

Twitter Thread by Don Petty Cash



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Contemplating quitting your corporate job to become your own boss? [Thread]

Money

Making money is much easier when you have money. More importantly, having dry powder buys you time.

Starting with anything less than 6 months salary can be suicide. Bonus if you can get to a year saved up.

Flicking the switch on monetizing a new business isn't instant.

The fine print

Scrape through your employment contract to check for non-compete clauses, lock-in periods for approaching competitors, policy on recruiting existing employees.

Check what the notice period is, number of leave days you have to cash & how to transfer your pension.

IP

NEVER work on your personal business using a company device. Also resist the urge to send that sexy excel model to your personal email. Imagine chilling in Pollsmoor for a workbook.

Many companies run a check when you resign to check what you recently emailed & printed.

Skills

Level up as much as you can. Make a detailed checklist of everything you want to master before you bounce. Ideal skills are versatile, resilient and future-proof.

The more advanced your skills, the better your chances of someone paying you for those abilities.

Relationships

Who you know often outweighs what you know.

Convincing strangers to roll the dice on your new venture is tough. Having people in your corner who already believe in you makes it considerably easier to launch.

It's very cliché but networks do determine net-worths

Security

Plan B isn't just a decent contraceptive (ask me how I know), it reduces risk of living under a bridge. ALWAYS have a fall back plan.

If the business goes bust, what's the worst than can happen? How quickly can I find another job? De-risk as far as possible.

Leverage insiders

Fuck the expensive MBA modules, thick business books & terrible business motivation posts - speak to actual entrepreneurs.

Expect raw, honest and unfiltered feedback of the highs and lows. You can save yourself a lot of pain by having these convos early on.

Put in the time

Having the fall back of a corporate salary with the future of a new business is a luxury - leverage it

Set aside a few hours every week to work on your business plan, financial models and sharpen your relationships

Pay your school fees while you have security

Run a small hustle

A side hustle is a great way to rack up business experience without too much risk. It's also scalable. Most entrepreneurs spend far too much building and not enough time executing

Marketing, selling & negotiation aren't overnight skills

Valuation (1)

There's nothing more heartbreaking watching great businesses fail because founders have zero clue how to value their companies. Don't rely exclusively on other people to tell you how much you're worth.

Own the numbers, own the valuation.

Valuation (2)

Spend time looking at comparable companies, precedent transactions within similar sectors, know how a very simple

discounted cash flow model (DCF) works.

List the key performance metrics you're benchmarking against.

Be realistic

IG entrepreneur pages will have you believe it's a life filled with yachts, penthouse suites, supercars & private jets.

In reality there's unpaid invoices, longer hours, repeated rejections and the emotional strain of not having regular, stable income.

Just start!

The more financial commitments you have, the harder it is to take the bold leap. It's tough to be creative when you're focused on survival.

Being an entrepreneur in Africa is especially tough but it's also one of the most rewarding & fulfilling personal journeys.

Shout-out for making it to the end!



Additional thread: Guide on raising capital

<https://t.co/v81clU04xX>

Running a small company or need cash for your side hustle? Here's the ultimate capital raising guide [Thread]

— Don Petty Cash (@iamkoshiek) December 28, 2020