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10 Talents That Drive Entrepreneurial Success



Gallup has identified the behaviors we have consistently observed in highly successful entrepreneurs

by *Sangeeta Bharadwaj Badal, Ph.D.*

Adapted from *Entrepreneurial StrengthsFinder* (Gallup Press, September 2014)

What separates successful business owners from less successful ones?

What are the traits and behaviors that drive an individual to start, sustain, and grow a successful company?

Do entrepreneurial attitudes toward autonomy, risk, work, and income affect business outcomes?

Intrigued by these questions and many others, Gallup studied more than 1,000 entrepreneurs to understand the actions and decisions that lead to venture creation and growth. After years of research and hundreds of interviews, Gallup has identified 10 specific talents that drive business success -- 10 behaviors we consistently observed in highly successful entrepreneurs.

In a study of 111 small businesses in Nebraska, Gallup found that highly talented entrepreneurs exhibited behaviors that were markedly different from those of their less talented peers. These behaviors caused the highly talented entrepreneurs to outperform the others by 22 percentage points in year-over-year profit growth. Compared with their less talented peers, highly talented entrepreneurs:

- were more likely to clearly articulate the competitive advantage of their companies to their clients
- were more likely to make decisions about pricing and product or service development with their customers in mind
- spent a great deal more time planning for growth and aligning employee responsibilities with company goals
- were more likely to align employees' strengths with their roles, thus maximizing employee engagement and increasing individual performance

Entrepreneurial traits or talents -- such as risk taking, self-efficacy, initiative, and creativity -- affect behaviors -- such as goal setting, failure tolerance, and experimentation -- that in turn, result in business creation and success.

Innate or learned?

Is entrepreneurial talent innate or learned? An example of two violinists with differing levels of talent can help answer this question. Sally has an innate ability to identify the pitch and tone of a musical composition. By the age of five, she could learn music by ear and created perfect first drafts of her compositions. She has precise rhythmic ability and can reproduce an exact musical note without an external reference. Martha, Sally's classmate since elementary school, has a keen sense of music but lacks some of Sally's innate musical abilities.

Irma Järvelä, a medical geneticist at the University of Helsinki, and her colleagues found that about 50% of musical ability is heritable (genetic). In other words, nature rather than nurture accounts for almost half of the observed differences in musical ability. This means Sally has an innate advantage over Martha.

High levels of innate talent do not mean that deliberate practice and hard work are unimportant. Rigorous practice, self-motivation, and support from family members, mentors, and teachers will certainly help both violinists fully realize their musical ability. But Sally, with greater natural talent for music, will see much greater returns compared with Martha, who has less natural musical ability.

Similarly, in the realm of entrepreneurship, innate talents seem to make some people better at noticing new business opportunities and more likely to be risk-takers, natural salespeople, and adept at cultivating social networks -- all traits that drive entrepreneurial success. If you do not have these traits, you could try to learn the behaviors associated with a trait or take business classes, but Gallup's research suggests that you would have to do a considerable amount of work and might still achieve only average performance.

Business support programs can teach you basic management, accounting and finance, or marketing skills. They can provide technical assistance. Mentors and coaches can give you advice, share their own experiences, and be your support system through the entrepreneurial journey. But support programs and coaches cannot teach you to recognize opportunities or to become a risk-taker. Nor can they teach you how to best use social networks to further your business interests. Just as genetics has a role in someone's musical ability, Nicos Nicolaou and Scott Shane found that the tendency toward entrepreneurship is between 37% and 48% genetic.

In sum, you are likely to be most successful when working with your dominant natural talents. Training and education will certainly help you achieve excellence in an entrepreneurial role, but success will come easier if you have an inherent talent for the role. This means that identifying your entrepreneurial potential is critical. After identifying your potential, you need to apply systematic and continuous effort to nurture your innate ability and to manage your areas of lesser ability.

Identifying entrepreneurial talent

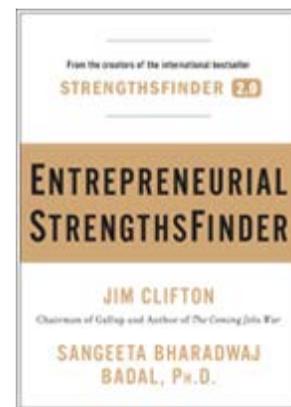
If innate talents are strong predictors of behaviors that affect business outcomes, then it follows that we can study individuals' behavior, identify their intensity of entrepreneurial talent, and then support them to speed the process of venture creation and growth.

During our research, we found a tremendous variety of behaviors among successful entrepreneurs. For instance, successful entrepreneurs effortlessly cultivate deep relationships with customers and employees (trait = interpersonal), are laser-focused on business outcomes (trait = thought process), are creative problem solvers (trait = creative thinking), and are the best spokespeople for their businesses (trait = promotion).

But after analyzing the data and listening to hours of interviews, we distilled everything down to a list of 10 talents that influence behaviors and best explain success in an entrepreneurial role. Every entrepreneur uses some mix of these 10 talents to start or grow a business.

The 10 talents of successful entrepreneurs are:

- **Business Focus:** You make decisions based on observed or anticipated effect on profit.
- **Confidence:** You accurately know yourself and understand others.
- **Creative Thinker:** You exhibit creativity in taking an existing idea or product and turning it into something better.



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- **Delegator:** You recognize that you cannot do everything and are willing to contemplate a shift in style and control.
- **Determination:** You persevere through difficult, even seemingly insurmountable, obstacles.
- **Independent:** You are prepared to do whatever needs to be done to build a successful venture.
- **Knowledge-Seeker:** You constantly search for information that is relevant to growing your business.
- **Promoter:** You are the best spokesperson for the business.
- **Relationship-Builder:** You have high social awareness and an ability to build relationships that are beneficial for the firm's survival and growth.
- **Risk-Taker:** You instinctively know how to manage high-risk situations.

These 10 talents do not address every factor that affects business success. Non-personality variables such as skills, knowledge, and experience along with a host of external factors play a role in determining business success and must be taken into consideration when theorizing on business creation and success. But these 10 talents explain a large part of entrepreneurial success and cannot and should not be ignored. Understanding and acknowledging your inherent talents gives you the best chance at success.

Discover entrepreneurial talents using Gallup's new Entrepreneurial StrengthsFinder assessment. Visit Gallup Strengths Center to [learn more](#).

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CONTACT: Gallup Business Journal

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