



HumanGuide®



**Why some entrepreneurs
fail and some be successful?**

**& Jim Collins Level5
Leadership**

***Rolf Kenmo** makes many striking observations about the personality of entrepreneurs: Not only to come up with (or snatch up) an idea and start a business but it is something else; to build a long-term sustainable structure. Some persons are masters of both, but often an entrepreneur" couple" is needed— or that the business starter leaves it for someone else after a while.*

*Anders Johnson, Author of "Besvärliga människor"
400 year with entrepreneurship in Sweden*

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Why some entrepreneurs fail and some be successful? & Jim Collins' Level5 Leadership...

How are entrepreneurs and why are some successful?

Recently (Nov 2020) I read Anders Johnson's thick book "Besvärliga människor" (Difficult people), which is about entrepreneurship during 400 years in Sweden. It is an exploit to do such a readable book with so many facts.

Moreover, Anders Johnson's personal tone makes it easier to read such a thick book-) In the book there are also a lot of information about the changes in the society – e.g. what is allowed and not allowed.

Two conclusions, after reading the book, are very clear:

- Entrepreneurs are very often difficult people, i.e. they can be odd, which of course is the foundation that they look at the world in another way compared to most people. This means that they have fresh new business ideas including develop new products and/or services.
- Politicians and unions should keep their hands-off things, when it comes to run a business. They should focus on the development of a good society so e.g. entrepreneurs could be successful, because that creates the foundation for prosperity. Then they should also think of what is best for the country/world instead of only thinking of themselves and their own party or similar.

After reading the book, I brought up to Anders to know, if he was interested in my reflections. He said yes, so I decided to write this white paper, which hopefully can be interesting for more people e.g. entrepreneurs, investors, politicians, etc.

In my focus then is the "personality" of the entrepreneur, because since the beginning of year 2000 I center my consultant business on the development of the use of the HumanGuide concepts, which I started to develop in 1986. The core is a personality test, which now is available in 15 languages. The test is mostly used in Brazil, where between 2010-2019 over 500.000 tests have been done with their IT-system. In 2009, the test the first approved internet-based test with forced-choice. The test has been validated many times in Brazil, the last time was in 2016 with 110.000 tests.

When I now make reflections over the "personality" of entrepreneurs, then I will do it against a reasonably verified good example. I have chosen the so-called Level5 Leadership. It comes for the bestseller "Good to Great" by Jim Collins. The foundation of the book is based on five research concerning successful companies in USA. The criterion was that companies should have been best in their line of business during at least 15 years. They found then 11 companies. What was then the "success recipe"? It was these two:









- That they should have focus, where they were best – only there!
- Level5 Leadership...

What is then such a leadership? It happens be so, that it is easy to describe such a leadership with the underlying personality theory for the HumanGuide test. The personality theory is called Eight boxes and is a simplification of L Szondi's (1893-1986) personality theory. The objective for the simplification is that a layman should be able to learn it quick – as a distinct language in order to describe the personality. From that you can get many advantages, not only to choose a suitable candidate for a job in a hiring process, but also for personal development, team development, handling of conflicts, etc.

The theory has also a strong advantage compared with many other theories. It consists of eight basic dimensions (factors), so the test result is more nuanced compared to e.g. DISC (four dimensions) and similar, but also with tests, which are based on the Big five model.

Personality theory Eight boxes

Below there are explanations for the eight dimensions in the theory. All this information and more are available in the web app your.humanguide.se. The objective for symbols and the colours is to get quicker learning for the use of the theory, i.e. that the theory can be used by laymen... More information you find on the website humanguide.com.

Factor	Symbol	Characteristics
Sensibility		Perceptive, considerate, careful, accommodating, complaisant, sensual, diplomatic, obliging, likes closeness
Power		Energetic, speedy, driving, eager, competitive, strong, active, result-orientated, straightforward, fearless
Quality		Reliable, quality-conscious, conscientious, supportive, persevering, comprehensive, thorough, unselfish, caring, dutiful
Exposure		Spontaneous, charming, witty, proud, likes attention, trendy, charismatic, colourful, dramatic, ready-witted
Structure		Orderly, methodical, likes planning, neutral, distinct, correct, realistic, objective, disciplined, forethoughtful
Imagination		Imaginative, inventive, improvises easily, clever, likes to experiment, ingenious, development-orientated, freedom-orientated, visionary, artistic
Stability		Stable, economical, wary, creature of habit, thrifty, down-to-earth, tradition-bound, conservative, cautious
Contacts		Outgoing, sociable, open-hearted, easy-going, playful, humorous, food-loving, contact-orientated, optimistic, cheerful

Level5 Leadership from the bestseller” Good to Great”...

There are many opinions about what a good leadership for a company is. Of course, it depends very much on the company itself and also the situation now. Moreover, also how the future probably will be and what the goals are.

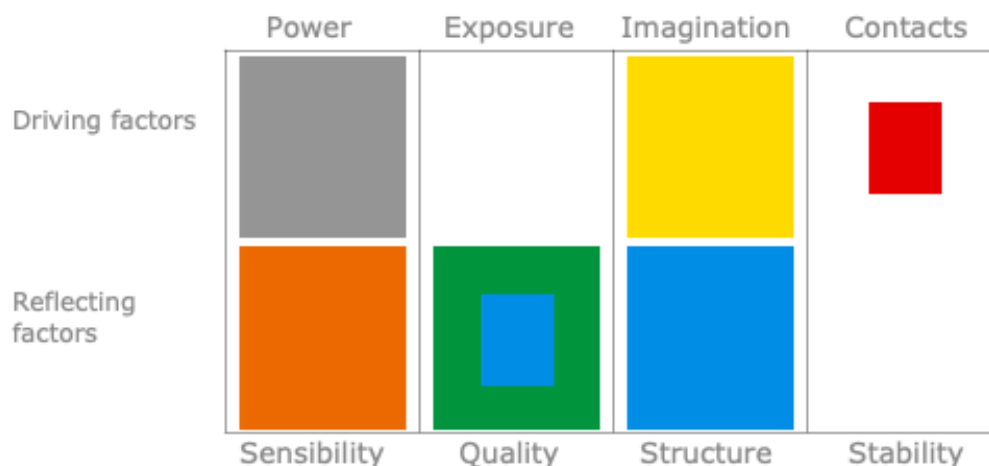
When it comes to personality and leadership, there is an opinion in the bestseller “Good to Great”, which is mentioned above. This leadership is called “Level5 Leadership”.

Such a leadership is easy to describe with the Eight boxes theory – mentioned above

- *Power*, i.e. is result-oriented and can take tough decisions
- *Quality*, i.e. is persistent, long-term sighted and have a good moral
- *Structure*, i.e. search for facts and reality and keep the focus
- *Imagination*, i.e. is open-minded and early notice crucial changes in the environment
- *Exposure*, i.e. have a low profile and has nothing against that other persons are in focus. Moreover, don't like to have yes-men around

This is also verified by thousands of tests done in our database.

Using the HumanGuide-concepts such a leader can look like this... The fully coloured squares are the strengths. Among them there is a ranking, which is shown that the strongest strength is Quality (core factor) and that the second strongest factor is Structure (co-factor).



Entrepreneurs and the typical core factor: Quality

The core factor, the strongest factor, is most often the crucial factor for an entrepreneur and then to be enough persistent. Well, of course there are those, who get a simple brainwave, which more or less will be an immediate success. I will not focus at such cases. Instead I will focus on those, who has succeeded in building an extensive business as e.g. IKEA.

An entrepreneur, Ingvar Kamprad, was crucial for IKEA to be a success. It is also successful after his death. Ingvar realized also that it was important to have a solid and well anchored culture in order to have the business sustainable and profitable. Therefore, he wrote e.g. a “Furniture dealer’s will” as a ruling document in order to secure the company’s success. Of the same importance was that the content of the will was put into practice and that it was maintained plus updated.

Ingvar was counteracted in many years of the other people in his line of business, which is usual, when someone come with a disruptive (pioneering) business model. E.g. IKEA had to get suppliers from other countries, because the furniture dealers in Sweden boycotted IKEA’s suppliers.

In the book “Outliers” by Malcolm Gladwell it is written that Ingvar was a dyslectic. This has made him– as other dyslectics –to struggle with both reading and writing. It became a training in persistence. As a dyslectic you will get used to handle obstacles and to go on, in order to achieve what you like to accomplish. Ingvar gained from this experience.

Motivation is of course important in order to be successful. If you have a job in a business and environment which suits your personality, then these are good conditions in order to be successful. Talent is an overestimated aspect. You should instead see it as good motivation can create talent.

There are countless examples of similar cases, as the one with Ingvar Kamprad and IKEA. Wasn’t it Thomas Edison who got the question, if it wasn’t hard to do so many attempts, before he got a light bulb to work, he responded– Not at all, when I have tested thousand ways and they don’t work, then I knew thousand ways, which weren’t good.

Generally, it is probably a lot of development (improvement) which get lost, because that people give up. On the other hand, there are those, who should give up... The hard aspect is of course to decide, if you should give up or not? Today there has been developed a smart methodology, which comes from the concept “Lean Startup” – that you as fast as possible develop a “Minimum Viable Product” (MVP), which is possible to test on the market.

In the Lean Startup there is one very good method – to pivot. This means, when you have tried something for a while and it doesn’t work, then you change something and test again. You can change the target group, the packaging, the business model, etc. At the same time, you need to be “enough stubborn” ...

Here you should be careful to notice problems and complains, because there you can find the key to success. At first notice complains, where you don't understand the logic behind, because then it could be a symptom of change resistance or even that someone is envy – I should have figure out that myself, etc. When it comes to the real problems and complains you give them priority, so you work with those with the biggest potential.

There is one more important aspect with the factor *Quality* in order to get a sustainable profitable company- Moral. At Stanford there has been done a valuable study concerning profitable companies. In that study they found that the most profitable companies had long relations. How to get that? Well, that depends on only two factors, i.e. that customers, suppliers and partners:

- Have trust for the company
- And get the experience that the company is engaged for them

Therefore, a good moral will be crucial, which can be manifested in a consciously developed and maintained culture plus vision and values.

The good thing with people, who has a lot of *Quality*, is that they can really be possessed in order to help their customers, which of course can imply that they can be burned-out... That is valid especially for those, who have very little *Structure* – then they will be unrealistic and don't have enough self-discipline. They need a good partner...

Entrepreneurs and the typical co-factor: Structure

The co-factor (the second strongest) is also crucial – especially if the company should grow and become big. It is not always usual that the entrepreneur has *Structure*, which of course is natural. If you should think in new ways, then too much *Structure* can be an obstacle, because then you want to be “realistic”. It is because of that the entrepreneur could need to have a complementary person, who is more structured. However, there are seldom a smooth cooperation, if the other person isn't creative at all, because then it will be no “cooperation bridge” between these persons.

Problem solving is in a way good switching between *Imagination* and *Structure*. *Imagination* come up with new ways or perceive the problem in another way. *Structure* assesses the solutions.

The founder of H&M (retail clothing), Erling Person, is a good example. He was obviously conscious about his lack of *Structure*, so he realized that he had to be complemented by a real accountant type. That was mentioned in the book “Handelsmännen”, which is about H&M's history from the start with Erling. When I have been doing assignments as a consultant for H&M, then I have noticed that they have developed many processes for cost control...

Entrepreneurs and the typical factor: Imagination

You will not be an entrepreneur, if you don't have *Imagination*. However, it is difficult to be successful with only *Imagination*. Of course, the creativity flows most for those, who has low value on *Structure*. If two of such persons meet each

other, then they can seriously think that they could be the first people ever, who can take down the moon. Unfortunately, this is valid: A vision without some kind of plan will be a dream forever.

Another problem with those, who have a high value on *Imagination* are that they will easily be scattered – especially if they have low value on *Structure*. They are interested in too many directions – at the same time... The Portuguese have a good proverb for creative people: It is good to have many ideas BUT carry out only one at a time!

Another problem with creative people is that they don't like small talk. They don't always understand the value of small talk that is needed when you meet new people. After a while the small talk will change to warm talk, if it is with people, who are functioning well. Unfortunately, there are some persons, who don't dare to switch to warm talk, which lead to many bad consequences.

One of the disadvantages for those creative people, who don't manage small talk, is that they will not get a so good contact with the environment. Therefore, their ideas can be too much an armchair construction, which is developed in a bubble, as an inventor who had a role in a TV series here in Sweden, when he got objections to his ideas: – I didn't think of that...

Generally, people who have a good self-knowledge are successful, or at least they get a good life;-) They know their strengths and they focus on them. Moreover, they have no problem to ask for help from other people, when they need.

Finally, there is one very important aspect on creative people. Paranoia. Hmmm? Yes, the creator behind the underlying personality theory for the Eight boxes theory, Szondi, was a doctor, who did research in genetics. In his studies, he discovered a rare mental illness in the families for both the wife and the husband in a married couple. He did more research and discovered the same pattern in more cases. Finally, this led to a dream, where he saw a pattern for mental illnesses. Moreover, he realized that mental illnesses, can be seen as an extreme position of something, which is "normal". Therefore, the risk to get a certain mental illness is biggest, where that factor has the highest value for a person, i.e. this human need is exaggerated. Unfortunately, is it not so much people in the world, who have noticed Szondi's theory, so they only discover parts of his structure. An example is the professor Elaine Aron, who has discovered that some people is HSP, i.e. Highly Sensitive Person. What is then described, according to Szondi's theory, is that you have Sensibility as a strength. Other research has discovered that geniuses can have mental problems (e.g. *Imagination*).

Back to the risk for paranoia. When it comes to all these eight factors, then there is a risk for the mental illness, but when you are high on the scale. However, if someone has a high value on *Imagination* in the test, then there of course is a risk that you now and then get a little light paranoia, i.e. you imagine things that isn't true. A clear example is if someone is very hypochondriac. That fits especially for someone, who also have a high value on *Sensibility* and a low value on *Structure*. Once I read about a movie producer, who had a problem to cooperate with the director. Why? Because on the Monday he had a blood clot in

his leg, then on Tuesday he had kidney cancer, and on Wednesday he had ALS, etc...

What means the risk for a little paranoia? Well, the creative person can have a problem with trust for other people. Therefore, he/she can consciously check important people in the environment: Is X loyal to me?

The creative people can also be unpredictable, or “Difficult people”, as it is said by the author Anders, who was mentioned in the start of this paper. They can be terribly stubborn, unpredictable and very odd.

Entrepreneurs and the typical factor: Power

The importance of this factor is as clear as for the factor *Imagination*. The entrepreneur gets an idea and takes then many initiatives, has a lot of energy, so there will be many of them and it is done persistently. The persistence can of course have its origin from *Quality* and especially, if the entrepreneur wants to help other people – has an important mission for the society.

When it comes to *Power*, then they like to have obstacles, because there is a big reward to handle them;-)

On more drive for *Power* can also be that he/she likes to compete, which creates energy and focus on results...

Entrepreneurs and the typical factor: Exposure

This was for many an unexpected discovery, when it comes to Jim Collins’ research. Leaders, who had a Level5 Leadership, were acting with a low profile. It wasn’t important for them to be in focus. Astonishingly, it was also that the leaders for the successful companies, weren’t not mentioned so much in media. One of them was a CEO for a listed company on the stock exchange. At the company they were worried, that it should be known, that he liked to run his own excavator during his spare time.

Anyhow, isn’t it logical that it is in this way? If you don’t have any need to “shine”, then it gives the opportunity for other leaders to be good and to be proud of that. This will increase the volume of good managers in a company.

The CEO in these companies doesn’t strive to have yes-men around him/her. Yes-men are a risk, because important facts or opinions will be hidden. There are many examples of the risk with yes-men. In Sweden the ship of the line *Wasa*, capsized when it was launched. No one dared to tell the king that the construction of the ship makes that it will capsize...

Steve Jobs and Bill Gates as some examples of entrepreneurs

Steve jobs was a typical entrepreneur. He hasn’t done the HumanGuide-test, but I have read a lot about him in media and then my conclusions are that he had a high value of:

- *Quality*, considering how much he struggled with many obstacles. He was really dedicated and terribly stubborn...Moreover, he could also have huge negative outbursts (very typical for *Quality*), which also has a connection with another factor – more about that below – Steve had a high ambition – he seemed to be a perfectionist, so when someone didn't reach his expectations, then he could be very angry. That is typical *Quality*, i.e. sometimes they can collect a lot of anger. When it is the last straw, then you should avoid being in the neighbourhood...
- *Imagination*- he had it definitely. He could imagine things, which wasn't possible to look at in reality e.g. iPhone and iPad...
- *Power*- he had it too. He liked to be in charge and overcome obstacles. Perhaps he liked to compete too...

However, he had a clear problem to apply Level5 Leadership. He had a low value on *Structure*. Probably it was Steve's lack of *Structure*, which influenced that he wanted to have products, which were easy to use and that it was a beautiful design on the screen and the product in itself (*Exposure*).

The clearest example of low on *Structure* was when he was forced by his board to leave Apple. At that time Apple had around 35 products. It had run wild. Obviously, he learnt from this experience, because when he got the invitation to come back and lead Apple again, then the number of products were reduced to four. Two for the consumers and two for professionals. One of them was a desktop and the other one a laptop.

This experience gave him probably the insight that he needed a person with a complementary personality, i.e. someone who had a high value on *Structure*, who could also have been in the board, who had got that insight. Anyhow Tim Cook was hired, who after some time he got an agreement for his time at Apple, where he should get a lot of money, if he would be working at Apple for ten years. One of Tim Cook's strengths is logistics then you need a lot of *Structure* and *Imagination*. *Imagination* was also very important in order to get a good person chemistry with Steve. That was valid also after Steve's death, because of course there must have been many key persons with high on *Imagination* in Apple, in order to be in the front of the development – always...

Steve had a high value on *Exposure*, which probably was a problem many times. Typical for *Exposure* is that they like to be seen. Therefore, these people like to be drastic, because it increases the chances to be noticed – look at his product presentations. It costed surely some more extra for Apple – that it should be perfect, but at the same time it created a successful marketing and a good design for everything that Apple delivered. Note that Steve participated in a course in calligraphy... He said once that it was because of a course in calligraphy, which influenced that he wanted that it should be beautiful on the screen.

How is it then with Bill Gates, the founder of Microsoft – can he apply Level5 Leadership? He has neither done the HumanGuide-test, so what is the impression from media

- *Structure* - he has definitely. Apart from Steve Jobs, Bill can do programming. In the book "Outliers" by Malcolm Gladwell, Bill is described how he and his mates in "IT's childhood" got access to more

computer time than most young people, which gave them a crucial advantage

- When it comes to the other factors, I can't be as sure, as with Steve. But probably Bill is less creative compared with Steve and probably he has high value on *Quality*, because since many years, together with his wife acts as a social reformer...

Entrepreneurs in Sweden during 400 years...

There are many examples in the book about the Swedish entrepreneurs of what is said in this paper. One of them, Gustaf Dalén (he invented e.g. many smart things for lighthouses), seems to be a good example as someone, who applied Level5 Leadership. He seemed to have the whole "orchestra" with relevant qualities. He had even gone deep into national economy and he also had made good proposals for the difficulties around 1930. He had a high value on the factor *Quality*, because he initiated many considerate actions towards his company's personnel. There are many such examples of entrepreneurs, who also are written about in Anders Johnson's book "Samhällets stöttepelare" (the pillars of the society).

However, it is a pity that it doesn't go so well for many entrepreneurs e.g.

- High on *Quality* make them too stubborn
- High on *Structure* make them too controlling
- High on *Imagination* make them too suspicious and odd
- High on *Power* cause that they get many enemies, because they can be too harsh and ruthless
- Lack of *Structure* makes them too unrealistic
- Lack of *Sensibility* causes that they have difficulties to note others real opinion
- Lack of *Contacts* causes them to live in a vacuum, so their ideas don't fit into reality
- Lack of *Stability* causes so they be wasteful and underestimate practical aspects

Expressed in a concise way – they are "Besvärliga människor" (difficult people).

However, the important aspect is that the society take care of them, because it is them, who lead the society to a better future. They solve the current problems and pick up new possibilities. With that background we all should be very glad of that people as Anders Johnson defends them. They help others to notice their advantages and how they are!

One more thing...

Steve Jobs very often said that, when most people thought that his presentation had ended. I copy him, because I thought about the answer from one trainer of leaders. He is now 70 years old and has been working as such a trainer almost his whole life. He got this question: – What is the two best advices you have based on that experience of leadership? – Great leaders are always searching for the truth. It doesn't matter what people and media say. These leaders want to make their decisions on as solid foundation as possible. The other experience is that there are too many leaders, who act as plumbers, i.e. they care more about how the tubes are drawn, instead of what is floating inside the tubes...

And now then...

Are you an entrepreneur, then I hope that you have learnt something more how your and other entrepreneurs function. E.g. are you an entrepreneur, who are so all-around, so you can be the CEO both in the start and in the continuous running of the company or you need a companion or...?

Are you an investor, then I hope that you also have learnt something new about entrepreneurs e.g.

- who should you support and how to coach them?
- would someone be more successful, if he/she will get a companion or other complementary competence?
- is there someone, who should change role and somebody else should be responsible for running the company?

Are you a politician, then remember that your mission is to create and care for a good and fair platform, so entrepreneurs can be successful. You **SHOULDN'T RUN COMPANIES!**

Good luck!

Rolf