

the
FUTURE
of
BRITAIN



ENTREPRENEURIAL BRITAIN

 The Telegraph



Small Business Connect

FOREWORD



Welcome to Entrepreneurial Britain, the latest research project in our award-winning Future of Britain initiative. We are very proud to partner with The Telegraph Media Group for this latest study.

Back in 2013, we recognised that all corners of the country were witnessing a huge wave of cultural, societal, political and economic change and so launched the Future of Britain programme to take a closer look at the attitudes, beliefs and behaviours underpinning modern British life. Today, the research contributes heavily to our insights and thinking at OMD UK and has been adopted by 10 other OMD offices across the world. More recently, the initiative has received industry-recognition, with our Future of Generations

work being voted Best Research Paper at the Media Research Group's annual conference.

We've decided to kick off 2017 by delving into the lives of Britain's entrepreneurs. With more than one new startup being launched every minute and SMEs contributing over £1.8 trillion a year to the UK economy, it's more important than ever for brands to understand entrepreneurs as people rather than businesses.

Many assume that becoming an entrepreneur is strongly linked to the accumulation of wealth, but our research has discovered that the motivations behind setting up and running businesses are much more multidimensional. In the coming pages,

we explore these findings, along with some very definite personality traits of entrepreneurs and the challenges they face; all with the aim of understanding how these business owners can be supported and inspired.

We hope you find these insights valuable and engaging.

Thank you again to Robert and the team at The Telegraph Media Group for partnering with us on this latest project.

DAN CLAYS
CEO, OMD UK



The Telegraph

In 2016, The Telegraph launched Small Business Connect, an interactive community designed to inspire and link the owners and directors of small businesses.

At the heart of this community sits a team of specialist writers and industry experts who offer daily inspiration and guidance to members on all aspects of starting and running a small business.

2.1 million people who work for an SME now regularly turn to The Telegraph - so when OMD UK approached us about working in collaboration to better understand the challenges entrepreneurs face, we knew this was a great idea.

Over the coming year, we plan to share the findings

of this groundbreaking survey editorially, and our award-winning commercial teams will use the unrivalled insight we have gained to offer premium sponsorship solutions for brands who want to break into the boardrooms of these exciting companies.

If you would like to find out more, please email Michael Hepburn, Head of Telegraph Connect, at michael.hepburn@telegraph.co.uk or call him on 020 7931 2978.

ROBERT FFITCH
Director of Advertising
Revenues,
The Telegraph

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INTRODUCING ENTREPRENEURIAL BRITAIN

Small and Medium-Sized Enterprises (SMEs) contributed around £1.8 trillion annually to the UK economy at the start of 2016¹. And this contribution is set to grow, with StartUp Britain reporting that over 608,000 new companies were launched in Britain during 2015, more than one every minute². This figure has grown by more than 38% since 2011 and

small, privately owned businesses are now estimated to employ 15.6 million people in the UK.

Those individuals that decide to take the bull by the horns and setup their own businesses are clearly incredibly important to our economy, with the EY Barometer in 2013 stating:

“

ENTREPRENEURS PROVIDE ONE OF THE MAIN ENGINES OF GROWTH IN ANY HEALTHY ECONOMY. THEY ACT AS VITAL AGENTS OF CHANGE BY DEVELOPING NEW PRODUCTS AND SERVICES, IMPLEMENTING MORE EFFICIENT PRODUCTION METHODS AND CREATING NEW BUSINESS MODELS AND INDUSTRIES. THEY GENERATE JOBS, SUPPORT LOCAL COMMUNITIES AND BUILD PROSPEROUS SOCIETIES.”³

But what are the motivations of Britain's entrepreneurs? Who influences and inspires them? OMD UK and The Telegraph Media Group set out to understand entrepreneurs as individuals, examining what makes them tick and explore the different types of entrepreneurs that are shaping Britain today.

Source:

¹ The Department of Business, Energy and Industrial Strategy, October 2016

² <http://startupbritain.org/startup-tracker/>

³ The EY G20 Entrepreneurship Barometer 2013



2

WHAT IS AN ENTREPRENEUR?

The term entrepreneur is widely used throughout both the business world and within everyday language. There are countless different definitions of the term, including:

ONE WHO ORGANIZES, MANAGES AND ASSUMES THE RISKS OF A BUSINESS OR ENTERPRISE.

Merriam-Webster Dictionary

A PERSON WHO ORGANIZES AND MANAGES ANY ENTERPRISE, ESPECIALLY A BUSINESS, USUALLY WITH CONSIDERABLE INITIATIVE AND RISK.

Dictionary.com

A PERSON WHO SETS UP A BUSINESS OR BUSINESSES, TAKING ON FINANCIAL RISKS IN THE HOPE OF PROFIT.

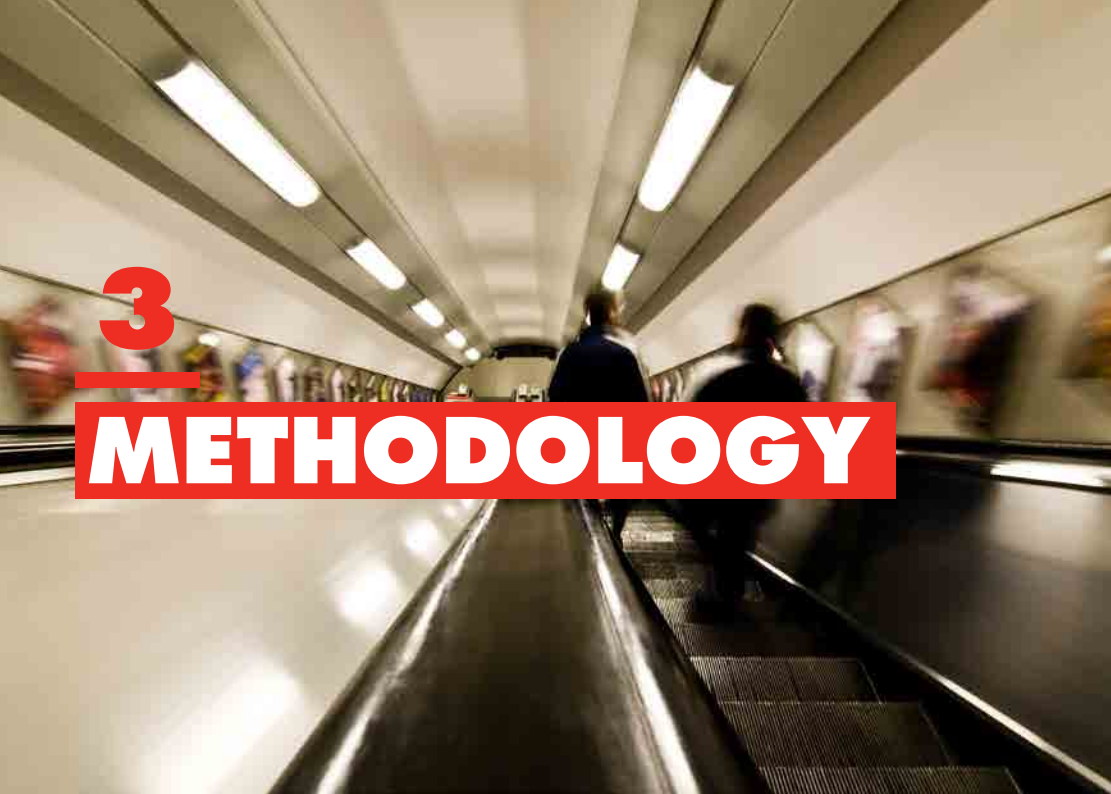
The Oxford Living Dictionary

AN ENTREPRENEUR IS AN INDIVIDUAL WHO, RATHER THAN WORKING AS AN EMPLOYEE, RUNS A SMALL BUSINESS AND ASSUMES ALL THE RISKS AND REWARDS OF A GIVEN BUSINESS VENTURE, IDEA, OR GOOD OR SERVICE OFFERED FOR SALE. THE ENTREPRENEUR IS COMMONLY SEEN AS A BUSINESS LEADER AND INNOVATOR OF NEW IDEAS AND BUSINESS PROCESSES.

Investopedia.com

What is clear from these varied definitions is that there are many nuances, particularly around leadership and expertise, with some definitions claiming that entrepreneurs can turn their hand to any business gap or problem and others arguing that expertise is an important element of the definition; but there are also many commonalities.

For example, entrepreneurs are commonly seen as shouldering individual risk, as organising a business process, setting up a venture and as profiting from these ventures. With this in mind, we used a broad definition of anyone who has setup their own SME or planned to start their own SME in the next 12 months for the purposes of our research.



3 METHODOLOGY

Our research was multi-staged and took place during the Spring and Summer of 2016. Our main phases of primary research involved in-depth interviews with 10 entrepreneurs at The Telegraph Media Group offices in London, followed by an extensive online survey with over 1,000 entrepreneurs sourced via pop-up invitations on the telegraph.co.uk website. This data was used to segment entrepreneurs into four core segments.

LITERATURE REVIEW

The first phase of research involved an extensive literature review around the UK and international entrepreneurial landscape using OMD UK's extensive pool of syndicated tools and systems. This analysis provided us with a comprehensive view of the SME market in the UK and valuable context for the research. We concluded that there is already a wealth of knowledge around the size, shape, profile and future of the market, but there was far less insight into who entrepreneurs are, what motivates them and how their role as entrepreneurs impacts their personal lives.

QUALITATIVE INTERVIEWS

Following the desk research, we conducted in-depth interviews with 10 entrepreneurs to understand the journey into their entrepreneurial lives. This focused on their route into business ownership, its impact on their lives, their opinion of UK culture and the key challenges they face in their personal and professional lives.

ONLINE SURVEY

We fed the insights from our in-depth interviews into a 15-minute online survey that was asked of 1,000+ UK entrepreneurs, recruited via the telegraph.co.uk website. The survey covered the background of their business, motivations, personality characteristics, barriers and challenges faced and the role of media in starting and managing a business. We also asked the personality questions of a nationally representative sample of 300 people from the UK to provide a point of comparison.

ENTREPRENEURIAL SEGMENTATION

In order to understand the different types of entrepreneurs that exist, segmentation was conducted based on the personality and motivational measures included in the survey, finding four key entrepreneur groups. This was conducted by OMD's in-house Annalect Marketing Science's team.

4 OUR ENTREPRENEUR SAMPLE

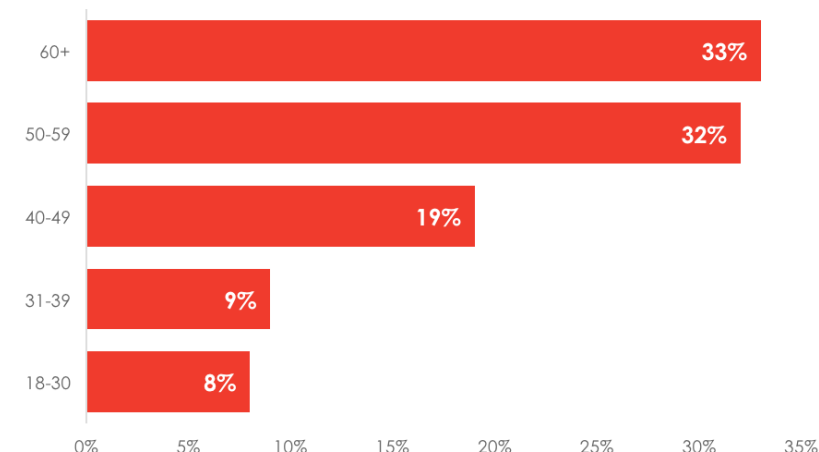
Before we move on to exploring the mind-set of modern entrepreneurs, it is worth describing the overall profile of the entrepreneurs in our online survey. Respondents were

recruited through the telegraph.co.uk website and we achieved a sample of 1,079 self-classified entrepreneurs.

profile of 66% male and 34% female. The age profile was older, as shown in figure 1, below.

Overall, our sample skewed male, with a

Figure 1: Age profile of sample



Education levels were relatively high, with 60% of the sample having achieved a degree or post-graduate qualification.

ENTREPRENEURIAL STATUS

Overall, 67% of our sample currently own an SME, with half of the sample having run their SME for four years or more. Around one in four of our sample plan to start their own SME over the next year.

The majority of SMEs were either sole traders (43%) or employed less than 10 people (43%). Around one in eight owned an SME with over 10 employees. The biggest sectors operated in were retail (14%), technology (14%), education (10%) and art (10%).

Our sample was relatively evenly split in terms of the number of businesses started, with around half having started their own business once and half having set up more than one business.

Source: OMD UK/The Telegraph, Entrepreneurial Britain,
Base: All (1,079)



5

UNDERSTANDING ENTREPRENEURS

Entrepreneurs are an increasingly essential contributor to the UK's economic growth and social progress. Through the creation of new products, services and jobs, or through personal investment in education and local communities, we rely on entrepreneurs across all tiers of the economy.

But what is it that compels some people to set up their own business? During our qualitative interviews, it became increasingly obvious that starting a business is about much more than simply making money. The motivations are multidimensional and can vary widely among different groups of people.

We also set out to understand what personality differences may lead an individual to become an entrepreneur, using the five-factor personality test. Is there a personality type that's more suited to being an entrepreneur or is there opportunity for all types to take the leap into entrepreneurship?

WHAT MOTIVATES US TO BECOME ENTREPRENEURS?

Many definitions of entrepreneurs focus on **profit and money making**. However, when we spoke to entrepreneurs during our in-depth interviews, it quickly became evident that motivations behind setting up and running our businesses are much more **multidimensional and complex** than just the accumulation of wealth.

“

**MY MAIN MOTIVATION IS
GETTING STUFF DONE AND BEING
ABLE TO DO LOADS OF DIFFERENT
ROLES, ADDING VALUE AND
GIVING BACK TO SOCIETY”**

Imogen, Qudini

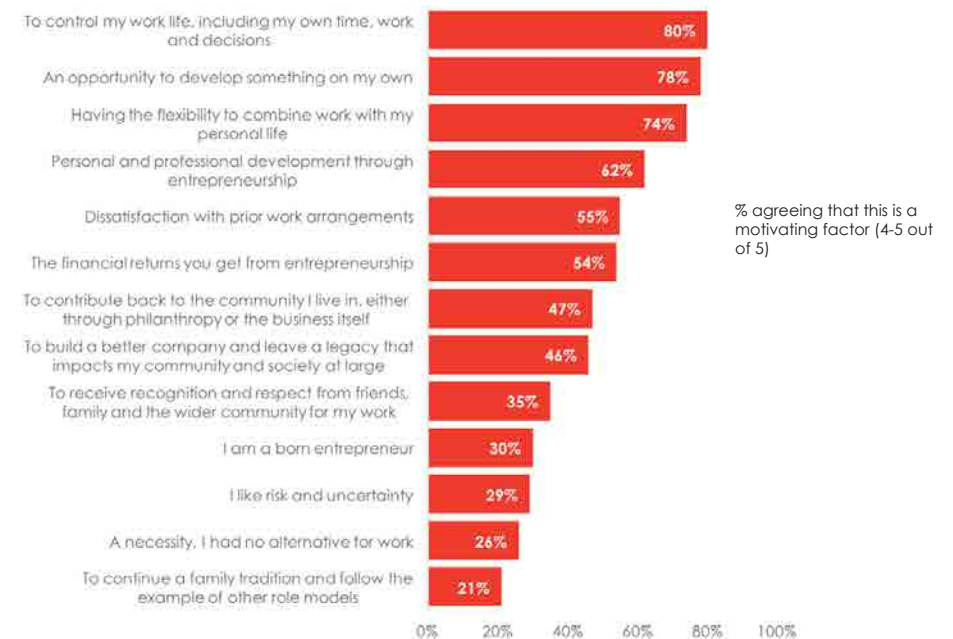
1000 ENTREPRENEURS

This was further reinforced during our quantitative research, when we asked our 1,000 entrepreneurs what motivated them in setting up and running their own business. Overall, our participants agreed that an average of **six motivations were important** to them in setting up their business.

Becoming our own boss doesn't often come through necessity, with only a quarter of our entrepreneurs agreeing that they became an entrepreneur because they needed to and had no alternative. Rather, the decision is a **more conscious choice**, stemming not solely from a desire for financial rewards (only 54% argue this was the case) but rather a **combination of lifestyle factors**. The most common motivation from our research was, in fact, the **control** that owning and running a business presents - a massive eight in ten entrepreneurs agreed that this motivates them. A significant proportion of our sample also found the ability to find a **better work life balance** (76%) was a motivating factor, as is the **independence** that being our own boss offers (78%).


There is also hope for those of us who don't necessarily think we are a 'natural entrepreneur' as only 30% of SME owners in our sample thought that this was an important motivator for them. It would seem that being an entrepreneur is not just for those that were born into it.

Figure 2: Proportion that found each factor motivating in starting or running their own business



We also asked our entrepreneurs about their levels of tenacity and one core element of being an entrepreneur is the ability to see a job through. Over two thirds of them argue that they can work at something without getting bored and over three quarters argue that if they have not attained a goal, they continue to do their best to obtain it. Coupled with this, over half of our entrepreneurs had started more than one business in their careers. It would seem that perseverance, tenacity and hard work are also key to keeping momentum going for entrepreneurs.

Source: OMD UK/The Telegraph, Entrepreneurial Britain, Q15. On a scale of 1 - 5, when thinking about your motivations for starting/ running your business, to what extent do the following statements apply to you?
Base: All (1,079)



PERSONALITY TRAITS OF ENTREPRENEURS

WE ALSO WANTED TO EXPLORE THE PERSONALITY TRAITS THAT MAY LEAD TO A HIGHER PROPENSITY OF PEOPLE BECOMING ENTREPRENEURS.

Only by really understanding entrepreneurs as individuals rather than as businesses can we hope to develop products and services that meet their needs and communications that really resonate with them.

To do this, we have used the BIG5, or five-factor model of personality, which is arguably the most popular and widely used scientific taxonomy for describing individual differences in personality.

The five factors that make up our personalities include openness, conscientiousness, extraversion, agreeableness and neuroticism. Evidence for these traits has evolved since the late 1940s, beginning with the research of D. W. Fiske (1949) and later expanded upon by other researchers including Norman (1967), Smith (1967), Goldberg (1981) and McCrae & Costa (1987). We measured each of these traits in a survey, using a five-point scale from definitely agree to definitely disagree.

As well as measuring personality traits of a sample of 1,079 entrepreneurs from telegraph.co.uk in order to understand what makes an entrepreneur different to the rest of us, we also asked our personality statements to a nationally representative sample of 300.

OPENNESS

WHAT IS IT?

Openness refers to characteristics such as imagination and insight and those high in this trait tend to be more adventurous and creative.

HOW DID WE MEASURE IT?

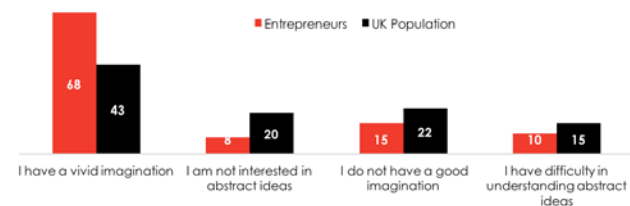
Self-rating on a scale of 1-5 of the following statements:

1. I have a vivid imagination
2. I am not interested in abstract ideas
3. I do not have a good imagination
4. I have difficulty in understanding abstract ideas

WHAT DID WE FIND?

The entrepreneurs we surveyed have an openness to drive creativity – many say they have a vivid imagination whereas only a small proportion say they are not interested in abstract ideas or think they do not have a good imagination.

Figure 3: Measures of openness of entrepreneurs and the UK population



Source: OMD UK/The Telegraph, Entrepreneurial Britain: When thinking about yourself in the most honest way possible, on a scale of 1 - 5, to what extent do you agree or disagree with the following statement?

Base: All entrepreneurs (1,079), UK Population (~300)

“

MY MAIN MOTIVATION WAS THE OPPORTUNITY TO DO SOMETHING I BELIEVED IN. I SAW A PROBLEM IN THE ARTISTIC COMMUNITY AND IT WAS REALLY IMPORTANT FOR ME THAT IT WAS FIXED”

Georgia, Locodia

Similarly, when we interviewed the entrepreneurs, openness and creating something for themselves was a key driver for them. They wanted to create something just for themselves and this tended to originate from their passion points.

When we compare entrepreneurs to the rest of the population, we see a similar pattern in results, both groups have a tendency towards imagination and an interest in abstract ideas. However, entrepreneurs show much stronger tendencies to these traits; they are more inclined towards creativity, the abstract and imagination than the rest of the population.

CONSCIENTIOUSNESS

WHAT IS IT?

Conscientiousness refers to the level of thoughtfulness, impulse control and goal-directed behaviours. Those with high levels of conscientiousness tend to be organised, reliable, perfectionists and efficient.

HOW DID WE MEASURE IT?

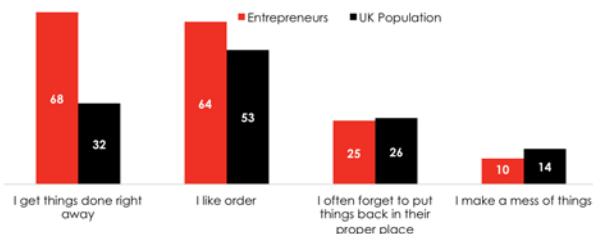
Self-rating on a scale of 1-5 of the following statements:

1. I get things done right away
2. I like order
3. I often forget to put things back in their proper place
4. I make a mess of things

WHAT DID WE FIND?

Conscientiousness revolves around the extent to which people prefer an organised approach as opposed to a flexible one. Our entrepreneurs tended towards conscientiousness and enjoy order in their lives:

Figure 4: Measures of conscientiousness of entrepreneurs and the UK population



Source: OMD UK/The Telegraph, Entrepreneurial Britain: When thinking about yourself in the most honest way possible, on a scale of 1 - 5, to what extent do you agree or disagree with the following statement?

Base: All entrepreneurs (1,079), UK Population (~300)

The notion of a 'flaky' entrepreneur is not something that resonated with our sample of entrepreneurs, although we did see some slight differences with the youngest age groups who had a tendency towards getting things done right away (80%) and were slightly more likely to argue that they often forget to put things back in the right place (32% of 18-24s).

When we compare results from our entrepreneurs to the UK population, we see some interesting results. Our entrepreneurs are more than twice as likely to get things done quickly than the population, although their preference towards order is only slightly higher. Although the UK population is slightly more likely to argue that they often forget to put things back in their proper place and that they make a mess of things, it is very clear that what differentiates an entrepreneur from the rest of the population, in terms of their levels of conscientiousness, is the tendency towards fast and efficient action rather than the preference towards order.

Echoing this, we found that control and structure were also extremely key from our qualitative research. The majority were almost control freaks – wanting to do everything themselves, oversee everything and absorb everything even if it's not necessarily their expert area.

“YOU WORRY THAT PEOPLE MIGHT NOT DEAL WITH SOMETHING THE SAME WAY THAT YOU WOULD. BUT IT’S SOMETHING I’M GETTING BETTER AT, I MEAN I HAD TO...”

Richard, Telecoms Entrepreneur

EXTROVERSION

WHAT IS IT?

Extroversion refers to the extent to which people enjoy the company of others or seek excitement and stimulation. Extroverts draw their energy from others around them and are often described as energetic, active, talkative, sociable, outgoing and enthusiastic.

HOW DID WE MEASURE IT?

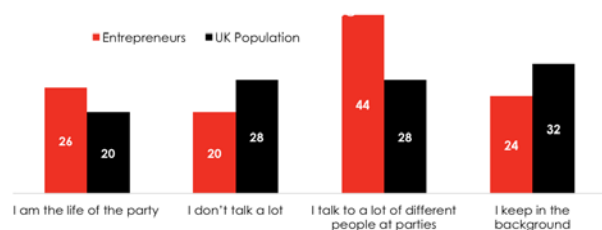
Self-rating on a scale of 1-5 of the following statements:

1. I am the life of the party
2. I don't talk a lot
3. I talk to a lot of different people at parties
4. I keep in the background

WHAT DID WE FIND?

Overall, as a country, we tend to be relatively introverted. Only two in ten of us argue that we're the life of the party and around a third of us argue that we like to keep in the background. Although many may assume that entrepreneurs are much more prone to extroversion than the rest of the country, able to talk to others easily and voice their opinions openly and without inhibition, our research suggests that our entrepreneurs, like the rest of us, tend towards introversion.

Figure 5: Measures of extroversion of entrepreneurs and the UK population



Source: OMD UK/The Telegraph, Entrepreneurial Britain: When thinking about yourself in the most honest way possible, on a scale of 1 - 5, to what extent do you agree or disagree with the following statement?

Base: All entrepreneurs (1,079), UK Population (~300)

Interestingly, the younger entrepreneurs are more likely to argue that they are the life of the party (39% of 18-29s) although they are just as likely as other entrepreneurs to argue that they don't talk a lot.

Our research tends to point to the introverted entrepreneur being more prevalent. An individual who is more reflective, based in reason and who takes ego and personal affirmation away from a business is much more likely to become an entrepreneur in the UK.

AGREEABLENESS

WHAT IS IT?

Agreeableness refers to the relationships that we have with others. Those who score highly on the agreeableness scale generally see themselves as trusting, generous and empathetic.

HOW DID WE MEASURE IT?

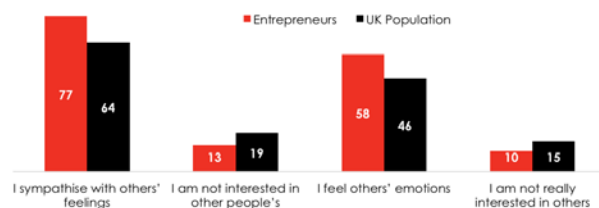
Self-rating on a scale of 1-5 of the following statements:

1. I sympathise with others' feelings
2. I am not interested in other people's problems
3. I feel others' emotions
4. I am not really interested in others

WHAT DID WE FIND?

A stereotypical view of entrepreneurs is ruthless single-mindedness. In his 2012 book *The Psychopath Test*, Jon Ronson found that corporate leaders were four times as likely to exhibit traits of psychopaths, being less empathetic and more manipulative than the rest of us. Although there is an argument that our entrepreneurs may be less self-aware of their levels of empathy, if this conclusion is true across entrepreneurs, we found that the level of agreeableness is relatively high in entrepreneurs.

Figure 6: Measures of agreeableness of entrepreneurs and the UK population



Source: OMD UK/The Telegraph, Entrepreneurial Britain: When thinking about yourself in the most honest way possible, on a scale of 1 - 5, to what extent do you agree or disagree with the following statement?

Base: All entrepreneurs (1,079), UK Population (~300)



This view of a more empathetic, feelings-orientated entrepreneur is further exacerbated when we compare their levels of agreeableness with the rest of the population. The population are consistently less likely to argue that they sympathise with others and that they empathise with others, while being more likely to agree that they are not interested in other people and their problems.

NEUROTIC

WHAT IS IT?

Our levels of neuroticism refer to how we deal with the stresses and strains of everyday life. Those who score highly in terms of neuroticism are more likely to feel anxious, nervous or worried, whereas those who are low on this scale are more likely to be emotionally stable, consistent and self-confident.

HOW DID WE MEASURE IT?

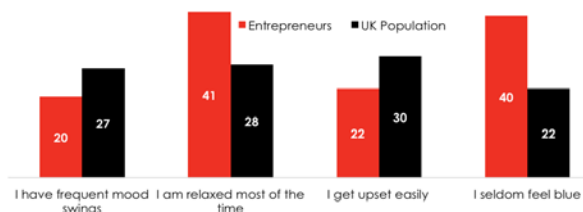
Self-rating on a scale of 1-5 of the following statements:

1. I have frequent mood swings
2. I am relaxed most of the time
3. I get upset easily
4. I seldom feel blue

WHAT DID WE FIND?

Overall, we found that our entrepreneurs were really quite emotionally stable, particularly when we compare levels to the rest of the population. They are less prone to frequent mood swings, more relaxed and are less likely to feel blue than the population in general.

Figure 7: Measures of neuroticism of entrepreneurs and the UK population



Source: OMD UK/The Telegraph, Entrepreneurial Britain: When thinking about yourself in the most honest way possible, on a scale of 1 - 5, to what extent do you agree or disagree with the following statement?

Base: All entrepreneurs (1,079), UK Population (~300)



The entrepreneurs that we met during our qualitative research were also very calm and collected and although they worked extremely hard, they seemed very relaxed about it.

“

**I LOVE SOLVING PROBLEMS...
WOW, THIS IS A GREAT JOB...
IT'S THE ULTIMATE ROLE, IT'S
REALLY FUN”**

Alasdair, Entrepreneur



6 AN ENTREPRENEUR TYPOLOGY

WE FOUND SOME VERY DEFINITE PERSONALITY TRAITS THAT DEFINE OUR ENTREPRENEURS AS A BROAD GROUP.

They tended towards introversion, reason, perfection, hard work and empathy while having vivid imaginations and being able to think in the abstract. However, we also wanted to explore the idea that there are different kinds of entrepreneurs within society.

In order to do this, we conducted a cluster analysis to segment our entrepreneurs based on their motivations, attitudes to life and personality. We found four distinct clusters of entrepreneurs:

1. THE YOUNG INNOVATORS

2. THE REVITALISED TYCOONS

3. THE NATURAL ENTREPRENEURS

4. THE TIME-HONOURED TRADITIONALISTS

Each of these groups have different motivations, personality traits and media habits and understanding these can help us to target these groups more successfully.

THE YOUNG INNOVATORS

20% OF OUR SAMPLE



The Young Innovators are the smallest, youngest segment, with a large proportion of females who are more willing to take risks to develop their business and establish themselves as key players in the business world using the help of social media.

The figure below illustrates the key elements that set the Young Innovators apart from other groups:



MEDIA

Social media increases interest
(3.9 avg l:110)

Social media is key for recommendations (3.5 avg l:113)

Reality TV inspires them
(2.7 avg, l:150)



RELATIONSHIPS

Initiatives from large companies are important to them
(avg 2.6, l: 173)

Partnerships with large companies are important
(avg 3, l:115)



CHALLENGES

Personal support is an issue
(avg 2.6, l:113)



PROFILE

Female (38% l:117)

London and South East
(19%, l:110)

Less experienced (36% owned business >4 years, l:72)



EXPERTISE

More likely to have businesses in:

Food (12%, l:171)

Retail (20%, l:142)



MOTIVATION

Motivated by recognition and respect
(Avg 3.1, l:110)

This group are likely to require support from brands and businesses. They are looking towards larger companies and media to help establish themselves, to provide inspiration and to help connect them to potential customers.

THE REVITALISED TYCOONS

26% OF OUR SAMPLE



The Revitalised Tycoons are more likely to be middle aged, with a slight bias towards females. They are relatively experienced and have held other positions. They now believe that forging their own path as an entrepreneur is the way forward.



MEDIA

Social media increases interest
(3.5 avg l:112)



RELATIONSHIPS

Believe that a Brexit remain vote would have been better for business
(avg 4.7, l:162)



CHALLENGES

Challenges around securing private funds (avg 3.6) and time management (avg 3.7)



PROFILE

Female (41% l:120)
Aged 30-59 (68%, l:115)
London (24%, l:141)
Degree or postgrad (63%, l: 131)



EXPERTISE

Category bias:
Advertising (7%, l:175)
Comms (9%, l:128)
Finance (9%, l:128)



MOTIVATION

Motivated by **personal development, taking control and growing something**. Feel that life is better as an entrepreneur and are generally satisfied with lives.

The Revitalised Tycoons are experienced, motivated and want the benefits of control over their own lives that comes from running their own business. Media and brands can help them by ensuring that they can easily run their business, their home and social lives. Time and life management are key for them.

THE NATURAL ENTREPRENEURS

25% OF OUR SAMPLE



The Natural Entrepreneurs are a mature segment with a male skew. They have a natural entrepreneurial flair and have experienced hardship on their journey but still believe that the road to success is an exhilarating experience. They are motivated and believe that the main barriers to their success are external to them.



RELATIONSHIPS

Believe that the a Brexit leave vote is better for business
(avg 3.8, I:135)



CHALLENGES

Challenges are external – lack of awareness of entrepreneurs creating jobs (avg 3.7)

Government is slow to help (avg 3.6)



PROFILE

Male (72% I:120)

Aged 55+ (57%, I:121)

Not Degree (20%, I:69)



EXPERTISE

Category bias:

Manufacturing
(12%, I:150)

Construction
(11%, I:138)



MOTIVATION

Motivated by **building a company and leaving a legacy** and **are most likely to believe that they are born entrepreneurs.**

Most likely to have **confidence in themselves, to be risk takers, have highest levels of tenacity and highest expectations from themselves.**

The Natural Entrepreneurs have the strongest drive of all groups and believe that hard work is the key to achievement. Media and brands could appeal to them by providing practical links, help and supporting awards and recognition of small businesses.

THE TIME-HONOURED TRADITIONALISTS

29% OF OUR SAMPLE



The Time-Honoured Traditionalists are the biggest group within our sample and also the most senior. They are more likely to be male and older. Their high levels of confidence are backed by their life experience and, having become dissatisfied with their previous career, have set up on their own to develop something of their own.



MEDIA

Word of mouth is essential to them but no real social media bias.



RELATIONSHIPS

Believe that a Brexit vote will make no difference to their business (avg 3.8, I:135)



CHALLENGES

Challenges around securing private funds (avg 3.6) and time management (avg 3.8)



PROFILE

Male (71% I:107)

Aged over 60 (44%, I:133)

Not London (11%, I:65)

Doctorate (14%, I: 127)



EXPERTISE

No major category bias – a representative spread across categories.



MOTIVATION

Motivated by **control** and **dissatisfaction with work**. Family tradition and community contribution is less important to them than other groups. They feel that their **lives are positively impacted** by being an entrepreneur.

The Time Honoured Traditionalists are the most experienced of all of the groups. They are more likely to have regional businesses and would be best supported through very practical advice and support on how to grow their already established businesses.



7 SACRIFICES, STRUGGLES AND CHALLENGES

Although it is apparent from our research that many entrepreneurs sacrifice plenty, those we talked to generally agreed that their lives were more positive since becoming an entrepreneur – nearly two thirds argued that they were happier

and 55% agreed they feel satisfied (with only 14% disagreeing that they feel satisfied). The freedom and flexibility that their lifestyle offered since becoming an entrepreneur was widely acknowledged as one of the biggest benefits:

“

BEFORE, I FELT THAT THE CULTURE WAS VERY RESTRICTIVE... IT WAS QUITE A MONO-CULTURE”

Georgia, Locodia

However, for many entrepreneurs, the road is not always smooth. There are many challenges that need to be addressed, with opportunities for media and brands to support entrepreneurs along the way.

ACHIEVING A BALANCE

One of the biggest problems facing our entrepreneurs was the sheer number of hours that needed to be invested in order to ensure the success of small businesses. Over a third of our entrepreneurs argued that they feel like they work 24 hours a day and, for some, personal time is seen as wasted time:



PERSONAL TIME, YOU DON'T GET THAT BACK... EVEN WHEN YOU HAVE TIME TO YOURSELF, YOU'RE STILL THINKING ABOUT YOUR BUSINESS"

— Andy, Entrepreneur



THERE'S NO SUCH THING AS A HOLIDAY WHEN YOU RUN YOUR OWN BUSINESS"

— Richard, Telecoms Entrepreneur

There are clearly sacrifices that have to be made in order to run a successful business and it was recognised by our sample – over four in ten argued that being an entrepreneur and raising a family is hard, with the highest figures seen for 35-49s.

Support from external sources was seen as key in overcoming some of these difficulties and freeing up valuable time to enjoy their personal lives as well as their professional lives.

These opportunities can be grouped around the following areas:

1

ADVICE AND SUPPORT

3

STAFFING

2

FUNDING AND INVESTMENT

4

BRAND BUILDING

1

ADVICE AND SUPPORT

One of the key areas that entrepreneurs felt they needed help with was advice and support around core business areas, for example taxes, staffing, legal advice and finances. This may not only hamper the development of a new business but it may also be a barrier to setting up a new venture:



LACK OF KNOWLEDGE WAS MY INITIAL BARRIER. THIS CAUSES PEOPLE TO BE PUT OFF AS PEOPLE ARE UNAWARE OF THE COSTS AND THE LAWS INVOLVED"

Although the UK culture is seen as supportive to entrepreneurs, with only 17% agreeing that UK culture isn't supportive enough for them, there is often a negative perception around the level of support from the government, with red tape, regulation and the tax system all mentioned by our entrepreneurs. Again, these potential barriers are not only an issue for established businesses, but may also be limiting the growth of entrepreneurial business, with four in ten entrepreneurs in our sample arguing that UK tax and regulations may prevent the creation of new businesses. Coupled with this, four in ten of our sample say help and support from the government has been slow and 100% of our sample would welcome the government being more proactive towards entrepreneurs.

Currently word of mouth is hugely important to entrepreneurs, with 65% saying that they seek advice from someone they know with experience. However, there is an opportunity for brands to support smaller businesses through mentorships and leadership or management advice – over half of our sample would be interested in this kind of support.

2

FUNDING AND INVESTMENT

Finances are a constant source of worry for entrepreneurs. Nearly four in ten entrepreneurs argue that they struggle with their personal financial security, with only two in ten saying that they don't struggle with this. While six in ten use external sources such as banks or grants to finance their ventures, four in ten have used more personal sources such as family and friends for cash injections.

The issue of finance is particularly important when it comes to relationships with other businesses, with cash flow often cited as a key issue in our interviews with entrepreneurs:

“

**...ALSO, THE LAW NEEDS TO BE
TIGHTENED IN RELATION TO STOP
LATE PAYMENT OF INVOICES AS
CASH FLOW IS ALWAYS KEY”**

Overall, over half of those surveyed said brands and companies should help support entrepreneurs by providing better finance schemes.

3

STAFFING

Staffing is often an issue for entrepreneurs. However, it is not necessarily the case that our entrepreneurs saw a lack of talent available to recruit from – only a third agreed that there is a lack of skilled staff available. Rather, it seems that the control that is so often a motivation for setting up a business also makes it difficult to hand over tasks. We found that nearly half of our entrepreneurs had difficulties trusting others with tasks for a business. This figure is higher for the younger age groups and decreases as we get older – it seems that the experience that is gained with age gives entrepreneurs the confidence to trust others with tasks:

“

**YOU WORRY THAT PEOPLE MIGHT
NOT DEAL WITH SOMETHING THE
SAME WAY THAT YOU WOULD.
BUT IT'S SOMETHING I'M
GETTING BETTER AT, I MEAN I
HAD TO...”**

Richard, Telecoms Entrepreneur

Again, government regulation and advice is key for entrepreneurs around staffing, with one stating:

“

**COMPLEXITY OF EMPLOYMENT
REGULATION AND RISK OF
BEING TAKEN TO COURT BY AN
EMPLOYEE - WE HAVE HEARD
TOO MANY STORIES SO ONLY
USE CONTRACTORS. WE WOULD,
HOWEVER, MUCH PREFER TO
EMPLOY BUT IT IS TOO RISKY”**

Richard, Telecoms Entrepreneur

Brands, content and media that help small businesses to navigate both the regulation and the psychological barrier to relenting some control to staff are likely to win favour with entrepreneurs.

Marketing and communications are key for startups. Getting your product or business recognised, creating brand awareness and generating new business is crucial for a new startup. All of the entrepreneurs that we interviewed talked about the difficulty of getting their brand's voice heard:

“

YOU THINK ABOUT HOW YOU'RE GOING TO TURN PEOPLE WHO ARE GOING TO ADVOCATE YOUR PRODUCT INTO PEOPLE WHO ARE GOING TO SHOUT FROM THE ROOFTOPS ABOUT IT"

Georgia, Locodia

Although digital advertising and social media has provided new ways to reach people relatively cost effectively, there is still a need for advice and other media channels to support new businesses:

“

WE WENT THROUGH ALL OF THE SOCIAL MEDIA AND THEN WE HAD A BILLBOARD ON A BUS IN LONDON. WE MANAGED TO DO THAT THROUGH CONNECTIONS BECAUSE OTHERWISE IT WOULD HAVE BEEN VERY EXPENSIVE."

Vicky, Entrepreneur





8

THE FUTURE

**ENTREPRENEURSHIP IS CLEARLY
ON THE RISE IN THE UK.**

The control, flexibility and financial rewards offered by the lifestyle of an entrepreneur are attractive to a wide range of the population. When we asked a representative sample from the UK if they would be interested in starting their own business in the next 12 months, we found that around 4-6% of the population were planning to set a new business up. If this figure holds true, we will be looking at 2-3 million people setting up their own businesses in the next 12 months. This intention figure is very much driven by the younger age groups, with one in ten of those aged under 35 intending to set up their own business.

In order to meet the changing requirements of our entrepreneurial society, culture, businesses and government will be required to evolve. Although we can see signs of this happening already, with a growing number of entrepreneurship courses available at higher education establishments, there is still work to be done, with almost all of our entrepreneurs arguing that they wanted schools and universities to be more proactive towards entrepreneurialism.

But this support is likely to become more and more important and in order to meet the changing needs of entrepreneurs, it is becoming increasingly integral to understand them as individuals.

We've already demonstrated that there are clear personality traits that entrepreneurs exhibit – they are organised, controlled, but with a tendency towards imagination and creativity. Entrepreneurs are not flaky, but (like the rest of the population) are more introverted than extroverted. They are empathetic and emotionally stable and their motivations for setting up a business are much more complex than just the accumulation of wealth.

Our new breed of entrepreneurs can be segmented into four broad groups, all with slightly different motivations and challenges, and each of these will present very different opportunities to those brands which work in the business to business sector.

Only through understanding entrepreneurs as people rather than as businesses, can we hope to produce communications and marketing that really resonates with them.

CONTACT

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