

Fear, greed and dedication

Entrepreneurs are not easy to categorise explains Brian Jenks of accountants Touche Ross

Last week I discussed the reasons for businesses going **bust** and concluded that the ultimate problem often lies in the fact that the founder of the business is not cut out to start up and develop his own operation. Sometimes this is due to a lack of knowledge, skill or business experience; sometimes to personal weaknesses.

So let us attempt to analyse the character traits of an entrepreneur. Although entrepreneurs are a **diverse** species, there are clearly some common factors. Permit me to quote from *The British Entrepreneur* - a study prepared by accountants Ernst and Young and the Cranfield School of Management. 'Not all entrepreneurs are cast in the same mould. Indeed it would be an extremely dull world if they were. Almost by definition they defy categorisation.

'Some have a strong sense of humour, some none; some **thrive** on publicity and adulation, others are virtual hermits; some have an overwhelming need for power, others for creativity; some need the trappings of wealth, others lead very simple lives. Whatever the difference is, there is one factor which all successful 30 entrepreneurs have in common - they and their firms are always on the move.'

It must be appreciated that management skills can be learned, whereas entrepreneurial ability is a matter of flair; either you have it or you don't. Business requires both skills, the flair of the entrepreneur and the **solid** competence of the manager.

It is dangerous to generalise but some of the characteristics of the entrepreneur, in contrast to the manager, are: belief in himself and his business; belief in wealth and material gain; and belief in delegation.

Entrepreneurial talent and management skills may not both be present in the one person. This may lead to the idea of partnership and, indeed, as the business flourishes and expands, the creation of a management team.

The British Entrepreneur **encompasses** the results of a survey of the views of owner-managers of the top 100 entrepreneurial firms in the UK. One of the questions asked was 'what are the critical factors for success?'. The answers came under three main headings:

Marketing:

A unique product; an innovative approach; a good fundamental idea; aggressive sales and marketing strategies; active selling; quality; price; heavy marketing investment.

Management:

Dedicated senior management; hard work and commitment of staff; tight financial controls; cash flow; investment for the long term; regular views and **overhaul** of the management structure; disciplined and cost effective management of employees; unwavering and total support from initial backers.

Personal:

Vision; hard work; concentration: flexibility; persistence; ability to recognise opportunities.

The owner-managers were asked about their personal life and family background.

Many came from families where the father had some form of small firm or self-employment background and the mother was a full time housewife. It was interesting to note that not one was an only child and more than half came from families with more than two children.

The previous survey, in 1988, revealed that the group showed low educational **attainments**, 45 per cent

51 having left school at the age of 16 and very few having any post-school qualifications.

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53 The 1989 list reveals somewhat greater academic attainments but apart from the obvious value of
54 management skills which result from taking an MBA, few of these owner-managers saw any relationship
55 between educational achievements and their current success.

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57 There is a misconception that successful entrepreneurs fail a number of times before making the
58 breakthrough. Not true with this sample, where only 20 per cent had started more than one business.

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60 The average age of the entrepreneurs when they started their first business was 32, while the youngest was
61 24. Presumably they had gained valuable skills and product knowledge between school and start-up. On
62 the other hand, the majority had started businesses which bore no commercial relationship to their
63 previous employment.

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65 All rather confusing. Perhaps we should **dwell** on the wisdom of Sir James Goldsmith: 'First you must
66 have the appetite to succeed - ambition. When you have no ambition you are dead. You have to be willing
67 to work. You have to be ready to let go of a smart, safe, socially acceptable job in pursuit of your
68 objective. Fear, greed, dedication and luck - all play their part. The rest follows.

