



# Understanding Entrepreneurs is Key to Business Prosperity: *New Research Educates How to Keep Entrepreneurs in Your Midst*

## A Harvard Business Review Blog Network Post

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*How useful would it be to identify people who become problem-solvers within your business? To identify people who will power economic change through their vision and creative ideas? They're called entrepreneurs, but not all of them are created the same. Through research, we're beginning to know more and more about them, becoming better equipped to harness their unique brand of business acumen.*

**For businesses developing new products, increasing efficiency or restarting growth, the ability to identify entrepreneurs is extremely valuable.** It empowers organizations and leaders to more effectively manage their workforce and reduce the chances star performers become disengaged and flee, taking their new ideas with them.

**Entrepreneurs also power the economy.** According to a Kaufman Foundation, U.S. startups create an average of three million new jobs annually, and young firms one to five years old account

for two-thirds of job creation. Startups and entrepreneurial businesses are significant engines of job creation and entrepreneurs are the crucial drivers.

## Two Types of Entrepreneurs Emerging

Identifying these individuals is possible long before they enter the workplace and as early as middle school. **In fact, 42 percent of entrepreneurs have determined they want to own their own business before the age of 12, according to research conducted by Target Training International, Ltd (TTI), the world's leading developer of research-based, validated assessment and coaching tools.** TTI's latest research delves deeper into the types of entrepreneurs that exist.



Early findings from this ongoing study of a pool of engineering students from 18 major U.S. universities describe the two types of entrepreneurs emerging. **The first are entrepreneurial-minded people or EMPs.** They tend to work well in teams, have an organized workplace and enjoy consistency. These individuals are happier within organizations or within a group of people working together to achieve a goal.

**The second group is made up of potential serial entrepreneurs who have a desire to own their own business.** Serial entrepreneurs tend to be more individualistic, have a greater sense of urgency and a desire to control. They also are most likely to want to run their own company or be the free-thinkers at the top of an innovative business.

Serial entrepreneurs have three to five times the economic impact of a person who would normally be classified as small business person. **Serial entrepreneurs have demonstrated an ability to sustain a business past the first year, into the higher growth job production years of a young firm.**

Both the EMPs and the serial entrepreneurs are identified by their distinct challenge-orientation, and their improvement-focused mindset, as well as 21 of 55 other factors the study examined.

## Similar, But Different

**But now emerging for the first time are the differences between these subgroups.**

These differences come in the form of control. **The newest research shows EMPs are less concerned with the amount of control they can exert on their lives and in business.** They are happiest when they work collaboratively on a task, in a team, striving for solutions to complex or recurring problems.

**The serial entrepreneur, however, wishes to have ultimate control over his or her life and business.** While happy to set direction and course for a company or team, serial entrepreneurs need to feel as if their own destiny is not limited by that company or team.



# Keep Your Entrepreneur with Better Management

But simply because serial entrepreneurs and EMPs can be identified does not mean they will remain in any given organization. Every organization should identify their entrepreneurial minded staff and make sure they have a forum where their ideas can be heard. **If not, the potential losses are significant.**

**When a serial entrepreneur shares his or her vision or ideas and is met with rejection, resistance or an adherence to a rigid corporate policy, they will become disengaged and are likely to resent the organization.**

They are also likely to drop out or plot, not only their exit, but potentially how to redress the rejection they experienced. That can translate into taking their ideas to a competitor or becoming a competitor themselves. If an EMP is not allowed to engage in the problem-solving process or is asked to work independently, the same is likely to occur. Their loss can translate into millions of dollars in innovation, lost jobs, and business growth.

## **So how do managers identify them?**

Unfortunately, degrees are not necessarily an indication. Instead, put these questions and answers to use in your workforce.

Ideally, these questions should be put to every new hire, during the hiring process.

**To determine if individuals in the workplace are serial entrepreneurs or entrepreneurial-minded, use these questions and analysis during a performance review.**

### **Q1. DESCRIBE YOUR CAREER GOALS.**

**A:** EMP's answer would more likely indicate they could care less about being in management and is that they are happy where they are or where they are applying for. The SEs will tend to say they are looking for advancement.

### **Q2. DESCRIBE YOUR PROFESSIONAL STRENGTHS.**

**A:** EMPs will focus on strengths directly related to the job in question. SEs would talk more about management/leadership and who they are.



**Q3. DESCRIBE THINGS YOU'RE NOT GOOD AT.**

**A:** Honesty is important for both. Listen closely: if they claim to not have any weaknesses, they will be more SE-driven; the more weaknesses, the more EM-driven they are.

**Q4. WHAT ACTIVITIES DO YOU DO TO KEEP CURRENT IN YOUR PROFESSION?**

**A:** The EMP is interested in keeping up within their profession and industry. The SE is more focused on keeping up on broader scope, going beyond just his or her profession or career and may discuss things they are reading, experiencing or sharing.

Entrepreneurs—whether EMPs or serial—already possess the behaviors, attitudes and values to build successful businesses. **They also have the potential to influence the future of the American economy.** Finding out whom within the workforce possesses the traits of an entrepreneur—and which type they are—empowers business leaders to work with their unique approach to business. It can also pay big dividends not just for individual companies and academic institutions, but also for the country.

## About Target Training International, Ltd.

Target Training International, Ltd. is the world's leading developer of research-based, validated assessment and coaching tools that enable organizations to effectively meet their human resource needs. Many Fortune 500 companies use TTI's products. Its assessments and reports are at work in more than 90 countries and in 40 languages. TTI is also a leader in cutting edge research on human behavior, communication and workplace attitudes and performance. TTI develops thought leadership in the realms of entrepreneurship, education and human interaction. For more information, go to [www.ttiassessments.com](http://www.ttiassessments.com).