

David Hall

Guru inspiration.

I: David Hall is a former entrepreneur of the year, a successful author, speaker and television presenter and has recently been appointed as visiting professor of entrepreneurship at the University of Western Australia. His recent research, looking into the minds of entrepreneurs, has produced some very interesting results.

DH: We found out what entrepreneurs do. I wanted to find what they did. I knew they didn't do market research or business planning and all that kind of left bred stuff. I wanted to find out what they do to create businesses.

We knew, for example, one of the key things is networking or the way they spot superior opportunities or the way that they mobilise resources. So, we found out what they do. What we didn't know was how they did it. So, for example, if I said to you, 'Well, go networking,' people say, 'Do you mean go to the chamber lunch or pass out business cards?' So, we knew what they did, but we didn't know how they did it.

We were faced with a problem. The problem was, if you ask really successful entrepreneurs how they do things, they usually say, 'Well, I just get on and do it.' So, they can't often articulate it. That's because they've become unconsciously competent. It's a bit like when you drive a car, when you're really good at it and you drive from A to B, sometimes you can't remember the journey; you just get there. If you think back, you can't even remember anything about it. Well, entrepreneurs are like that. Successful people are like, not just entrepreneurs.

So, we needed to find a way of finding out how these people do it. So I hired a guy called Wyatt [0:01:38.6] from the States who was a coach for the American Olympic athletic team, working with gold medal winners and working out how the gold medal winners did it. It's a process called 'modelling'. I got some funding from Yorkshire Forward and Business Links, South Yorkshire and we brought Wyatt across from the States. We interviewed 40 of the best high growth entrepreneurs, people who had built great businesses in our region of Yorkshire, to work model how they'd done it.

Wyatt and I spent 18 months doing that and we tape-recorded interviews and analysed them and we gave them to a person in the States who was a psycholinguist, which is, basically, he listens to tapes and, from that, detects patterns of speech, patterns of thought, way beyond the capability I had of doing it. So, I hired people like that who've got these skillsets I didn't have to help me do it.

From that, we developed a model called 'the entrepreneurial code'. In fact, the project was called 'Cracking The Code'. The idea was, again totally arrogant, I suppose, when we crack the human genome, it opened a Pandora's box of opportunities for people doing things and adding value and creating a whole raft of support and things of that sort. It struck me, if we really knew how entrepreneurs did

it, it would open up a Pandora's box of being able to support them, help other people do it, pass on the wisdom, not only in small businesses, but also in larger businesses. That was the idea.

The project now is at a stage where, having found out the code, which is called the 'entre-code' we're now translating that into products. So, tapes and journals and workbooks and events that try to pass this wisdom from the successful entrepreneurs onto others, and that's the kind of stage we've got to. It's a very exciting process, because every day we're trying different things and learning different things. I suppose that's what excites me and keeps me going.

I: What sorts of things did you find in that code?

DH: Some of the things that we found in the code: first of all, very often, the entrepreneurs have done a couple of interesting things before they started. One of the things they did before they started, at school they often took responsibility for making things happen. So, if the school needed to raise funds or was having problems, they would leap in and sort it out. So, they project-led or project-managed things. So, they had a history of doing that, very often. Second thing before they started, they often had an experience of working in the industry for a minimum of 10 years. So, they worked in an industry and worked out who does what, the recipe for success, the networks and all that kind of stuff, so brought a lot of experience with them to the start-up process. That's the pre-start stuff.

Also, successful entrepreneurs were really ones that were flying that we interviewed, operating what became to be known as 'the zone'. Because I used Wyatt, who was this coach to the athletes, he said they were very similar; the ones we'd interviewed that were really being successful had a mindset very similar to the athletes. That was that they were somehow able to provide focus, they had a positive mental attitude, they were highly persistent, they almost had a mantra that 'fear is not an option'. They built this into the way they thought and behaved. So, they've got this kind of mindset, this way of seeing the world which is totally different from traditional managers and other people. So, that's the first thing – they get into the zone.

Secondly, they create superior opportunities. The superior opportunity is one that's got high gross margin, defensible competitor advantage, media and investor interest, is new, but particularly solves a customer problem.

So, one of the key findings of the research was that, the way that entrepreneurs build great businesses is, they find a problem, solve it and then sell that solution to everybody else. So, it's not a system of market research, it's a system of going and identifying the problem. That's a process that's teachable and it's also a process that's transferrable to other people. We're in the process now of trying to help people understand that process and use that process to build better businesses.

I: What surprised you most in your research about entrepreneurs?

DH: I don't think there is one, there are two or three. One is, the entrepreneurs are a personal development process. Two is, the way that it's taught as a business process is, not only not helpful, it probably is an energy vampire. Three is, and this was an insight from Wyatt, not from me, the profile of really successful entrepreneurs is very similar to successful people in other professions. I've had people come up to me and say, 'Your profile, your entre-code, top musicians are like that, athletes are like that, top politicians are like that.'

So, I think the profile that we have is very similar to, and I didn't realise that, I don't think.

I: What's left for you to find out? What are you wanting to do to continue your research and your work with entrepreneurs? What is next?

DH: I think the next phase is, we kind of know what they do and how they do it now, so we have a model that is fairly robust and it's got a lot of science behind it. I think the challenge we face in the next two or three years is to make it work in practice and can we take this information and give it away to people and for people to improve their businesses and their lives.