

## What's Your Type?

**Anyone can start a business! The secret is picking a venture that fits your entrepreneurial personality. Here's how to determine yours.**

[Entrepreneur magazine - April 2006](#)

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URL: <http://www.Entrepreneur.com/article/0,4621,326939,00.html>

Does personality matter in becoming a successful entrepreneur? Recent studies say yes, successful entrepreneurs share a number of common personality traits, and these traits are the predominant indicators of their success--outweighing education, family ties, skills and experience. Moreover, people who choose business ventures that are in sync with their true personalities tend to experience the greatest level of success and fulfillment.

Every personality type--and therefore, every person--has the potential to grow a successful business. You just need to determine the right opportunity. Self-awareness guides us in understanding what's needed to bridge the gap between who we are and what the opportunity requires.

Our research shows that most entrepreneurs who reach their goals are often natural leaders and strong problem-solvers, and they work well under pressure. For those who don't have this type of personality--which is most of the population--it is critical to understand the requirements for being a successful entrepreneur. Only then will you be prepared to create the right team for the endeavor. The key to success is selection: You must select an opportunity that suits your personality, then hire or select the right people to surround yourself with.

My soon-to-be-released book, *The Entrepreneur Next Door*, shows you how to determine your personality and, more important, how you can adopt those behaviors that entrepreneurship requires to maximize your opportunity for success.

### **Two Faces**

Over the past eight years, the employees of my Westlake Village, California-based behavioral consultancy, Accord Management Systems Inc., and I have interviewed and studied more than 1,500 entrepreneurs whose companies have sales of more than \$1 million a year. We surveyed their personalities, emotional intelligence and brain dominance, and we chronicled their responses to more than 100 questions in an online survey. Because of this work, we now know why some entrepreneurs become multimillionaires, others do moderately well, some barely survive, and many don't make it. More important, we understand how to predict the things that entrepreneurs can do, based on their personalities, to improve their odds of success.

In our research, we determined that people basically come in two flavors: Generalists and Specialists. Generalists and Specialists are at opposite ends of the spectrum.

Generalists are strategic thinkers. They are big picture-oriented, prefer environments where they can use their results-driven nature, enjoy autonomy and independence, and are stronger risk-takers. Specialists are tactically oriented, prefer being responsible for areas within their areas of expertise, are more detail-oriented, and prefer environments that provide both security and stability. Specialists are typically more risk-averse, unless they are working

within their area of expertise.

We also examined four personality factors: dominance, sociability, relaxation and compliance. We all exhibit some degree of these factors, whose opposites are acceptance, analytical, drive and independence, respectively.

Generalist personalities will have a dominance factor that is much greater than their compliance factor. This is the source of their need to win and their belief that they are always right. They are therefore self-confident and able to assume risk. The Specialist personality has a compliance factor that is much greater than the dominance factor. Therefore, doing things by the book--following rules, policies and procedures--is more important to them. They will try to do everything right, which means avoiding risks.

With these factors in mind, we identified seven broad personality types. Four are Generalists--more strategic or leadership-oriented. They are the Trailblazer, the Go-Getter, the Manager and the Motivator. There are also three Specialist personality types. These are more tactical in their behavior--the true experts who enjoy the details and are typically very good at them. These three types are the Authority, the Collaborator and the Diplomat.

The four Generalist entrepreneurial personality types start, own and run the majority of successful businesses. A smaller but impressive number of businesses are run by people who possess one of the three Specialist personality types. Here's a closer look at the seven personality types our research has identified:

### **Generalists**

**1. If You're a Trailblazer:** You are very competitive, ambitious and goal-oriented--so much so that you tend to be aggressive and sometimes take a steamroller approach. You're restless and energetic, with a strong drive and a sense of urgency, regardless of the task at hand. You tend to have two speeds: fast and faster. Independent, persistent and decisive, you aren't happy unless you're in charge. Trailblazers are logical, analytical, practical and realistic--you tend to base decisions on facts rather than feelings. You are a calculated risk taker.

*The Trailblazer's Business Strengths:* Good industries for you could include the medical, technology, finance, legal and consulting fields. Being a strong strategic thinker, you focus easily on marketing and operations. Your challenge is likely to be working with people--you are usually a better leader than manager and need to surround yourself with others who can manage the people side of the business.

Trailblazers prefer being the driving force of a business. You typically wouldn't buy a franchise or distributorship, but you would start a company that competes with a franchise. You're highly innovative, especially when it comes to taking an idea to the next level.

**2. If You're a Go-Getter:** You have a higher-than-average level of both dominance and sociability and are very driven and independent. You are competitive, but your drive to succeed is sometimes tempered by your interest in and concern for others. In our research, Go-Getters represent the largest percentage of the founders. Your natural style lends itself to managing and leading both processes and people.

You show a great deal of initiative, coupled with a compelling sense of urgency to get things

done. Go-Getters are typically good leaders and good managers, excelling at motivating themselves and those around them.

*The Go-Getter's Business Strengths:* You can do well in retail, but may prefer being the outside rainmaker. You work well in ambitious and unfamiliar environments. This means you can invest in, buy or start a business that's totally new to you and still make a success of it. You don't need to be an expert in the field to start the business--you are a good collaborator and can learn as you go.

**3. If You're a Manager:** You are dominant and independent. In your case, these two characteristics feed each other, so you can appear to be even more dominant or independent than you actually are. You are also very goal-oriented and can be quite analytical, focusing more on processes and outcomes than on people. You have a tendency to look at people as vehicles for helping you accomplish your goals. Consequently, you sometimes disregard or overlook the people part of the equation or unwittingly offend people with your straightforward style of communication.

Unlike the two previous entrepreneurial types, Managers have a higher-than-average level of relaxation and know that some projects simply take more time to complete and some goals take longer to achieve than others. You're loyal, sometimes to a fault, as you consider your employees to be an extension of your family. You can deal well with customers, especially repeat customers, so you'll probably be great at growing a business.

*The Manager's Business Strengths:* You like doing things on your own, are a great behind-the-scenes leader and love working with systems, concepts, ideas and technologies. You excel at competitive selling because you enjoy overcoming rejection and achieving goals despite obstacles. Managers enjoy working by themselves, and managing others can be a challenge, so you need to hire employees who are better than you at listening and working well with others.

**4. If You're a Motivator:** You have a high level of sociability, an above-average level of dominance, and are both driven and independent. This gives you the ability to work well under pressure and in autonomous situations. It also means that you will be a great consensus builder, a good collaborator and a driver of change. Just like the name suggests, you are the consummate motivator who does well working by, with and through others.

*The Motivator's Business Strengths:* Retail can be your game--or any environment where people are a large part of the equation. You do well in almost any business that involves people, as long as it's a somewhat non-confrontational environment. You can be convincing and avoid most confrontation by creating a strong emotional argument. Motivators do well in the toughest of customer service roles, as you are able to see both sides of the argument. You tend to deal with even the most negative arguments by using the three F's--feel, felt and found--saying, "I understand how you are feeling. In fact, I have felt the same way, but when I learned (insert your point), what I found was (again, insert your point)."

Motivators excel at leadership or sales. You do well in business with partners, or in a business that involves others. Motivators are good at nurturing relationships and often do best in a business that involves keeping clients for the long term. You thrive in a team environment.

**5. If You're an Authority:** You are the backbone of our society. Authorities are the loyal workers who make our world function--you make our products, service our systems, and always do it right. As an Authority, you may not always be the best founder of an entrepreneurial enterprise, but you can be an excellent distributor, franchisee or owner of an existing business--you can do well when you purchase an ongoing operation.

You're detail- and tactic-oriented and are motivated by doing things one way--the right way. You are very conscientious and cooperative, following rules, procedures and policies carefully. Very thorough with details, you're cautious, deliberate, logical and analytical. You're also relaxed, patient and accommodating by nature, and are a great team player who tends to avoid confrontation. Examples of businesses that fit this personality type would be dry cleaning stores and liquor or convenience stores, where the need for the product or service is strong. You grow your customer base, embracing them with loyalty--you see your customers as an extension of your family.

*The Authority's Business Strengths:* Authorities often refer to themselves as "accidental" entrepreneurs, because they may end up running a business that was never part of their original plan. Consequently, you're best served by going into a business that embraces your level of expertise or allows you to develop a new level of expertise. Because you are accommodating, you may dislike prospecting, so you may need to be in a business where customers or clients are driven to you. Most authorities need a partner with a stronger natural ability to prospect or network. You can be very successful buying a franchise or business opportunity, as long as the organization is well-supported with advertising and marketing.

**6. If You're a Collaborator:** The primary difference between you and Authorities is that you have a personality gift called sociability. It's this characteristic that allows you to use your influence to get what you want. It's all about people--you relish the people side of business.

You typically benefit from having a partner who is more aggressive about developing new business. Collaborators usually aren't comfortable with cold calling or pitching new ideas; you like to follow prescribed rules and guidelines.

*The Collaborator's Business Strengths:* You're good at running customer service-oriented or retail businesses, or any business where being convincing is an important aspect of getting the job done, and done right. From an entrepreneurial perspective, Collaborators do well within structured environments where people are an element of success.

Collaborators can be great salespeople in a warm selling market because they use their sociability to sell their expertise. Warm selling means you bring the prospect to you, often through a letter or advertisement enticing the prospect to contact you for more information about your product or service. Once prospects do get in touch, your expertise takes over, and you sell your heart out. On the other hand, cold selling, which Generalist personalities typically do well, involves picking up the phone and dialing for dollars, or hitting the streets looking for prospects door to door.

**7. If You're a Diplomat:** You are restless and enjoy working under a certain amount of pressure. You get things done quickly and work well with deadlines. You adjust easily to change and deal well with new situations. You have a high sense of urgency and like variety, and because of your compliance and your need to do things right, you work at your full

capacity. You multitask and keep a variety of jobs going at once. Active and energetic, you vigorously attack the parts of your business that you enjoy. You can experience difficulty in delegating details, but do a great job when you can do the work yourself.

Diplomats are considered by many to be the best of the Specialist entrepreneurs, as they have both sociability and drive in their personalities. These are two important elements to success. Like most Specialists, you are not the greatest rainmaker, but once you have a client or prospect, you do a great job of keeping them.

*The Diplomat's Business Strengths:* You excel in retail or other people-oriented environments. Both outgoing and empathetic, you tend to be well-liked, but you sometimes have a hard time asserting yourself and holding others accountable. Therefore, to successfully lead a company, you typically need to hire stronger, more results-oriented personalities to be sure deadlines are met, commitments are kept and staff members follow through on duties.

### **Putting It All Together**

Of the entrepreneurs we studied, more than 80 percent have very similar personality traits.

There's a great deal of truth to the notion that entrepreneurs are born, not made. Although our upbringings, belief systems, education, training and development affect our ultimate behaviors, our core personalities remain relatively constant throughout our lives.

The most important factors that distinguish entrepreneurs who barely make it from those who make millions are personality and--sometimes more important--the ability to harness personality, use it and learn from it. The most successful entrepreneurs know that the greatest knowledge is self-knowledge. They understand how to make the best of their talents and manage or compensate for their weaknesses or potential limitations.

Each of the seven entrepreneurial personalities is more compatible with some types of businesses than others. It's best to choose a business that is well-suited to your natural personality and behavioral style. Rather than swim upstream with the currents going against your success, why not go with the flow and focus on the types of businesses in which you can thrive?

By understanding your own personality, you can leverage your strengths, work to improve your weaknesses and limitations, and discover the type of business that will work best for you. Then you can either choose a business that fits your personality or know that you will need to surround yourself with people who excel in the areas where you're lacking.

### **Who Are You?**

To find out what your personality type is, go to [www.theentrepreneurnextdoor.com](http://www.theentrepreneurnextdoor.com) and complete an Entrepreneur Assessment. This will help you understand how your personality affects your business success. You'll also find other useful tests, excerpts from The Entrepreneur Next Door and more.

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