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BUSINESS

# Decoding the **DNA** of the **Entrepreneur**

We asked more than 200 business founders what motivates them—and what sets them apart from other professionals. They had many surprising things to say.

# Decoding the DNA of the Entrepreneur

**P**LENTY OF PEOPLE have great ideas and a willingness to work hard, but not all of them will leverage those traits into a successful business. To find out what those who do have in common, and to learn more about what makes them tick, Inc. partnered with Capital One to conduct a survey of 211 business owners across a wide range of companies. What follows is a detailed look at the commonalities, proclivities, backgrounds, aspirations, and success factors that shape the people who shape America's start-up economy.

One of the first things we wanted to know was simply this: Are entrepreneurs different from other people? Or, at least, do they think they are? Survey respondents said that to some extent, being an entrepreneur is about being born with it. A whopping 96% believe that at least some, if not all, entrepreneurs are wired differently than other businesspeople, possessing a certain innate set of traits that predispose them to step out on their own.

## NATURE VS. NURTURE

Do you think most entrepreneurs are wired differently from other businesspeople?



- YES, I THINK MOST ENTREPRENEURS SHARE CERTAIN TRAITS THAT MAKE THEM DIFFERENT.
- I THINK SOME ENTREPRENEURS ARE HARD-WIRED FOR IT, OTHERS LESS SO.
- NOT SURE.
- NO, I THINK ENTREPRENEURS ARE ESSENTIALLY LIKE OTHER BUSINESSPEOPLE.

Exactly what are the characteristics that define entrepreneurs? Survey respondents were most likely to see themselves as confident problem-solvers with a competitive streak. What they are not: liberal or conservative, community-oriented, or peacemakers.

**And please, don't call them lucky.**

## THE ESSENCE OF ENTREPRENEURIAL DNA

While hard work tops the list, competitiveness and confidence are also important elements.

HARD-WORKING	78.3%	OPTIMISTIC	59.1%
COMPETITIVE	77.3%	RISK-TAKER	54.7%
CONFIDENT	75.4%	PERSUASIVE	54.2%
PROBLEM-SOLVER	74.9%	PASSIONATE	53.2%
DETERMINED	72.4%	CREATIVE	51.7%
LEADER	64.5%	RESPONSIBLE	50.7%

## HIGH STAKES, BIG BREAKS

A dedication to living on the edge is a core part of being an entrepreneur.



- SOMEWHAT MORE WILLING
- MUCH MORE WILLING THAN MOST OTHERS TO TAKE RISKS
- ABOUT THE SAME AS ANY OTHER PROFESSIONAL
- MORE RISK-AVERSE THAN MOST
- VERY RISK-AVERSE

Underpinning entrepreneurs' inherent drive to push their ideas forward is an outsized appetite for risk. The vast majority consider themselves to be more willing to take risks than other people, a tendency that often plays out in their personal as well as professional lives.

## DOUBLE JEOPARDY

Though most entrepreneurs focus their risk-taking on business, a good number are equally comfortable taking a gamble with personal matters.



- HIGHER IN BUSINESS THAN IN MY PERSONAL LIFE
- LOWER IN BUSINESS THAN IN MY PERSONAL LIFE
- ABOUT THE SAME

Entrepreneurs regard their willingness to take risks as essential to their success. Since that's also the factor that may be most likely to get them in trouble, the ability to persevere in hard times ranks highly as another factor propelling them toward their goals. Less important, respondents said, are practical factors such as industry experience, networks, and access to capital, underscoring the notion that entrepreneurs are born, not built.

### MUST-HAVES FOR BIG HITS

When asked to choose three success factors, most focused on innate personality traits rather than pragmatic elements like experience or funding.



# Motivation and Aspirations

**WHAT'S THE CATALYST** that sparks someone to turn entrepreneurial potential into reality? Wealth, freedom, and a desire to change the world are all factors, but it's the opportunity to take control of their own destiny that emerged the most popular motivator, by far. Nearly 80% of respondents cited control as a reason they started their own businesses, compared to 56% who were lured by the potential to create wealth. Fewer than 40% were drawn by the possibility of improving or creating a product.

Not surprisingly, few see failure as an option. Close to 80% of entrepreneurs are looking to make one or more companies succeed; just 2% say they have no goals for their business at the moment. Those who wrote in answers detailed plans to double and quadruple sales and leave lasting legacies for their families.

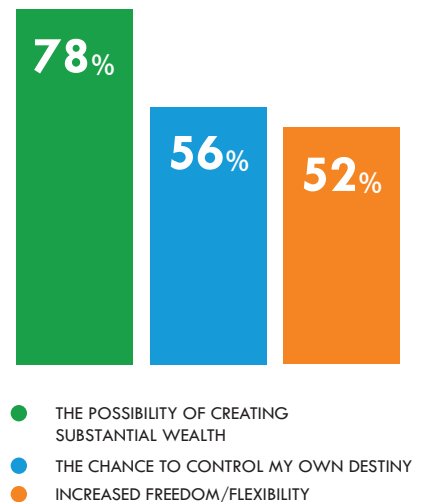
### SHOOTING FOR THE STARS

More than one-third of respondents see themselves as serial entrepreneurs.

- 44%** *"I want to make my current company succeed and am not thinking beyond that."*
- 35%** *"I want to start multiple successful companies."*
- 8%** *"This experience will be valuable to me no matter what I do next."*
- 1%** *"If my current endeavor fails, I'll move on to a new entrepreneurial venture."*
- 1%** *"I'm taking it one day at a time."*

### WHICH MOTIVATORS MATTER MOST?

Power and money top the list; the opportunity to revolutionize products or services is a less common spur.



### OTHER STATEMENTS

*"I intend to realize the value we have already created at this company, then repeat the process."*

*"I want to grow my company, and then bring in outside investment."*

*"I want to create something that would be a good fallback for my kids."*

*"I want to bring our technology to the benefit of the human race."*

*"I want to make our company a national brand."*

*"I'm working towards an exit strategy and planning my next venture."*

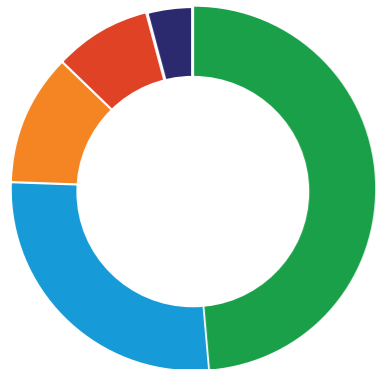
*"I want to have complete financial freedom."*

# Reflections on Success

Given what it takes to build a successful business, most entrepreneurs can't completely separate themselves from work. About half confess that what's happening in the business perceptibly affects both their actual and emotional self-worth. However, a fair number draw some distinction between the two realms: 36% say business success has limited or no influence on personal success, outnumbering by three to one those who say their business is their life.

## FEW LIMITS, BUT ALSO FEW BOUNDARIES

The ups and downs of running a business can take its toll on both the perception and reality of self-worth.



- MY BUSINESS SUCCESS INFLUENCES MY PERCEPTION OF MY PERSONAL SUCCESS, BOTH EMOTIONALLY AND FINANCIALLY.
- MY BUSINESS SUCCESS IS IMPORTANT TO MY PERSONAL FINANCIAL SUCCESS, BUT OTHERWISE I THINK OF THEM AS TWO DISTINCT PRIORITIES.
- MY BUSINESS IS MY LIFE, SO I DON'T MAKE A DISTINCTION BETWEEN BUSINESS AND PERSONAL SUCCESS.
- MY BUSINESS SUCCESS AND PERSONAL SUCCESS ARE COMPLETELY DISTINCT FROM ONE ANOTHER.
- OTHER

**LIKE MOST HOLLYWOOD ACTORS,** few entrepreneurs are overnight sensations. Fewer than 5% cite a single bold move as the defining step in their achievements. Rather, most attribute success either to a series of well-timed decisions or to incremental moves in the right direction.

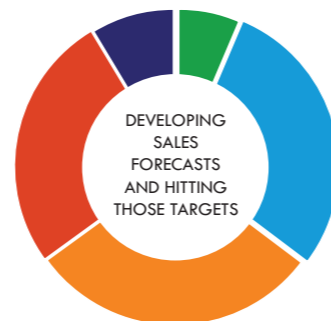
## A LONG ROAD TO SUCCESS

Which of the following strategies best sums up your attitude toward building a successful business?



A SINGLE BOLD MOVE HAS MADE OR WILL MAKE A HUGE DIFFERENCE IN MY SUCCESS.

It takes a village to build a business, but even a village can't solve some issues. Case in point: creating more hours in the day. The race against the clock is the toughest obstacle entrepreneurs face by far, with lengthy to-do lists spilling beyond the time available. Close behind is the stress of hiring the right people, who presumably could help alleviate the time crunch. Managing cash when times are tough or when a growth initiative needs funding comes in a close third.

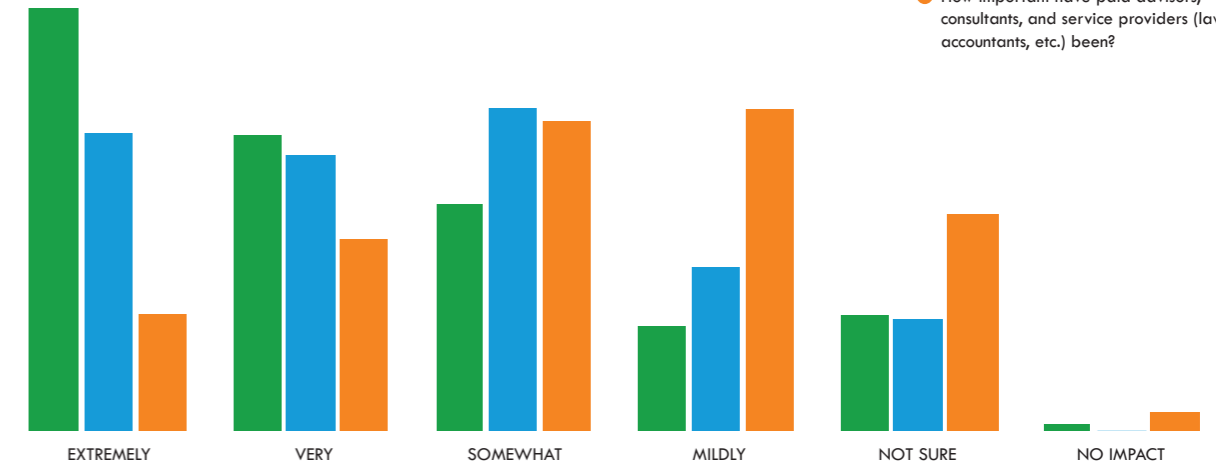


While entrepreneurs give themselves props for risk-taking, hard work, and other individual traits, at the same time many freely admit that they don't deserve sole credit for their success. Most acknowledge the importance of supporters and advisors, of many different types. Friends and family are most likely to have positive influence on the business, with 61% ranking them highly, followed by informal advisors and mentors.

## THE NETWORK EFFECT

Informal advisors, mentors, and even other entrepreneurs have an impact on success.

- How important have informal advisors, mentors, other entrepreneurs, and other people in your professional networks been?



## THE TIES THAT BIND

Friends and family are often essential to an entrepreneur's success.

- How important have friends and family been in helping you build your business?

## HELP FROM THE PROFESSIONALS

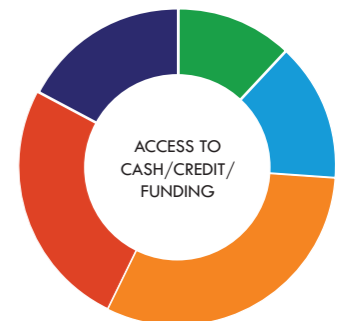
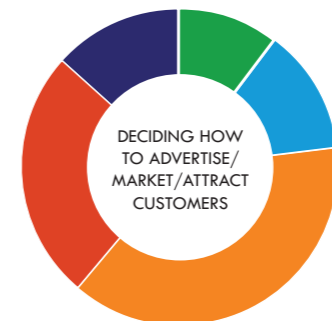
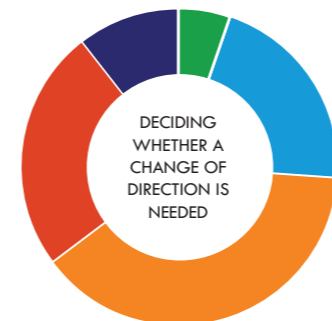
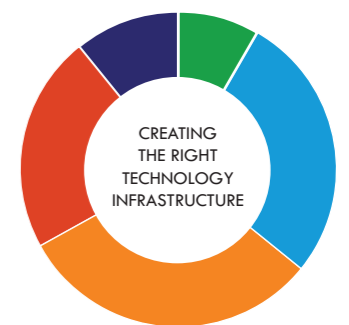
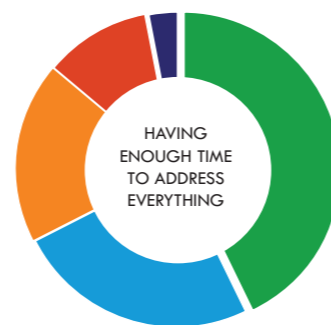
Paid advisors and service providers often help entrepreneurs succeed in areas where they lack expertise.

- How important have paid advisors, consultants, and service providers (lawyers, accountants, etc.) been?

## MOUNTAINS TO CLIMB

Time, people, and money present major challenges; surprisingly, finding those first customers is deemed relatively easy.

- EXTREMELY
- VERY
- SOMEWHAT
- MILDLY
- NOT SURE

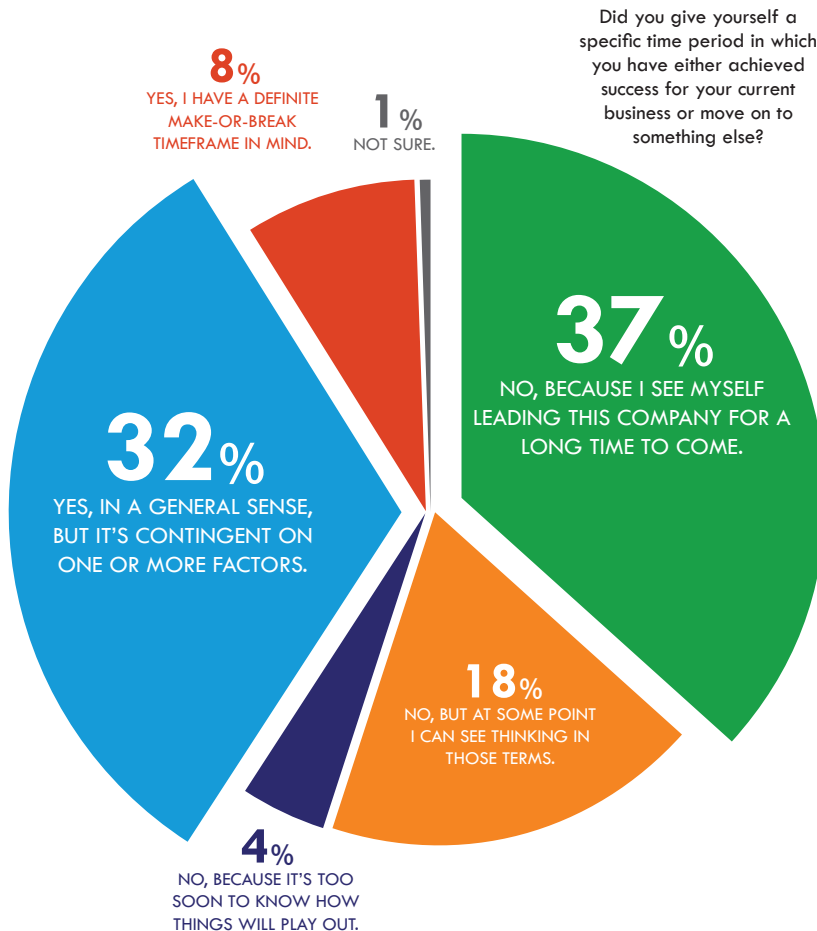


# Bright Futures Ahead

AS GOAL-ORIENTED AS ENTREPRENEURS ARE, it turns out that very few are focusing on their endgames. About 60% have no clear timeline for success, predominantly because they plan on enjoying a lengthy career with their current company. Those who have deadlines in mind are likely to keep them vague, with plenty of flexibility based on what comes their way.

## IT'S THE JOURNEY, NOT THE DESTINATION

Few entrepreneurs are matching success to a deadline.



Along the way, many are hoping to improve themselves in one way or another. While we framed this as an open-response question, the answers clustered into six key areas: patience (the most common answer), people management, networking skills, communication, getting organized, and delegating. Notably less common were perceived deficits that have an overt business aspect, such as finance expertise or technology savvy.

## A SELF-IMPROVEMENT WISH LIST

When asked what one area they'd like to improve, entrepreneurs largely named patience and people management as most pressing.



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