Beyond the first business

The myths, risks and rewards of being a serial entrepreneur

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A report by

Centre for Entrepreneurs
CFE

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About the centre

Launched in October 2013, the Centre for Entrepreneurs think tank promotes the role of entrepreneurs in creating economic growth and social well-being. It is home to national enterprise campaign, StartUp Britain.

The Centre is an independent non-profit think tank founded and chaired by Sunday Times columnist and serial entrepreneur Luke Johnson, and housed in the Legatum Institute - a non-partisan charitable think tank best known for its annual Prosperity Index.

It is supported by a prominent advisory board including serial entrepreneur and investor Brent Hoberman, angel investor Dale Murray, Supper Club founder Duncan Cheatle, Betfair founder Ed Wray, and finnCap founder Sam Smith.

The contents of this report are based on research conducted on behalf of Coutts by the Centre for Entrepreneurs. The report was authored by Maximilian Yoshioka.

Foreword

When we undertook our Life After Exit research a couple of years ago, I was struck by how few seemed to take the plunge and do it all over again. For many it just seemed that the thought of going through the start up phase again with all its subsequent stresses was just too much. Yet undoubtedly, the thrill of running a business was something that most were not prepared to walk away from. So their journey after exit inevitably became about finding a variety of ways to recreate the thrill.

We wanted to look at serial entrepreneurship in more depth. I am fascinated by the way the serial entrepreneurship story is changing between generations. Millennials are widely challenging the notion that many entrepreneurs have "just one big business in them". People are starting their journey earlier, together with longer life expectancy and faster exit expectations.

On the other hand, there appears huge untapped potential for serial entrepreneurship among more seasoned business owners, and the role of experience seems invaluable to success. Unlocking that further could provide significant economic benefits.

Working closely with the Centre for Entrepreneurs to produce this research has been a stimulating experience, as we have come to joint conclusions. It is certainly an interesting subject and we hope you enjoy reading more about it.

Dylan Williams
Managing Director, Coutts

How common are serial entrepreneurs? While to the casual observer it might seem natural that someone who has started one business will go on to start another, in reality many successful founders prefer cashing in, retiring from the fray, and heading into the sunset.

But although initially entrepreneurs may enjoy a quieter pace of life, in time many begin to feel restless and seek fresh challenges. They crave a return to the responsibility and excitement of business, but question their ability to do it all over again. Reassuringly, our report shows that entrepreneurs often overstate the difficulties of starting a second business, and shares insights from proven serial entrepreneurs on the secrets and pitfalls of founding a business the second time around.

Serial entrepreneurship is just as beneficial to the health of our economy as it is to the individual entrepreneur. Serial entrepreneurs bring with them a wealth of experience, knowledge, contacts and capital that are key ingredients in any successful business. By encouraging more first-time founders to do it a second time, we should see more startups and higher survival rates, along with improved economic growth, job creation, living standards and innovation.

As a serial entrepreneur, I have experienced first-hand the joys and agonies of multiple businesses. Being one need not involve founding every business oneself. Those who keep themselves busy through mentoring, investing and sitting on the boards of young companies are just as deserving of the epithet 'serial entrepreneur'.

Luke Johnson
Chairman, Centre for Entrepreneurs

Executive summary

This report is divided into several chapters, in which the views of some of the UK's leading serial entrepreneurs are shared. The research combines survey data with focus group insight, along with case studies that hone in on the views and experiences of individual entrepreneurs.

Who are the UK's serial entrepreneurs?

- We surveyed 135 entrepreneurs, including both one-time founders and serial entrepreneurs.
- The number of businesses founded by serial entrepreneurs ranges from two to fifteen.
- Under-35s tend to start their businesses earlier, are more impatient to exit, and include more women.
- Female entrepreneurs found fewer and run smaller businesses than men.
- The level of education of entrepreneurs is inversely related to the number and turnover of businesses they create.

How do serial entrepreneurs face exit and closure?

- Serial entrepreneurs are more eager than one-time founders to exit their current business.
- International sales and stock market listings are more common among one-time founders, perhaps because they build up their businesses for longer.
- Closure (rather than sale) tends to be the fate of earlier rather than later businesses, and in some circumstances closure can be the right choice when the market is not ready for an idea.

Inside the mind of the serial entrepreneur

- One-time founders hold fears about starting further businesses that are less common among serial entrepreneurs, suggesting they are overblown.
- Yet serial entrepreneurship is often harder than expected in other ways, with one-time founders underestimating the difficulties of juggling multiple businesses compared to those that have experienced it.
- Serial entrepreneurs are more confident and less afraid of failure than one-time founders, and more open to new opportunities.

What drives the serial entrepreneur?

- Serial entrepreneurs are less likely to enjoy day-to-day business involvement, and tend to prefer a more detached portfolio approach.
- Wealth is not a dominant motivation for entrepreneurs. Motivations such as business growth, people and contributing to society are seen as more important.
- Other important motivations include staying sharp, preserving one's advantages, discovering new things, and fulfilling key psychological and spiritual needs.

Secrets to success

- Both serial and non-serial entrepreneurs agree that perseverance, skills and knowledge, and team capabilities are the most important factors in success.
- Incentivising talent and encouraging staff progression improve performance and can lead to further businesses down the line (by starting-up with talented colleagues).
- Access to finance, education and business location are seen as less important.

Challenges

Both serial and non-serial entrepreneurs are more affected by external barriers (such as time constraints and a lack of funds) than internal ones (relating to knowledge, inexperience and fear of failure).

Why do serial entrepreneurs matter?

The term "serial entrepreneur" has become commonplace, yet so often it is used without a precise definition. When we refer to serial entrepreneurs, do we exclusively mean people who have founded every single business themselves, or should we also include those who invest in, mentor and manage promising new ventures? Why should we use the qualifier "serial" to distinguish one-time founders from those who start several businesses? After all, we do not describe an architect who has designed several buildings as a "serial architect."

Putting aside definitions, there is something inherently valuable about a group of ambitious individuals that, driven by the desire to build successful companies, create the economic growth, jobs and overall prosperity that are the lifeblood of any healthy economy. After all, countless studies have shown that high-growth SMEs are the primary source of new jobs in the UK.

This is why Coutts and the Centre for Entrepreneurs have partnered to explore the dynamics of serial entrepreneurship in the UK, and to provide a guide for aspiring entrepreneurs interested in starting their second, third, fourth or even tenth venture. In doing so, we asked successful entrepreneurs about the secrets and pitfalls of serial entrepreneurship, raising the following questions:

- Does the experience of starting one business make success with subsequent businesses more likely, or are second and third time entrepreneurs simply less driven, less willing to put everything on the line?
- Do the factors underlying business success – funding, networks, confidence, attitudes to risk, knowledge and experience – change throughout the serial entrepreneur's career, and if so, how?
- What plays a bigger role in successful entrepreneurship: innate ability or experience?

While business failure is often seen as the baptism of fire that prepares novice entrepreneurs for their next venture, a 2011 UK study found that some serial entrepreneurs who encounter failure bury such experiences instead of learning from them, perhaps "in part to the deep pain, even trauma, they feel when their projects fail".

Along similar lines, a recent study examining 8,400 entrepreneurial ventures in Germany found that unsuccessful founders were no more likely than novices to have success with their next business. It concluded that even previously successful entrepreneurs are no more likely to succeed with their next venture, challenging the established wisdom that success breeds success.

This shows just how open the debate around serial entrepreneurship remains. Understanding fully a phenomenon as complex as entrepreneurship, in all places and for all time, is a difficult task. The ingredients that make a successful entrepreneur are never exactly the same. But research can do a lot to inform us about our immediate entrepreneurial environment.

Until now, knowledge and data on serial entrepreneurship in the UK has been limited, with existing research leaning towards a global or US perspective. Specific aspects of serial entrepreneurship have been analysed – such as the correlation between the number of businesses founded and probability of success, the external factors determining business survival, and the personality traits common among serial entrepreneurs – but rarely brought together to provide the bigger picture. This report is an attempt to do that.

In the sections that follow we describe the demographics of the UK's serial entrepreneurs, discover how they deal with exits and closures, discuss their personalities and attitudes, find out what motivates them, and explore the most important drivers and barriers for success.

Who are the UK's serial entrepreneurs?

Our survey reveals the UK's entrepreneurs to be a diverse group, with different age groups, sexes, educational levels and sectors all represented. Our sample of 135 entrepreneurs includes both one-time founders as well as serial entrepreneurs, so that comparisons can be made between them. Of our respondents:

81% are male, and 19% female.

24% are one-time founders, the other 76% serial entrepreneurs.

The top three regions are Greater London (25%), the South East (24%) and the Midlands (17%), followed by the North of England with 16% of entrepreneurs.

69% have bachelor's degrees or above, 29% have at least GCSEs, and only 2% have no qualifications at all.

16% are under 35, 51% between the ages of 35 and 54, and 33% are aged 55 and above.

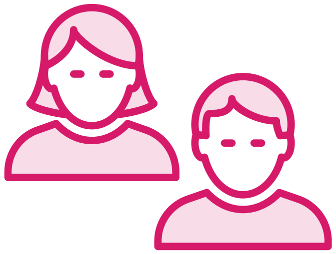
33 sectors are represented, with consultancy (37%), business support services (26%), education (21%), digital media and content (21%) and software (23%) the most popular choices.

The number of businesses founded ranges from one to 15, with an average of 2.9.

The millennials and the baby boomers

For under-35s, the average number of businesses started was 1.7, lower than the general average of 2.9 but expected given their shorter careers. On the other hand 57% started their first business before the age of 25, versus only 23% of those aged 35 and above.

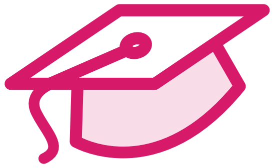
Younger entrepreneurs are more impatient to exit, with 63% planning to exit their current business within the next five years, versus 46% of those 35 and over. They place a premium on education, with 76% of under 35s possessing a bachelor's degree or above, compared to 67% of their older counterparts. The gender balance among under-35s (38% female) is far more equal than among over-35s (16% female), suggesting that today's young women are becoming more entrepreneurial.



Men and women

The gender balance among serial entrepreneurs is similar to that of the whole sample: four-fifths male, one-fifth female. Female respondents started fewer businesses on average (2.5) than their male counterparts (3.1), though this is likely related to their younger average age.

The female founded businesses in the sample also tended to be smaller: when asked about the turnover of their most recent business, 92% of women said this was below £500k, compared to 59% of men. 30% of men cited turnover of £1m and above, but there were no female respondents in this category.



Education

In contrast to conventional employment, where higher education is strongly linked to greater earnings, among serial entrepreneurs we found that a lower level of education was linked to a greater number of businesses and larger turnover.

For respondents possessing a bachelor's degree and above, the average number of businesses started was 2.7. For those with a qualification below that (including those with no qualification at all), the average was higher at 3.5. A higher proportion of the non-university educated were running businesses with turnover greater than £1m (34%) compared to the university educated (18%). The non-university educated get started earlier, with 39% starting their first business before the age of 25 compared to 23% of university-educated entrepreneurs.

Sectors

For one-time founders, the top three sectors were retail (26%), professional services (19%), and e-commerce (19%). For founders of two to five businesses, these were consultancy (41%), business support (33%) and digital media and content (27%). For serial entrepreneurs who have founded six to ten businesses, the top three sectors were consultancy (56%), software (56%), and business support (44%).

Inside the mind of serial entrepreneurs

How confident is the serial entrepreneur? How does he or she approach business? What is his or her attitude to risk, to learning from the past and prioritising limited resources? Is there a personality type that sets the serial entrepreneur apart from the one-time founder, or can any entrepreneur "go serial?"

Attitudes to business

When it comes to the question of whether an entrepreneur has "more than one good business in them", one-time founders are more inclined to agree (37%) compared to serial entrepreneurs (15%). Similarly, one-time entrepreneurs fear a loss of passion (31%) after their first business more than serial entrepreneurs (14%). The figures imply that these fears are unfounded, with most serial entrepreneurs finding out that they neither struggle to start another "good business" nor lack the passion to do so.

On the other hand, some find the transition to serial entrepreneurship harder than expected.

When asked whether "running multiple businesses makes it harder to give each one enough attention" founders of two to five businesses (47%) and six to ten businesses (63%) were much more likely to agree than one-time founders (35%), suggesting that the latter underestimate the challenge of juggling several ventures.

Serial entrepreneurs are more pessimistic about the possibility of a healthy work-life balance, with 47% conceding that success requires putting business before one's personal life, compared to only 36% of one-time founders.

The personality of the serial entrepreneur

The personality questions below (table 2) reveal several fascinating differences between one-time entrepreneurs and their serial counterparts.

Serial entrepreneurs are more confident in their business abilities than one-time founders because they have tested them repeatedly. They are less afraid of failure, which could be a result of their greater confidence, or the higher probability that they have already experienced failure – or both.

Serial entrepreneurs are less focused on a single business and more open to new opportunities than one-time founders, which is why they set up so many businesses. As Sebastien Breteau, founder of businesses in Hong Kong and Poland, puts it: "they suffer from monkey syndrome, jumping from one tree to another in the jungle".

Interestingly, as entrepreneurs set up more businesses, they appear to become simultaneously both more and less risk averse. On the one hand, serial entrepreneurs place greater importance on planning for the unexpected – hedging their bets. On the other hand, they also feel more capable of converting risks into opportunities, and are more prone to describe themselves as financial risk takers.

Paul Atherton, a serial investor in university spinouts (see case study on page 23), approaches risk in business as he would mountaineering: "I climb mountains but with all the necessary gear. I do risky things, but not in a risky way". Breteau is more direct: entrepreneurs have ostrich syndrome: "they stick their heads in the sand and ignore the risks".

Table 1: Percentage of entrepreneurs that agree with the following statements

	1 business	2-5 businesses	6-10 businesses
It is important to learn from past mistakes	88%	91%	82%
I am confident in my business abilities	67%	91%	91%
I am afraid of failing	40%	40%	13%
I am easily distracted by new opportunities	16%	29%	50%

What drives the serial entrepreneur?

Entrepreneurs – serial or otherwise – are a diverse bunch motivated by far more things than can be captured in any single study. Nonetheless, our research highlights some of the key motivations that drive entrepreneurs.

Our survey and focus groups touched upon wealth creation, working with people, business growth, business involvement, independence, unpredictability, as well as the importance of contributing to society.

When it comes to motivations, it seems there is little to separate one-time founders from multiple founders, with the three categories of entrepreneurs (one-time founders, two to five time founders and six to ten time founders) generally agreeing on the things that incentivise them (see table 3).

Taking a hands-off approach

The one thing the different groups did not share was their enjoyment of day-to-day business involvement. While almost 80% of one-time founders enjoy being immersed in running a business, this is the case for only 55% of serial entrepreneurs.

This can be seen in the light of Jeremy Furniss' observation (case study on page 21) that serial entrepreneurs often prefer taking a portfolio approach, investing and taking advisory roles in multiple businesses instead of ploughing all their energies into one. After experiencing the intensity of founding a business from scratch, perhaps some entrepreneurs decide that once is enough.

Paul Atherton sees taking a portfolio approach as a question of necessity rather than preference: "I have to be in several businesses at once, because if I only had one I would kill it by interfering too much. I probably only spend around three days a month physically present at each one".
Money isn't everything

A common impression of entrepreneurs, and business people in general, is that they are driven solely by the pursuit of wealth.

Our research uncovered a rather different picture, with wealth only one of several motivations, and far from the most important.

In fact, alongside "unpredictability of the business environment" and "day to day involvement", "generating wealth" was one of the less important motivations for entrepreneurs, with 69% saying it was something they enjoy. In comparison, 73% enjoy contributing to society, 79% enjoy interacting with the people they work with, and over 90% enjoy being involved in business growth.

Entrepreneurs weigh in

The serial entrepreneurs at our London focus group pointed out other motivations they find important.

For Sebastien Breteau, one reason to continue being an entrepreneur is to preserve hard fought advantages: "If you don't keep starting businesses your brain gets weak, you become complacent, you lose your network and your closest associates move on".

For Adam Freeman, a serial entrepreneur who has started business in the telecommunications and financial services sectors, it's about discovery: learning about a new process or technology and then implementing it better than anyone else.

And for David Francis, entrepreneurship also has a spiritual role in that it "fulfils many psychological needs as well as practical ones. You could say it's a bit of a drug".

Table 2: What motivates serial entrepreneurs

	1 business	2-5 businesses	6-10 businesses
Being involved in business growth	85%	92%	91%
The people I work with	91%	74%	82%
Day to day involvement	79%	56%	55%
Generating wealth	67%	71%	64%
Contributing to society	76%	71%	82%
Independence	82%	90%	82%
Unpredictability	36%	42%	36%

Secrets to success

We asked serial entrepreneurs to share with us the factors most instrumental to their success, and their answers simultaneously matched and belied our expectations. The most cited factors were:

- **Perseverance (92%)**
- **My own skills and knowledge (85%)**
- **The capabilities of my |teams (78%)**

These are traits and assets that we already associate with being a successful entrepreneur. Yet factors that would also appear important such as education (42%), access to finance (36%) and business location (35%) were not deemed so by the surveyed entrepreneurs.

Learning outside the classroom

There is a huge gulf between the importance entrepreneurs place on their skills and knowledge and on their formal educations. While for most people the two are fundamentally intertwined, it seems that – at least for entrepreneurs – the oft-repeated mantra that school does not prepare you for life is true. Entrepreneurs acquire their most important skills and knowledge outside the classroom.

The entrepreneurs at our focus groups provided some insight as to why this is the case. According to Mark Hogg, "you need to wise up if you think a business management course is going to teach you how to run a business", while Barry Simpson believes that most successful people do not see education as key to their success.

Sebastien Breteau, who was educated at a state school in France, feels that going to a "regular" as opposed to an "elite" school "teaches entrepreneurs to deal with all sorts of people, from different backgrounds and social classes". But while school may not be everything, "good entrepreneurs know they don't have all the answers and aren't afraid to ask questions" says David Francis.

There's no "I" in team

While entrepreneurs strongly emphasised individual factors such as perseverance and skills when evaluating their success, they also acknowledged the interpersonal importance of their teams. This collaborative attitude appears to grow with business experience, with 80% of serial entrepreneurs citing the "capabilities of their teams" compared with 73% of one-time founders. Sebastien Breteau advises serial entrepreneurs to maintain a team of "a few trusted aides, who move with you from project to project so that you never truly have to start from scratch". David Proos, an entrepreneur with businesses in the roofing supplies industry, looks for dedication in his managers and employees: "If there's an emergency on a bank holiday and I need one of my employees, will they be by my side, or will I reach their voicemail?"

Luck and intuition

Luck is a contentious thing for any successful person to acknowledge, implying that sheer chance as well as merit is responsible for their achievements. In our survey, while 67% of one-time founders were willing to recognise the good fortune that helped their businesses succeed, only 56% of two to five time founders and 36% of six to ten time founders did so. This suggests that entrepreneurs see luck becoming less and less important as they gain business experience. The serial entrepreneurs at our London focus group challenged this point of view however, and were generally quite content to acknowledge the importance luck had played in their careers. Paul Atherton, whose views on luck and success are explored in a case study on page 23, believes that one-time founders are reluctant to acknowledge luck because they feel it denigrates their sole achievement.

Equally mysterious yet important is the ability to "trust your gut", which according to David Francis is something an entrepreneur "learns to do over time". For Barry Simpson, it was intuition rather than analysis that led him to Glasgow where he set up what is now his biggest business. As he puts it, "I just sensed that there was money to be made"

Challenges

The entrepreneurs featured in this research are people who have prospered with their businesses, and they shared some of the secrets behind their success in the previous section.

But as those that have reached the top can attest, such success rarely comes without a struggle. At times, the light at the end of the tunnel can be hard to see.

One of the goals of our research has been to explore the nature of these challenges, and find out how they change over an entrepreneur's career.

Our survey found that while external factors such as time constraints and a lack of finance are some of the most frustrating barriers for serial entrepreneurs (40% and 44% respectively considered these major obstacles, see table 4 below) when it comes to internal factors such as lack of knowledge, inexperience and fears about employability, entrepreneurs are less concerned.

These personal constraints are easier for an entrepreneur to overcome through willpower, self-improvement and confidence, which helps explain why even one-time founders are not particularly affected. They also tend to shrink over an entrepreneur's career, as they become more knowledgeable and experienced.

A lack of access to finance or insufficient time to run a business on the other hand are challenges more concretely grounded in real world limits and commitments. Think of a recession that reduces banks' willingness to lend, or the full-time job and/or caring duties that make time a scarce resource. In these cases the best thing for an entrepreneur to do might be to wait for a more opportune moment for their business idea.
For Paul Atherton, the hardest part was keeping his first business alive with his house on the line, a wage bill to pay, and barely any money to survive on: "It was like walking on the edge of a cliff for 15 years". Things change however, and these days Paul finds raising money "easy" thanks to his reputation as a successful serial entrepreneur.

For Adam Freeman, selling his first company in mobile phone content to Monster Mob PLC was a challenging but necessary experience that taught him the downsides of belonging to a large corporation: "I didn't like working for them – they changed the way we did things and it wasn't the same".

Sebastien Breteau points to the difficulty of managing what he calls the serial entrepreneur's "boredom issue". Because "entrepreneurs get bored easily, there is a trade-off between staying in a business and maximising value, and getting bored and causing it to lose value. A major challenge for serial entrepreneurs is figuring out when to stay and when it is better to leave".

As a serial entrepreneur with businesses across different sectors and countries, the challenges facing Mark Hogg are global and often unforeseeable:

"When I was in airline entertainment, 9/11 almost put me out of business. Planes were grounded for 23 days, which isn't helpful if you only get paid when a plane takes off. Then SARS popped up a year later, and it was more of the same." Mark's current businesses are in the plantation industry, where the risks are just as much out of his control. "If it doesn't rain, what can I do about it?"

Table 3: Percentage of entrepreneurs that felt challenged by the following factors

	1 business	2-5 businesses	6-10 businesses
Time constraints	43%	38%	46%
Lack of finance	46%	44%	36%
Lack of knowledge	27%	23%	18%
Inexperience	24%	27%	18%
Lack of support from those around me	21%	27%	9%
Fear of losing job and steady income	27%	17%	18%
Concerns about future employment	24%	13%	18%

How do serial entrepreneurs face exit and closure

Exits and closures are part of the serial entrepreneur's life. Coutts' previous report, Life After Exit, reviewed the experiences of entrepreneurs who have exited their businesses, and the common choices they then make. But while exits are associated with cashing in on years of hard work and moving on to better things, the closure of a business tends to be seen as a mark of failure and something to be avoided.

Here we explore the dynamics of exit and closure among serial entrepreneurs, and suggest that the latter should not be seen as a wholly negative experience.

Exit planning

Perhaps because serial entrepreneurs become accustomed to efficiently scaling and selling businesses, they are more interested in exiting their businesses in the short to medium term. Of those who have founded more than one business, 53% plan to exit within five years, compared to 32% of one-time founders.

As table 1 shows, one-time founders are far less likely than serial entrepreneurs to have exited a business; most are still running their first business. On the other hand, there is a small subset of one-time founders with a high number of exits; these must be from businesses they invested in but did not found themselves.

One-time founders are more likely to have experienced an international sale (50%) than founders of two to five businesses (30%) and founders of six to ten businesses (38%). A fifth of them have also experienced a stock market listing, compared to fewer than 2% of serial entrepreneurs.

Founders of six to ten businesses are more likely than anyone else to have experienced a private equity sale. Trade sales – both domestic and international – were the most common form of exit across all three groups. And for the entire sample, only 5% of entrepreneurs have transferred a business inter-generationally.

When it comes to exits, global serial entrepreneur Mark Hogg (see case study on page 18) believes "if you're looking for an exit, you're not concentrating on your business. If you concentrate on your business, the exit will come to you".

Necessary closure

As one might expect, the survey revealed that business closure happens more often with earlier businesses. When asked which business they had experienced closure with, most respondents pointed to their first business (60% of closures) or second (45% of closures). By the fourth business this percentage drops to 10%, and by the sixth business or later a mere 5%.

So while – as the table below shows – closure is more common among serial entrepreneurs, these closures tend to be concentrated among their first few businesses.

David Francis, a serial entrepreneur whose biggest business imported medical devices from Asia, went through closure in the early days of his career, putting it down to "a lack of experience, of the basic business fundamentals". Barry Simpson, a serial entrepreneur in the recruitment industry, warns against ignoring broader market conditions, "which can change at any point". He himself was left with bad debt when the global financial crisis began in 2008.

Successful serial entrepreneurs absorb these experiences, learn from them, and go on to found further businesses that are less likely to fail. And as Shamus Husheer (see case study on page 20), a serial tech entrepreneur, points out, closure can be the smartest thing to do when the market is not ready and your energies as an entrepreneur are better used elsewhere.

Table 4: Percentage of entrepreneurs who have exited and/or closed a business

	One-time founders	2 - 5 businesses	6 - 10 businesses
Sold/exited	30%	68%	73%
Closed	9.10%	33%	64%
Neither	64%	14%	9%
Average exits	2.2	1.7	2.6

CASE STUDY

Going global

Mark Hogg is an entrepreneur whose career has spanned a range of industries and countries.

He founded two companies that became market leaders in the in-flight and cruise ship entertainment industries, IFE Services and OceansTV, while his latest businesses invest in biomass and solar power technology in Africa and the UK.

Mark's career demonstrates the global potential of serial entrepreneurship, and the rewards of creating new markets instead of entering congested ones.

"If you can read about an industry, study it in a book, it's too late. You need to embrace the unknown, fall down pit holes, and work your way out of them.

"That's not to say you don't need a plan – for every business you need a solid starting point, an idea of what that business will do, and a concrete outcome you want to reach. But beyond that, it's about instinct and perseverance. Whenever I see a business plan with too much detail and all the minutiae worked out, it either fails or struggles in a congested market."

Mark's involvement in the in-flight entertainment industry demonstrates the benefits of early entry.

"When I got into in-flight entertainment, it hadn't really been done yet, and with the transition from VHS to digital, there was lots of room for growth. We expanded from a single channel to hundreds of channels, and got paid every single time our content was used. Now though, iPads and laptops are killing demand for in-flight entertainment, so there's no growth left. I got off at the top of the wave."

Similarly, the environmental movement went from a few hippies to a serious, organised, well-funded movement with the UN behind it, so I got in on the action with renewable energy. There are no margins in established markets, which is why I'm willing to forgo the knowledge and networks I have to create profitable businesses in new sectors. I want to be where I won't have any competitors."

Restlessness also comes into play when starting a new business.

"Another reason I've switched sectors and countries so often is boredom; I hit my comfort level. In Ghana for example, where I've set up solar farms, things are going well and I'm feeling comfortable – which is precisely why I've started looking at places like Vietnam and Costa Rica. I get bored without a challenge, and I'm sure you'll find that most serial entrepreneurs feel the same."

CASE STUDY

Growing up fast

Dan McGuire co-founded his first business Broadbean at the ripe age of 21, after several years of work experience in the recruitment industry. Dan and his then boss (future business partner Kelly Robinson) saw an opportunity for innovation in an industry set in its ways, and built a job advert platform unlike any before it.

In 2008 Broadbean was successful enough to attract a bid from the Daily Mail and General Trust, just before – as Dan puts it – "the world began caving in". Dan initially stuck with the firm, signing up for a three-year earn-out, but after two years grew tired of the corporate environment and moved on. He spent a few years traveling and supporting start-ups, before "the bug" returned and he found himself founding his second and latest company, business intelligence platform cube19.

Dan acknowledges that being young disadvantaged him at the outset of his entrepreneurial career.

"Back when we started in 2002, it was much less common to meet people in their teens and early twenties launching businesses and having access to funding – at times I had trouble getting people to take me seriously. I didn't describe myself as an entrepreneur or even a business owner at first as it made people sceptical. When I walked into meetings with CEOs, some would make an instant judgement: what is this 'kid' doing here? Initially it was easier to just say I worked in sales! But once we started making a name for ourselves, wining big customers from the competition, it suddenly flipped and our youth became an asset. We were an exciting bunch of young people doing things in a new way."

Despite millennials being more educated than any other generation, Dan sees the workplace as the ideal university for aspiring entrepreneurs.

"I went straight into work at 18 – university just wasn't for me – and by the time I was starting my first business, my friends were still finishing off their degrees. In three years I had proved myself as a recruitment consultant and was already earning good money, and my career trajectory was accelerated dramatically. If I had gone to university, I would only have had a few months work experience and never been considered for a co-founder role. A lot of my friends who did go to uni didn't end up doing anything remotely related to their degrees.

In a workplace you learn from and socialise with people older and more experienced than you. You grow up faster, and perhaps get some of those more immature traits knocked out of you sooner. When it comes to business, there's nothing better than watching others in action, being immersed in the environment, and feeling the buzz. I did a GNVQ in business (a cop out instead of doing A-Levels) and I learned less about the workplace in two years than I did in two weeks in my first recruitment job."

Despite his belief in the importance of getting started early, Dan sees developments that might make it harder for young founders in future.

"The tech entrepreneur scene has played a big role in getting younger entrepreneurs taken seriously; many of the most publicly visible tech entrepreneurs are in their twenties. While once a young person with a business idea might have been told – 'that's nice, but maybe when you're older' – now the message is: 'if you can deliver, age is irrelevant'.

But over the past decade, a lot of businesses have focused on scaling up rapidly without worrying about profitability, and some are now running into problems. You can see this in the current fear about overvalued 'unicorns'. Capital for earlier stage businesses, especially where the team is inexperienced seems to be getting harder to come by and that could definitely start disadvantaging younger entrepreneurs. The irony is that investors share some of the blame: by pressuring businesses to generate quick returns, they encourage growth at any cost, often at the expense of business fundamentals. I've found older entrepreneurs to be better at resisting that pressure, and admitting that 'this might take longer than you think'."

CASE STUDY

Knowing when to quit

Shamus Husheer started his first business, a chemical manufacturing company, while an undergraduate at Waikato University in New Zealand. He started his second – a chemical instrumentation company – while studying for his master's degree at Otago (NZ), and raised angel funding for 3 separate businesses alongside a PhD at Cambridge (UK).

He has started various companies in the chemical, medical, instrumentation technology, finance and fashion sectors. His latest venture is a medical device that will monitor heart failure using advanced video and imaging technology.

Shamus has exited several businesses and experienced closure with several others. But he does not see closure as necessarily a bad thing.

"The first business I started grew out of my undergraduate research, which taught me that proven academic research is not always commercially viable. The technology we developed would have saved the chemical industry millions, yet they simply weren't interested. The monopoly position of the market leaders meant they could generate the same amount by simply hiking their prices, without any capital spend. While giving up on the idea was tough, closure meant understanding that sometimes the market just isn't what you think it is.

As an entrepreneur, "you need to be able to recognise when a venture is unlikely to be sufficiently profitable", says Shamus. "If it isn't, you should get out instead of chucking more money at it."

Another closure I experienced was a business in the fashion industry, based on an improved technology for scouting fashion models. But although we hired a successful model to head our marketing, and tests had demonstrated the effectiveness of our technology, the sector wasn't interested, which I suspect was because those at the top were reluctant to believe that computers could "scout" more effectively than they could. Although the team realised that it was time to move on, the investors insisted on spending every last penny available trying to find some avenue. But it simply wasn't a viable route to making money, and unfortunately we ended up closing the company.

Shamus questions the classic, self-help book view of entrepreneurship where success means being passionate, never giving up and never taking no for an answer.

"In reality this is an awful trait to have, one that will make you waste your own and other people's money. Instead, as an entrepreneur you need to learn to step back and distinguish your beliefs and emotions from the realities of the market. If you do this and realise that your company just isn't going to be big enough to provide returns that match your investment, you have to move on, even if investors want to give you more money as that will only dig you a bigger hole long-term.

Personally, I'm more disciplined now, and quicker to recognise when I'm better off closing or quitting a business than staying put. I've learned to start having the right conversations earlier, and I'm blunter than I used to be."

Despite this knowledge, Shamus accepts that it is never easy closing a business.

"You are essentially admitting you were wrong, something many people have great difficulty doing. But if you fail in the right way – you did the best you could, but the market isn't where you thought it was – then closing your business means doing your job. It's when infighting, conflicting personalities and uncontrolled passions – in other words the human factors – lead to closure that you really regret it. You know that if you had done things differently, success might have been possible."

CASE STUDY

The man with two hats

Jeremy Furniss is a partner at Livingstone, an international mid-market Mergers & Acquisitions and Debt Advisory firm with offices in six countries, where he advises entrepreneurs on selling their businesses.

Jeremy wears multiple hats: beyond his role advising entrepreneurs, he also bought out Livingstone from its original founder and expanded it internationally, giving him the entrepreneurial experience to help him better understand his clients.

"Although I decided on a career in corporate finance early on, I was never that interested in big corporate deals. What really stimulated me were the people who built successful businesses from scratch – the entrepreneurs – and I wanted to work with them.

I found that opportunity at Livingstone, which I joined in 1993 having previously worked as an M&A lawyer. At Livingstone I immerse myself in entrepreneurs' successful businesses and become an evangelist for them in the market. Over the years, I've observed how entrepreneurs build businesses, how they succeed, the mistakes they make, as well as the luck that falls their way."

Over his 22-year career, Jeremy has personally helped his clients sell over 130 businesses, so he knows a thing or two about the traits that set serial entrepreneurs apart.

"Above all, the successful entrepreneurs I've worked with have a fire in their belly, a drive to succeed that can be purely personal, but that can also come from family or a desire to compete with successful peers. Contrary to myth, entrepreneurs don't necessarily need to be revolutionary innovators; sometimes they just need to do things better than everyone else.

While it is true that entrepreneurs take risks, they also equip themselves with as much information as possible to de-risk their decisions. The entrepreneurs I've met do not see risk as risk but as opportunity, as a set of challenges to overcome."

That said, Jeremy identifies limitations shared by many entrepreneurs.

"First, it can be difficult to get entrepreneurs to take advice. They tend to be highly networked people with many places to go for different views– so they are reluctant to listen to any one person! Many also suffer from what I would call 'tunnel vision': they get so immersed in their own markets that they miss out on opportunities in adjacent markets, especially when it comes to interest from buyers and investors.

Another difficulty some entrepreneurs encounter is transitioning from running a small, exciting start-up to a larger company. They find out that being a good manager is quite different to being a visionary leader, and yearn to return to the freewheeling side of business that is their bread and butter.

In my experience, the most successful serial entrepreneurs are those that stay within their sectors. It is the entrepreneurs who think they can transfer their success from one market to another that often run into trouble. While every entrepreneur needs self-belief, this can go too far if they start believing their own hype. Hubris has a knack of turning big fortunes into small ones."

With half of his clients over 55, Jeremy is well placed to observe how entrepreneurs change with age.

"I've noticed that as entrepreneurs get older, their approach to business and risk changes. They have saved up enough for their natural lives, and are more willing to take risks with their spare cash.

Instead of trying to do it all over again, they often prefer getting involved as backers, investors, mentors and directors, usually across several ventures. Through this portfolio strategy they can participate in business growth and share expertise, without devoting all their energy to a single firm.

For many it is a great way of keeping active, and maintaining a real world connection. And in my opinion, such people are serial entrepreneurs just as much as those who found every business themselves."

CASE STUDY

The serial award winner

Rachel Bell is an award winning serial entrepreneur who has founded and runs multiple businesses in the communications, talent management, PR, sports sponsorship and engineering industries. She is the first and (so far) only woman to have won a Sunday Times small business leader award.

Rachel turned her first business, Shine Communications, into an industry leader that in 2012 was named by the Sunday Times as the best small company to work for. She co-founded three more businesses (Mischief, John Doe and Aduro) with employees, and at an opportune dinner in 2010 met her future business partner for music industry agency Stoked PR.

Shine, Mischief, John Doe and Stoked have all risen to the top of their respective industries, with each winning "best new agency" awards within 3 years. And if that wasn't enough, John Doe and Mischief have both gone on to win best agency awards – making it seem as if Rachel has discovered the secret to a successful business.

According to Rachel herself, her sustained success boils down to something seemingly obvious but often forgotten – the people.

"When I started up Shine, I set it up to give people a place where they could do their best work, where they could 'shine', so to speak. Our primary KPI [key performance indicator] was to never lose anyone through a lack of growth opportunities, and by staying loyal to that we have attracted and kept great talent at Shine.

I've always believed that a successful entrepreneur hires people better than themselves, and having such high quality employees in my businesses has created lots of opportunities to start new ones."

Rachel's second company, Mischief, is a perfect example of this philosophy in action.

"One of my sharpest employees at Shine ¬– Mitch ¬– had been snapping at my heels for a new challenge, so when we started Mischief to take over some of Shine's work I decided to put him in charge. Within a couple of years, he had grown it to the same size as Shine (60+ employees) and established it in the sector.

Similarly, I co-founded John Doe with Shine's creative director (who I had initially hired right out of university) and Aduro with an associate director who I felt was suited to running her own business.

According to Rachel, two major factors behind her business success are the incentive schemes put in place to motivate employees, and the cultivation of long-term relationships.

"At Mischief, I immediately set up a share scheme for Mitch and his leadership team, through which they could increase their equity stake in the business by hitting their targets. You'll find similar schemes in all my businesses.

Furthermore, each of them has been based on strong relationships, and a desire to see every single person reach their potential – it's just the most exciting and rewarding part of the journey. And all of them grew out of the collaborative values that made Shine what it is.

I've never had to make anyone redundant in over 18 years. I take giving people a job very seriously – you are giving them a livelihood after all. Once you get a business going, you bear a responsibility for people, for their mortgages and families. Sometimes that has meant taking decisions that hurt the business in the short run, but it always pays off ten-fold in the long run."

Negative past professional experiences have helped Rachel know what to avoid with her businesses.

"Before I became an entrepreneur, I took a few roles where I felt deeply unrewarded and unappreciated. But without those experiences I'm not sure I would have felt so passionate about Shine's values, so I can't say I regret them. I make sure my employees get the antithesis of that."

CASE STUDY

The scientist turned entrepreneur

Paul Atherton is a serial entrepreneur who co-founded his first company while completing a PhD in physics at Imperial College in 1978. He describes setting up the company – which commercialised university research – as 'a bit of a laugh', but 15 years later Paul was laughing his way to the bank as the company sold for significant sum in 2000.

Since then Paul has kept himself busy by investing in university spinouts. His latest venture is an ambitious battery company, which he is currently raising funding for. Paul completed an MBA at the London Business School, was a governor there for many years, and until recently sat on the board of Imperial Innovations.

Despite his glowing track record, Paul remains grounded. He insists that innate ability and luck play an equal if not greater role in success than personal effort and experience.

"While starting my first business at Imperial College – commercialising an innovation in astronomical instrumentation – I realised that I had what later came to be called 'people skills'. In other words, I could get people to do things for me they wouldn't necessarily do for others. I believe such skills are innate, but often dormant – I definitely didn't learn how to manage people in a physics lab.

Initially, you need to convince people to work for you or buy your products when you don't have a track record. But in the long run, it's about integrity. Do you keep promises, and are you punctual, reliable and honest? When we first convinced Seagate to buy hundreds of our devices for the very first time, their lead engineer was skeptical, but bet his career on me nonetheless. I repaid his faith by sending my staff abroad or jumping on a plane myself whenever anything went wrong."

Paul believes that creating the right sort of culture in a company involves those very same people skills.

"You've got to treat people well, and understand that stuff happens in life. I've always made it clear to employees that the company is there for them, and when you do that you'll find people repay you in spades. I once had an engineer fall ill with leukaemia, and we paid his salary the whole time – you can imagine how grateful he was when he came back. I believe that people are generally decent, and that you can't let a few rotten apples change your outlook.

Paul champions the importance of education, unsurprising given his PhD and background in university spin-offs. But he also credits his time at the London Business School as being 'transformational' for his success as an entrepreneur.

"LBS unveiled a whole new set of concepts to me and opened up a world that I didn't have much respect for beforehand. I went in expecting to learn a few accounting tricks, but accounting was the least interesting thing there. I improved in so many ways. In particular, I remember being very appreciative of negotiation skills training after three days of gruelling negotiations in 1998, which we came out of with a $50 million dollar order.

There's lots of other stuff from the MBA that I still use to this day: insights on market segmentation and production, interpersonal skills, management and supply chains. I've put lots of my managers through business school because of how much it helped me."

Yet at the end of the day, Paul insists that luck has a huge part to play in the success of any entrepreneur, serial or otherwise.

"After my first big success, people liked saying how clever I was, but I couldn't help feeling that luck had such a massive part in it all. Yes, we had determination, intelligence, skills and the right technology. But getting the timing right comes down to luck, and timing is everything.

Many entrepreneurs don't like acknowledging luck, perhaps because they've only done it once and want all the credit for that single success. But when you've done it a few times like I have, you can admit it easier. I've seen many competent people travel similar paths to mine without getting rich."

Conclusion

This report was conceived with two aims in mind: the first, to produce an overview of the depth and extent of serial entrepreneurship in the UK: the second, to equip aspiring and active serial entrepreneurs with the insights to help them succeed. These two aims are connected: absorbing the experiences of today's entrepreneurs will help future entrepreneurs avoid pitfalls and fulfil their potential.

Fear of failure is something that can hold back entrepreneurs from starting new businesses. Yet our research shows that although many serial entrepreneurs have experienced business closure, they are less worried about failing than one-time founders, probably because the experience is less traumatising than expected. Business failure should be seen as a part of the learning curve, rather than a mark of shame. Indeed, our survey found that closure is much more likely with an entrepreneur's first few businesses.

One-time entrepreneurs often worry that they only have one good business in them, or that the passion that sustained their first business will not hold up for their second. But such worries tend to vanish once entrepreneurs go serial, with our survey finding these concerns much more common among one-time founders. And although one-time entrepreneurs underestimate some of the challenges of starting their second business, such as the pressures of juggling multiple ventures or the difficulty of securing a healthy work-life balance, they rarely regret their decision.

Lastly, our report defines serial entrepreneurs as not only those people who found every business themselves, but also those who invest in, manage, advise and mentor other businesses and entrepreneurs. For entrepreneurs that want to get involved in something new but don't want to go through the stress of starting up all over again, a portfolio approach provides the answer. Our survey suggests this is true of many serial entrepreneurs, who are less interested in the day-to-day workings of a business than novice entrepreneurs but still full of hunger and energy.

For the entrepreneurs in search of a new challenge beyond their current businesses, or those feeling restless after several years of retirement, serial entrepreneurship might be just the answer.

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