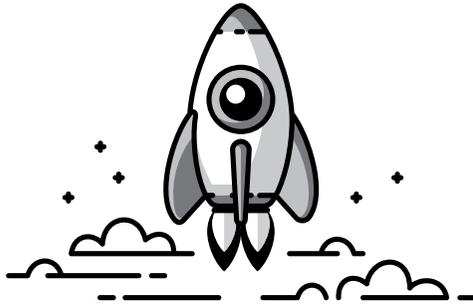


THE PARALLEL ENTREPRENEUR

HOW TO START AND RUN COMPANIES
WHILE KEEPING YOUR DAY JOB



RYAN BUCKLEY

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ABOUT THE AUTHOR

I HAVE ALWAYS ENJOYED DOING a lot of things at once. In high school, I was one of the kids that tried to do it all. AP classes (I took them all except Physics), music (I was in choir and jazz band all four years), leadership (I was senior class president), and sports (well, actually I didn't do any sports).

In college, at the University of California, Berkeley, I found a way to triple major in four years with economics, environmental economics, and environmental sciences, but decided that was unnecessary. Instead, I graduated with just a bachelor's in Environmental Sciences and a bachelor's in Economics with one semester to spare. That last semester I took acting, music, and Latin. I earned a 4.0 including one A-plus; it was my favorite semester at Cal.

A few years later, I was able to get a master's in public policy at Harvard University and a MBA at MIT simultaneously. There were four of us in the dual Master's program at Harvard and MIT that year so I decided to do something different: I started a business.

That business was *Scripted*: one of the first online screenwriting applications to make waves in Hollywood. It eventually attracted 80,000 screenwriters, which might have been 80% of the screenwriting population at the time.

The problem was it didn't make enough money, so I launched more businesses. I built a web development consultancy for governments, a mobile campaign donation canvassing app, and a product to help bartenders fill pitchers of beer. I sold my stake in the government consultancy for \$5,000 and bought a couple of nice road bikes. The other businesses petered out.

Scripted almost died too, but we were able to pivot the business into the growing content marketing field and raised \$18 million dollars of venture equity and debt to rapidly expand it. We renamed the business *Scripted* and against all odds it is still alive and well today, seven years later.

In the midst of that turmoil, I did what I do: I built another business. This time in the sales technology market. I called it *Toofr*, named after one of the characters in *30 Rock*.

Toofr was a clever way to find business email addresses, and I decided to do all of the coding, design, and marketing myself. No business partners or investors, just me. It launched in early 2013 and within three years it was paying me more than my day job.

Toofr was always a side business. I kept my day job with *Scripted* because *Toofr* didn't require more than an hour of attention per day, and I could easily manage it after hours. Even after I started a family, *Toofr* kept humming along: paying off my graduate school debt and helping us save for a house in the pricey San Francisco Bay Area.

You don't need to be superhuman like Jack Dorsey or Elon Musk and run multiple public enterprises at once. This book is about how the rest of us can leverage parallel processes to change our lives and find financial freedom.

My objective is to share what I've learned, the patterns I've found in the way that others have done it, and lay down a framework so that you can do it faster and better than the rest of us.

INTRODUCTION

I RECEIVED THIS EMAIL FROM a talented young entrepreneur a month or so after I interviewed him for a marketing position at Toofr, the sales tech website I built and is my main source of income today.

Hey Ryan,

I wanted to reach out in hope for some advice. I'm inspired by Toofr. It's such a simple service, yet so valuable to your customers, and highly profitable in proportion to the time spent to manage it. I want to create something like this for myself.

I would like your advice on:

- How I can build a product that is just good enough to get a first customer.*
- How to market and sell without hiring sales people or buying ads.*
- How to retaining my customers for as long as possible.*

Can you offer me any advice?

Regards,

TN

It was a moment of pure, blazing coincidence. I had just finished this book when he emailed me out of the blue. It's like I wrote it just for him, so I sent him an early draft of my book in response.

Building a product on the internet is relatively easy these days. It's the making money part that's hard.

I know because I've done it, and unlike a lot of entrepreneurs I know, I've done every part of it myself. I code, sell, market, and even file taxes. I learned it all on the spot.

I wrote this book to help you and people like TN become parallel entrepreneurs faster than I did, and to encourage you to do so while you have the safety net of a day job.

In writing this book, I interviewed dozens of entrepreneurs who have done it more successfully than I have. These entrepreneurs have at least two income streams generating \$10,000 per month, and they've developed their companies both solo and with a team.

I've divided this book into two parts: Theory and Tactics.

The Theory section will cover all sides of parallel entrepreneurship and lean on both my experiences and those of others who have also ventured into parallel entrepreneurship.

I lay out a framework and incorporate insights and patterns from dozens of parallel entrepreneurs, so that we can understand the rationale behind splitting your time across multiple ventures instead of focusing on just one.

This is important because we've all heard the refrain, "Focus, focus, focus." I'll explain why this is *right* (each business you start should be singularly focused) and why this is *wrong* (because—and this is the point of the book—you can have mul-

tiple singularly focused businesses!)

The Tactics section covers everything you need to know in order to plan, build, and run a business on the internet—all while keeping your day job.

This book will not help you open a restaurant or a consulting company. You probably can't keep a day job and start one of those types of businesses. It focuses on internet software businesses because they are what I know and also the most scalable kind of ventures. These are the types of business you can run just at night and on weekends, and you can run several of them at once.

If your goal is to own a website that makes money while you sleep, allows you to (eventually) work one-hour days, and nets you more income than your peers in full-time jobs, then read on.

You can do it if you work hard and get just a little bit lucky.

If your goal is to build a multinational enterprise, list your company on the NASDAQ, and make \$100 million dollars, then I'm sorry, this book is not for you. The decisions you'll make, the investment you'll need, and the ability to build a portfolio of your own small businesses are incompatible with the methods described in this book.

The businesses I'm focusing on are singles and doubles, not home runs and grand slams. The businesses I want you to build are little money makers with no staff. Combine them together and you'll be financially free.

Throughout this book I'll explain why keeping your businesses small and simple is very important.

Furthermore, I focus solely on businesses that sell to other businesses. These are called "B2B" companies. I think it's too hard to build a consumer-facing ("B2C") business on your own.

You need scale for B2C to work, and to get scale, you need investors. Yuck.

If you're reading this book, you're probably interested in working for yourself. If you take outside capital, you're also taking on a boss, reporting requirements, and a business partner.

Trust me, unless you need \$100 million in your bank account, the investor baggage is not worth it. If you want to raise money and report to a board of directors, then this book isn't for you.

My bias toward B2B business is a direct result of my experience building B2B companies. In fact, I've never built a B2C product, but I have some friends who are successful at it. I have seen and heard directly from these friends that B2B opportunities will get to profitability faster and with less work than B2C counterparts, so that's what I'm promoting here. I want to be upfront about that.

If you need to build something that thousands or millions of people will use, then I'm sorry, this book also isn't for you.

Instead, you'll get helpful resources from my journey along with insights into the nasty pitfalls you'll inevitably discover. This book is designed to be both a story and an encyclopedia that you can keep referring back to as you build your businesses.

I must warn you: what you're about to embark upon is all-consuming, painful, and frustrating. You will want to quit several times before you finally turn your idea into a personal ATM machine.

I wanted to shut down Toofr at one point. I was on the cusp of shutting it down in early 2014. I'm glad I didn't. That would have been a million-dollar mistake! You might find yourself in the same situation, so I've written about that too.

Most importantly, I want you to know that when your monthly revenue from your side income matches your paycheck, the feeling is incredible. It's freedom, it's validation, and it's worth every minute of the struggle!

I hope you stick with it long enough to get there.

In short, this is the book I wish I had access to ten years ago when I was diving into my first company with dreams of starting many others. It would have saved me a lot of time.

And time, my friends, is everything.

Ryan Buckley

Sonoma

December 2017

THEORY

*“Give me six hours to chop down a tree
and I will spend the first four sharpening the axe.”*

—ABRAHAM LINCOLN, 16th President of the United States

*“Mastering others is strength.
Mastering yourself is true power.”*

—LAO TZU, Chinese philosopher



EVERY ENTREPRENEUR I KNOW STARTED with an itch they couldn't scratch. A tiny voice in their head that kept getting louder and louder until one day they could no longer ignore it.

Something needed to be done.

Every person I know who wanted to start a business and didn't pull the trigger had the same set of hesitations.

"I'd love to quit my job but can't right now."

"There are too many competitors."

"I don't have time."

"It's too expensive."

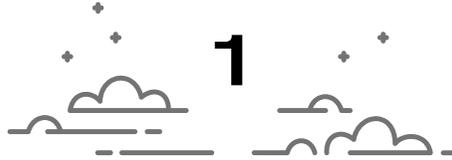
You may have had these thoughts yourself. It's not unusual to be intimidated and conjure up every excuse why you can't do it: you're not prepared, your idea isn't good enough, or you're too busy with work and family.

The fact is, like starting a family, it will never be the perfect time to start a business. You'll never be completely prepared and you won't have every skill needed in advance to run your business successfully.

But fear not! You'll pick up the skills and insights you need to be successful along the way. And timing? Well, that's the main point of this book.

The best time to start a business is now. *Right now.*

The first part of the book, Theory, will explain why this is true.



What Is Parallel Entrepreneurship?

Meet Cornelius Vanderbilt

YOU CAN'T GET MORE PARALLEL than railroad tracks.

Cornelius Vanderbilt became famous as a railroad tycoon, but he built his first fortune in shipping. He owned both shipping and railroad companies until the age of 70, when he sold his last ship and focused solely on railroads.

Born poor, he quit school at age 11 and became the wealthiest person in all of American history. His fortune in today's money would be over \$220 billion dollars. That's more than Bill Gates, Mark Zuckerberg, and Warren Buffett combined.

His first business was a ferry service between Manhattan and Staten Island, where he was born. It was while sailing in the waters around New York in the early 1800s that he earned the

nickname “The Commodore,” which stuck with him throughout his life.

Vanderbilt quickly found additional income streams. He entered the goods trade with his father, and worked as a captain for another entrepreneur in the ferry business who taught him how to run a complex business and fight in the courts to expand his market.

For a decade, he worked a day job as a ship captain while building his own side businesses. Finally, at age 35, he went full-time into his side projects. The scope of those side projects, now his sole focus, would expand enormously.

Vanderbilt noticed that ferries and steamboats were just one piece of a larger freighting ecosystem. The booming cotton economy drove expansion of rail lines between the Southern states and New England, where his ships connected to railroads at ports all along the Eastern Seaboard.

Seizing this opportunity, Vanderbilt began to take over the railroads too. The railroad business led to other opportunities that didn’t exist at sea: real estate. He bought large tracts of land in Manhattan and Staten Island to protect and expand his railroads, further increasing his influence and wealth. He bought shipyards and passenger steamboats, and consolidated his railroad companies into the first giant corporation in America.

Vanderbilt was an extraordinary parallel entrepreneur, one of many whom we will study in this book.

Indeed, parallel entrepreneurship is nothing new. Among internet entrepreneurs today, parallel entrepreneurship is discussed at conferences, on podcasts, and in many other business books. It’s most commonly referred to as “side hustling.” Google

that and you'll see there's already a lot of people talking about it.

The unique thing about parallel entrepreneurship today is that it's easier than ever to do it online, and you don't need to stick with traditional side businesses like real estate investing, consulting, and producing online courses. You can have an e-commerce business on the side. You can even have a modern software subscription business (a.k.a. "SaaS business") as a side hustle.

In fact, you can build not just one internet business but multiple internet businesses while still keeping your day job.

The main difference between you today and Vanderbilt 200 years ago is that you don't need to be rich to build a software company. You don't need a huge team, massive servers, and a Ph.D. in computer science to become a software tycoon. You can do it all from your couch with a bowl of popcorn and your favorite Spotify station playing in the background.

From trash to treasure

I didn't start out as an internet entrepreneur. I got my first taste of entrepreneurship while picking up trash in high school.

I've always had an environmental bent. I remember riding up into the Sierra Nevada Mountains in my grandpa's white Toyota pickup truck feeling a twinge of anger every time I saw a logging truck rolling down the highway in the opposite direction with a pile of pine logs in tow.

I didn't know what else to do so I reacted the way any eight-year-old might react. I stuck my tongue out at them. Each

and every one. If my grandpa noticed, he never said anything.

Back at home in the San Francisco Bay Area, I sketched imaginary machines that would suck down and store greenhouse gases underground. These contraptions had huge floating fans connected to pipes that ran to buried storage containers and would safely store the carbon dioxide to keep it from escaping.

I had an early interest in science. My freshman year biology class was taught by Mr. Stoehr. As luck would have it, he was also the sponsor of my high school's Environmental Club. I did well in his class and started going to Environmental Club meetings every week, befriending the student leadership and getting to know Mr. Stoehr ("Greg") on a first-name basis.

I made a name for myself by deciding to tackle the littering problem at my school. This too harkens back to those summers spent with my grandpa. He'd never walk by a piece of trash without picking it up and stuffing it into his pocket, lamenting the laziness of the person who dropped it.

Years later my high school friends would tease me about picking up trash. They would ride their bikes ahead of me, call out my name, hold up the 7-11 Slurpee they'd just finished and drop it. Without fail, I'd groan and pick it up, carrying it with me until we came upon the next trash can.

There was a lot of litter at Los Altos High School. I'd see it in the bushes, under the covered hallways, even around the bases of the many trash cans on campus. It drove me crazy!

I was able to recruit two other guys to help me pick up trash every Wednesday after school. We called it "Mission: Trash Pickup," and for the better part of three years we met and picked up trash every week after school.

Needless to say we didn't get a lot of attention from the girls on campus, but the custodians sure loved us. They bought us our own green rolling trash bin that we branded with a spray-painted "MTP." That trash can, which we called the "MTP-mobile," was my first brand, my first logo, and the first thing I ever started and got people to join.

A couple of years later I was invited to participate in a new community service program that my high school was launching. Mrs. Beman, the leader of this new program, asked if I'd like to include MTP in the list of volunteer activities. I agreed but worried that no one would choose our program. It took a special kind of person to choose to pick up trash. How many of us could be out there?

I was happily mistaken. I convinced a few dozen people to choose my activity and sent them all around the school to pick up litter. When we were done the campus never looked so clean.

I learned later that the main draw of MTP was not the elation of seeing a litter-free campus. They picked MTP because they were forced to choose something and they didn't want to get onto a bus and travel anywhere.

That too proved to be an important lesson in entrepreneurship. Sometimes you can't predict demand.

I began my senior year of high school as senior class president and co-president of the Environmental Club. Looking back, this was my first brush with parallel entrepreneurship.

I wanted to take both responsibilities seriously and figured I could manage it because there were no conflicts of interest. Nothing I would do with the Environmental Club would detract from the important responsibilities of a senior class president,

which above all else was organizing the prom and fundraising to get ticket prices as low as possible.

I found ways to play both jobs off of each other. I used the familiarity I got with the high school administration as class president to organize an Earth Week that coincided with the national Earth Day 2000 festivities. As class president I also had access to the display case near the main office. One week I filled it with all the litter that MTP collected. Staped to the wall, using pieces of trash that my fellow students had dropped, I spelled out, “We can do better.”

Likewise, the seniors benefited from my improved organizing skills, respect from school authorities, and admission to the University of California. My admission essays were all about my parallel entrepreneurship experiences. So after I received my acceptance letter I was able to focus full time on organizing the senior prom (which we held at a science museum in San Francisco, obviously) and it was awesome!

That prom turned out to be the highlight of my high school experience. Right up there with the custodians buying me a rolling trash can.

Some nerdy, introverted people like me don't enjoy high school. But I thrived. I didn't know it then but I'd already discovered the many varied benefits of parallel entrepreneurship.



Taken after I graduated, it's the only picture I have of the "MTP-mobile"

Don't quit your day job and then build a startup

Don't quit your job to build a startup. Build a startup and *then* quit your day job. Or keep it and treat it like another income stream. It's totally up to you. That's the big idea here.

One of my favorite parallel entrepreneurs, Marcia Kilgore, says, "You don't give up your day job because you think that your side hustle or whatever it is is going to actually pay off. You always do two things at the same time because one of them may

not work, and you want to make sure that you've got another one."

There's no reason anymore to go full-time into any one thing. If you have the itch to try your hand at starting a business, then you should do it while your employer limits your risk with a regular paycheck.

The thing a lot of people seem to forget is that you can start, run, and grow a real business that makes a meaningful amount of money just by working during nights and weekends.

It does mean some amount of sacrifice. You won't be able to do this and keep up with the latest Warriors trades and *This Is Us* episodes.

Still, it's worth the sacrifice. Here's why.

It's getting harder and harder to do traditional Silicon Valley fundraising. The bar is so high that by the time you actually checked all the investors' boxes you wouldn't need their money anymore. When you're a new entrepreneur the finance guys need to de-risk as much as possible, and they do that by expecting you to be flawless.

Similarly, it's getting harder and harder to earn revenue. Customers are getting harder to grab because starting internet businesses is getting easier. Simply put, there's more competition.

At the time of this writing, I've launched six web applications in the last 12 months. Of those six, only two are making money. I support my family primarily with one of them. With every new project I start, I'm grateful to have even one business that works.

It took three years of nights and weekends to get my side business to a point where I can live comfortably off of it. When I launched it, though, the market for online businesses was much

less saturated. These days it might take longer to yield the same result, but it's still possible.

You need more than one source of income

Having multiple income streams is the ultimate insurance. It's the same idea that financial fund managers use. It's always better to diversify your investments. Don't be all in on tech stocks or bonds or index funds. You should mix high risk and low risk investments whenever possible.

Think about it. Investors don't move their money serially. They don't go 100% into stocks, then 100% into bonds, and then move everything into some other instrument.

Not even close. They hold a mixture of all of these securities simultaneously. In parallel. Spread across multiple markets and in businesses of different sizes and risk profiles.

In short, the portfolio theory simply suggests you should not be a serial entrepreneur with 100% of your entrepreneurial time invested in one business. You should diversify and be a parallel entrepreneur instead.

I go a step further and suggest that you should do the same with your career. You don't need to rely on a spouse or partner to have the stable or high-risk job. You can have them both by yourself. You can have a low-risk day job and high-risk startup without sacrificing anything from either one.

Parallel entrepreneurs start businesses all at once

Serial entrepreneurs start one business after another. Parallel entrepreneurs start them all at once. It's not for the faint of heart, but the rewards are tremendous.

One of the most successful and prolific parallel entrepreneurs I know is Jonathan Siegel, author of *The San Francisco Fallacy*, co-founder of RightSignature, and owner of Xenon Ventures. When I asked him about parallel entrepreneurship, he lamented that he talks to “fallen angels” every day. These are entrepreneurs who raised anywhere from \$4 to \$40 million and their companies didn't work out. They didn't necessarily do anything wrong. As we'll see in this book, building a business is hard and a lot of it is unpredictable.

These entrepreneurs had to fully invest 100% of their time into one company while the people who invested in them got to spread their money across dozens of investments. The investors aren't surprised when a business they invested in fails. The entrepreneurs, on the other hand, are stunned. Some never recover.

Starting a business is risky because it takes a lot of time and at least a little bit of capital, and it may take years before you know if it will pay off. There will be a lot of noise along the way, and indicators that you're failing faster or soaring higher than you really are. It just takes time until the ultimate arbiter of truth—cash in the bank—shows its pretty face.

Until then, you keep toiling away, losing out on the low-risk paycheck you might get from a day job or a higher-yielding opportunity that you set aside in favor of the business you've already started.

You're an entrepreneur. You have a million ideas, but you have to pick *just one* of them and then fully commit to it.

Or do you?

Actually, there's no rule saying you can't do more than one small business at a time. There's no physical constraint preventing it.

Look at it this way. You can work a day job and be married, have kids, get a pilot license, binge watch *Game of Thrones*, and play on an intramural softball team. That's pretty normal to do outside of your day job.

So why can't you also start a business? Or two? Or three? If you can have a personal life outside of your day job, why can't you have a professional life outside of your day job too?

The answer, of course, is you can do both. Some of the greatest entrepreneurs of our time are parallel entrepreneurs.

What if Elon Musk had to choose between Tesla, SpaceX, and The Boring Company (his enterprise devoted to digging tunnels)? What if Jack Dorsey decided not to start Square, his payment company, while he was still at Twitter?

We'd all be worse off if these guys decided not to be parallel entrepreneurs because they believed it violated some mysterious unwritten rule that you can't start and run multiple companies at once.

Musk and Dorsey are exceptional businessmen. They've made accomplishments at the highest levels, higher than I will ever reach, and the extent of their successes actually contradicts a lot of what I suggest in this book.

But that's okay. Let's not compare ourselves to the superhumans among us. My point is, the path has already been paved

not only by Musk and Dorsey but also by a thousand others like myself who are not brand-name entrepreneurs.

The theories, tools, and techniques are proven and available. Now come on. Let's go.

There's work to be done!



MARCIA KILGORE

Bliss, Beauty Pie, Soap & Glory, FitFlop

I learned about Marcia Kilgore on the “How I Built This” podcast published by National Public Radio. Her story is incredible.

Raised by a single mother in a rural Canadian town, Marcia decided at a young age to earn her own money. She worked hard and was accepted to Columbia University in New York, where her sister lived and worked as a model.

Unfortunately, Marcia wasn't able to make her tuition payments and never attended Columbia as full-time student. Instead, she earned money providing personal fitness training while taking classes at NYU at night. She noticed her skin health deteriorating, and one fateful day Marcia went to get an expensive facial. She had a terrible experience. This was the unlikely event that set in motion her career as a parallel entrepreneur.

After taking a crash course in skin care, Marcia started giving facials to her sister's model friends in her apartment. She maintained her personal training practice too, working those gigs in parallel with her growing skin care business.

Word of her outstanding facials spread and a couple of years later, in 1993, she opened her first small office. In 1996 she expanded into a first three-room spa and named it Bliss. Three years after that, in 1999, Marcia sold Bliss to Louis Vitton. She stayed through the acquisition and remained for a couple of years after Louis Vitton sold Bliss to Starwood in 2004.

Marcia took some time off and in 2006 launched Soap & Glory, a distributor of affordable designer cosmetics. The following year, while still running Soap & Glory, Marcia launched FitFlop, a shoe designed to properly align your body ergonomically as you walk.

Marcia sold Soap & Glory in 2014 to Boots, a large department store in the United Kingdom. She continued to launch more businesses, building Soaper Duper in 2015 and Beauty Pie just last year, in 2017.

Today Marcia is actively working on FitFlop, Soaper Duper, and Beauty Pie. This is parallel entrepreneurship executed to perfection.



bliss

1991
Begins giving facials out of her apartment



1993
Opens a small office



1996
Opens 3 room spa



1999
Sells Bliss to Louis Vitton (LVMH)



2004
LVMH sells Bliss to Starwood



2006
Leaves Starwood and starts Soap & Glory



fitflop

2007
Launches FitFlop



2014
Sells Soap & Glory to Boots (UK Department Store)



**soaper
duper**

2015
Launches Soaper Duper



BEAUTY PIE

2017
Launches Beauty Pie