruit stand

In most cases, you will sell one of two things: services or products. Another option is selling an audience, which requires a slightly different skill than the first two.

We cover all of these situations in this e-book.



# WHAT TO SELL AND WHAT YOU NEED



## Products

Let's look at three different types of physical products you can sell:

- Handmade Products
- Products Purchased to Resell
- Products You Never Have to Touch

Each of these product types has its advantages. The one you choose will depend on a couple of factors – finances available for startup costs and goals you have for yourself regarding the side hustle.

All product side hustles typically require some money to get started.

There are a few things to decide when choosing to sell physical products:

1. What will you sell?
2. How will you source what to sell?
3. Where will you keep your inventory?
4. Where will you sell your products?
5. How will you get paid?
6. Will you ship or drop off items?
7. Will you allow returns?





## Handmade Products

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Handmade products are self-explanatory. They are products that are handmade by you. These products can include but are not limited to...

- Baked goods
- Jewelry
- Artwork
- Lotions, soaps, and body butters
- Crafts (wreaths, welcome signs, home decor, etc.)
- Digital products
- And so many more

The type of handmade products you create will determine your startup cost. In general, handmade products are low cost and require more time than money to create.

Handmade products can be sold in many places. Locally, farmers markets and flea markets are popular spots to make extra money while sharing your talents and skills with your community. There are other selling opportunities that might be less apparent but are also used by handmade sellers.

- Pop-up shops
- Boutiques
- Consignment shops
- Gift shops
- Vending opportunities at festivals
- Craft shows and fairs
- Local restaurants and coffee shops
- Facebook Marketplace (online)
- Craigslist (online)
- Etsy (online)
- Amazon Handmade (online)
- Faire (online)

In recent years, handmade products have become a hot commodity. These products are expected to grow in popularity as consumers search for unique, local artisan-made products with a story behind the brand.



## Products Purchased to Resell

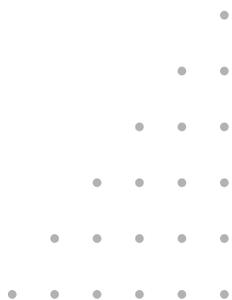
The key to reselling products is purchasing them at a low cost and selling them to consumers for more than the purchase price. The difference in the purchase price and the selling price is the **gross profit** – also what will make this type of side hustle worth your time and money.

Popular ways to resell include arbitrage and private label.

**Arbitrage** is when you purchase an item from another retailer and flip it to make more money. “Flipping” is a term used to explain purchasing an item from a retailer and then turning around and reselling it for more.

Many people do this with garage sales and then use eBay or Facebook Marketplace to resell items. There are even some instances where you can purchase from retail stores and resell on Amazon. Many apps out at the time of this publication, like LetGo and OfferUp, allow this type of business model.

Essentially, the goal is to spend little time for a great return. To be a successful reseller, you will need to become good at sourcing, or knowing the resale value when you spot an item.





**Private labeling** is like creating your own brand inspired by what you have already seen or experienced in the market. Examples are lines of kitchen appliances, technology products, and makeup

This business model will require more startup funds to initiate successfully. Sourcing from manufacturers takes more time and money than the arbitrage model. Manufacturers typically have a minimum unit purchase, which could very well run in the thousands to start.

For side hustlers, it may be a good idea to begin with a few simple products that are low-cost, easy to ship or deliver, and have a high demand.





## Products You Never Have to Touch

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Now, this may seem a bit unreal, but it is most definitely real. How can you sell products that you never have to touch?

You can sell products you never have to touch in two ways: dropshipping and affiliate sales.

**Dropshipping** means a supplier sends the products directly to your customer. In this situation, you never touch the products, nor do you have them on hand for delivery. As a matter of fact, you never even have to purchase this item for resale.

This is a low-risk, low-budget business model. You can operate this e-commerce model from anywhere as long as there is wifi.

To make your dropshipping model a success, you must source a reliable supplier and pick a product that is in demand. That will require market research before you begin.



Once market research has landed you on the right product, it's time to set up an account with your supplier so you can get started. Most will ask for a purchase order and payment which you can render once your customer has paid you. The best part about this model is you get to keep the profit.

Along with the benefits of this model come some challenges. Driving sales will be your biggest task and also your most challenging task. You will need to learn various digital marketing strategies, which are vital to making sales. These may include but are not limited to social media, paid ads, and search engine optimization.

**Affiliate sales** are essentially advertising products that come from a third party. Then when a sale is made through your efforts, the third party makes a payment to you.

Your earnings rest solely on how well you advertise the product. The third party may provide a link specifically for your sales in which they can track your conversions and then you can get paid based on your efforts.

Affiliate sales are a great way to dip your toe into selling products without actually having to purchase inventory, set up a website, or even create your own products. It's a way to test the waters before investing into something of your own

# Services

Want to get a side hustle up and running in no time? Start a service business. As a service-based business, you can trade time for money and, in most cases, get paid as soon as the project is complete. There is usually little to no startup cost for service businesses.

For a service-based side hustle, you need to answer two questions:

- What service will you provide?
- Who will pay for your service?



## What Service Will You Provide?

Many services make good side hustles. The key is to find something you can do well enough for somebody to pay you.

Look at what people ask you to do for them or for what people ask you how to do, or even something you believe you could learn to do.

Examples of what someone might ask you to DO FOR them:

- Christmas tree decorating
- Lawn care
- Event planning

Examples of what someone might ask you HOW to do:

- Bookkeeping
- Cook special dishes
- Style clothes

Examples of some things you might LEARN to do:

- Decorate cakes
- Edit photos
- Provide doula care

This quick exercise can help you figure out what you want to do.



## **Make an inventory of your skills.**

These are skills that you can perform right now if someone asks. Do not assume that you do not have skills because you do. Everyone does.



## **Look at your past and current work, whether volunteer or paid.**

This could include helping your grandmother go shopping, babysitting your family member's children, or even teaching Sunday school at church. You have done some things that have given you skills.



**Think about what you did in your jobs and how those skills could be transferable** to a service you could provide for someone who would pay you for it. What do some people struggle with but comes easy for you?

Here is a list of service-based side hustles to get you started thinking about what you might start today.

- » Lawn care
- » Specialty cake design
- » Freelance writing
- » House cleaning
- » Office cleaning
- » Home staging
- » Dog walking
- » Dog training
- » Childcare
- » Social media ad management
- » Special event DJ
- » Event planning
- » Event/holiday decorating
- » Public speaking
- » Doula
- » Errand running
- » Event photography
- » Web design
- » Videography
- » Travel planning
- » Tutoring
- » Fitness training
- » Hauling junk
- » Sports training
- » Life coaching
- » Moving
- » Delivery
- » Car detailing
- » Auto repair
- » Bookkeeping
- » Handy person
- » Senior care
- » Public relations
- » Pool cleaning
- » Christmas light setup
- » Resume writing
- » Personal chef
- » Notary services
- » Window washing



## Who Will Pay for Your Service?

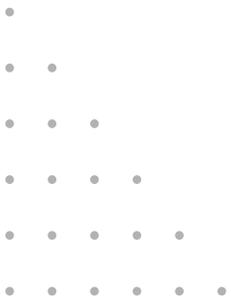
Now that you have decided on your side hustle, you will need to find people willing to pay for your service. You'll have to put on a marketing hat. That means you must put your service offering in front of the right people.

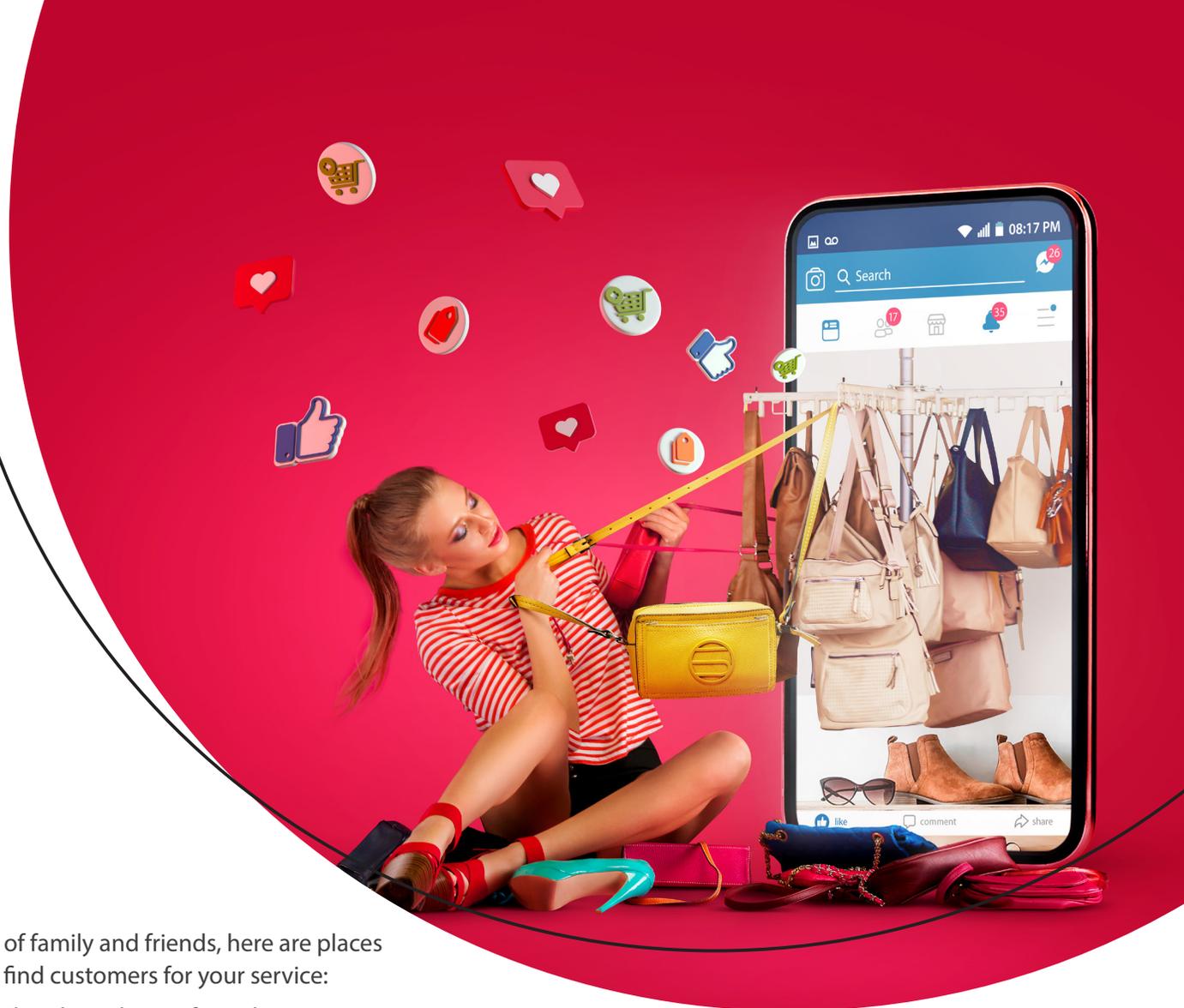
The "right" people are people who need or want your service.

You need to take a moment and consider where these people are.

Where do they physically hang out? Where do they spend time online? Where do they find information about what you provide? The first place you should look is within your own network.

This includes family and friends. They may or may not need your services, but they probably know someone who needs what you provide. Family and friends are good for referrals, so you should not overlook them when finding your customers.





Outside of family and friends, here are places you can find customers for your service:

- Churches/places of worship
- Networking events
- Local Facebook groups
- NextDoor app
- Other online marketplaces

Churches and other places of worship have many people with needs beyond what they seek from the church. You just have to find out what their needs are. Get to know people and let them know what you do so they can pass your name to whoever may need your services.

Networking events like neighborhood meet-ups or in-person networking events with your local chamber are prime for people who need or know someone looking for your services. Local Facebook groups and the NextDoor app have this same vibe but are located online. People talk to each other every day in these online spaces about their or someone else's needs.

This is where you come in. Treat these spaces just like in-person networking events to avoid looking like a salesperson for your service. Instead, be the problem solver who meets their needs.



# Audience

Here is a bonus section for you to consider. You can earn money by building an audience.

You could be the next Facebook or the next Reddit. These apps make money by selling access to their audience.

Maybe you don't want to build an app, but you can still build an audience of followers, and people will pay for access to your audience. You can create an audience from a blog or a website, YouTube channel, podcasts, or even social media.

Or, let's take a different look at it and eliminate the internet from the conversation. You can build a networking group of like-minded individuals. You can host meet-ups for breakfast, lunch, dinner, or any other special occasion for this group. You can sell companies access to your audience. You can sell products or services to your audience.

Building an audience from which to earn money can happen fast, or it can happen slowly. You have to know upfront that an audience-based business has no magic formula.

While building an audience is a "no-cost" to "low-cost" side hustle in dollars, this type of business takes time. Your time investment may vary based on many factors, including timing, audience, platform, and marketing channels.

This type of business is highly experimental and may not be for everyone.





## THE LEGAL SIDE OF A SIDE HUSTLE

Does your side hustle perform similar work as your day job? If so, things could get a little sticky.

Be careful you are not violating non-compete clauses. If your job does not have a non-compete clause in place, you still want to ensure you are ethical and fair. You do not want to appear as if you are pulling clients, customers, time, or money from your current employer.

A side hustle that is similar to your day job can be a gray area where you should proceed with caution.

Regarding the legal status of your side hustle, you may not need to file for a business license or seek out any permits. It depends on what you are selling and how.

Check out ASBTDC's [License, Permit and Tax Requirements e-book](#).

# HOW TO MEASURE YOUR SUCCESS

With each type of side hustle, you will need to market to the right people. These people are the people who want, love, and need your product or service.

We've talked about where you might find them. However, the biggest takeaway to starting your side hustle is not keeping it to yourself. It may be scary at first to announce your new gig, but the only way to sell it is to put it out there to the world for people to see and respond.

Once you are making good sales, it may be time to take inventory of how well you are doing.

Are you making more money than you are spending?

*Most people want to make a profit.*

Are you selling more than you have time to fulfill?

*If this is a side hustle, your time is probably limited. Are you prepared to give more time to keep up?*

Is your capacity to fulfill the product or services at a level comfortable for you?

*Did your side hustle grow, and now you need help? You may have to get some help in the door to fulfill your promises.*

How long will you do this side hustle?

*Now that your side hustle is up and going, will you continue it? Will you grow it? Is this a limited-time gig for you?*

Do you want this to become full-time?

*Some of the most successful businesses today started from a side hustle. Think of Airbnb and Facebook. You have to decide if this will stay small or if it will grow. There is no right or wrong answer, but you must decide as you begin to operate your side hustle.*



# TIME AND MONEY

We talked about time and money throughout this e-book, but here is where we emphasize it.

Side hustles will vary in the amount of time and money needed.



## TIME

In most cases, a side hustle will take up some of your time. Because you know this upfront, go ahead and determine how much time you will need and how much you are willing to devote. Start by taking inventory of the time available outside your primary job.

- Will you use all of it or some of it for your side hustle?
- Will you sacrifice time with family and friends?
- Will you stay up late or work your side hustle in the early mornings?
- Will you use your lunchtime?
- Do you have extra time that just needs to be filled?

So that you are not lost or flying by the seat of your pants, write down a plan of action that includes when you will work. Planning will help you set expectations and give you something to refer back to in case you get lost in the chaos.

When running a business, sometimes focus gets lost in business activities. The plan may change, and the times may vary. The remedy is simply adjusting the plan and letting it help you make decisions moving forward.



## MONEY

In the case of money, you need to know how much you need to get started, for any type of side hustle you choose.

Ask yourself these questions to help you determine how much money you need to get started.

- Do you need supplies to get started?
- Do you need a license or permit?
- Is insurance required?
- Will you need money to advertise?
- Will you need gas to deliver the products or services?
- Will you need to hire help?

Take note of the ones where you answered YES. You need to make a budget based on the YES answers.

Hopefully, these questions will lead you to ask yourself more so that your budget can be more precise. Be prepared to spend some money, even if you chose a “no-cost” to “low-cost” side hustle.



## WHAT'S NEXT?

Now that you have information on a few ways to start a side hustle, it is time to take action.

Understand that what you create today may evolve into something else later. You may even decide that what you start is different from what you really want to do.

Keep in mind that creating and starting a side hustle takes courage. Whether or not you keep going with it, you will obtain a new skill set that may provide other opportunities for you to earn money in the future.

## CALL ON US

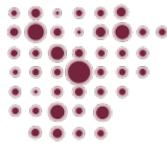
Have questions about starting or operating a side hustle? Your local Arkansas Small Business and Technology Development Center can help.

Visit [asbtcd.org](http://asbtcd.org) or reach out to us at **800-862-2040**. We offer events and no-cost consulting to help you as you start and grow your side hustle.

Many people are looking for ways to supplement their income and goals in today's economy. Side hustles are a creative and flexible way to get there.

What will you start today?





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