

# Want to start a business?

## Take a test – a personality test

Personality type plays a huge role in British businesses, but is it ignored?

For a man who started a business only to see it fail, Peter Sutherland\* is remarkably sanguine, almost philosophical. Today the 43-year-old is the marketing director of a medium-sized manufacturing firm in North Yorkshire. Five years ago, though, it was all so different – he'd had an idea that was going to make him a *fortune*, developed a business plan, secured funding for his new venture, resigned from his job and set out on his own. Nothing, or nobody, was going to stop him.

As it turned out, the factor that did eventually stop him was the only element of the business plan that Peter hadn't audited to within an inch of existence. Himself.

“What I didn't realise was that it takes a special type of personality to start something and turn it into a successful business”, he says, a rueful smile hinting at his regret.

“The business itself was a goer – it still is. Somebody else came along and picked up the pieces and turned it into the success I knew it could be. The difference? He's a completely different personality and he knows himself, his strengths and his weaknesses, inside out.”

Peter is the first to admit that, when it came to turning his dream into reality, he was his own worst enemy. He's ambitious, but with a low boredom threshold. He didn't have the perseverance he needed to get the business on its feet. He has great managerial skills, but not the attention to detail needed to ensure that every facet of the venture was taken care of. Finally, he's a sociable fellow – one of the 'team'. Working from home on his own while

setting up the business was just too demoralising for him.

“If I had examined myself as closely as I audited every other aspect of the venture I would either have done things very differently, or not started at all”.

British business is littered with such stories. But rarely are they publicised, largely because of the stigma attached to failure. The role that personality plays in the success or failure of the prospective entrepreneur is also seldom discussed, again because individuals are naturally reluctant to be as open as Peter Sutherland.

Barclays Bank's business banking unit says that 40 percent of new businesses fail within two years of starting up. Graham Telling, an industrialist seconded to the

Innovation Unit at the Department of Trade and Industry, estimates that personality issues play a role in one in every four failures.

“Most people who start businesses do so with absolutely no regard to

whether they, themselves, have the personal qualifications they need in order to be successful”, Telling said. “It's vital that budding entrepreneurs are honest not only with others, but with themselves as well. They must ask themselves ‘do I have what it takes, personally, to get this baby off the ground?’”

When it comes to assessing personal attributes, Telling recommends combining personality profiling and diagnostic tools with less sophisticated tactics such as a straight-talking session with friends and

family. This way, he says, potential entrepreneurs get a rounded, accurate picture of their personal strengths and challenges, enabling them to make an educated assessment of their suitability as corporate commanders-in-chief.



The science of personality profiling, or personal diagnosis, has advanced in leaps and bounds over recent years. Where once such tests could only use

**“If I had examined myself as closely as I audited every other aspect of the venture I would either have done things very differently, or not started at all”.**

broad brush-strokes to paint a picture of an individual, now they are able to define the fine detail. And the detail is astounding. Patience thresholds, leadership attributes, motivations, management styles – all these and more can be measured, evaluated, dissected and applied to ensure that exactly the right individual is chosen for a very specific function, or position within an existing team.

It's this type of test that Telling suggests budding tycoons should submit themselves to at the outset of their new business ambitions. Importantly, identifying areas of weakness does not preclude an individual from realising the dream. It means that potential partners or employees need to be selected specifically to help fill the gaps – something Peter Sutherland wishes he'd done at the outset.

Continued...

# Want to start a business?

One such personality profiling system revolutionising the lives of headhunters and personnel directors is The McQuaig System™. The organisation behind it is the McQuaig Institute of Canada, represented in the UK by the Buckinghamshire-based Holst Group. The Institute undertook a survey recently of 1500 members of the Young Entrepreneurs Organisation (YEO) in the United States and the results were revealing.

YEO members all operate million-dollar plus businesses, and are all under the age of 38. Of all personality types covered by the McQuaig System, 60 percent of the YEO membership fell into just two top-level categories – ‘managers’ and ‘pioneers’. That’s more interesting than it appears at face value, according to Russell Chalmers, managing director of The Holst Group.

“In any average group you’ll get a mix of McQuaig personality types. In a specific group, such as the YEO, you’d expect several personality types to dominate. But for just two personality types to dominate is unusual”, Chalmers said.

In addition to ‘managers’ and ‘pioneers’, Chalmers would have expected the YEO membership to throw up a significant collection of ‘persuaders’, ‘enthusiasts’ and ‘entertainers’.

“The fact that the YEO is crammed so full of ‘managers’ and ‘pioneers’ would suggest that this personality type, above all others, has what it takes to succeed in an entrepreneurial environment”, he said.

Chalmers is quick to point out that there are other external factors affecting the success of a new venture, and that having the right personality type is not a guaranteed passport to riches. Neither does having a particular personality type necessarily disqualify anyone from making a success of a new business.

“What the YEO survey demonstrates is the significance of personality”, Chalmers said. “It’s a warning bell to anyone starting out on their own that they should check to see where they may need support, or where a partner might be better suited to

establishing and running some aspect of the enterprise.”

James Rothnie, spokesman for Easy empire wunderkind and self-styled “serial entrepreneur” Stelios Haji-Ioannou, agrees.

“Personality has played a key role in every company that Stelios has established”, he said. “While he himself has a dynamic and outgoing personality, he recognises the value of having other people on his team who complement, rather than reflect, his strengths.”

So what exactly do Russell Chalmers’ ‘pioneers’ and ‘managers’ look like?

“I wouldn’t be at all surprised to find that Stelios Haji-Ioannou fits the ‘pioneer’ mould perfectly”, Chalmers said. “Your typical ‘pioneer’ is assertive, competitive, independent and restless. They tend to dominate group discussions and are highly logical people, seeing things very much in black and white.”

But couldn’t these very characteristics be seen as disadvantageous? For assertive, read ‘pushy’. For dominant, read ‘aggressive’. Chalmers says it’s a question of context.

“The important point about personality profiling is that it’s not about defining any individual characteristic as good or bad. It’s about matching characteristics with job requirements. An aggressive receptionist might not go down too well, but neither might a compliant company Chairman.”

The power of personality applies not only to start-ups, but to established businesses as well. Chalmers maintains that different skills and attributes are required in different departments all the time, depending on the stage in the life cycle of the business, department or product – and the management style and culture. He says the task facing personnel directors is to ensure that the skills of employees match the skills required by the business at any given point in time.

“Any organisation is an evolving, developing entity driven by changing customer and market requirements. This means that over time even the same basic

job might demand quite different personality types as demands change.

The bottom line of Chalmers’ argument is that we all have strengths and weaknesses – many of which are identifiable and quantifiable. The most effective use of people involves maximising the use of their positive attributes. Yet in his eyes most businesses still pay lip service to profiling – using the system only in recruiting to find a suitable candidate for a specific post, and usually only for management positions. Profiling, he believes, offers so much more, including the ability to identify the best people to undertake any given task at any given time. It also provides invaluable insight into how best to coach and manage someone to get the best from them.

Peter Sutherland agrees wholeheartedly. He has initiated a series of new business initiatives that have won him the respect of his colleagues on the board, and he’s heading up several company projects, some commercial and some internal. But he’s doing it in an environment that suits him, and surrounded by a group of people who are willing and able to take up the slack in certain areas.

“Finding out about myself, my strengths and my weaknesses has been a crucial part of my career development. Knowing where to apply my skills, and where to call on the skills of others, has been crucial to my sanity”.

To find out how your organisation can benefit from The McQuaig System contact:

**The Holst Group**  
**19 Manor Courtyard**  
**Hughenden Avenue**  
**High Wycombe**  
**Buckinghamshire**  
**HP13 5RE**

**Tel: 0845 456 4000**  
**Fax: 0845 456 4001**  
**mcquaiginfo@holstgroup.co.uk**  
**www.holstgroup.co.uk**

\* an assumed name