



# THE DE-RISKING STORY

Mitigating the high failure rate associated with entrepreneurial endeavor is one of our core competencies. We use and commission original research in the discipline of behavioural economics. The product is a robust, defensible behavioural profile that is generated from the experiences of real, successful entrepreneurs. While we do not evaluate the commercial sense of a person's idea we generate compelling insights into the capacity of a person to execute the idea with high levels of predictability.

## BUILDING BLOCKS TO OUR PROFILE

The iceberg is a good visual metaphor for a human being. People Evaluation tends to focus on the 1/3rd that is visible. What really drives performance are the much deeper motivation patterns. These are not immediately apparent but easily detected when you know how. The 3 core drivers above combine into measurable patterns every time a person is faced with the necessity to complete tasks. They are seen on a spectrum of intensity which has a known impact on predicted success. 20 observable behaviours emerge from the 3 drivers.

### MOTIVES/DRIVERS



#### ACHIEVEMENT

This is the drive to constantly improve one's own performance. People with high levels of achievement motivation prefer working on tasks they can do themselves.



#### POWER

This is the drive to exert, and be seen to exert power and influence over others. People with high power motivation will think they want to be with others, but their main interest will be in the personal impact they have and the positive impressions they can create.



#### AFFILIATION

This is the drive to establish close relationships with people around you. A lot of time is spent thinking and talking about relationships. A core concern will be about separation and disruption to those relationships.

(based on the work of Professor David McClelland and Dr David Cormack)

## ELEMENTS TO A TASK

A task has, we believe, 3 main elements to it. Jobs/roles are simply a collection of tasks. Conventional thinking and practice often confuses and ascribes fuzzy assumed significance to all three.

### KNOWLEDGE

This is easily measured - often through some form of certification.

### SKILL

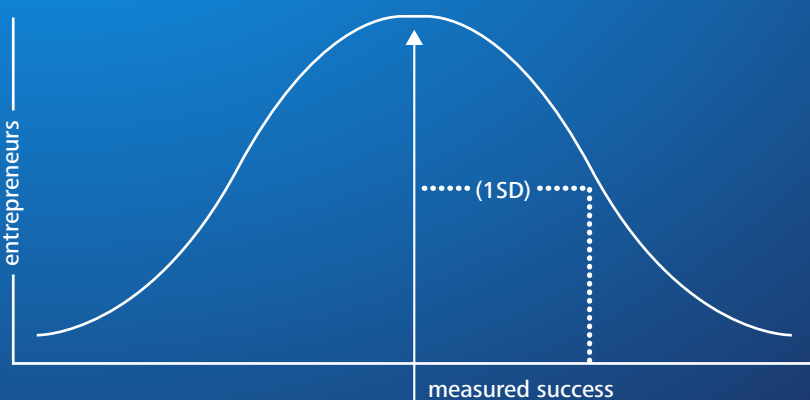
This is easily measured - it is typically the result of physical capability that emerges from the co-ordination of the body's gross motor-movement and sensing organs. An example is eye-hand co-ordination - driving a car is a good example.

### COPING BEHAVIOUR (or competency)

This is the playground of the behavioural economists and is where our chief interest lies. No more than 20 identified, and highly measurable competencies emerge from the interaction of the 3 core drivers. They are measurable, standardized and predict behaviour at significant levels.

Our research suggests that Corporates wishing to identify and engage entrepreneurs within their own talent pool are unable to leverage their capability.

## THE ENTREPRENEURIAL PROFILE - PROCESS

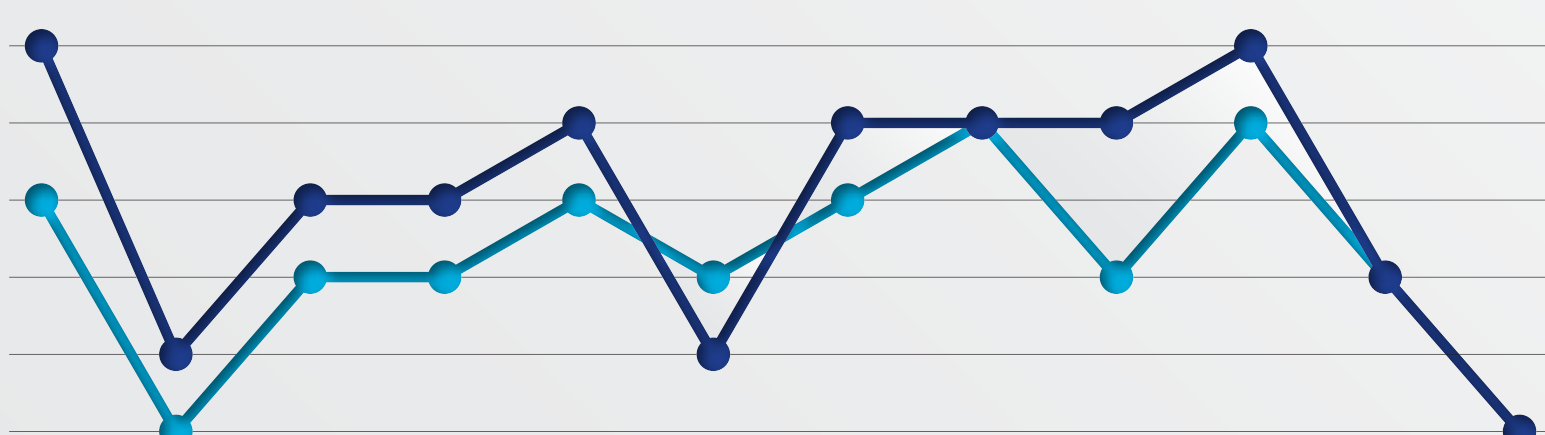


We use real, successful entrepreneurs to develop our profile. Our profile is NOT derived from hypothetical lists generated by theoretical commentators. We interview the equivalent of 1 standard deviation practitioners. A person who matches the derived profile has a high probability (upwards of 60%) of successfully executing the entrepreneurial task structure.

## THE ENTREPRENEURIAL PROFILE

● entrepreneur ● intrapreneur

### ENTREPRENEUR COMPETENCY MODEL



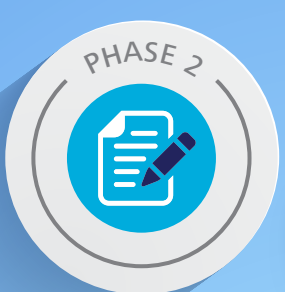
### COMBINED PHASES - KEY LEVELS

The above graph is the actual representation of our entrepreneur's profile. 8 of the standardized 20 competencies are embedded in this profile. An unintended by-product of our research identified a profile for an "intrapreneur" - essentially a person who will cope better in a corporate setting. Our research suggests that Corporates wishing to identify and engage entrepreneurs within their own talent pool are unable to leverage their capability.

## THE 4-PHASES OF ENTREPRENEURIAL ACTION



Scan environment, recognize/identify opportunity for product, project and set goals



Develop/prepare approach and plans, produce and trial prototype or draft example, test customer/market reaction etc.



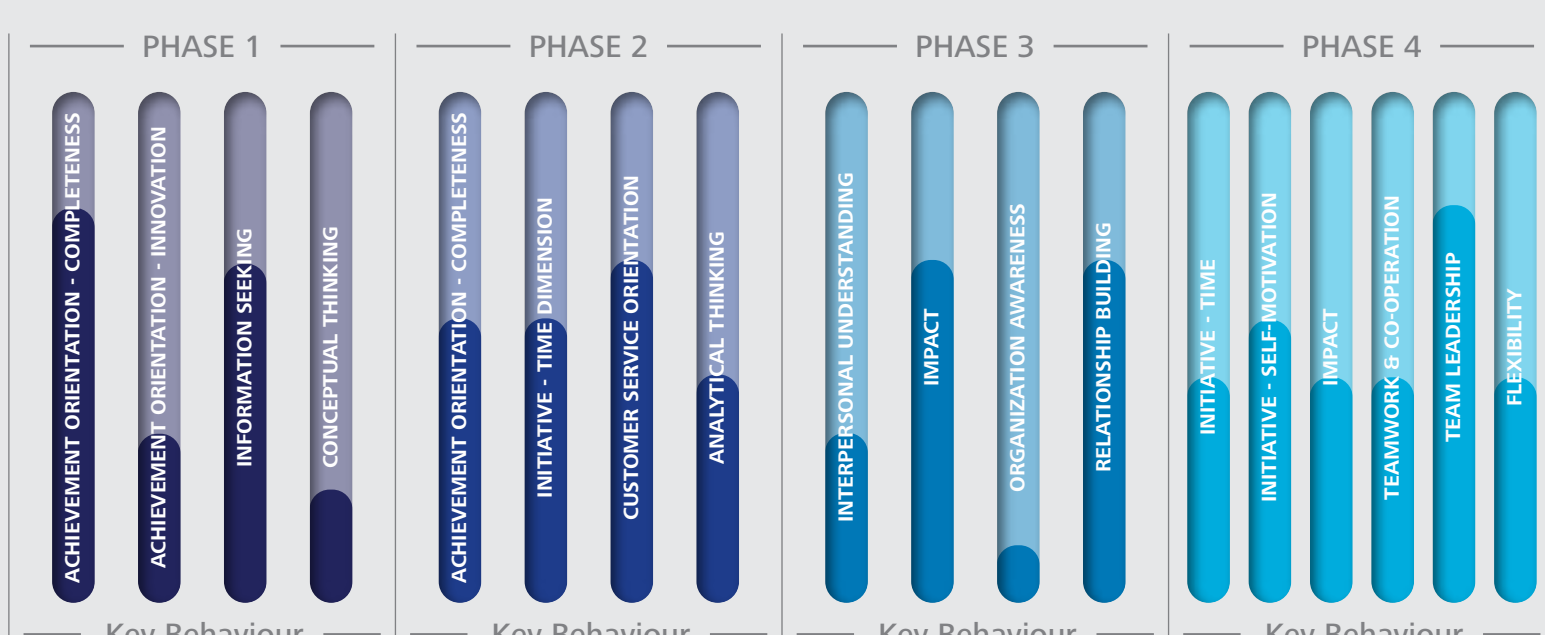
Get backing/sponsorship, funding advice/support, selling ideas etc.



Implementation/start up of product, service or execution of project etc

The graph below is a representation of an entrepreneurial profile.

## PHASE CHARTS



The strength of our profile is its capacity to focus on both the person's relative strengths in terms of both the phases and the required competency strength for that phase. This is used to help an investor (and indeed the entrepreneur) determine how to compensate for areas of weakness. Hiring in or augmenting with temporary people is the usual way.

Predicting entrepreneurial capability with a substantial level of confidence mitigates the high failure rate associated with entrepreneurial endeavour. This is one of our core competencies. So far our interviewees have confirmed the profile. The wise investor knows that it is the human competence that makes the difference.