



News release

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Entrepreneurs are made, not born

- **Nearly 60% have worked in a corporate environment and 33% of entrepreneurs say working in a corporate environment was key to the success of their business**
- **45% of entrepreneurs start their first business after the age of 30**
- **10% of entrepreneurs have started ten or more companies**

MONTE CARLO and LONDON, 8 JUNE 2011 – An Ernst & Young report released recently, *Nature or nurture: Decoding the entrepreneur*, based on survey of 685 entrepreneurs worldwide and in-depth interviews with winners of the Entrepreneur Of the Year award, provides insights into the shared characteristics, frustrations and career goals of some of the world’s leading entrepreneurs.

The research challenges the stereotype that all entrepreneurs start their companies without completing a formal education and without any experience of corporate life. Although many of the entrepreneurs that were surveyed started at a young age, 45% of the respondents said they did not start their business until they were 30 or more. And nearly 60% described themselves as “transitioned” entrepreneurs, who have previously worked in a corporate environment before setting out on their own.

When asked what was the most important source of learning in terms of their career, one third of all entrepreneurs (the highest ranking) said it was their experience as an employee. Thirty per cent highlighted higher education and 26% mentors.

Maria Pinelli, the new Global Vice Chair Strategic Growth Markets for Ernst & Young explains, “Entrepreneurial leaders are defined as much by their early business experience, cultural background and external environment as they are by any innate personal characteristics. Nurture not nature does appear to be more important in shaping the entrepreneurial mindset.”

Entrepreneurship is rarely a one-off decision

For the majority of entrepreneurs launching only one business venture is clearly not enough. Sixty per cent had started three or more companies, 20% six or more and 10% said they had founded more than ten companies in their career to date.

That doesn't mean that having created these companies they automatically cut all ties with their previous interests. Among the survey respondents, 45% say that they have retained some ownership in each of their previous ventures, and 28% say that they have retained a stake in some of them.

Funding, people and know-how are the biggest barriers to entrepreneurial success

Among the 6 out of 10 respondents who experienced obstacles in their ventures, the most common barrier to future growth cited (33%) is the lack of funding or finance. This reflects the current environment, where many entrepreneurs said they continued to experience problems with accessing finance, despite a gradual easing of credit conditions in many countries. The two other most-cited obstacles are recruiting the right people with appropriate expertise.

Entrepreneurs share common traits

While our research suggests that Entrepreneurs are made, rather than born, the survey did find entrepreneurs will typically exhibit a combination of behaviors and attitudes that are likely to be different from many of their peers in more well established corporate organizations. When asked what the top three most important qualities of an entrepreneurial leader are, over three quarters of the entrepreneurs identified 'having a vision', 73% 'passion' and 64% 'drive'. The scores for flexibility (33%), relentless focus on quality (18%) and loyalty (14%) were much lower.

Maria concludes: “These findings highlight that most successful entrepreneurs share a unique combination of seeing opportunity where others see only risk. And they tend to be optimists and believe they can succeed despite the fact that everyone else is telling them they cannot.”

You can also follow the World Entrepreneur Of The Year on www.twitter.com/ey_eoy

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