

## How to quit your day job (and build a tech startup)

### Burning the boats and pursuing your passion

By Adam Bender - 16 May 2014

Launching a successful startup requires 100 per cent dedication – and that means quitting your job. Entrepreneurs must have a "burn the boats mentality," according to ANZ Innovyz START managing director Jana Matthews. "You land in another land and then you burn the boats. We don't turn back here."

But is it easier said than done? *Computerworld Australia* spoke with entrepreneurs from four Australian tech startups about their experiences ditching the corporate world.

#### Quitting is hard

Emil Davityan, co-founder of location-based commerce startup Bluedot, gave up a job as an adviser at the Department of the Prime Minister and Cabinet. "When you quit your job, you know it's going to be months – if you're lucky – before you have a regular paycheck and most likely years before you're financially comfortable again," he says.

"Apart from the money, startups end up consuming nearly all of your time and attention, so I learned – sometimes the hard way – to strike the right balance and still have a life outside of work."

Adam Theobald, co-founder of coffee-queue killer Beat the Q, worked as an equity markets broker and then at a listed technology company before getting into startups. Dropping the regular income is the hardest part of quitting the job, and this can be particularly tough for people with children, says Theobald, who has a 12-month old daughter. "I'm very cognisant of the pressure that startup puts on the family."

Dipra Ray gave up a job at Deutsche Bank as an investment banker to co-found NexPay, a startup that provides low exchange rates for foreign students, and then mPort, which has developed a 3D body scanner to take people's measurements.

Ray says one of the toughest parts about quitting was giving up "the stability of a day-to-day job with a guaranteed pay cheque and a relatively clear

career path." Leaving his workmates was hard, too. "I'd built up great relationships with my work colleagues who had become personal friends."

FIH Kaupthing Investment Banking in Copenhagen, Denmark to start a Danish newspaper and later moved to Australia to launch ReadCloud, a startup that provides eBooks to schools. The hardest part? "Giving up the monthly salary and potential for career advancement in the industry I had spent 10 years in and risking it all on a startup with an unknown outcome."

### **Finding a reason**

Theobald says his passion for the Beat the Q concept pushed him forward. "I was very convinced by the opportunity. I paid less and less attention to the risk associated because I really sold myself on the opportunity."

Similarly, Davityan says he was driven by the "excitement of taking a risk, being [my] own boss and creating value where it didn't exist before."

Ray says he believed his startup could have an important impact on the world. "I wanted to make a difference and actually create change and value for consumers and businesses."

Lindstrom says he had lost interest in his investment banking job. "I wasn't passionate any more about job and the first startup I did was building a newspaper that I was really passionate about – it was doing something good and that at the time was a far more important motivator than merely financial gains."

That's not to say these entrepreneurs moved without caution. Theobald and his co-founder, for example, didn't quit their jobs until they had answered 10 questions about the viability of their proposed business.

"Set yourself some real goals and tests before you make the big leap," he advises. "What it does is it instinctively stops you from investing in bad paths and it reduces your sunk costs."

"When you do commit, have a budget and a plan to sustain yourself personally and in the business for a period of time for six to 12 months. And then once you're in the business, go 100 miles per hour and don't look back."

Ray says running a startup requires 100 per cent attention. "I don't believe it would have been possible to do full justice to my business while still working at my old workplace, given the significant time commitment that my old job took." "It may be possible for certain people to soft launch a business first and see traction before taking the big step, however it really depends on the type of business you're trying to start."

Lindstrom says that while he made a clean break at the time, he later took a part-time job in addition to running his startup.

"It is possible to do both and I would recommend it for the very early stage of a startup until it gets enough traction or funding."

There is a point where quitting the old job becomes necessary, says Davityan. "You need to make a clean break if your startup is going to be successful. Money is always an issue but eventually you need to devote all of your time and energy because creating and growing a successful business is a monumental task.

"When you're competing globally, being able to move rapidly, commercialise your product and take market share is critical. Every day you spend doing something else is a day your future competitors are moving ahead of you."

### **Transferring skills**

The entrepreneurs say they were able to transfer some skills from their previous jobs into their startups, but also had to learn a lot of new ones.

"Life in a startup changes constantly, so you need to use everything you already know and learn everything else on the job," says Davityan. "We've applied the skills and experience from our previous jobs virtually every day. You need to simultaneously be a CEO, a technologist, financial manager, head of sales and marketing expert. You don't have a choice so you just take care of business."

Theobald says his experience dealing with investors as an equity broker has been helpful in seeking funding for Beat the Q. In addition, he says his previous jobs taught him how to quickly make decisions and learn from mistakes.

Ray says his work in investment banking prepared him well for running his own business. "The core financial skills gained through my old job have been invaluable in building up the business. Being in banking as well, allowed me to take an inside out view on what it takes to raise money and made the process of raising capital significantly easier than if I hadn't."

### **No regrets**

"I'm glad I left my job," declares Ray. "I think I was able to get the best of both worlds which is get some real credible corporate experience under my belt, but then leave before getting too entrenched into the corporate ladder."

Running a startup will take time and patience, he warns. "If you're after making a quick buck, you're better off trying to buy a Lotto ticket or asking your boss for a promotion..."

“So just be aware that you'll have to make sacrifices when it comes to starting your own business, versus working for someone else. The experience and the reward are definitely worth it, if you come prepared.”

No matter what happens, trying to make a go of a startup will provide useful experience, says Davityan. “There's a point that comes when you look back at what you've experienced and you say that it was worth it, regardless of whether your startup is successful or not,” he says. You learn so much that the experience becomes more valuable than the income that you've lost or the risks you've taken.”

It's important never to despair, he adds. “You will survive! Even if everything goes wrong, you can always get another job and pay off your bills.”

Lindstrom agrees this is the right attitude. “I do see it as a general trait in the many entrepreneurs I know and have met that they follow their dreams and are not afraid to fail.”