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Entrepreneurs Unwrapped

What Britain really thinks about entrepreneurship

EAMONN IVES AND DERIN KOCER





**THE ENTREPRENEURS
NETWORK IS A THINK TANK FOR
BRITAIN'S MOST AMBITIOUS
ENTREPRENEURS.**

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A PROJECT BY



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FOREWORDS



STACEY STERBENZ

General Manager, UK Commercial
American Express

“This research helps shine a light on the value of entrepreneurialism in the UK and perhaps busts some myths around what it takes to be someone who starts and runs their own business”

When you picture an entrepreneur, what comes to mind? For many, it's someone who is willing to take a risk in pursuit of big rewards. That may be true in certain cases, however it can be easy to lose sight of the fact that anyone who has created a business – big or small – is an entrepreneur.

For every entrepreneur that has launched a revolutionary new product or idea, there are countless more who are driven by the desire to be their own boss. Whether it's a tech startup, a skilled artisan, a consulting business or an independent shop on the local high street, our economy – and day-to-day lives – are touched by the initiative and passion of entrepreneurs. It's vital that as a society we continue to recognise their contributions and the value they create.

While the benefits entrepreneurs bring to society and our economy are numerous, they often don't get the recognition or appreciation they deserve for their vital role. That is why we're delighted to be partnering with The Entrepreneurs Network on this important research, which aims to further recognise and celebrate the UK's entrepreneur community. We wanted to better understand what the public think and feel about entrepreneurs, what motivates individuals to start their own business – as well as what might be stopping them.

The findings are fascinating. While there remain significant misconceptions about life as an entrepreneur – and particularly how much financial backing is required to start a business in the UK – it's clear that, in the main, the public has a positive view of entrepreneurs and the skills required to make the leap.

At American Express, we're proud to back the individuals driving these businesses forward. We support entrepreneurs at all stages of their journey, from founders to those scaling up, or looking to expand at home and overseas, through a range of payment and financing solutions that underpins growth and rewards them for their spending. That backing extends further with our role as founder and Principal Supporter of Small Business Saturday, the annual campaign that encourages consumers to shop small, now in its 12th year in the UK.

Our hope is that this research helps shine a light on the value of entrepreneurialism in the UK and perhaps busts some myths around what it takes to be someone who starts and runs their own business. After all, by better understanding the DNA of the UK's entrepreneurial community, we can empower industry, policymakers and the wider public to better support and recognise this vital part of the UK economy.



EAMONN IVES

Head of Research,
The Entrepreneurs Network

“Without entrepreneurs, economies would become stagnant – leaving us poorer and less equipped to tackle the problems we face as a society”

Entrepreneurs sit at the heart of our economy. The startups they launch are a crucial source of innovation – by bringing fresh ideas and novel business models to the market themselves, and also by challenging monopolies and keeping incumbent firms on their toes. Without entrepreneurs devising, founding and running new companies, economies would become stagnant – leaving us poorer and less equipped to tackle the problems we face as a society.

Ensuring that entrepreneurs have the best possible set of conditions in which to flourish is therefore critical to our long-term prosperity. At The Entrepreneurs Network, we have consistently advocated for policies which enable entrepreneurs to have a better shot at success – whether that's calling for more permissive regulatory regimes, less complicated tax and immigration frameworks, and many other reforms. But even if we had all of the policies we'd like to see put in place, they would count for little if we didn't have an entrepreneurial society. Thankfully, we do.

It'd be naive to assume that everyone can or even ought to become an entrepreneur, however. Not all of us are suited to starting a business, and nor should we be. But at the same time, we do believe there still exists an 'entrepreneurship gap', whereby some potential founders are deterred from, or denied the chance to, launch a business. Numerous reasons explain why this is the case, from structural barriers to cultural (mis)perceptions, to lack of knowledge or finance, and so forth.

In this report, we sought to examine what some of those reasons are, and also unearth the attitudes of the general public with regards to entrepreneurship more broadly. As well as this, we wanted to get the perspectives of people who have gone through the trials and tribulations of becoming a founder as well, and understand how this might have altered their thoughts and feelings towards various aspects of entrepreneurship. By comparing and contrasting them, we hope to shed light on what Britain really thinks about entrepreneurship.

Perhaps the most telling finding we discovered is that the British people are firm believers in entrepreneurship. They appreciate the immense contribution that founders make to the economy, even if they think that contribution all too often goes unrecognised. While a small proportion think that entrepreneurs' success is down to random luck, a great deal more appreciate the effort that founders put into starting and growing their businesses. As such, they're perfectly content for them to enjoy the fruits of their labour, too.

Britain is a nation which knows the value of entrepreneurship, and admires those individuals who set out to build. As we begin a new year, we hope this report provides further evidence for the need to continue to champion entrepreneurship, while informing where efforts should be focused to ensure that as many people as possible feel empowered to have a go and start a business of their own.



FOUNDER INSIGHT STEVE RIGBY CO-CEO, RIGBY GROUP

"Successful entrepreneurs require an openness to learning and then the knowhow to apply this learning to create a uniqueness to their business. In order to be a price maker, not a price taker, founders need to stand out from the noise, and position their proposition as individually as possible. I've known this to be true all throughout my career, so it's no surprise to see this borne out in the survey.

"Taking risks shouldn't be done lightly, but risk is an essential aspect to every successful business and entrepreneur. Knowing your risk tolerance and when to act in a calculated manner will play a large role in determining an entrepreneur's level of success.

"No business ever succeeded on a national or international stage without effective and bold decision making – so again, it's to be expected that that's what the polling unearthed.

"A final quality that great entrepreneurs possess is the ability to lead a business with passion. By imbuing confidence in your colleagues and customers, and importantly in yourself, success will follow all the easier. When a business is starting out, it's like pushing a boulder up the hill. It's exhausting, and when success comes, often it feels like the boulder is all of a sudden chasing you down the other side of the hill. It might be tiring, but with genuine passion, you can see it through."



61%

OF THE GENERAL PUBLIC BELIEVE IT IS TOO HARD TO START A BUSINESS IN THE CURRENT ECONOMY



64%

OF FOUNDERS THINK CHALLENGING ECONOMIES LEAD TO BETTER BUSINESS IDEAS

SECTION 1 TESTING TIMES

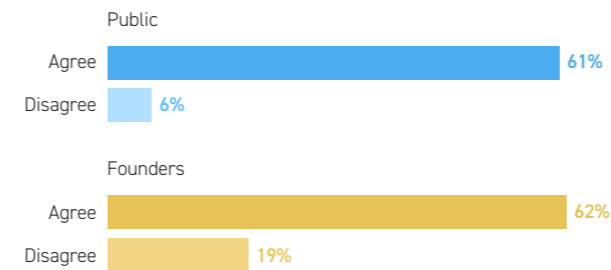
Recent years have not been easy on the economy. Whether it was the Covid-19 pandemic, geopolitical instability, the rise of disruptive technologies, or financial headwinds, times have rarely felt less certain. The upshot of all this is that you'd be forgiven for thinking twice about starting a business. Indeed, according to our polling, 61% of the general public believe that it is too hard to start a business in the current economy, and 66% think that it's safer to take a role within an established company than start a business.¹

Among entrepreneurs themselves, this sentiment is largely shared. A roughly similar proportion think that it's safer to go into a role with an established company than start a business, and a majority also think that it's too hard to start a business in the current economy. One notable difference here is that 19% of entrepreneurs actually think it's not too hard to start a business right now, compared to just 6% of the general public.

There's a theory that a silver lining of challenging economic conditions is that they filter out struggling businesses, leaving behind better, more productive ones.² Economic uncertainty can also confer fresh opportunities to be seized upon by entrepreneurs – and it's true that some of the most well-known founders had their big breaks during downturns.³

This belief seems to enjoy broad consensus among the people we polled. When asked whether challenging economies lead to better business ideas, 33% of the general public agreed while only 11% disagreed. Among entrepreneurs, the feeling was even stronger, with 64% agreeing, against 11% who disagreed. If they're correct, a new wave of successful firms may yet emerge from the headwinds we face today.

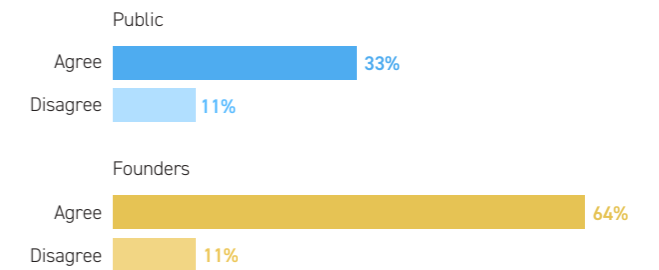
PEOPLE THINK IT'S TOO HARD TO START A BUSINESS IN THE CURRENT ECONOMY



Question: "To what extent do you agree or disagree with the following statement: 'It is too hard to start a business in the current economy:'"

Bases: 1,541 people who've never owned a business; 250 current business owners.

PEOPLE THINK CHALLENGING ECONOMIES LEAD TO BETTER BUSINESS IDEAS



Question: "To what extent do you agree or disagree with the following statement: 'Challenging economies lead to better business ideas:'"

Bases: 1,541 people who've never owned a business; 250 current business owners.

1 For the sake of brevity, in this report, we have used the label 'general public' for respondents in our survey who have never started a business.
 2 Schumpeter, J. (1942). *Capitalism, Socialism and Democracy*.
 3 Stangler, D. (2009). [The economic future just happened.](#)

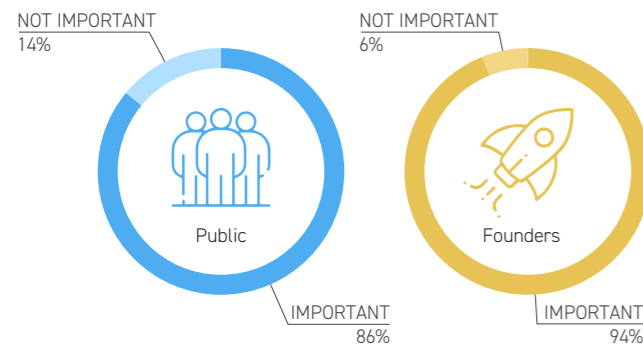
SECTION 2 AN ENTREPRENEURIAL SOCIETY

86% of the general public think entrepreneurs make an important contribution to the UK economy.

Entrepreneurs matter for lots of reasons. The firms they launch are an important source of job creation, they're disproportionately innovative – which boosts productivity – and they often work in novel sectors which focus on solving pressing social problems.⁴ And it seems we're not alone in our admiration for them.

The overwhelming majority of the general public (86%) told us they think entrepreneurs make an important contribution to the UK economy overall, including nearly a quarter (24%) who think they make a 'very important contribution'. In fact, across every gender, age bracket and geographic region we polled, the proportion of respondents saying entrepreneurs make an important contribution to the UK economy never falls below 78%. Unsurprisingly, this belief is shared by entrepreneurs themselves, only more passionately – 94% of business owners believe entrepreneurs make an important contribution. If there was just one message to take away from our polling, we think it should be this.

PEOPLE THINK ENTREPRENEURS MAKE AN IMPORTANT CONTRIBUTION TO THE UK ECONOMY



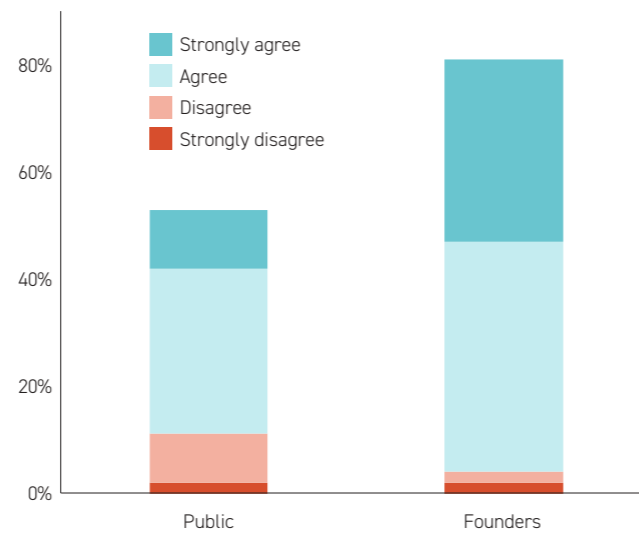
Question: "How important, if at all, do you think the contribution of entrepreneurs is to the overall UK economy?"

Bases: 1,541 people who've never owned a business; 250 current business owners.

Yet, we also found that people don't think that entrepreneurs get the recognition they deserve for their contribution to the economy. Among the general public, nearly four times as many people thought entrepreneurs don't get the recognition they deserve compared to those who think they do (42% to 11%).

Again, unsurprisingly, entrepreneurs feel the same way, only more strongly.

PEOPLE THINK ENTREPRENEURS DON'T RECEIVE ENOUGH RECOGNITION FOR THEIR CONTRIBUTION TO THE ECONOMY



Question: "To what extent do you agree or disagree, with the following statement: 'Entrepreneurs don't receive enough recognition for their contribution to the economy.'"

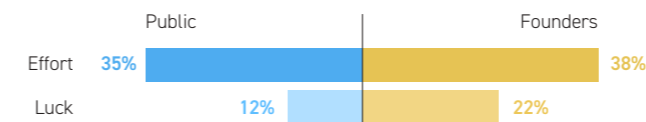
Bases: 1,541 people who've never owned a business; 250 current business owners.

"People tend to think that entrepreneurs' accomplishments can be explained more by effort than luck"

When it comes to successful entrepreneurs, people tend to think that their accomplishments can be explained more by effort than luck. Among the public, three times as many thought success was more effort-based than luck-based (36% to 12%).



PEOPLE THINK ENTREPRENEURS' SUCCESS IS MORE DOWN TO EFFORT THAN LUCK

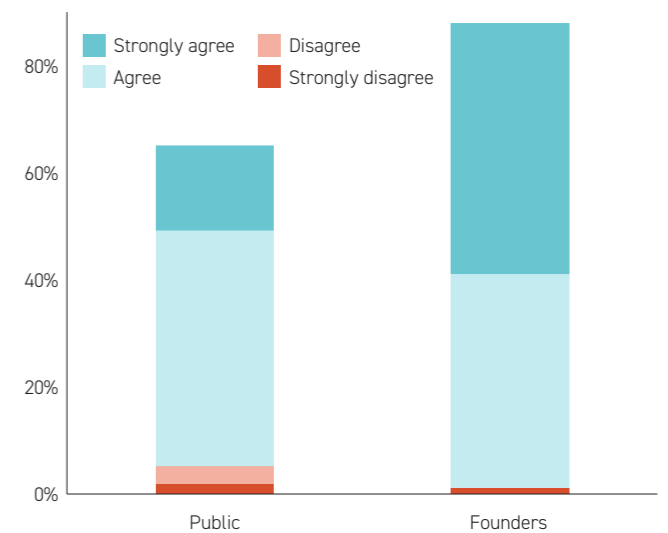


Question: "Do you believe successful entrepreneurs got to where they are more through luck or more through effort?"

Bases: 1,541 people who've never owned a business; 250 current business owners.

Interestingly, among entrepreneurs themselves, they too believe that success was determined more by effort, but a noticeably greater proportion (22%) thought that luck played a bigger role. Perhaps because of this belief that success is rightfully earned, the majority of people think that business owners deserve the money they make – with 61% of the general public agreeing, and fully 88% of entrepreneurs saying the same.

PEOPLE THINK BUSINESS OWNERS DESERVE THE MONEY THEY MAKE



Question: "To what extent do you agree, or disagree with the following statement: 'Business owners deserve the money they make.'"

Bases: 1,541 people who've never owned a business; 250 current business owners.

While attitudes towards entrepreneurs are changing, the stereotypical image of an entrepreneur for some still isn't necessarily positive.⁵ We wouldn't go as far as to say there are no bad actors, but the idea that founders are inherently exploitative or unscrupulous is certainly not one we subscribe to. And, it seems, nor do the British people. By and large, they think entrepreneurs play an important role in the economy, are successful precisely because of the effort they put into building their businesses, and deserve the rewards of doing so.

4 Kane, T. (2010). [The Importance of Startups in Job Creation and Job Destruction.](#)

5 Levie, J., Hart, M. and Karim, M.S. (2010). [Impact of Media on Entrepreneurial Intentions and Actions.](#)



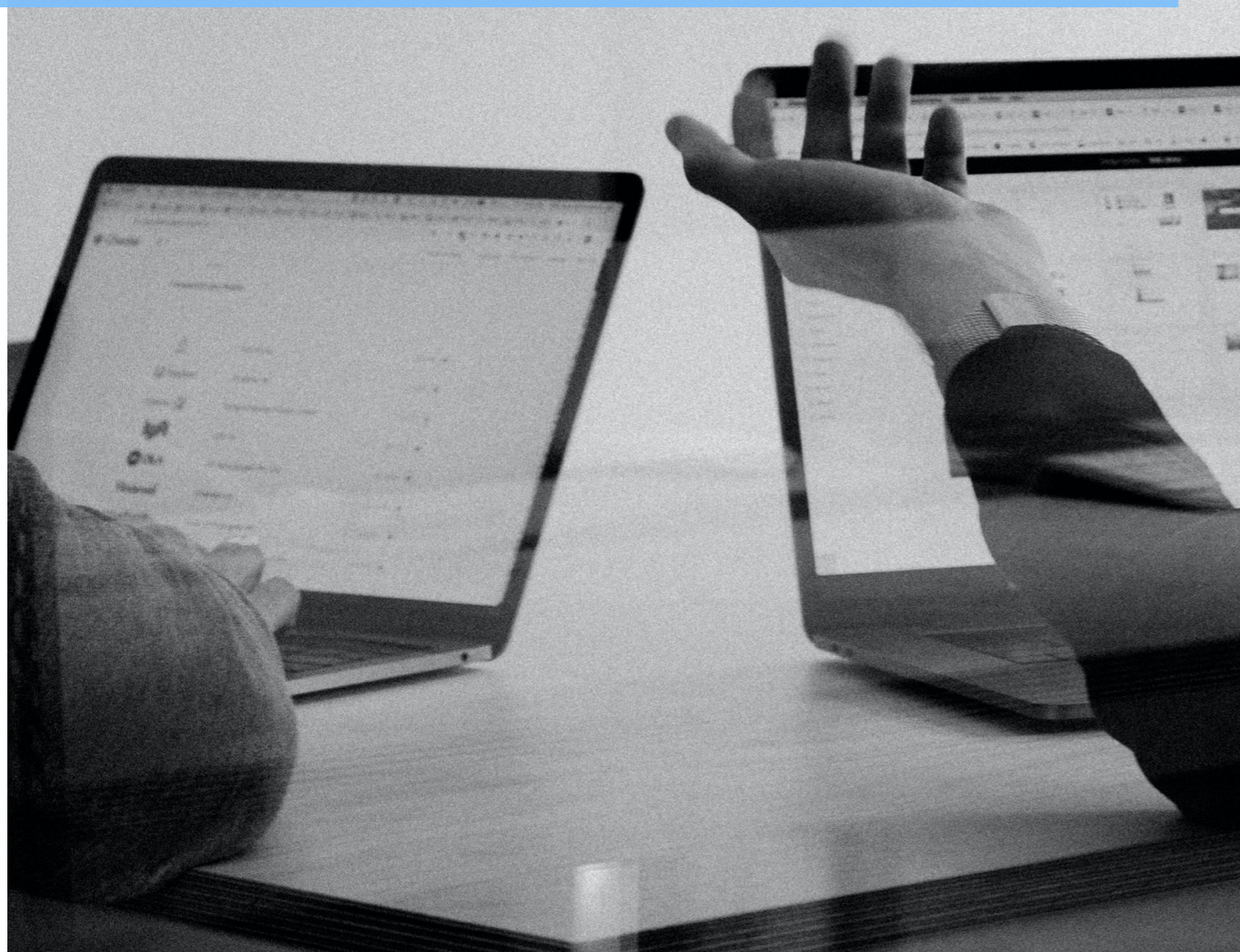
FOUNDER INSIGHT KATE JOLLY FOUNDER, RUTHERFORD GLEN

"There's no such time as the right time to launch a business. I first started up in business at the age of 27, with a new baby, and mortgage interest rates at 14%. We encountered plenty of further challenges along the way, but still persevered and continued to build. We should also remember that tough economic periods will always give rise to substantial opportunities for innovation.

"As entrepreneurs in this brave new world, I'd recommend considering placing a focus on the creation and delivery of an ethical, corporate purpose that is specific to your business and your stakeholders.

"When you get this right, then you will deliver not just forecasted profits, but a strong and sustainable brand created by actively supporting your workforce, supply chain, customers, investors, and local communities, to name but a few.

"Do not be afraid of failure either. Carry out your research, run beta tests, create disruption, monitor trends in the global economy and think about how they could impact your potential competitors. Failure tests your theory, your practice, and provides you with tangible results that can lead to a refined and unique profitable solution. Failure is a key element of learning, and should be embraced."



Securing funding was the aspect of running a business that the general public said they would find most challenging

SECTION 3 BARRIERS AND OBSTACLES

With 330,000 businesses launched in 2022 – the most recent year for which data are available – Britain can honestly claim to boast an exceptionally entrepreneurial society.⁶ But there is always room for further progress.

More than half of the general public thinks that it is difficult to launch a business in the UK, and this is not only due to the current economic climate. Only 29% of them believe that they understand the process of starting and running a business, while 41% freely admit that they don't.

PEOPLE THINK IT'S TOO HARD TO START A BUSINESS

	AGREE	UNSURE	DISAGREE
"It is too hard to start a business in the current economy"	61%	32%	6%
"I understand the process of starting and running a business"	29%	30%	41%

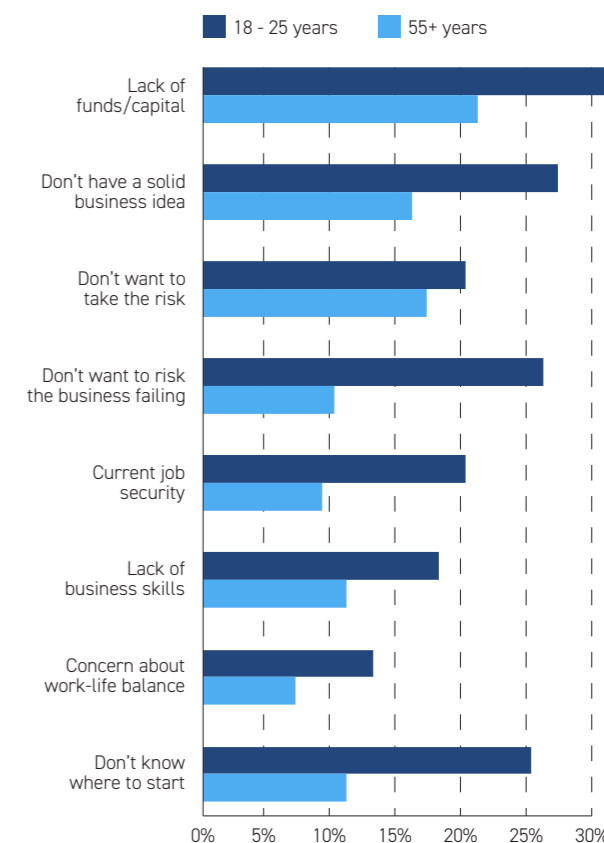
Question: "To what extent do you agree, or disagree with the following statements: 'It is too hard to start a business in the current economy' and 'I understand the process of starting and running a business'."

Bases: 1,541 people who've never owned a business.

A swathe of other potential worries discourage entrepreneurship. Securing financing or funding (29%) was selected as the top response from a list of various aspects of running a business that the general public said they would find most challenging. This was followed by developing a business plan (21%) and sales and marketing (20%). Similarly, 28% of the general public said that a lack of funds was keeping them from launching their ventures, which was the most common answer. Generational differences were also stark, with 18 to 34-year-olds being more likely to be afraid of failure than those

aged 55 years old or older (26% to 10%) and not knowing where to start (25% to 11%).

A VARIETY OF REASONS ARE KEEPING PEOPLE FROM LAUNCHING A BUSINESS



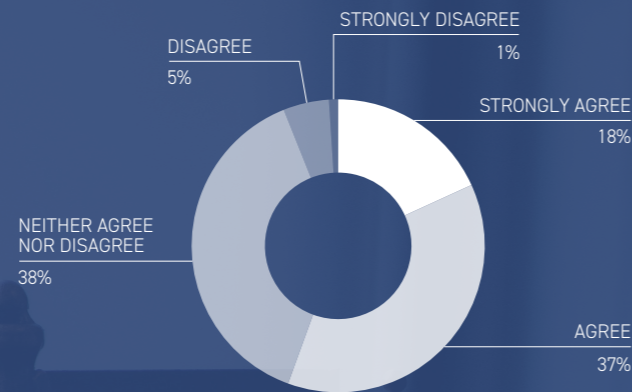
Question: "What, if anything, is keeping you from launching a business? Please select all that apply."

Bases: 1,541 people who've never owned a business.

⁶ Office for National Statistics (2023). [Business demography, UK: 2022](#).

An obvious way to nudge more people into entrepreneurship would be for the Government to assist them in some way. It's beyond the scope of this report to weigh in on exactly what shape that assistance should take, but either way, the majority (55%) of those we polled agreed with the general idea that there should be more support from the Government for entrepreneurs.

PEOPLE THINK ENTREPRENEURS SHOULD GET MORE SUPPORT FROM THE GOVERNMENT



Question: "To what extent do you agree, or disagree, with the following statement: 'There should be more support for business founders and entrepreneurs from the Government.'"

Base: 1,541 people who've never owned a business.



**FOUNDER INSIGHT DANA DENIS-SMITH
FOUNDER, OBELISK SUPPORT**

"When I started my business, I did so with a budget of just £500. I was therefore amazed to see that the public thinks you need over £30,000 to launch a company. While it would have certainly helped to have had a bigger pot to start with, I actually think it helps for an entrepreneur to experience all the 'growing pains' of the business - as that enables them to better prioritise resources once money is starting to come in. Starting capital should not be seen as the steep barrier many seem to think it is.

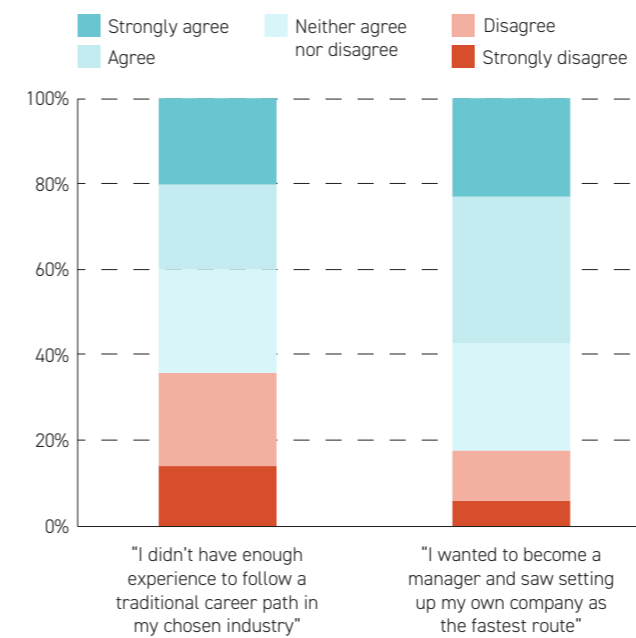
"Moreover, I became a founder having not known any entrepreneurs growing up. Learning from peers can help you navigate the ups and downs of building a business, but it is by no means critical to have been in an entrepreneurial circle to start up and succeed. Busting that myth would also do an enormous amount of good if it encourages more businesses to be launched by the sorts of people with no prior exposure to entrepreneurship from close friends or family."

**SECTION 4
BENEFITS AND OPPORTUNITIES**

Programmes like *The Apprentice* and *Dragon's Den* might be entertaining, but they don't necessarily present a wholly accurate picture of entrepreneurship. In reality, success tends to be slower in the making. But that's not to say there aren't unique and lucrative benefits on offer for those who launch their own businesses.

Meanwhile, 62% agree that starting their own business has enabled them to live a more high-status lifestyle. Despite this, fewer than a third of founders (29%) picked financial rewards as a reason to start a business.

ENTREPRENEURSHIP GIVES PEOPLE A TICKET TO MANAGEMENT



Questions: "To what extent do you agree, or disagree, with the following statements: 'I didn't have enough experience to follow a traditional career path in my chosen industry' and 'I wanted to become a manager and saw setting up my own company as the fastest route.'"

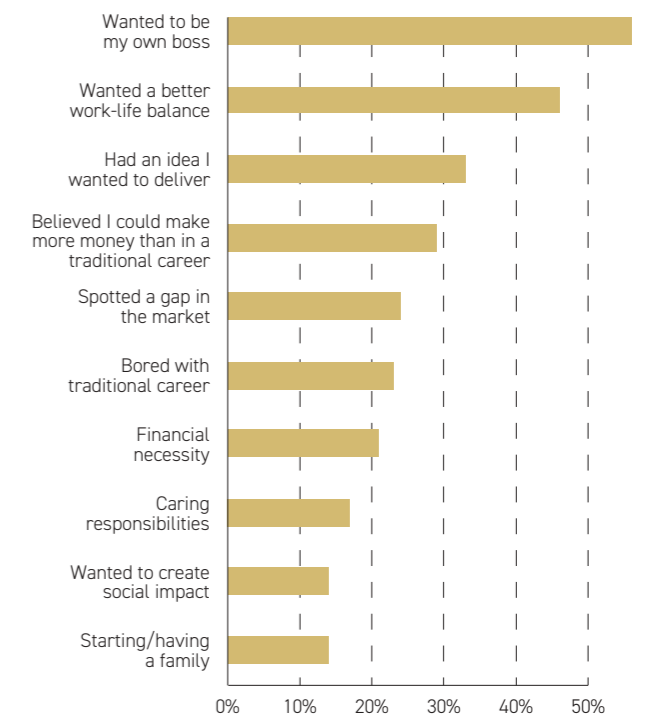
Bases: 250 current business owners.

One benefit that the founders we polled noted was how entrepreneurship can act as a fast track to climbing the corporate ladder, with 58% agreeing that it does.

In a similar vein, according to founders, when asked what the biggest benefit of starting their business has been, the freedom to manage one's own work was selected as the top response (51%), followed by getting a better work-life balance (42%), and feeling happier and more fulfilled (38%).

While it's not all about money, it does still play a role. Over two thirds (67%) of entrepreneurs believe that they have made more money by starting a business than they would have done via a more traditional career path.

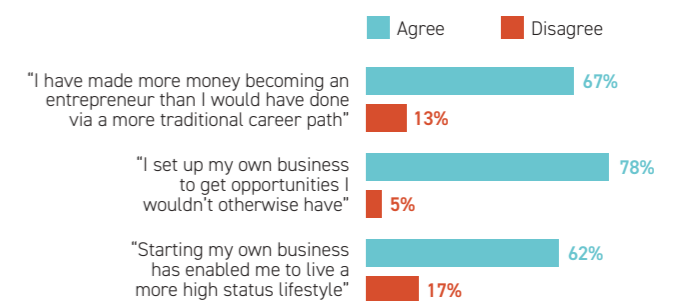
ENTREPRENEURS START BUSINESSES FOR A RANGE OF REASONS



Question: "What prompted you to start your own business? Please select all that apply."

Bases: 250 current business owners.

STARTING A BUSINESS HAS A RANGE OF PERKS



Question: "To what extent do you agree, or disagree, with the following statements?"

Bases: 250 current business owners.

54%  **35%**

OF THE GENERAL PUBLIC BELIEVE ENTREPRENEURS ARE MOTIVATED

OF THE GENERAL PUBLIC BELIEVE THERE IS NO BEST AGE AT WHICH TO LAUNCH A BUSINESS

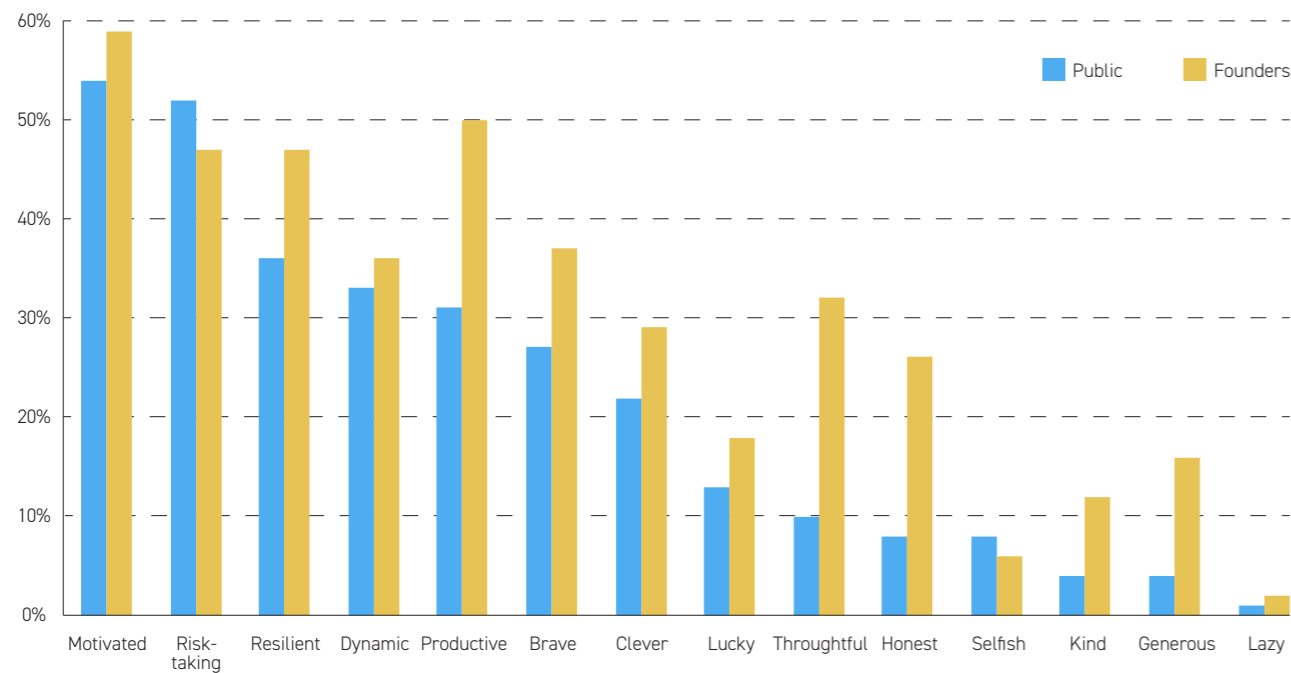
SECTION 5 WHAT MAKES AN ENTREPRENEUR?

The most commonly selected word to describe entrepreneurs was 'motivated'.

We wanted to truly figure out what the British people believe *makes* an entrepreneur. To get a better idea, we gave them a sample of adjectives and asked them to pick as many as they thought applied to a typical entrepreneur. The most commonly selected word was 'motivated' – chosen by 54% of the general public. Negative descriptors were chosen by vanishingly few respondents – only 8% said that the typical entrepreneur was 'selfish', for instance, and 1% said they are 'lazy'.

Entrepreneurs' views of themselves as a collective roughly correlated with this sentiment. Again, 'motivated' was also the most commonly selected adjective (chosen by 59% of business owners), followed by 'productive' (50%), 'risk-taking' (47%) and 'resilient' (47%).

PEOPLE THINK ENTREPRENEURS ARE MOTIVATED, RESILIENT RISK-TAKERS



Question: "Which of the following characteristics would you use to describe a 'typical' entrepreneur? Please select all that apply."

Bases: 1,541 people who've never owned a business; 250 current business owners.



FOUNDER INSIGHT SEAN RAMSDEN MBE CO-CEO, RAMSDEN INTERNATIONAL

"It was no surprise to see this survey reveal a nuanced picture of attitudes towards entrepreneurs and entrepreneurship.

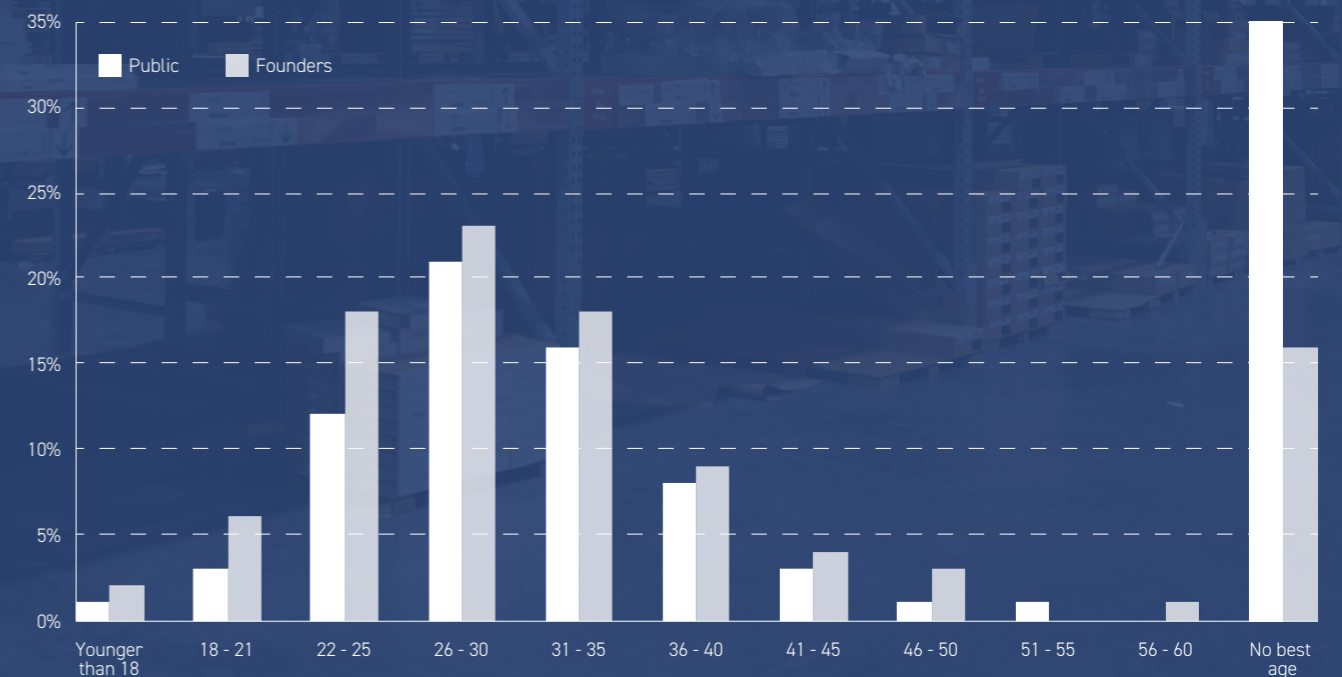
"One of the most notable positive findings is the widespread recognition of the vital role entrepreneurs play in the UK's economy – creating jobs, paying taxes, driving economic growth and inspiring a culture of innovation.

"But the survey also points to some less-than-ideal findings. Both the public and entrepreneurs share the perception that it's too challenging to start a business in the current economic climate. This sentiment suggests that there may be hurdles in place that need to be addressed, and further work ought to be undertaken to understand how to do this.

"Answers might include streamlining the process of starting a business, raising awareness about the importance of entrepreneurship, and providing support to aspiring entrepreneurs. Additionally, promoting the role of mentorship can help bridge the gap in understanding between the public and entrepreneurs.

"Entrepreneurship is a cornerstone of economic growth and innovation. By addressing the challenges and celebrating the successes of entrepreneurs, we can create a more inclusive and supportive environment that encourages more individuals to embark on their entrepreneurial journeys."

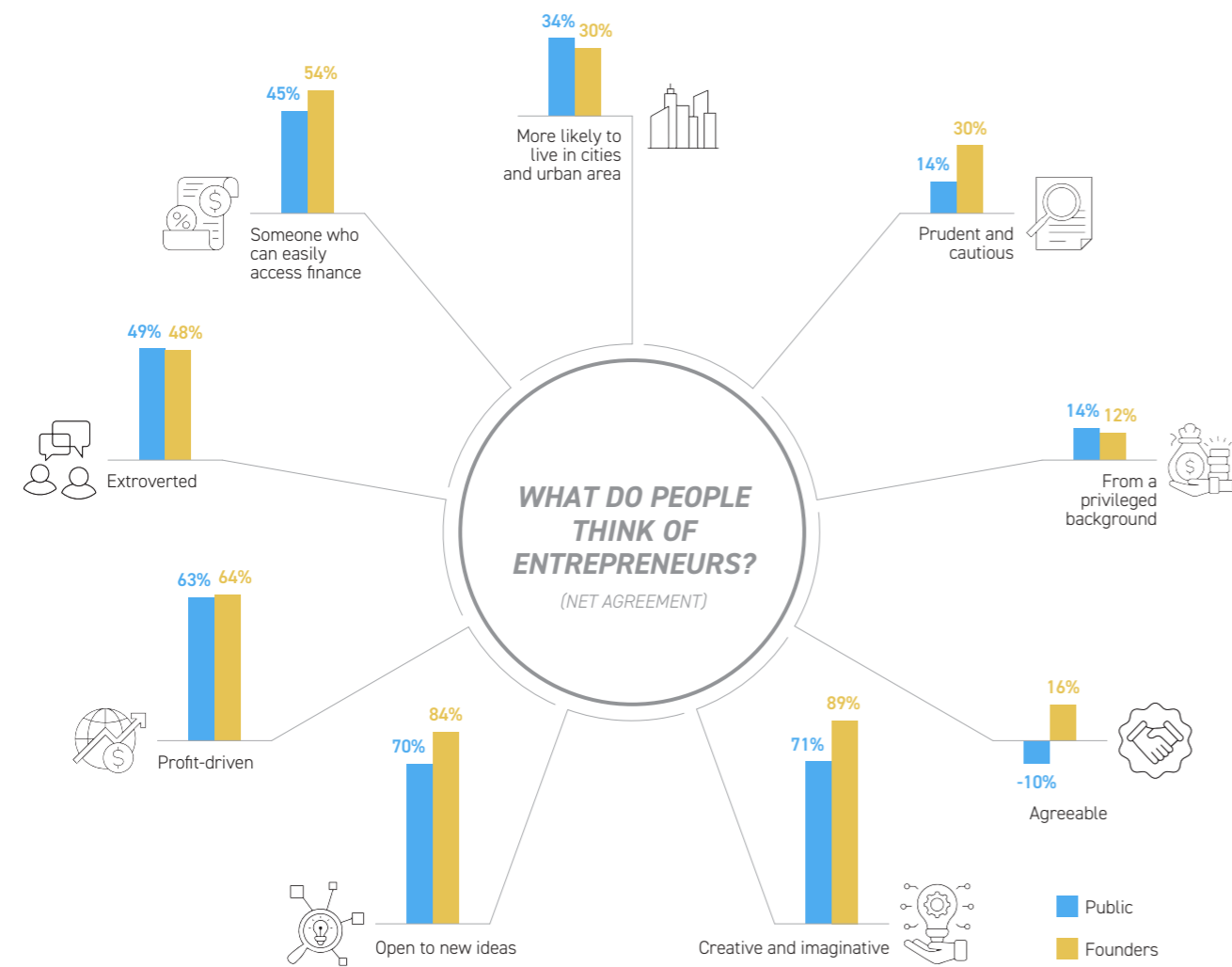
AGE IS NO LIMIT TO BECOMING AN ENTREPRENEUR



Question: "When do you think is the best age to launch a successful business?"

Bases: 1,541 people who've never owned a business; 250 current business owners.

PEOPLE THINK ENTREPRENEURS TEND TO BE CREATIVE AND OPEN TO NEW IDEAS



Question: "To what extent do you agree that the typical entrepreneur tends to be... [variable]."

Bases: 1,541 people who've never owned a business; 250 current business owners.

We also found a large majority of respondents who've never owned a business agreeing that typical entrepreneurs are 'creative and imaginative' (74%), open to new ideas (73%), profit-driven (67%), and extroverted (56%). These sentiments broadly tallied with entrepreneurs' own views overall – placing an emphasis on creativity, openness, being profit-driven, and extroversion.

One of the most stubborn memes about entrepreneurs is that they're all young, bright-eyed go-getters. Though this certainly applies to a handful of the world's most famous founders, the true story is altogether different. A 2020 study of American founders showed that the mean age at which they launched their business was 42 years old – rising to 45 years old when looking specifically at the fastest growing firms.⁷

Nonetheless, the former narrative seems to have stuck in the public conscience. According to the general public, the best age at which to launch a successful business is 30.2 years old. When we asked entrepreneurs what they thought, they were in lockstep – on average saying 30.3 years old was the best age to launch. Interestingly, among people who don't currently own a business, but who have done previously, they thought the best age to start one was 32.7 years old – perhaps suggesting they believe a few extra years of wisdom wouldn't have gone amiss.

With the rise of the internet, it's never been easier to become an entrepreneur in many industries. An associated fact with this is that it's cheaper than ever to found a startup too.

£5,000  £34,300

AVERAGE AMOUNT OF MONEY SMALL BUSINESS OWNERS SAY IT COST THEM TO START THEIR BUSINESS

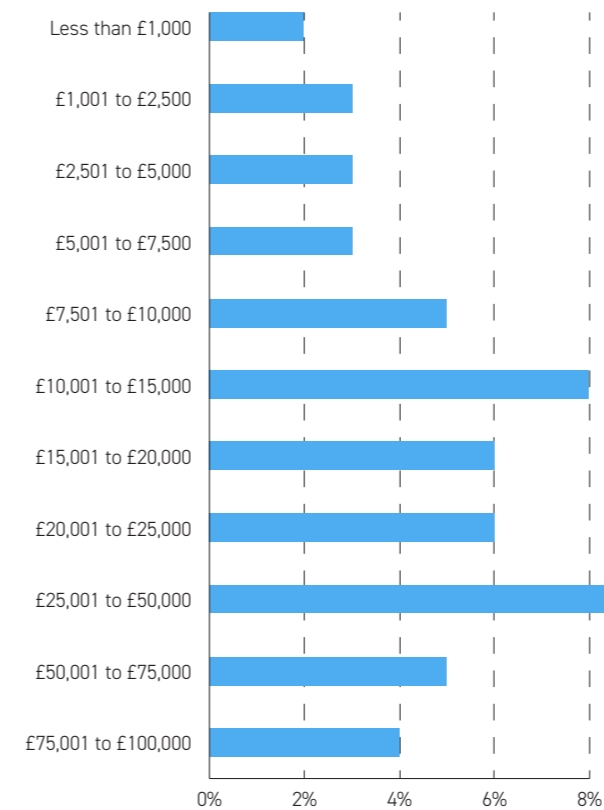
AMOUNT OF MONEY THE PUBLIC THINK IT COSTS TO START A BUSINESS ON AVERAGE

In fact, from previous research we carried out surveying small business leaders, we found that it costs around £5,000 on average to start a company in the UK.⁸

We were keen to see how well understood the costs of entrepreneurship are among the general public too. What we unearthed was that there is a great deal of confusion.

More than two fifths of those who've never set up a business replied that they were not sure how much it costs. The average response clocked in at £34,304, in other words nearly seven times what we previously established – and 14% thought it cost more than £50,000. In fact, after excluding those who had no idea, nearly nine in ten (87%) overestimate the cost of starting a business.

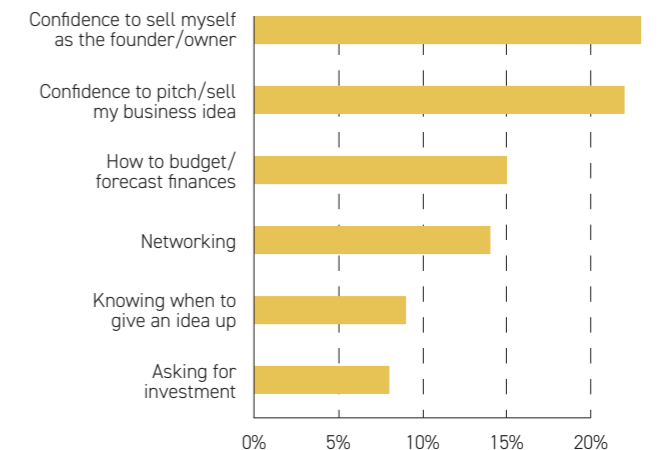
PEOPLE DON'T HAVE A GOOD IDEA OF HOW MUCH IT COSTS TO START A BUSINESS



Question: "Roughly how much money do you think an average entrepreneur needs to start a business?"

Base: 1,541 people who've never owned a business.

THERE IS A RANGE OF SKILLS ENTREPRENEURS FOUND HARD TO LEARN



Question: "What skill did you find the hardest to learn as an entrepreneur?"

Base: 250 current business owners.

If people had a clearer idea of how much (or perhaps more accurately how little) it can cost to start a business, it stands to reason that many more would take the plunge of doing so.

Starting a business is an education in itself – but it's not always easy to learn the skills needed to succeed. We asked founders which skills they found the hardest to learn as an entrepreneur, and saw a wide spread in their responses. The most commonly selected response was learning to find the confidence to sell themselves as the founder (chosen by 23%), closely followed by learning to find the confidence to pitch

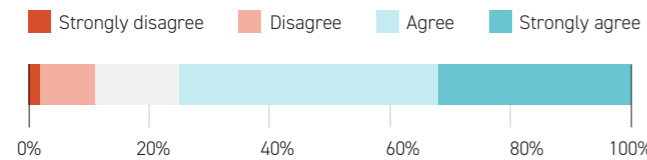
7 Azoulay, P., Jones, B.F., Kim, J.D. and Miranda, J. (2020). Age and High-Growth Entrepreneurship. American Economic Review: Insights, Vol. 2, No. 1, pp. 65-82.

8 Dumitriu, S. (2021). Knocking Down Barriers: Empowering business builders in the UK's most deprived communities; It should be noted that this research is now a little dated, but nonetheless, given the gulf between responses we gathered in our survey, we still believe it suggests there is a significant misunderstanding among the general public of the costs involved in starting a business.

“There’s no such thing as a perfect entrepreneur – they all have their weaknesses, but they don’t regard these as impassable obstacles to having a go anyway”

their business idea (22%). After this came how to budget and forecast finances (16%) and networking (9%). This shows the importance of ensuring people are equipped with soft skills if we want to see a new generation of successful entrepreneurs. We also asked founders whether they thought they had a good enough understanding of the process of starting and running a business before they launched their enterprise. Perhaps as expected, a comfortable majority (75%) of business owners said they did have a good enough understanding. But that still leaves a quarter of respondents who didn’t think they did, but went ahead and did it anyway. To our minds, this should be encouragement enough to anyone who is considering whether or not to start a business – as it suggests that a perfect appreciation of running one isn’t necessarily prerequisite.

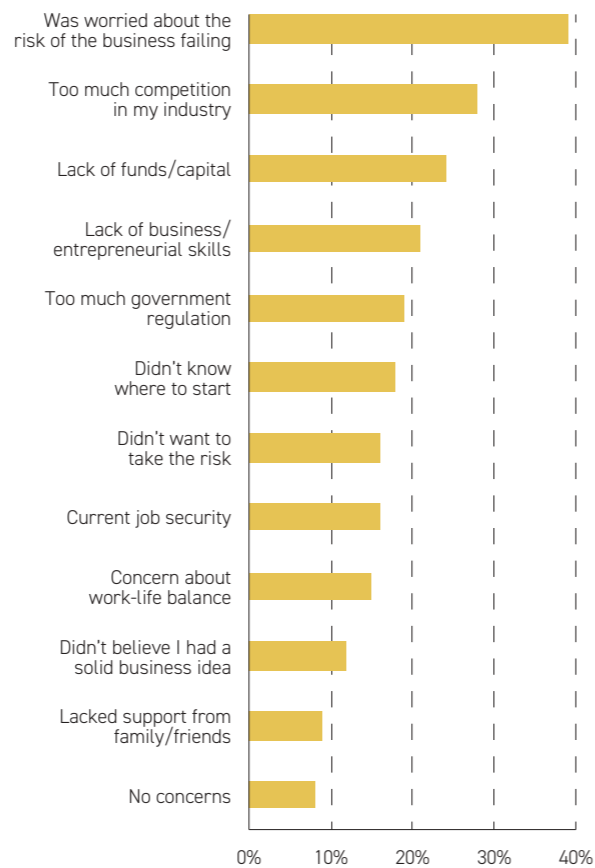
MOST FOUNDERS HAD A GOOD ENOUGH IDEA OF HOW TO START AND RUN A BUSINESS BEFORE LAUNCHING



Question: “To what extent do you agree or disagree with the following statement: I had a good enough understanding of the process of starting and running a business before I launched my enterprise.”
 Base: 250 current business owners.

But despite the majority of entrepreneurs expressing confidence that they understood the process of starting and running a business before they launched one of their own, we found that virtually all of the business owners we polled had at least some concerns before launching their business. The most common concerns entrepreneurs had were that they were worried about the risk of their businesses failing (chosen by 39%), that there was too much competition in their industries (28%), and that they had a lack of capital (24%). This suggests that there’s no such thing as a perfect entrepreneur – they all have their weaknesses, but they don’t regard these as impassable obstacles to having a go anyway.

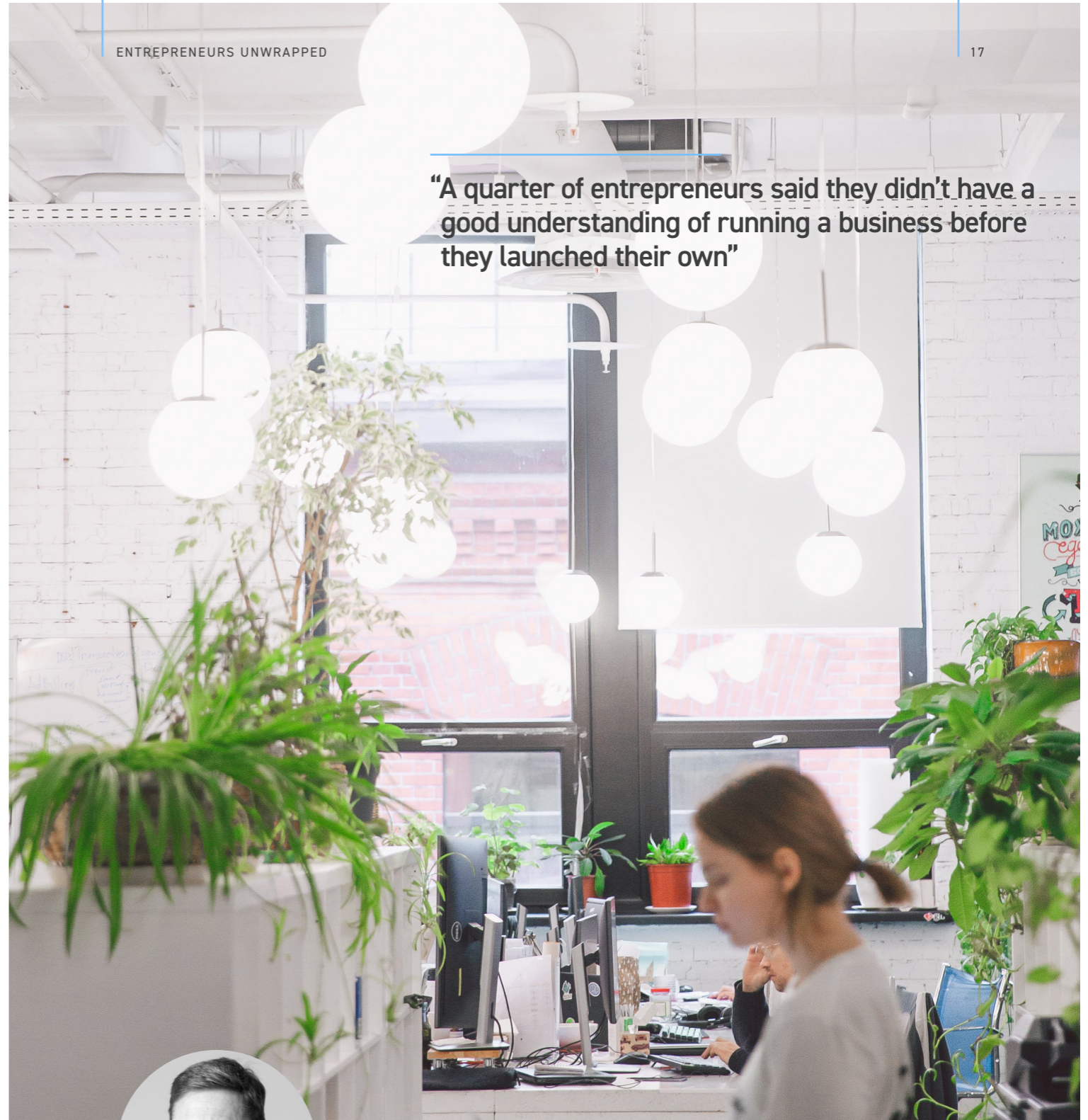
ENTREPRENEURS HAD A RANGE OF CONCERNS PRIOR TO LAUNCHING THEIR BUSINESS



Question: “What were your biggest concerns before launching your business? Please select up to three options.”
 Base: 250 current business owners.

Entrepreneurs come in all shapes and sizes. Our polling shows how diverse their responses can be when it comes to questions around motivations, worries, and so on. It also shows that there are areas where broad consensus can be found, however – few people think an entrepreneur can succeed without being able to think creatively, for instance. We also unearthed a degree of misunderstanding when it comes to how much it costs to become an entrepreneur and the age at which it’s best to do so. Correcting the record on questions like these could go a long way to closing Britain’s entrepreneurship gap.

“A quarter of entrepreneurs said they didn’t have a good understanding of running a business before they launched their own”



**FOUNDER INSIGHT ANDREW DIXON OBE
 FOUNDER, ARC INTERCAPITAL**

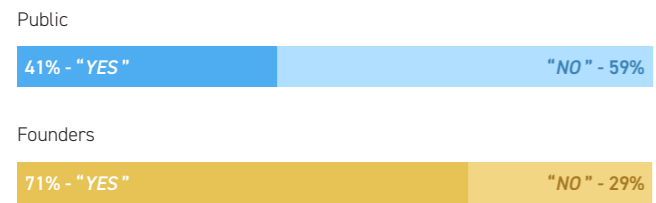
“As an investor in young company founders, I deeply recognise the indispensable role entrepreneurs play in fostering job creation, driving innovation, and enhancing productivity. It’s heartening, therefore, to see that recognition shared among the public at large.

“In the face of our current economic challenges, including a cost-of-living crisis, inflation, and regulatory complexities, entrepreneurship becomes crucial for our revival – and it’s therefore paramount that we do all we can to enable current and would-be entrepreneurs to flourish.”

SECTION 6 BORN TO BUILD

It's perhaps unsurprising that exposure to entrepreneurship from an early age can positively influence the likelihood of someone going on to start a business of their own. Certainly, this is something that our polling showed in sharp relief – 71% of current entrepreneurs said they knew someone growing up who had started a business, compared to just 41% of the general public.

TODAY'S ENTREPRENEURS WERE MORE LIKELY TO HAVE KNOWN AN ENTREPRENEUR WHEN GROWING UP

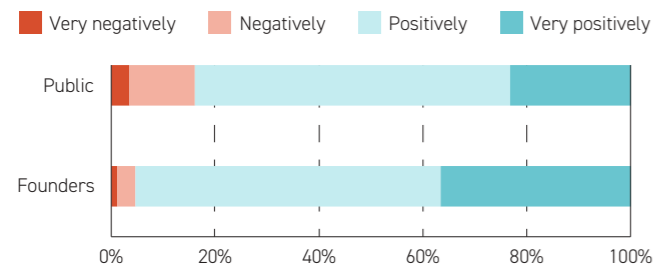


Question: "Growing up, did you know anyone who has started a business?"

Bases: 1,541 people who've never owned a business; 250 current business owners.

Among those in the general public who knew a business owner while growing up, many more than not said that it has positively affected their views on entrepreneurship (47% to 10%). Entrepreneurs who reported knowing a business owner when growing up felt similarly, only to a greater extent – 85% thought it positively affected their views on entrepreneurship, compared to just 3% who thought it negatively impacted them.

KNOWING AN ENTREPRENEUR WHILE GROWING UP POSITIVELY INFLUENCES VIEWS ABOUT ENTREPRENEURSHIP

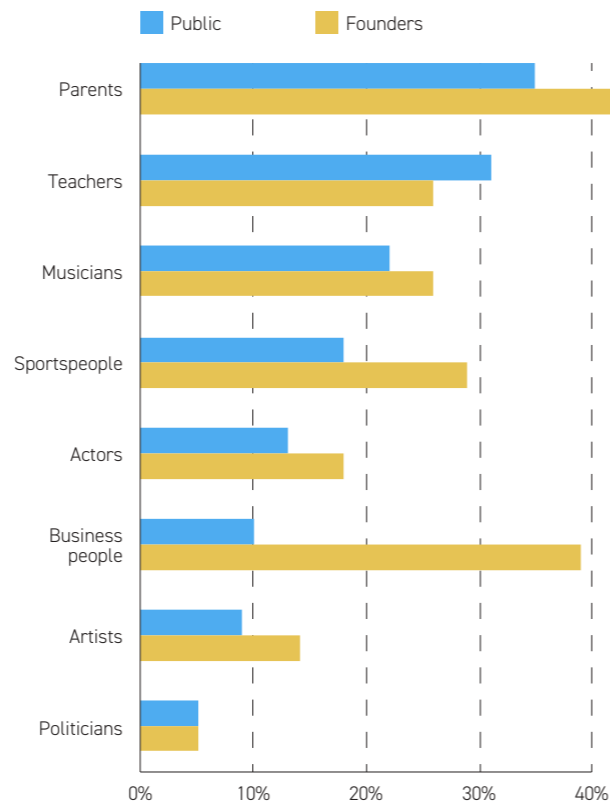


Question: "You said you knew someone who started their own business when you were growing up. How, if at all, do you think this affected your views on entrepreneurship?"

Base: 628 people who've never started a business; 178 current business owners.

We were also keen to see if current entrepreneurs held higher opinions of business people while they were at school, in contrast to those who've never owned a business. Again, perhaps unsurprisingly, that's exactly what we found. While 'parents' was the most commonly selected response by each of our samples, entrepreneurs' second most common response was 'business people' (39%), whereas among the general public, just 10% chose business people as a top three group they looked up to.

TODAY'S ENTREPRENEURS WERE MUCH MORE LIKELY TO HAVE LOOKED UP TO BUSINESS PEOPLE AS CHILDREN



Question: "When you were at school, which, if any, of the following did you look up to? Select up to three answers."

Bases: 1,541 people who've never owned a business; 250 current business owners.

Spend enough time talking to entrepreneurs and it's easy to come away with a feeling that the sort of people who launch businesses have an innate disposition for doing so. We can't say exactly from our data whether that's true or not, but we can heavily suggest that exposure to entrepreneurship from an early age has profound knock-on effects. As such, a lesson to learn here could be that more needs to be done to ensure children are aware of entrepreneurship early on as a route to go down later in life.

"By better understanding what makes an entrepreneur, we can hope to enable as many people to start a business as possible"

SECTION 7 CONCLUSION

Our findings at a glance:

1. THE PUBLIC RECOGNISE AND RESPECT THE CONTRIBUTION ENTREPRENEURS MAKE – AND THINK THAT EFFORT, RATHER THAN LUCK, EXPLAINS THEIR SUCCESS
2. CONFUSION SURROUNDS HOW MUCH IT COSTS TO START A BUSINESS, AND AT WHAT AGE IT IS BEST TO DO SO
3. FEWER THAN A THIRD OF THE PUBLIC SAY THEY UNDERSTAND THE PROCESS OF STARTING A RUNNING A COMPANY
4. WHILE MOST FOUNDERS AGREED THEY KNEW HOW TO START AND RUN A BUSINESS BEFORE DOING SO, A QUARTER DID NOT – SUGGESTING THAT IT ISN'T PREREQUISITE FOR SUCCESS
5. PEOPLE THINK THAT IT'S TOO HARD TO START A COMPANY IN THE CURRENT ECONOMY, BUT THEY DO THINK THAT CHALLENGING CONDITIONS WILL LEAD TO BETTER BUSINESS IDEAS
6. LACK OF CAPITAL IS THE MOST COMMONLY CITED BARRIER TO PEOPLE SETTING UP A BUSINESS OF THEIR OWN
7. EXPOSURE TO ENTREPRENEURSHIP AT AN EARLY AGE IS CORRELATED WITH BUSINESS OWNERSHIP LATER IN LIFE
8. ENTREPRENEURS AGREE THEY'VE MADE MORE MONEY FROM STARTING A COMPANY THAN PURSUING A MORE TRADITIONAL CAREER PATH, AND THEY THINK BECOMING AN ENTREPRENEUR HAS GIVEN THEM MORE OPPORTUNITIES
9. FOUNDERS TEND TO THINK THAT HONING SOFTER SKILLS, LIKE BUILDING CONFIDENCE IN THEMSELVES, MATTER MOST FOR SUCCESSFUL ENTREPRENEURS
10. PEOPLE THINK TYPICAL ENTREPRENEURS ARE MOTIVATED, RESILIENT RISK-TAKERS

Building a business from the ground up is a tough but undeniably valuable act. That's why, through our polling, we wanted to shine a light on attitudes towards, and questions around, entrepreneurship. By better understanding what makes an entrepreneur, we can hope to enable as many people to start a business as possible.

While Britain already stands out as an especially entrepreneurial country, there is always room for progress. We hope that the findings of this report can provide insights into how we can go forward. However, more importantly, it has shown that we live in an entrepreneurial society that values people who build businesses. This makes progress highly probable, if not inevitable.

SECTION 8

METHODOLOGY

Methodology: The opinion polling for this research was carried out by Opinium Research. It consisted of two surveys, one of 250 UK business owners, and one of 2,000 UK adults, of which 1,541 have never owned a business. The sample for the business owners survey was weighted to ensure an equal representation of different sizes of business. The sample for the UK adults survey was nationally representative. The fieldwork dates for the sample of business owners were 2nd-9th November, 2023, and the fieldwork dates for the sample of UK adults who have never owned a business were 3rd-7th November, 2023.

Opinium Research is a member of the British Polling Council and abides by its rules. Under these rules they are required, when requested, to make information available from survey results that have entered the public domain. These include, but are not limited to, the name of commissioning client, fieldwork dates, methodology, size and composition of sample, and data tables showing the text of the questions asked, the order in which they were asked and the answers given to them. This does not apply to research not used for public domain purposes such as internal research to inform communications or strategy.



@TENTHINKTANK

The Entrepreneurs Network is a think tank for Britain's most ambitious entrepreneurs. We support entrepreneurs by:

- Producing cutting-edge research into the best policies to support entrepreneurship;
- Campaigning for policy changes that will help entrepreneurship flourish;
- Hosting regular events and webinars to bridge the gap between entrepreneurs and policymakers;
- Updating entrepreneurs on how policy changes will impact their business;
- Making the case in the media for entrepreneurs' contributions to society.

We are the Secretariat of the APPG for Entrepreneurship, which was set up to encourage, support and promote entrepreneurship and to engage with entrepreneurs; and to ensure that Parliament is kept up to date on what is needed to create and sustain the most favourable conditions for entrepreneurship.

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