

# Is it Possible to Be a Part Time Co-Founder?

Your buddy has come to you with what sounds like an awesome business idea and would like you to partner with them to help make it happen. You definitely want to be a part of this project, but you already have a lot of demands on your time and aren't sure that you have enough spoons (or money!) to commit full time to a brand-new start-up. You don't want to turn them down, but you aren't sure if being a part-time co-founder is really a thing.

Guess what: Part-time co-founding is totally a thing. There is no law (and trust us, we've checked) that says if you want to help someone start a new business you have to commit to them and their idea full-time. If your partners are amenable, you are absolutely allowed to help out on a part-time basis. But what does that look like? How do you make it work?

## The CO in Co-Founder

The very first thing you are going to need to do is put your ego aside. This is going to be hard for all of you type-A's out there but trust us. You are a CO-founder. This means that you aren't automatically going to be the decision maker on all of the things. You and your partners are going to have to make decisions together. And, if you are only willing/able to commit to part-time involvement, you may only be brought into the decision-making process some of the time, when your specific areas of expertise are needed. Are you okay with that?

## Who Gets Paid What? Dealing with Equity

With any luck, this project will take off and be profitable (or it will be such an awesome idea that you'll have an easy time raising outside seed money to help get everything up and running). Once the business is making money, everybody who helped build the business deserves to get paid, right? Of course! But how much?

This is the first big decision you and your team will make together, and it is important that you get it right. Are you going to split the profits evenly among the co-founders? How do you do that if one (or more) of you is only helping part time? Do the part-timers get a smaller percentage of the profits? That seems like the easiest road to take—that part-timers' shares of equity should be the rough equivalent of how much of the time and effort they put into the process. For example: if you are doing half the work of someone working full-time on the start-up process, then you would get half of the equity that they are entitled to.

Of course, that method only works if everybody agrees to stay committed to the project going forward. What if you were only helping to co-found the business in the start-up phase but aren't willing to commit to the venture after that?

One way to do this is to figure out what your salary would have been if you had been charging them a consulting fee. Then, once you have that number, a portion of the business's profits is given to you until that debt is paid off in full.

Another option is to choose to take a very small percentage of the profit for either a specific number of years or until you decide to commit full-time to the business.

There are a lot of different ways to do equity math when co-founding a venture. Make sure everybody agrees with the formula before you do anything else.

## Define "Part-Time"

We talked about this a little bit already, but still, it's important. What does "part-time" mean to you and to your co-founders? Are you someone who is only brought in once in a while to consult on specific topics? Are you helping to fund the start-up but want to stay mostly hands-off after you've launched? Are you only part-time until the business becomes profitable or you get some start-up capital and then you'll commit full-time to building the business?

It is vital that you work all of this out with your co-founders before you take any concrete steps to begin building your business. Vagueness is not a solid foundation on which to turn a profit.

## Writing it Down: Do You Need Lawyers?

Yes.

Having a legally binding document drawn up, signed, and notarized is in everybody's best interest. This document should include details like:

- How much money is each founder contributing to the start-up funding?
- How much time and effort are each founder committed to dedicating to the start-up process?
- How will profits/equity be distributed amongst the co-founders?
- When will part-time co-founders either join full-time or leave the project?
- How much will each partner be liable for if the project goes belly up before making a profit?

Could you all do this all yourselves on a cocktail napkin one night at the bar? Sure. But it won't carry nearly as much weight as a legally binding contract will carry should problems arise in the future. And even if you're partnering with the people you love most in the world, this is business. You always want to shield yourself against future problems.

## Setting Schedules

Okay you've done the uncomfortable work of figuring out the numbers and commitment levels and have all signed on the dotted lines. Now what?

Now is when you get to work!

You thought this part would be more complicated, didn't you? Technically it is, but that is an entirely different article.

## Avoiding Burnout

Even when you're only committing part-time to co-founding a business, you need to make sure that you take steps to avoid getting burnt out. After all, you already had a ton of responsibilities, right? Now you're adding something else to the pile. It is important that you make time to take care of your physical and your mental health during this time. Make sure you communicate with your partners—both business and personal about how you're doing. Be honest when you need to take a break and then take that break. No matter how much you loved him, when it comes to co-founding an entrepreneurial enterprise it is not better to burn out than to fade away (once in a while for self-care).

Did all of this freak you out a little? It's okay if it did. Entrepreneurship can be overwhelming! Try to remember, though: it's also supposed to be exciting! Use these tips to help keep you grounded as you start your new adventure. And remember: you've got this!