

# SUPPORTING DISABLED ADULTS INTO SELF-EMPLOYMENT

*An assessment of the use of  
psychological tools*





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|-----|---|--|--|
| 1   | INTRODUCTION                                    | <p>The need to encourage successful new business start up is a cornerstone of the regional and national economic strategy.</p>   | <p>This work has linked the toolset specifically into the proven Business Ability model of support, which is delivered prior to an individual going onto the DWP programme.</p>  |
| 2   | RESEARCH  | <p>Whilst state funded support is substantial it is fragmented especially in the support for disabled adults seeking to become self-employed. These programmes are led by Dept of Work and Pensions (DWP) initiatives and are not directly linked to the Business Link services. At the time of writing this report this programme of support is being reduced by the DWP.</p>   | <p>A separate set of work is in hand to look at support and training needed for business counselling and mentors to work with business start-ups by disabled adults.</p>   |
| 3   | IDENTIFICATION OF POTENTIAL TESTS               | <p>In many ways support programmes are very traditional, relying on business counsellors and trainers to impart knowledge, advice and mentoring to aid potential entrepreneurs.</p>  | <p>In order to be of consistent value, an essential element will be the training of business counsellors/mentors in the use of the E Scan data. It can also, and should be, used by any individual, whether disabled or not, who is looking to start up in business, together with their counsellors and mentors.</p>  |
| 4   | OPERATIONAL ASSESSMENT OF THE PROFILING TOOLSET | <p>There has been little structured use in the UK of psychological assessment tools, to aid both the new entrepreneur and their counsellor.</p>  | <p>Strategically the adoption of this toolset and the monitoring over a period of years could aggregate data on the needs of clients so as to improve support programmes and training.</p>   |
| 4.1 | PROFILE REPORTS                                 | <p>This study has reviewed the history and current position of toolsets. One such toolset 'E Scan', which is Internet based, is currently being used in Holland. It is based on the work of Driessen and Zwart and was identified as being suitable for this particular task. An English version of the toolset was prepared and limited tests carried out on 12 individuals, four start-ups with disabilities, four non-disabled start-ups and four proven entrepreneurs.</p> | <p>Using methods such as the Global Entrepreneur Model, four percent of the total numbers of individuals who are claiming incapacity or severe disability allowance are capable of being self-employed. In the East Midlands approximately 8,000 individuals who are currently economically inactive, could become successful self-employed entrepreneurs.</p> |
| 5   | CONCLUSIONS                                     | <p>Psychological profiles are not a yes/no gate to a successful entrepreneur, they are a way of identifying characteristics in the individual.</p> <p>In the opinion of those using the toolset in Holland (users include agencies and banks as well as direct internet purchasers) and the group in this project, the E Scan process provides a quick, accurate and efficient way to assess the potential of the client as they enrol in self-employment programmes.</p>      | <p>April 2005</p> <p><i>"15% of economically active disabled adults are self employed"</i></p>   |

# INTRODUCTION

## PURPOSE OF THE STUDY

This report describes the identification and evaluation of a new assessment toolset designed to assist programme staff using the 'Business Ability Process' in their disabled client's self-employment development programmes.

The motivation behind the introduction of this toolset is the benefit to program participants to (a) understand their individual characteristics and (b) use this knowledge as a basis to support their self-employment objectives.

The assessment tool provides staff with a quick and efficient means to assess the suitability of participants as they enrol in the self-employment programmes, to support the assessment of their business case and to inform them of the structure and shape of client mentoring support.

The toolset interfaces into the existing intake, evaluation and mentoring processes, requiring minimal additional change to improve the client self-employment selection and development procedures.

## BACKGROUND

Of those disabled adults who are economically active, 15% are self-employed against less than 10% for the whole population.

Self-employment can offer lifestyle opportunities that employment does not. There are, however, many drawbacks to self-employment and substantial barriers in a transition from unemployment/on state benefits to self-employment for any individual, yet alone anyone with a disability.

State support for this group of potential entrepreneurs is fragmented, with the main support being through the DWP and Job Centre Plus (JC+). There is no structured link to Small Business Service/Business Link programmes or Regional Development programmes.

The DWP/JC+ programmes are, in the opinion of some observers, too rigid, although they have many good features. Currently this is the only approved route that preserves the individual's benefit support whilst being trained.

Previous studies and evaluations have identified the success of the Business Ability Process used in conjunction with the DWP/JC+ programmes. This study sets out to establish whether psychological toolsets could be used to improve the Business Ability or any business counselling/mentoring programmes and, if so, which one and what future steps are needed.

## SELF-EMPLOYMENT AS AN ALTERNATIVE FOR THE DISABLED CLIENT

Entrepreneurship is now seen as a vital component in the UK economy, promoting economic growth and fuelling positive changes in attitude towards business.

It has been a vehicle used by immigrants, women, minorities and historically disadvantaged populations to secure a foothold in the employment market and eventual economic independence.

Today, self-employment and entrepreneurship are seen as a vehicle to help disabled people evolve from unemployment, under-employment or entitlements-based programmes to attain gainful employment and self-sufficiency.

To understand the reasons why people with and without disabilities start their own businesses, researchers have profiled the motivations and competencies of successful entrepreneurs. A study of minority entrepreneurs undertaken by Hisrich and Brush identified several key characteristics of successful entrepreneurs including achievement, opportunity, job satisfaction, independence, economic necessity, career security, power and status.

The entrepreneurs also reported increased self-confidence, greater community involvement and a perception that they now had improved social status as well as a higher income potential.

The common thread is that people, with or without disabilities, choose self-employment because they prefer to be their own boss and desire financial independence.

# INTRODUCTION

## SYNOPSIS OF PILOT STUDIES

Business Ability was originally set up as a pilot project operating from November 1999 to June 2001 with the New Deal for Disabled People Innovative Schemes funding. This initial pilot was very successful, enabling 82 disabled people in Hampshire, Isle of Wight and Surrey to start new businesses, becoming economically independent and contributing to the economy.

The average total cost per client was £5,077 and it was calculated that payback against Incapacity Benefit and Severe Disability Allowance was achieved in 7.6 months. Other economic benefits such as other benefit savings, contributions through taxation and increased spending were not calculated.

The pilot project focused on clients of working age with disabilities or long-term illness. The purpose of the project was to support these individuals in becoming economically active through running their own business. The 'Business Ability Process' is highly tailored to individual needs providing appropriate support to the client throughout the programme to maximise the potential business start-up success of the programme member.

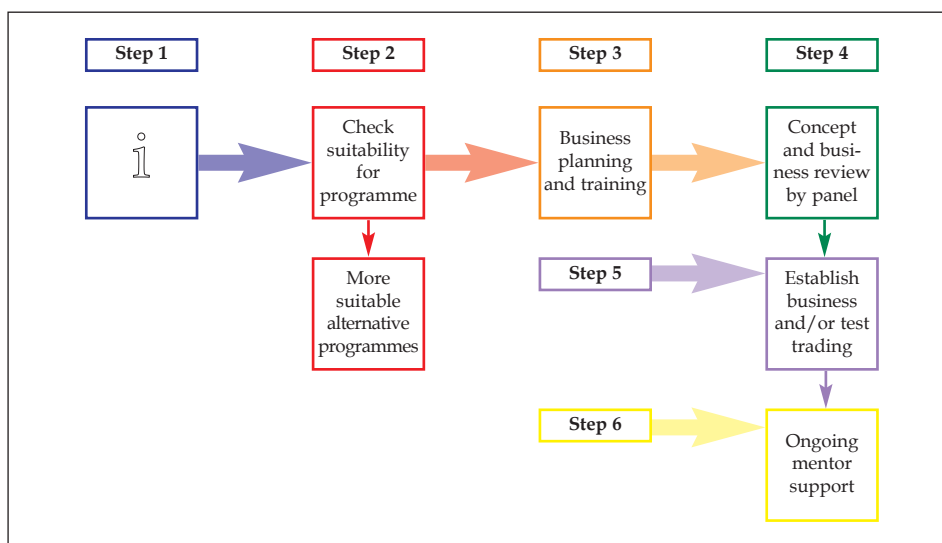


Fig 1 Basic client route for Business Ability process

Figure 1 demonstrates a simplified version of the programme steps which a client intake will pass through; the programme provides support for such prime client issues as:

- Difficulties in obtaining business capital.
- Potential loss of regular benefit income during business development stages.

- Appropriate business advice including home visit support.

- Appropriate client training and business mentoring support.

The pilot programme received 446 enquiries from potential programme clients; subsequently recruited 365 participants, of whom 127 started businesses.

Figure 2 shows the profile of the 365 business areas, highlighting the volumes and business start-up areas.

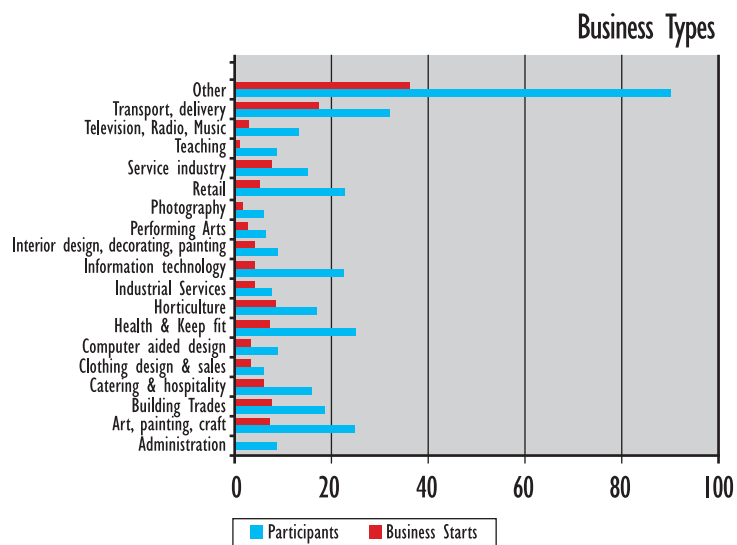


Fig 2 Results of the 1999 - 2001 Business Ability Pilot Programme

It should be noted that no time pressure was applied on the clients by the programme staff for them to complete their business plans within a set period of time. Instead the clients were freely able to complete their plans at such time as they felt confident and comfortable with the content. This fact has a bearing on the 238 clients who were still working through their business development concepts and plans at the time of the project review.

# INTRODUCTION

## IMPROVEMENTS IN THE ENTREPRENEUR IDENTIFICATION PROCESS

The success of a business is caused by many factors. For potential entrepreneurs the most important factors are the business plan/idea and their competencies. In other words, the match between the person and their plans form the ideal duo upon which success can be made.

Support and training can be employed to assist the pioneering entrepreneur to develop their business ideas and plans, but eventually it does fall back upon the personality of the entrepreneur.

- How strongly do they believe in themselves and the success of their business?
- How persistent are they when setbacks follow one after the other?
- How decisive can they be to turn changes into business opportunities?
- How creative are they in solving business problems?

These are just a few examples that the potential entrepreneurs have to deal with. There is no doubt that not everyone is suited to being an entrepreneur or a small business owner and yet the entrepreneur themselves is the greatest determinant of the success of a business. It all falls down to entrepreneurial competence.

It is therefore essential that robust identification for these essential characteristics be achieved at the earliest stage in the programme. This will help the client target scarce support resources and improve the cost efficiency of the programme as a whole.

## RESEARCH

### METHODOLOGY OF RESEARCH

The methodology developed for this study was structured from a review of the following:

What is an entrepreneur? - definition

Are there any models that illustrate the link between personality and the entrepreneur?

A review of the historical perspective of entrepreneurial research

How does an entrepreneur's personality differ from that of a non-entrepreneur?

Can these traits be measured?

Does disability have an impact upon entrepreneurial characteristics?

Identification of possible tools.

Each point was investigated by means of a review of past and current literature. A broad-spectrum approach was undertaken embracing journals, textbooks, graduate thesis, and web-based knowledge stores, specialising in entrepreneurial studies and psychology.

The methodology also consisted of following lines of research to identify possible tools.

### IDENTIFYING CARDINAL PROFILE FEATURES FOR KNOWLEDGE REVIEW

Before we commence our knowledge review process it is important to state our definition of the 'entrepreneur'.

The word entrepreneur comes from the 13th century French verb *entreprendre*, meaning "to do something" or "to undertake."

The French Economist Richard Cantillon was the first to introduce the term entrepreneur in 1730.

*"The agent who purchased the means of production for combination into marketable products" Cantillon*

More modern definitions of entrepreneurship by Joseph Schumpeter (in his theory of economic development) and Jeffrey Timmons (perhaps the leading entrepreneurship educator in the world) were: -

*"The entrepreneur is the prime mover in economic development, and his function is to innovate or to 'carry out' new combinations" Schumpeter*

*"Entrepreneurship is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled" Timmons*

### MODELS FOR ENTREPRENEURIAL SUCCESS

To understand the personality of the entrepreneur one must conceptualise how their character is linked to their success. Below is a model taken from *'International Encyclopaedia of Social and Behavioural Sciences - Psychology of Entrepreneur'* and was used to illustrate the link between the personality and eventual entrepreneurial success.

# RESEARCH

## THE GEISSNER-AMSTERDAM MODEL OF ENTREPRENEURIAL SUCCESS

### PERSONALITY

the character traits of the entrepreneur.

### HUMAN CAPITAL

some of the entrepreneur's experiences and knowledge.

### ENVIRONMENT

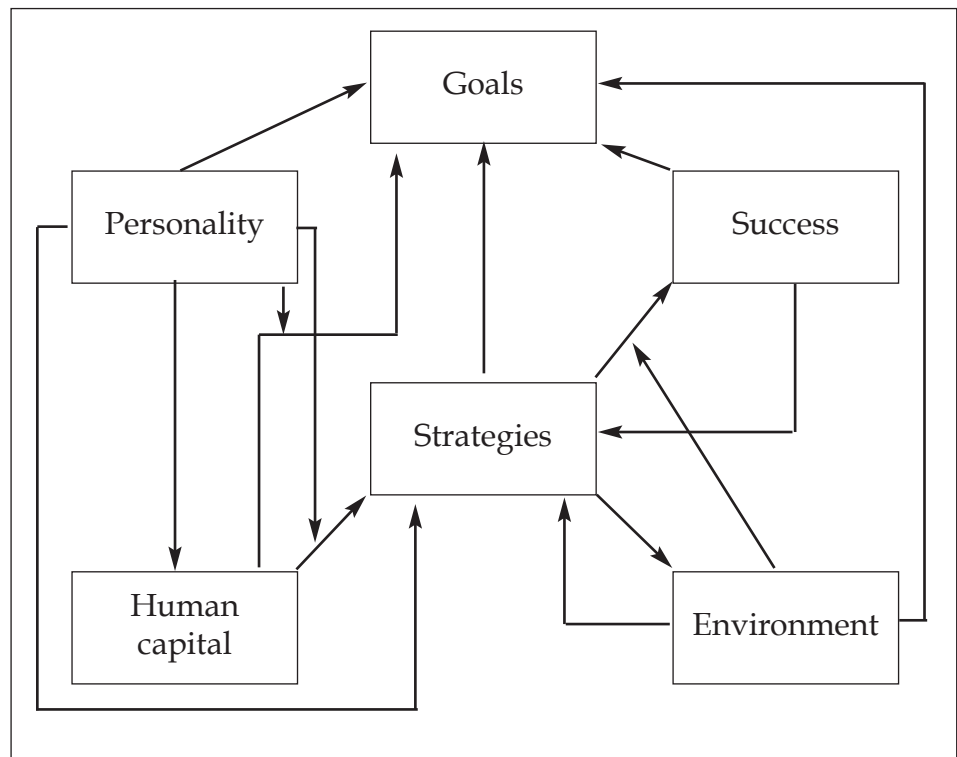
all external factors that impact the entrepreneur and the business.

### GOALS

the objectives (milestones) set on the route to success.

### STRATEGIES

the approaches (path) by which the entrepreneur means to obtain success.



From the model one can see that personality has a key role to play in bringing about success, influencing not only our actions (strategies), but also our goals and knowledge. It is important to understand from this model that personality does not, in itself, bring about success. The key aspect of this model is that it presupposes that without action no success can occur and this can be seen in that the only connection to success is via strategies.

By adopting this model it is possible to define what part personality plays in the entrepreneurial process.

## ENTREPRENEURIAL RESEARCH KNOWLEDGE BASE

As early as the 1950s, researchers began looking for personality factors that determine who is - and who is not - likely to become an entrepreneur. McClelland (1961) found that entrepreneurs had a higher need for achievement than non-entrepreneurs and were, contrary to popular opinion, only moderate risk takers. A great deal of research on the personality characteristics and socio-cultural backgrounds of successful entrepreneurs was conducted in the 1980s and 1990s. Timmons' (1994) analysis of more than 50 studies found a consensus around six general characteristics of entrepreneurs:

- Commitment and determination.
- Leadership.
- Opportunity obsession.
- Tolerance of risk, ambiguity and uncertainty.
- Creativity, self-reliance and ability to adapt.
- Motivation to excel.

A related stream of research examines how individual demographic and cultural backgrounds affect the chances

that a person will become an entrepreneur and be successful at the task.

For example, Bianchi's (1993) review indicates these characteristics include:

- i. being an offspring of self-employed parents;
- ii. being fired from more than one job;
- iii. being an immigrant or a child of immigrants;
- iv. previous employment in a firm with more than 100 people;
- v. being the oldest child in the family and
- vi. being a college graduate.

Work by Driessen examined various academic papers and the table below summarises the relationship between traits and indicators of business success. He also conducted a study of 45 entrepreneurs who had started their own business; 24 entrepreneurs were still in business and 21 entrepreneurs had not succeeded.

Significant differences between the two groups were found with respect to some characteristics: need for achievement, need for autonomy, internal locus of control, and perseverance.

## RESEARCH

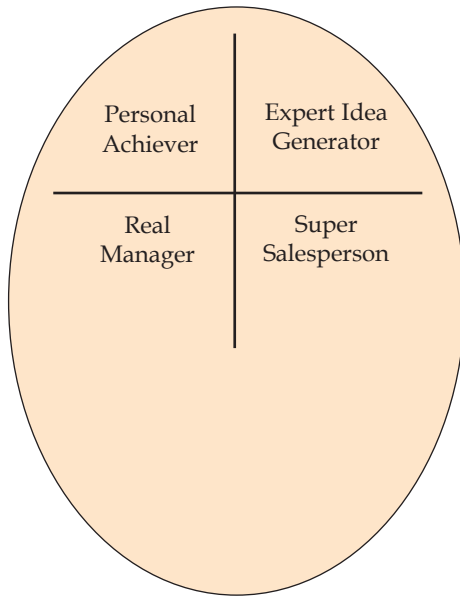
### OVERVIEW OF CHARACTERISTICS AND THEIR RELATION WITH SUCCESS.

| Author  | Definition of success   | Trait   | Relation   |
|---|---|---|--|
| Ahmed (1985)  | Start of a business   | Need to achieve<br>Internal locus of control<br>Risk taking propensity  | Positive<br>Positive<br>Positive   |
| In Brockhaus 1982<br>a. Kornives<br>b. Hull (1980)<br>c. Brockhaus (1980)<br>d. Warner (1969) | Survival in first few years<br>Start of a business<br>Survival in first few years<br>High company performance | Need to achieve<br>Need to achieve<br>Internal locus of control<br>Need to achieve<br>Need for power                                | Positive<br>None<br>None<br>Positive<br>Half positive                              |
| Gatewood (1995)   | Payment of products first year  | Internal locus of control<br>Endurance  | Positive<br>Positive   |
| Hood (1993)   | 100 fastest growing companies in America (not specified)  | Need to achieve<br>Internal locus of control<br>Risk taking propensity<br>Endurance   | Positive<br>Half positive<br>Positive<br>Half positive                             |
| Hornday(1970)   | Survival after five years and conducting business where there was none before                                 | Need to achieve<br>Need for authority<br>Need for power<br>Need for affinity<br>Internal locus of control<br>Risk taking propensity | Positive<br>Positive<br>Half positive<br>Strongly negative<br>Positive<br>Positive |
| Hornaday(1971)  | Survival after five years with more than eight employees  | Need to achieve<br>Need for authority<br>Need for aggression<br>Need for affinity   | Positive<br>Positive<br>None<br>Strongly negative                                  |
| Perry (1988)  | Financial growth in personal income and return on   | Need to achieve<br>Internal locus of control  | Half positive<br>None  |

Ref Driessen(1996) *The role of the entrepreneur in small business success; the Entrepreneurial Scan-Driessen and Zwart 1996*

## RESEARCH

Most entrepreneurial research has taken the line that entrepreneurs are an homogenous group. Following a study of a 100 established American entrepreneurs over a seven-year period, Miner (1996) took a different approach using psychometric tests to categorise business owners into four distinct types.



The "personal achiever" is similar to the classical entrepreneur proposed by McClelland (1961). His characteristics are need to achieve, a desire to receive feedback, to plan and set goals, strong personal initiative, strong commitment to the venture, internal locus of control, and a belief in personal goals rather than those of others.

The pattern of "super sales person" consists of five overlapping characteristics: a capacity to understand and to feel with another person, a desire to help others, a belief that social processes are very important, a need for positive relationships with others, and a belief that a sales force is crucial to carrying out company strategy.

The "real manager" possesses 13 characteristics that are similar to those of managers. Some of his characteristics are: a high supervisory ability, a need for occupational achievement, a need for self-actualization, positive attitudes towards authority, a desire to compete with others, directive in cognitive style and others.

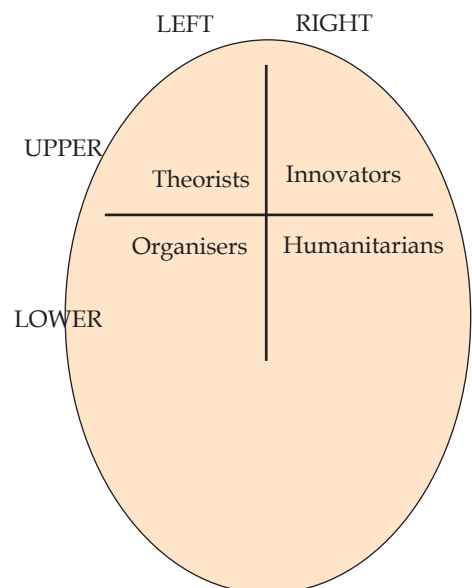
The final entrepreneurial type proposed by Miner is that of the "expert idea-generator". This type is characterized by a desire to personally innovate, a belief in new product development, high intelligence, a high conceptual cognitive style, and a desire to avoid risks. Miner (1997) showed that firms founded by personal achievers had grown more than those of other types. There was also evidence that those business owners that were characterized by more than one pattern were more likely to be successful. Miner states:

*"All four of the personality patterns are associated with success levels which far exceed those for the entrepreneurs without any strong pattern."*

From the 100 entrepreneurs studied 84 could be utilised within the results. Of the 21 entrepreneurs who did not show a distinct pattern, none exhibited substantial evidence of success. Of the 11 entrepreneurs with little evidence of success, who had no strong pattern, eight were still with their firms but barely surviving. Of those who exhibited one or more of the entrepreneur profiles 92% had some or substantial success.

## BRAIN DOMINANCE - THINKING STYLES

Miner's work in some respect reflects that of Ned Hermann, former Director of Management Education at General Electric Corp. Hermann examined hundreds of EEG experiments over a 16 year period and found people where either left-brain or right-brain dominant. The research found that left-brain dominant thinkers approached problems by use data and right-brain dominant thinkers solve problems by understanding relationships. Hermann theorized that there are four distinct thinking profiles based on dominance of one quadrant of the brain. The qualities of which are outlined below:



**Theorist:** analyser/quantifier, is logical, critical and realistic, likes numbers, knows about money, and knows how things work.

**Innovator:** is curious, impetuous, plays, infers, imagines, speculates, and takes risks.

**Organiser:** takes preventative action, establishes procedures, gets things done, is reliable and neat, organizes and plans.

**Humanitarian:** Is sensitive and supportive, is expressive, emotional, touches a lot, talks a lot, likes to teach.

## RESEARCH

### DISABILITY AND ENTREPRENEURSHIP LITERATURE REVIEW

Is it appropriate to utilise those character traits identified for entrepreneurs in respect to entrepreneurs with disabilities. Little research has been done in this area of work but a paper "The Emerging Work force of Entrepreneurs with Disabilities: Preliminary Study of Entrepreneurship in Iowa" by Blanck P.D, Salder, L.A, Schmeling, J.L. Schwartz HA (2001) suggests that disabled entrepreneurs exhibit the same characteristics as non-disabled.

*"To understand the reasons why people with and without disabilities start their own businesses, researchers have profiled the motivations and competencies of successful entrepreneurs. Hisrich and Brush's study of minority entrepreneurs identified several key characteristics of successful entrepreneurs, including achievement, opportunity, job satisfaction, independence, economic necessity, career security, power, and status. Similarly, Clayton noted that the successful entrepreneur must be aggressive, competitive, goal-oriented, opportunistic, intuitive, and a calculated risk-taker. Researchers Sullivan and Cooper received responses from entrepreneurs with disabilities that comported with Clayton's characteristics."*

A project under the banner of the EU Leonardo da Vinci programme "Development of a training and vocational guidance model for disabled persons in the field of self-employment" developed a simple psychometric test to identify disabled entrepreneurs using traits such as : energy, affability, tenacity, emotional stability, and open-mindedness.

These character traits have been used for personality assessment in entrepreneurial fields.

### PERSONALITY TESTS AND DISABILITIES

In summary, it is valid to consider a test used to identify entrepreneurs would also identify entrepreneurs with disabilities. Though the spectrum of disabilities is wide and varied ranging from physical to mental aspects of the person. What is being considered is whether a person is capable of being an entrepreneur and the basic personality set does not change whether the person is disabled or not.

When considering using psychometric tests for people with disabilities it should be examined whether or not the disability will unduly influence the outcome of the test and whether procedures would need to be put in place to compensate for this. Upon examination of existing testing agencies and testing handbooks it is the consensus of opinion that, due the diversity of disability and impact of disability on the individual, a specific norm for disabled subjects would not be possible. Added to this the main consideration should be whether the candidate has demonstrated a suitable level of ability to perform the job, entrepreneurship.

*"Personality questionnaires should not in themselves be disadvantageous to people with disabilities. An exception to this is the use of scales measuring aspects of stress management where the test taker has a mental illness or a history of mental illness."*

*"People with disabilities are not an homogenous group with identical characteristics and uniform needs. It would not be appropriate to establish norm groups made up exclusively of disabled people."*

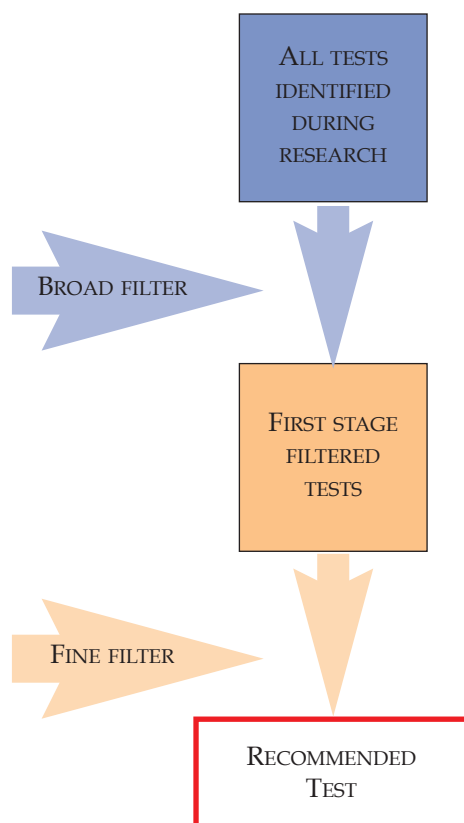
## IDENTIFICATION OF POTENTIAL TESTS

To identify potential tests to support the selection of entrepreneurs a two-stage process was utilised. A broad filter was applied to all possible tests identified during the research stage:

- Is the test referred to in academic publication, governmental publication or knowledge store?
- Number of questions (less than Twenty questions)
- Current users
- Is it a commercial product?
- Can the test be found?
- Is the test referred by more than one source?

The broad filter resulted in six tests being identified. A fine filter was then applied based on the following points:

- Ease of use for subject.
- Type of questions (yes/no, statement completion, graded scale)
- Length of time to undertake the test.
- Number of questions.
- Analysis of output report (score or document)
- Ease of use of data
- Current users



### TESTS INVOLVED IN FINE FILTER

#### BUSINESS ASSESSMENT SCALE

Developed by Goodman Herzog and Associates Inc., it is a self-employment assessment tool developed specifically for use by vocational rehabilitation agencies. It evaluates the person who already has a business idea. The test involves 45 open-ended questions for completion by the client. Allowing two to three hours for completion. The test is scored for various factors/attributes on a scale of 0 to 100, these are weighted to produce a total score out of 100. The test is currently utilised by vocational rehabilitation services within the United States.

#### E SCAN

Developed by Martyn P. Driessen, Peter S. Zwart, University of Groningen. The test is based on their research into successful entrepreneurs, which examined 536 subjects who either had established a business or would like to. The test is composed of 111 questions the majority using a seven point scale, taking some 10-20 minutes to complete. The test generates a 23 page report discussing entrepreneurial characteristics, strengths and weaknesses over nine character traits and giving advice or recommendations. The test is currently utilised by a Dutch bank and a Governmental training provider for clients on social security benefits (including one similar to Incapacity Benefit).

#### MYERS BRIGGS TYPE INDICATOR/ STRONG INTEREST INVENTORY (ENTREPRENEUR REPORT)

This report is based upon the combination of two tests; the Myers Briggs Type Indicator (personality test) and the Strong Interest Inventory (career/occupation interest test). The combined test compares a persons interests and personality preferences with those of small business owners. The test comprises of 410 questions split into 317 questions for the Strong Interest Indicator and 93 questions for the

Myers Briggs Personality Test, taking some 50-60 minutes to complete. The report produced is 13 pages in length, providing an insight into both the person's personality and interests. The tests are used separately and widely in the US as a means to profile personalities and to identify possible career paths. The Strong Interest Inventory has been used as a career-counselling tool for US high schools. Myers Briggs Type Indicator is used worldwide and over two million questionnaires are administered annually.

#### ENTREPRENEUR QUIZ

The test, by Chatelaine, was first published in a Canadian magazine in 1992 within an article entitled 'Your Own Business'. The test is currently used by the Canadian Western Economic Diversification Department as a means of allowing potential entrepreneurs to examine their personalities and consider if self-employment is a viable career path. The time taken to undertake the test is 10-15 minutes, answering 75 statements using a six-point scale ranging from 'not at all' to 'very true'. The test produces a two-page report outlining the 15 aspects of the subject's personality and comments on areas upon which to focus.

#### GENERAL ENTERPRISING TEST (GET)

The test was developed as part of the work of the Enterprise in Education and Learning team based within the Foundation for Small and Medium Enterprise development based at Durham University's Business School. Literature and a variety of related tests were extensively reviewed including the 1960's work of Atkinson and McClelland. The result of this review and subsequent experiment became the GET test. The test has 54 (agree or disagree) statements, taking approximately 10 minutes to complete, resulting in a score out of 12 or six for five personality traits. The test is mainly Briggs Strong Interest Indicator)

# IDENTIFICATION OF POTENTIAL TESTS

## RECOMMENDED TEST

Having applied the criteria set out in the selection criteria model above the choice for our application was E Scan and the overview of reasons is set below.

The test is based on the research of Driessen and Zwart, which not only looked at the profiles of successful entrepreneurs, but also failed ones. The test distinguishes between three factors; characteristics, qualities and thinking styles; and indicates which competencies are vital in which phase of the business cycle. The test measures nine aspects of the entrepreneurs, many of which have been identified as indicators of entrepreneurial potential: need for achievement, creativity, and self-efficacy.

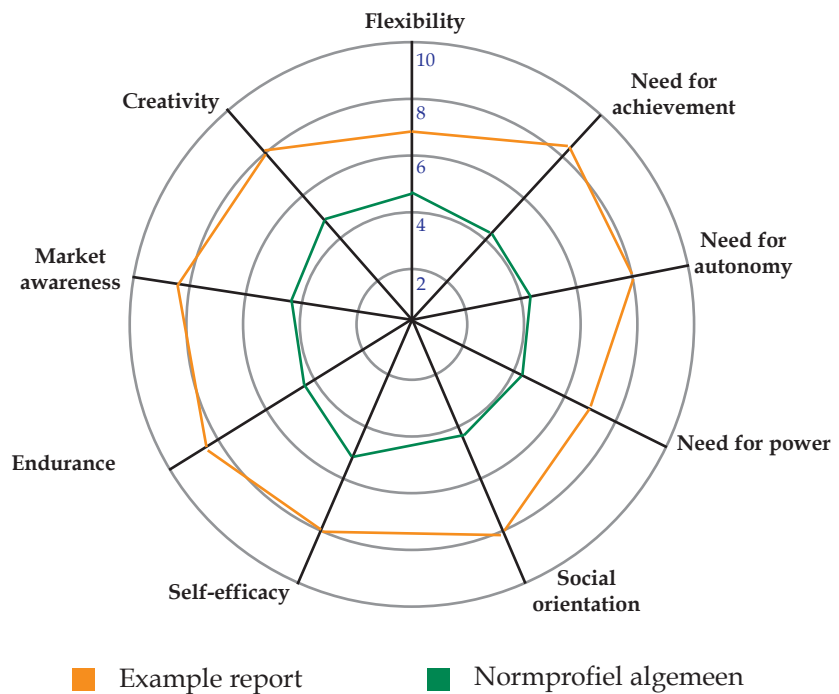
The easy to use web-based test has some 111 questions answered via on a seven-point scale (agree/disagree) or by sentence completion. The time taken to complete the test is around 20 minutes, so is not as overly daunting or taxing as some of the others examined (e.g. the Myers Briggs Strong Interest Indicator)

E Scan generates a 23-page report that is accessible to most subjects giving an initial picture of how they compare against an entrepreneur norm of the test. This is shown via a radar diagram (an example shown below).

The report examines each of these aspects and comments on the subject's scores, how this trait may manifest itself in the entrepreneurial setting and possible coping mechanisms.

The test also generates a profile of the person, comparing them with Hermann's four thinking styles (similar to Miners' four entrepreneur types), suggesting which of the four types fits them the best: Salesman, Manager, Pioneer or Specialist, indicating how this could manifest itself and possible techniques that may help.

Another aspect in selecting the test is that it is currently being used in a similar format to the perceived end use from this study. STEW, a training provider in Holland, utilised this test to help in the selection of clients receiving social security benefits for an entrepreneur training course. An advisor spoke of at least a 75% reduction in the number of screening interviews (from 4-5 interviews to 1) following the introduction of E Scan into their Amsterdam office. The test is available to the general populous via the web and on average the site has some 600-1000 people undertaking the test each week.



# OPERATIONAL ASSESSMENT OF THE PROFILING TOOLSET

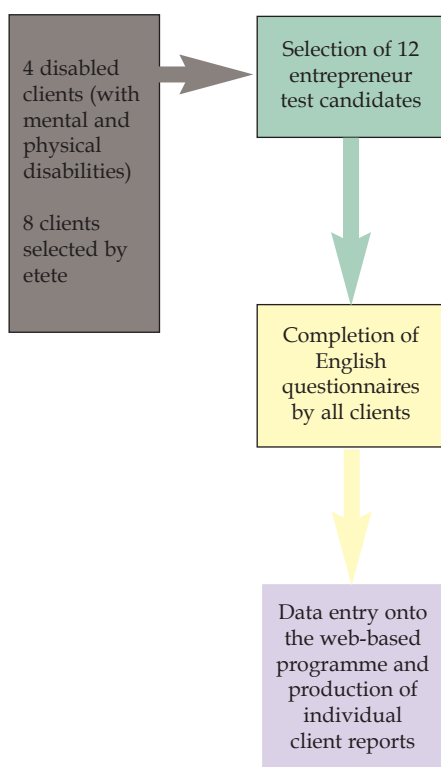
## THE FUNCTIONAL TRIAL OVERVIEW

This initial trial assessment process was designed to test three functionality features of the selected profiling toolset and its potential integration into the proven Business Ability Support programme.

1. The client interface and ease of use.
2. The report and its content, with the objective of supporting the selection of potential entrepreneurs.
3. Indication of a client's strengths and weaknesses, which would support business mentors in their client assessment activities.

It was agreed within the project team that to test the above criteria a limited test of 12 known clients was sufficient.

The process was structured on the lines as shown in figure 1 below. The 12 clients who agreed to take part in the trial were chosen by both etete and Business Ability to have a broad range of business ideas core skills and ages. Business Ability selected clients with differing disabilities, covering both physical and mental difficulties.



## CLIENT INTERFACES WITH THE PROFILING TOOLSET

In the trial it was necessary to translate the toolset questions from Dutch into English and provide each client with a hard copy of the questions for completion. The answers were then inputted by a Dutch national into the internet entry forms and within minutes the completed client reports were available, the test process should take the client approximately 20 minutes to complete.

From the completion of the client data entry, the full report was e-mailed back to the client in approximately 10 minutes.

All 12 reports have been received and used to review and check for accuracy and completeness.

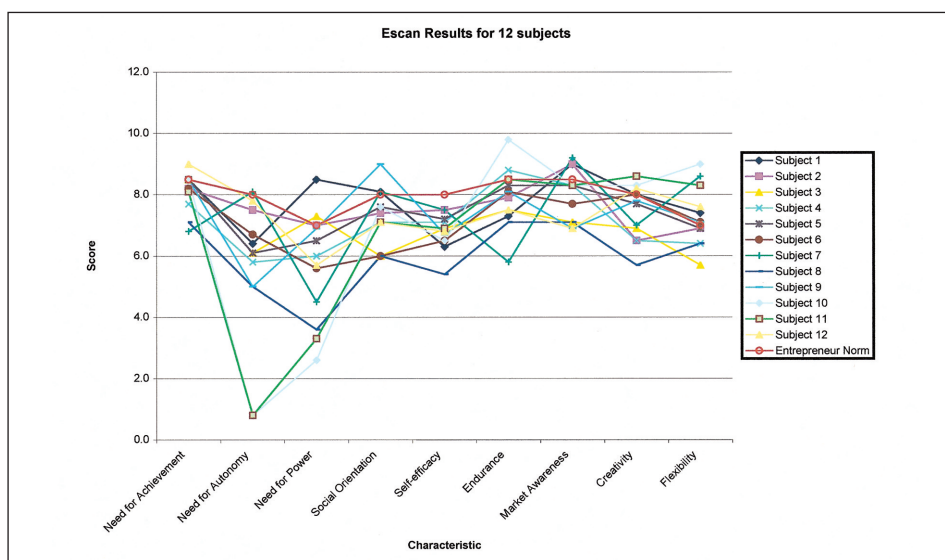
## THE 12 CASE STUDY BUSINESS PEOPLE

The sponsors of the 12 trial subjects developed outline pen portraits which have included with key summaries of the individual toolset reports, these key summary subject reports are detailed later in this section of the report.

Figure 2 below plots the 12 subjects results against the nominal value for an entrepreneur,

Commenting overall on the scores from the 12 individuals, as expected, one can see that most have some aspects that mirror that of the entrepreneur norm and others that exceed or fall short of the mark.

The clear exception in all of the twelve case studies is Case 8 who falls well below the characteristic



norm for an entrepreneur, and therefore should be supported to channel his efforts in other areas.

It is also relevant to state that the four disabled candidates have no characteristics that differentiate them from the others in the group sample.

Key points profile reports has been prepared for each client, including the initial pen portrait submitted by business advisors, these reports follow on in Section 4.1.

## PROFILE REPORT 1

|                   |                    |
|-------------------|--------------------|
| <b>Sex</b>        | Female             |
| <b>Age</b>        | 25-30              |
| <b>Business</b>   | Maternity Services |
| <b>Disability</b> | Manic Depression   |

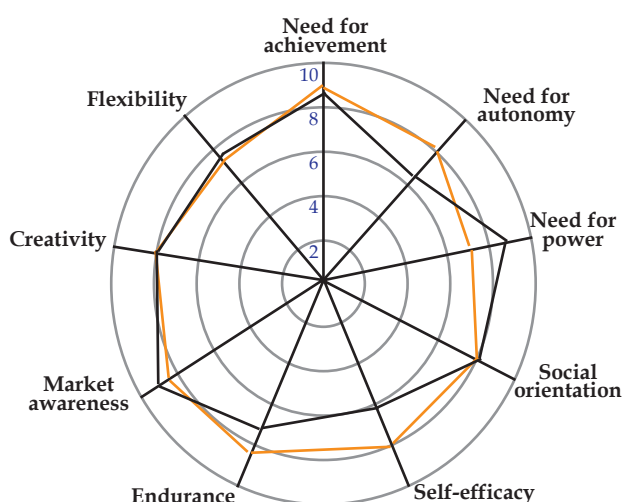
Qualified as a health professional in Europe, but could not take the stress of the job in the UK. Business is to offer medical advice on a one-to-one basis in conjunction with a private hospital group. Needs lots of support, mental condition affects her performance but advisers think she will make a good businessperson

### Thinking Style

Most applicable - Manager  
Least applicable - Pioneer

**INITIAL OBSERVATION:** Test results show an above average suitability for becoming an entrepreneur. The thinking style most suited to the subject is the Manager suggesting that the subject likes situations that are orderly and planned. This person is a doer with a methodical approach to things. Social Desirability is high for this subject -this potentially means the picture presented may not be a true reflection of the subject, possibly, it is too optimistic. The subject has a very high Need for Power- that is to have control over others.

**AREAS OF EXPERTISE:** Need for Achievement is high which makes the subject very goal focused, but they need to try not to become too goal orientated and so blinkered. Creativity is strong in this person; they are imaginative, coming up with new ideas even for problems that do not exist.



**AREAS OF WEAKNESS/NEED OF SUPPORT:** Lowest scoring thinking style is that of the Pioneer which means the subject is uncomfortable in situations that are fluid and uncertain. The subject's Endurance is below the entrepreneur norm suggesting they may have a problem with the long term and may need to break down goals into steps.

## PROFILE REPORT 2

|                   |                                   |
|-------------------|-----------------------------------|
| <b>Sex</b>        | Male                              |
| <b>Age</b>        | 55-60                             |
| <b>Business</b>   | Life Coach/<br>General Consultant |
| <b>Disability</b> | Damaged back                      |

Damaged back whilst young but has worked consistently until three years ago when he was made redundant. Lots of office and sales skills, with a marketing background. Currently doing an OU degree

Now suffers from lack of mobility and pain. Set up as a life coach/general consultant. Personable. Advisers think will make a go of it

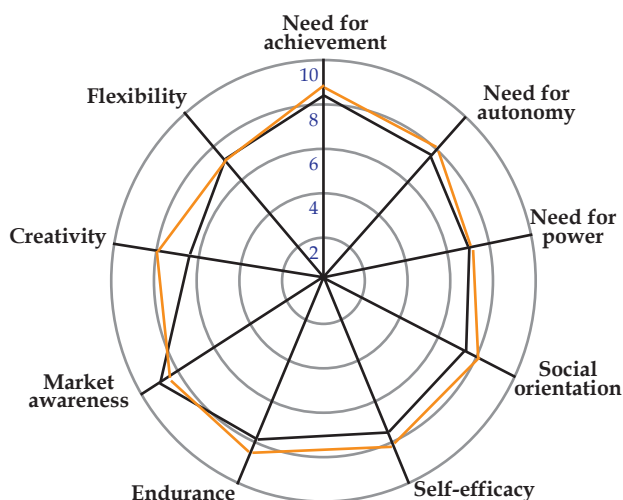
### Thinking Style

Most applicable - Salesperson  
Least applicable - Pioneer

**INITIAL OBSERVATION:** Subject fits closely the pattern for an entrepreneur with creativity being their lowest area. This is reflected in the subject's weakest Thinking Style being that of the Pioneer where individuals have a strong sense of imagination and faith in their abilities.

**AREAS OF EXPERTISE:** Need for power in this subject is strong, but the need to convince others is tempered by not wanting to appear pushy or domineering.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** This subject's creativity is restrained by the need to be cautious; they look upon situations with a certain degree of suspicion.



## PROFILE REPORT 3

**Sex** Male  
**Age** 25-30  
**Business** Landscape Gardener  
**Disability** None

Ex-Manager from a national chain selling home electrical goods. Made redundant. Set up a landscape gardening business. Interested in outdoor activities, done some training in gardening and still continuing. Thinks his strengths are in negotiations and building relationships. Technical strengths in gardening weak at present but are generally strong in technical matters. Quite determined as an individual. Not over ambitious - happy with a small business. Has parental support.

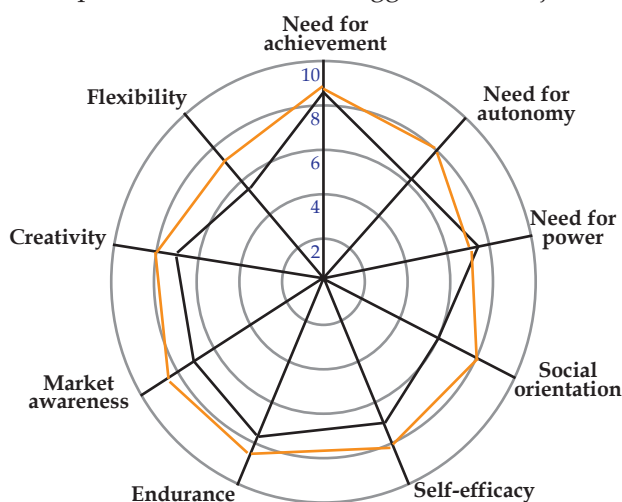
### Thinking Style

Most applicable - Manager  
 Least applicable - Salesperson

**INITIAL OBSERVATION:** Need for achievement and need for power closely match those of the entrepreneur norm. The subjects Market Awareness is low for an entrepreneur. With the subjects thinking style being the strongest for the Manager it means the subject prefers situations that are orderly and work to a set plan

**AREAS OF EXPERTISE::** Need for Achievement and Power is high, this subject is a very goal orientated person who works hard to achieve them, but this could make the person shortsighted. Without a challenge this person may become bored. The subject tries to influence other but does not do this without using pressure.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** Social orientation is below the entrepreneur norm, which suggests the subject is somewhat reserved and does not initiate contact. This is reflected in the subjects least appropriate thinking style - Salesperson, which focuses on personal contact and serving others. Market Awareness is low suggesting the subject does not have a clear idea of the target market or competition



## PROFILE REPORT 4

**Sex** Male  
**Age** 40-45  
**Business** Mobile Espresso Bar  
**Disability** None

22 years in consumer sales and seven years as self-employed computer sales. Good communication skills, team player - very goal driven, Sales and marketing training and good at person-to-person interaction, chatty and small-talk type person. Seems determined.

Set up a mobile coffee business, has received some training in this activity from equipment sellers.

Ambitions of setting up a franchise.

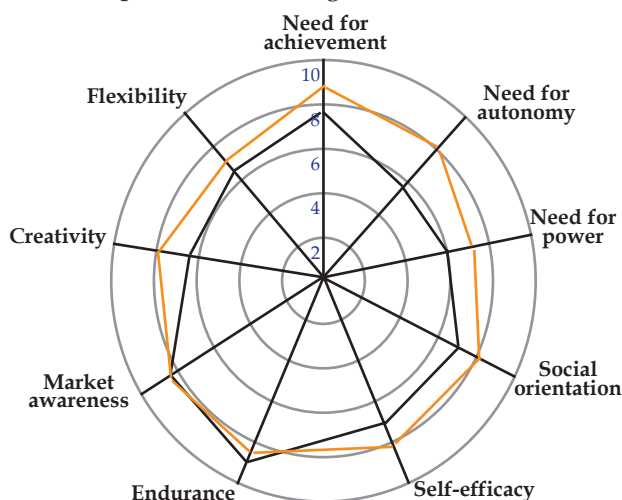
### Thinking Style

Most applicable - Salesperson  
 Least applicable - Pioneer

**INITIAL OBSERVATION:** The results suggest that the subject overall has an above average suitability to entrepreneurship, recommending that the subject take an existing product or idea needs an additional impulse.

**AREAS OF EXPERTISE:** The subject is customer orientated and knows the market. The subject has scored similar to the entrepreneur norm for endurance and so has the staying power to ensure a goal is achieved. If the going gets difficult the subject will focus their attention on other things, but will return to the initial task.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject is an intuitive thinker who comes up with new ideas, but if the future is uncertain, prefers to pass. The subject does not trust their own judgement and needs the support of others and will accept them in making the decisions.



## PROFILE REPORT 5

**Sex** Male  
**Age** 50-55  
**Business** Printing supplies  
**Disability** None

Strong print industry background with a management bias, technical strengths, very methodical.

Made redundant.

Not sales driven or a great socialiser, but has lots of contacts. Set up business as a supplier of printing consumables where he can use his technical strengths. Not ambitious, happy if he makes a go of it. Doesn't think he will get another employed job.

### Thinking Style

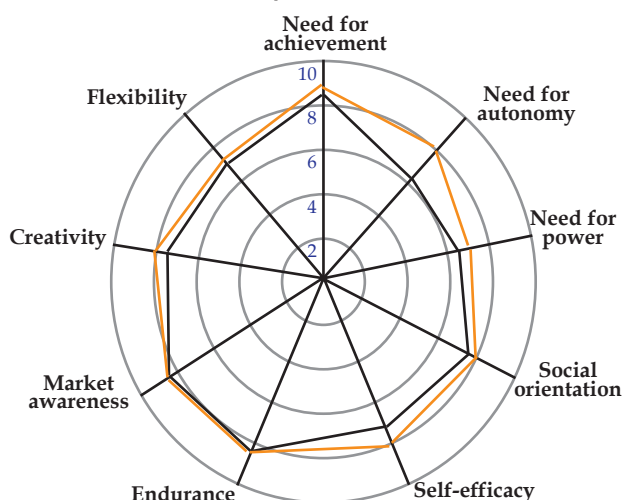
Most applicable - Pioneer  
 Least applicable - Manager

**INITIAL OBSERVATION:** The subject is suited to starting their own business and is motivated by an environment that requires development. This is reflected in the subjects thinking style - Pioneer - that has a preference for situations with an adventurous and unpredictable nature.

**AREAS OF EXPERTISE:** The subject has many traits that reflect that of the entrepreneur norm: Market Awareness, Endurance, Creativity, Flexibility and Need for Achievement. The subject is competitive; readily taking up a challenge, but does experience moments of self-doubt if they believe a person before them is more powerful or important. The subject knows the market, the competitors and how to approach customers.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** Need for Autonomy is below the entrepreneur norm

suggesting that although the subject can make decisions relatively independently, he does not make decisions lightly, preferring the support and



## PROFILE REPORT 6

**Sex** Female  
**Age** 25-30  
**Business** Graphic Design  
**Disability** None

Degree in Graphics, worked for an agency but then lost her job. Still does work on a subcontract basis for agency. Very keen to learn - good networker, always willing to seek advice and help.

Shares a studio with another business. Always looking at something different, now looking at body language as a way to understand clients. Not ambitious in the sense of wanting a lot of staff etc.

### Thinking Style

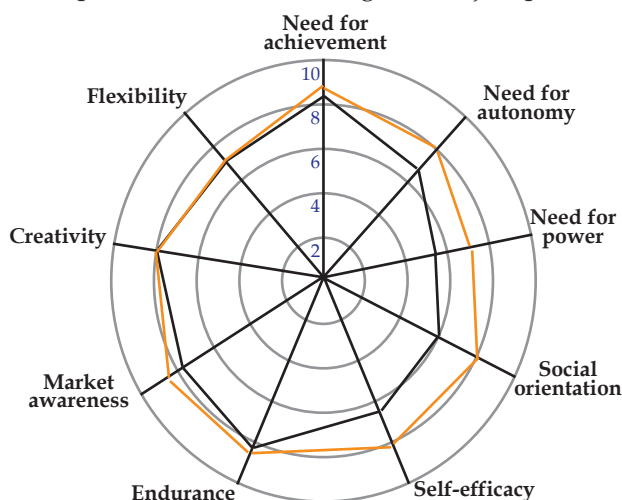
Most applicable - Specialist  
 Least applicable - Salesperson

**INITIAL OBSERVATION:** This subject's results suggest a moderate potential to start a successful business. Their thinking style most reflects that of the specialist, that being a preference for situations that require a careful qualitative approach. They are not a salesperson and believe in delivering a quality product and that it will sell itself. They can be perfectionist and can be authoritarian in attitude.

**AREAS OF EXPERTISE:** Creativity and Flexibility closely match that of the entrepreneur norm suggesting that the subject has the ability to think of multiple solutions to a problem, but will need to know the risks before starting something new. The subject can react to changes in the market or surroundings and adjust plans.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** Social orientation is below the entrepreneur norm indicating the subject prefers to manage relationships than

acquire new. This is reflected in the least suited thinking style - Salesperson. This suggests that situations that involve personal contact and serving others are not immediately appealing. The subjects Need for Power is low meaning that they do not want to draw attention to themselves and prefer to let others decide for themselves.



## PROFILE REPORT 7

|                   |                        |
|-------------------|------------------------|
| <b>Sex</b>        | Male                   |
| <b>Age</b>        | 35-40                  |
| <b>Business</b>   | Loft conversions       |
| <b>Disability</b> | Depression/<br>Anxiety |

Suffers from depression and anxiety. Currently living with mother, on JC+ and housing benefit. Unemployed for 6 months. .

NVQ level 2 education. also having bereavement counselling.

Started up a loft conversion business working for the Local Authority. Needs lots of business support and advice.

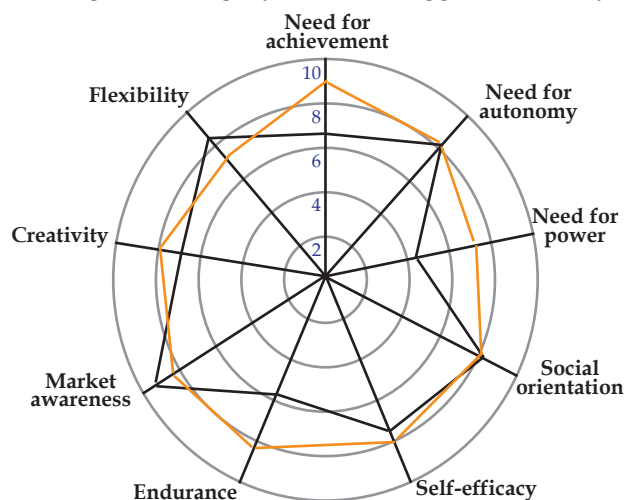
### Thinking Style

Most applicable - Pioneer  
Least applicable - Manager

**INITIAL OBSERVATION:** The results of the test suggest that the person's entrepreneurial potential is moderate. They can however see market potential and produce products, but they find it difficult to persevere. This person may tend to dream and act on instinct.

**AREAS OF EXPERTISE:** The subject scores closely to the norm for Social Orientation and easily makes contacts; in some respects they have the gift of the gab. The subject has a very high Market Awareness having a clear picture of the customer base. The subject has a high Flexibility score allowing them to readily adapt, but in some cases too readily.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject has the lowest match to the Manager thinking style, which suggests that they are not attracted to situations that need detailed planning or structure. This person has a moderate endurance suggesting they cope well with the short-term but not so well with the long. This person has a low Need for Power and is not a 'take charge' kind of person preferring the sidelines.



## PROFILE REPORT 8

|                   |              |
|-------------------|--------------|
| <b>Sex</b>        | Male         |
| <b>Age</b>        | 60-65        |
| <b>Business</b>   | Consultant   |
| <b>Disability</b> | Hypertension |

Hypertension and heart circulation problem. Had a number of senior jobs. Set up a company before but had to sell out to a competitor.

Started up as a consultant in safety audit (after 6 months unemployed) - has financial pressures - also doing part time work.

He has a range of business, management and technical skills.

### Thinking Style

Most applicable - Manager  
Least applicable - Salesperson

**INITIAL OBSERVATION:** From the results the person has a moderate potential for entrepreneurship and would be more suited to developing an existing product or concept (franchise). The subject finds most challenge in focusing on controlling business processes. The subject's scores are below the entrepreneur norm for all traits.

**AREAS OF EXPERTISE:** The subject is flexible having the ability to adapt to change. The thinking style most applicable to this person is that of the Manager indicating they are a doer, liking a practical approach to situations. The subject does know their market, but does not have a clear picture of how their product could satisfy the customer needs.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject has a very low Need for Power, which indicates they do not like influencing others, or drawing attention to themselves. Need for Autonomy is low suggesting that the person requires the support of others as they do not trust their judgement.



## PROFILE REPORT 9

**Sex** Female  
**Age** 25-30  
**Business** IT Marketing and PR  
**Disability** None

Started business whilst at University and, after graduating, with others formed a limited company. Now the MD of the business. They have five staff and a good class of well-known company clients. Business is some six years old. She has a technical IT background. She is an excellent networker and uses this skill to meet with clients and gain orders.

She is a very pleasant but determined individual. She works hard at being seen as she is; a nice person.

### Thinking Style

Most applicable - Salesperson  
 Least applicable - Pioneer

**INITIAL OBSERVATION:** Overall the subject scores above average for entrepreneurial potential, having the ability to visualize the needs of a customer. The individual scores in some traits match closely that of the entrepreneur norm (Creativity, Need for Power and Endurance), but others such as Need for Autonomy are very much short of the mark.

**AREAS OF EXPERTISE:** The subject is very much goal orientated and works hard to achieve this. This is reflected in the scores for Need for Achievement and Endurance. Also they have a relatively high creativity score suggesting they are prepared to take risks and have the capacity to generate ideas and solutions.

**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject has a low Need for Autonomy accepting others making decisions and distrusting their own judgement. They

have a vague idea of the market and approach it with limited information. The Pioneer thinking style is least suited to this person indicating they may be uncomfortable in situations that lack clarity or certainty



## PROFILE REPORT 10

**Sex** Male  
**Age** 55-60  
**Business** Household Products Manufacture  
**Disability** None

He had a long history of establishing/operating businesses for plc's and large private companies. About 10 years ago he went it alone and founded a products manufacturing company. It has grown very successfully creating a niche as a design-led business with an A list client base. Now has around 200 employees and is still growing. He has a wide skill base and uses other people well, delegates some activities but keeps control of key themes like cash, design and strategy. Trying hard to build a management team, Very open to new ideas, lean manufacturing, technology etc. He is very intelligent, well read and well connected.

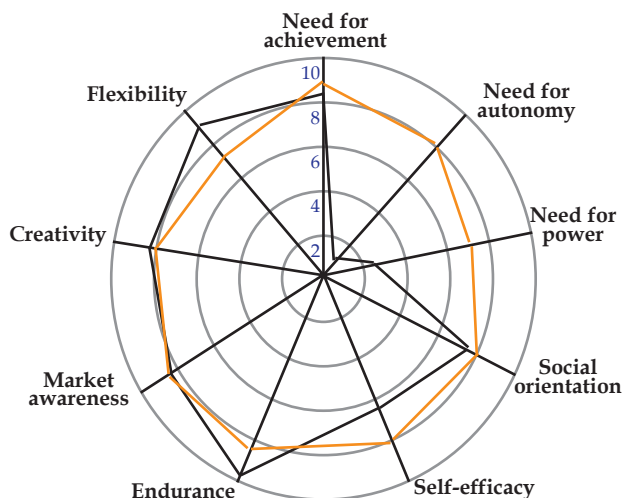
### Thinking Style

Most applicable - Salesperson  
 Least applicable - Manager

**INITIAL OBSERVATION:** This subject overall has an above average suitability to entrepreneurship, but there are marked areas that fall well below that of the norm, those being Need for Power and Need for Autonomy. Their thinking style is most suited to that of the Salesperson suggesting that customer relationships is one of their strong points, also reflected in a relatively high Social Orientation score.

**AREAS OF EXPERTISE:** This person has a large amount of Endurance indicating they will keep at something until they reach their goal, no matter what the obstacles. They have a tendency not to let go when most would and may have been better off doing so. They have a high Market Awareness understanding the needs of the customer

**AREAS OF WEAKNESS/NEED OF SUPPORT:** This person would rather stay in the background and feels uncomfortable taking the lead in situations or over others. This person does not like making decisions and prefers to rely on others when solving problems turning to them as quickly as possible. The subject has very high Flexibility suggesting it is hard for them to hold onto their own ideas and resist change from any direction - customers may misuse this.



## PROFILE REPORT 11

**Sex** Male  
**Age** 60-65  
**Business** Consultant  
**Disability** None

Background professional career is accountancy, had a long history of running businesses for plc's and large companies. Bought out, and operated a manufacturing company within the aerospace sector and then sold it out. Has run and headed operations for Business Support Agencies and has now set up his own style of Consultancy Company, using skilled associates rather than retained in-house staff.

He has a wide business network base, good business concept skills, uses other people well to support his business solutions.

### Thinking Style

Most applicable - Pioneer  
 Least applicable - Manager

**INITIAL OBSERVATION:** This subject has an above average potential for entrepreneurship. The subject has a preferred thinking style of the Pioneer suggesting the person identifies ideas for products and can see the market potential. Subject has very low Need for Autonomy and Need for Power, but has high Endurance, Market Awareness, Creativity flexibility and Need for Achievement.

**AREAS OF EXPERTISE:** The person sets goals that demand a lot of themselves, they are ambitious and try to out do themselves, but this may lead to perfectionism. The subject's Endurance score matches that of entrepreneur norm suggesting that the person is self-disciplined, and can keep going for the long term. This person prefers to manage relationships than acquire new contacts, but when they do, they do it this in a quiet reserved way. The subjects Market Awareness closely matches that of the entrepreneur suggesting they know their market and competitors.



**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject has a low 'Need for Autonomy' and 'Need for Power'. This implies that the subject prefers to leave decision making to others and involve others as quickly as possible. The subject does not impose his opinion on others - preferring the sidelines, letting others take charge.

## PROFILE REPORT 12

**Sex** Male  
**Age** 49  
**Business** IT software  
**Disability** None

An engineering graduate, he first ran the family engineering business. He sold this and opened his own software development business. He has grown the business, employing approximately 14 staff; he concentrates on the bespoke database tools niche, marketing to regional support/intervention agencies and local government.

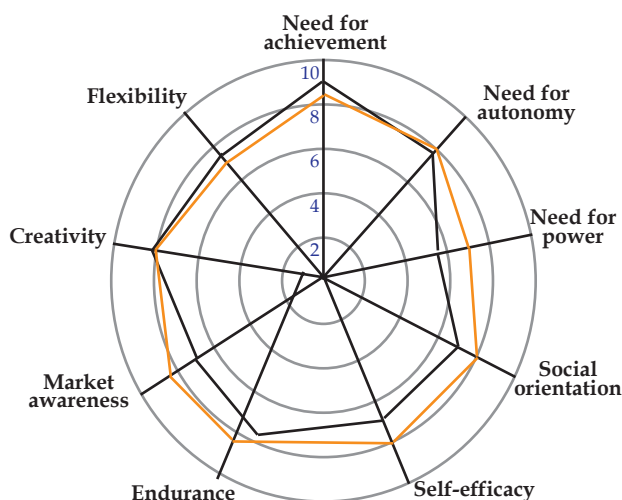
He has a good technical background, is an excellent networker and uses this skill to meet with clients and gain orders. He is a very pleasant but determined individual but prefers to runs his business through directly managed teams rather than through a management hierarchy. The demographic profile of his company is young.

### Thinking Style

Most applicable - Pioneer  
 Least applicable - Manager

**INITIAL OBSERVATION:** The subject has an above average suitability to entrepreneurship. Their preferred thinking style is that of the Pioneer, suggesting that the subject has a preference for situations with few rules. He is unpredictable and adventurous in nature.

**AREAS OF EXPERTISE:** The subject has a high Need for Achievement, suggesting they are motivated with the goals they set themselves, they are ambitious and efforts may tend to perfectionism. The subject is independent and tends to believe they do not need to discuss decisions with others in great detail. They have a high Creativity score, above the norm, indicating they can produce solution for problems, but this is tempered by the possibility that they produce solutions for problems that may not exist.



**AREAS OF WEAKNESS/NEED OF SUPPORT:** The subject has a low Need for Autonomy and Need for Power. This implies that the subject prefers to leave decision making to others and involve others as quickly as possible. The subject does not impose his opinion on other preferring the sidelines, letting others take charge.

# CONCLUSIONS

## PURPOSE OF THE STUDY

The purpose of the study was to identify and evaluate an effective assessment toolset designed to assist programme staff assess the self-employment potential of clients wishing to enter their development programmes.

The motivation behind the introduction of the toolset is the benefit to program participants to (a) understand their individual characteristics and (b) use this knowledge as a basis to support their self-employment objectives.

## IMPROVEMENTS IN THE ENTREPRENEUR IDENTIFICATION PROCESS

As previously indicated the success of a business is caused by many factors but for the potential entrepreneurs the most important factors are the business plan/idea and their competencies.

Support and training can be employed to assist the pioneering entrepreneur to develop their business ideas and plans, but eventually it does fall back upon the personality of the entrepreneur.

The selected assessment tool that has been reviewed provides a quick, accurate and efficient means to assess the entrepreneurial potential of the clients as they enrol in the self-employment programmes.

This will provide an efficient and effective basis to ensuring that clients are channelled to appropriate support and development programmes suited to their overall character and abilities.

For clients who successfully enter the programmes the toolset provides valuable input that informs the nature, make-up and engagement of mentoring support - a key element in the development and launch of a new business venture.

## PERSONALITY TESTS AND DISABILITIES

All our research and the limited pilot testing have supported the conclusion that it is valid to use this test in the identification of entrepreneurs, be they able-bodied clients or clients with disabilities.

The easy to use web-based test has some 111 questions answered via on a seven-point scale (agree/disagree) or by sentence completion. The time taken to complete the test is around 20 minutes, so is not as overly daunting or taxing as some of the others examined (e.g. the Myers Briggs Strong Interest Indicator)

We therefore believe that the test is both valid and practical as a supporting toolset for entrepreneurial character recognition.

## SUMMARY AND RECOMMENDATIONS

The E Scan Test has credibility and its adoption as part of the Business Ability Process or any self-employment advisors programme, could reduce the time taken by advisors. It provides a way of identifying and correcting, either through training or mentoring, support for an individual.

It is not a yes/no tool; it is a way of providing a quick accurate and efficient way to assess the entrepreneurial characteristics of clients as they enrol in the self-employment programmes.

To be successful the Business Advisor will need to be trained to understand how the E Scan can be used to aid both themselves and the client.

Aggregation of the data from E Scan over a period of years in conjunction with an evaluation of the business performance of the entrepreneurs could be used to improve the focus of business support and improve the success rate of new business starts.

Etete Ltd  
info@etete.co.uk







**Etete Ltd**  
Willowbrook  
Millfield  
Shardlow  
Derbyshire DE72 2HD

Tel: +44 (0)1332 799578  
email: [george.tansley@etete.co.uk](mailto:george.tansley@etete.co.uk)