



## Exploring the Different themes of Barriers and Challenges for Young Entrepreneurs in London in the United Kingdom

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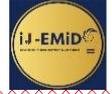
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### Abstract

*This study explores the challenges and barriers faced by young entrepreneurs aged between 18 to 25 in London, United Kingdom. Primary data has been collected from young entrepreneurs from London that has shared their journeys. The final results indicated that the main challenges that young entrepreneurs face are related to knowledge, funding, and prejudice and they use numerous ways that one can overcome them. The results of this research can be used by both present and future entrepreneurs, as well as investors or the general public, to enhance their understanding of entrepreneurship.*

Keywords: Entrepreneurs, Entrepreneurial Skills, Entrepreneurial Motivations, Start-ups, funding for SMEs.



## **Introduction**

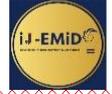
“Small businesses are the lifeblood of any economy-boosting productivity, creating employment and prosperity and revitalizing our communities” (Brown, 2003). The UK has around 5.2 million small businesses in 2014 accounting for 47% of the private sector employment in the United Kingdom (gov.uk, 2014, Schoon and Duckworth, 2012). However, despite the rise of the small business sector since the 1970s, the country is still well behind the United States and double the levels of entrepreneurship. Therefore, this topic has been chosen because it is vital to investigate and identify the barriers to successful entrepreneurship in the UK, especially within the younger generation. The main goal is to provide clarity on the different barriers and challenges that this group faces as well as the different solutions that can be implemented to overcome the set barriers.

## **Literature Review**

Starting a business alone from scratch has always sounded like a scary career path. The combination of the unknown, instability, lack of security, high risk and a potential loss of time, money and efforts can hardly sound appealing, yet many choose to embark on this journey for either their personal reasons or lack of employment available on the market. Many people have struggled to find employment, have adopted the position of “I will have to create a job for myself, rather than wait for one to land on my lap” (Gough, 2010). Bounds (2018) mentions that people that have failed to find employment are most likely to follow an entrepreneurial path because they already have nothing to lose and this is their only option and their ‘one way ahead’ attitude is what drives them and leads them to success (Bizri, 2017). There have only been a sufficient amount of research conducted on entrepreneurship and the personality traits- even though there are still no clear definitions of ‘entrepreneur’ or no clear set of guidelines as to what makes one ‘entrepreneurial’. However, when it is concerning the target age group of 18-25, the research is very limited.

Moreover, a lot of the research that was available was only partially relevant as it normally concentrated on different aspects of entrepreneurship such as for example the significance of female entrepreneurship; postgraduate entrepreneurship; entrepreneurship in a set country (other than the United Kingdom).

## *Entrepreneurship*



An 'entrepreneur is 'an individual who creates a business where none previously existed' (Soslow, 1966). As Richard Cantillon has concluded, most entrepreneurs emerge out of the state of uncertainty (Brown & Thornton, 2014) and Alexander Betts noted that they are 'naturals' (Betts, 2012). Ingrid Schoon and Kathryn Duckworth (2012) have conducted a study that would show whether early life experiences were predictors of entrepreneurship by testing a developmental-contextual model of entrepreneurship. They went on to test out Blanchflower's (2007) claims that men are more likely to become entrepreneurs than women. Moreover, Shane (2008) argued that sociodemographic and work experiences play a grand role in predicting whether one decides to follow an entrepreneurial path because the role of economic hardship will push such individuals into self-employment. Moreover, in the study conducted by Bonnett & Furnham (1991) the final findings show that 65% of the sample group males considered running their own business in comparison to 49% of the asked females, thus again, confirming that men are more likely to embark on an entrepreneurial path.

On the other hand, Robertson et al. (2003) talk about the two different schools of psychology of entrepreneurship, that tries to explain why one becomes an entrepreneur! Barry (1998) and Bandeau (1792) argued for personality traits such as the need for achievement as the main reason as to why one becomes and entrepreneur.

An entrepreneur's ambivalence to authority as the motivating factor is the key to psychoanalytic school and ambivalence as the outcome of negative childhood experiences being linked to a need for control is the key to psychodynamic school (Robertson et. al, 2003). Gibb (1987) states that it is generally known that an entrepreneur is "an innovator and opportunist in the sense of attempting things not previously undertaken or in ways not previously explored". Moreover, the term can just be used to name anyone who has started and is running their own business or trade. Gibb (1987) has also outlined the twelve attributes that make a successful entrepreneur. Those include initiative; strong persuasive powers; moderate rather than high risk-taking ability; flexibility; creativity; autonomy; problem-solving ability; need for achievement; imagination; high belief in control of one's own destiny; leadership; hard work. Kay (1986) has carried out a study of self-made millionaires in the United Kingdom and the common theme of perseverance and action was found. Moreover, the picture below that represents a wheel of different entrepreneurial traits from Johnston (2018) supports and agrees with Gibb's theory.

Smith (1973) has created a framework to measure someone's autonomy called the need for achievement scale or nAch which is a ten-item scale. In the research conducted by Bonnet and Furnham (1991) which was a study of adolescents that are interested in the Young Enterprise scheme, it was found that the majority of the adolescents participating scored very highly on nAch, thus confirming that an entrepreneur does have a high need for achievement.

There is a significant relationship between entrepreneurship and culture on national levels. According to the World Bank, the United Kingdom is ranked 7th in the world for ease of doing



business. However, social and cultural attitudes in the UK pose the strongest barriers to the growth of entrepreneurship due to the negative attitudes towards wealth creation, self-employment and business failure (Robertson et al, 2003).

*Drivers of Entrepreneurship*

“Some critical drivers of entrepreneurship come in the form of serious life challenges rather than personal advantages and strengths, or favourable contexts” (Miller & Miller, 2017). David Rae (2014) has proposed a study that suggests that a potential factor that is responsible for the majority of entrepreneurship in the past ten years is due to the financial crisis of 2008-09 and the cultural and economic shock that it brought with it, significantly reducing the confidence and trust for the financial and political institutions from the general public. Because of the limits in public spending and job sector following the crisis, the nature of entrepreneurship is changing creating a better climate for employment and enterprise within the United Kingdom. the spirit of entrepreneurship is reacted to a range of the factors include but are not limited to: continuing economic uncertainty; lack of confidence in financial institutions; high levels of personal, institutional and public debt; jobs destroyed faster than those created by public and corporate organizations; increasing levels of youth and general unemployment; new ‘online’ economy(David, 2014). Figure 1, below illustrates the changes.

Figure 1 : Old era’ entrepreneurship vs ‘New era’ entrepreneurship

‘Old era’ entrepreneurship	‘New era’ entrepreneurship
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<p>Individual self- interest Free-market capitalism Opportunity pursuit regardless of resources, ethics or consequences Business-driven by short-term financial profitability and growth Value creation solely financial Exploits and wastes resources Exclusive role models of ‘the entrepreneur’ Founded on masculine attributes of aggression, power, competition Fueled by debt</p>	<p>Individual-team leadership Socially connected, community-minded and inclusive Ethically responsible Opportunities create multiple forms of value: financial, creative, social, ecological Sensitive to resource stewardship, conservation &amp; re-use Economically and environmentally sustainable growth Feminine values: relational, collaborative, intuitive working complement masculine attributes of competition Grassroots enterprise and resourcing</p>
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Watson et. al (1998) has carried out a study about the success factors of small business start-ups by using an empirical approach as there is no general agreed framework that will aid carrying out research in their chosen field. Thus, the framework used in this text was created for those research purposes (figure 2).

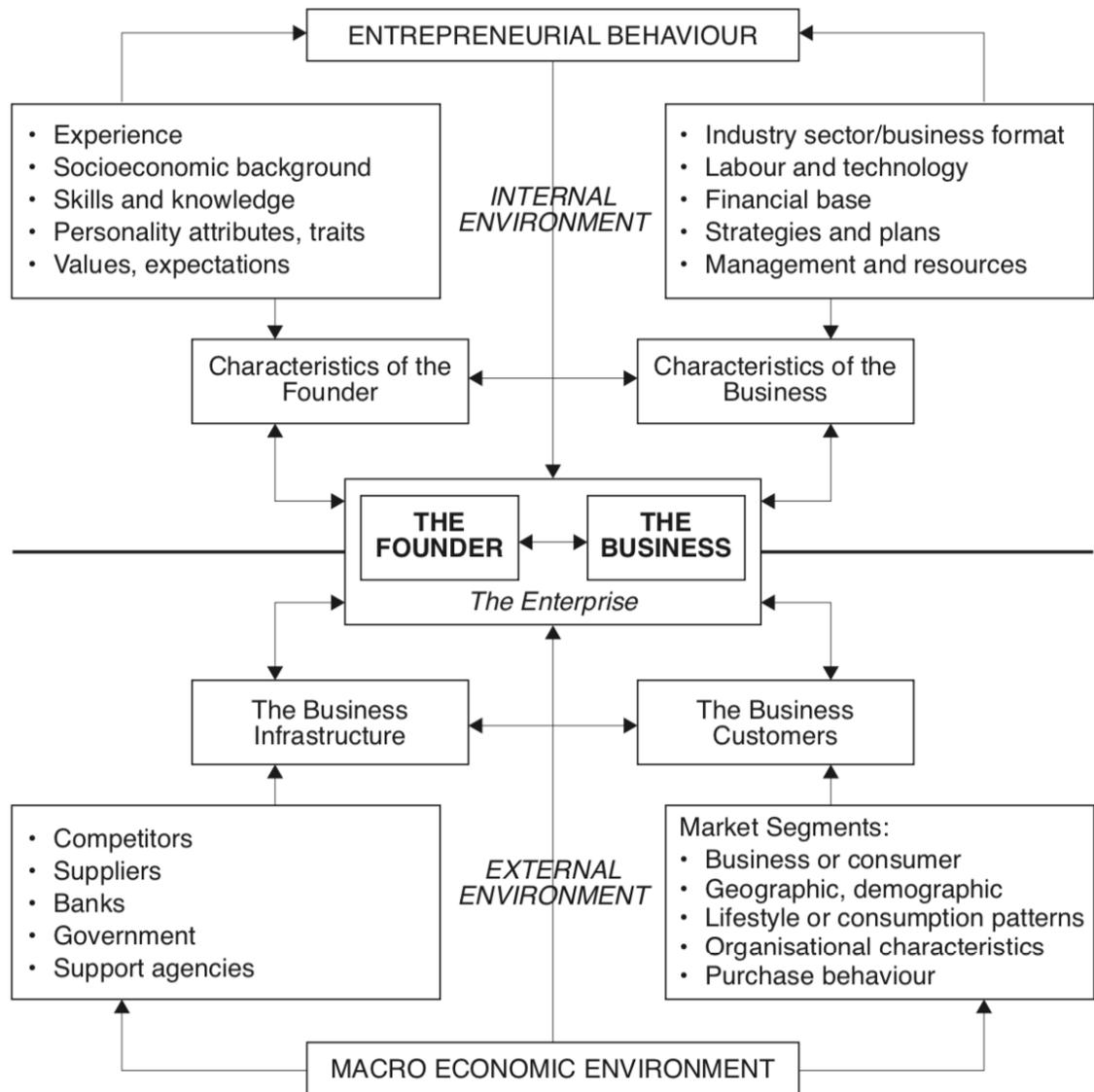
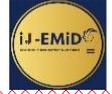


Figure 2: Small business start-ups: success factors and support implications.  
Retrieved from: Watson et. al (1998).

The framework (figure 2), demonstrates what different factors that influence the making of an entrepreneur and his enterprise were covered in the study. It also highlights the relationship between the founder and all the circumstances and things that influenced him and the business itself and its own factors that shaped its nature. Moreover, this table perfectly highlights the fact that both schools of thought about the external and internal factors unite to form an entrepreneur, because, in reality, the individual normally is influenced by a variety of factors such as work experience, personality traits, motivation, cultural and societal norms, family and friends circle, etc. Knight (1921) has also declared that individual does not necessarily need to have employment

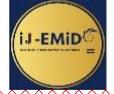


problems in order to make the decision to start their own business. He goes on to say that a person can exercise choice by being in either one of the three states whether it being unemployment, paid employment or self-employment and one can move from one state to the other. Knight's theory talks mostly about the 'push' factors that influence one's decision to start a new business venture. Mayes and Moir (1990) go on to use this framework to explain that an increase in the attractiveness of self-employment and start-ups is due to the fact that it is becoming increasingly hard to find paid employment or becoming redundant thus and individual is pushed towards other states. On the contrary, Gray (1990) talks about the 'pull' factors that also have the power to influence a person's move towards a different state. The pull factors that are mentioned in his work are the lure of personal independence, autonomy and being your own boss.

Overall, since the Bolton Report of 1971, there have been numerous amounts of research and attempts to figure out if there is one clear list and framework for the characteristics and traits that are commonly shared by all of the entrepreneurs which will distinguish them from the rest of the working-class population. Moreover, attempts have been made to find the official set of guidelines as such that will include the vital success factors for small business and the necessary formula for long term business survival and prosperity. However, it appears that such research is still not available as there is no simple pattern for success (Watson et. al 1998). On top of that, Stanworth and Gray (1991) have discovered that mostly, there is a set of extremely complex factors that will either decrease or increase someone's chances of being an owner of a successful small business. The three main attributes that must be considered when trying to determine the success rates of a business and the owner are personality and attributes, skill set, background and life experience (Ray, 1993). This will help calculate the probability, however, the chances of ever having a solid framework and formula in place are very slim, as hundreds and thousands of different combinations of factors will have to be considered.

#### *Young People In Business As Entrepreneurs*

According to a study of 160,000 small businesses in the United Kingdom conducted by Simply Business, there has been a 4% increase in the number of young business owners between 2007-2010 (Gough, 2010). The study also highlighted that the age group 18-24 is the fastest-growing sector with startups and new business owners in the past years with the highest increase all over the country, but specifically in London- which saw an increase of 14% in business owners under the age of 34 which shows that the entrepreneurial landscape in the United Kingdom is drastically changing and becoming younger (Gough, 2010). Moreover, a press release from gov.uk published by UK Trade & Investment (UKTI) stated that starting up a business has been ranked the top career choice for adults aged 18-25 across the whole globe. The statistics within the UK were based on a survey conducted by the agency that was called 'Rethinking the drivers of entrepreneurship' and surveyed 400 adults from the 18-25 age group. The findings showed that 44% of those adults were motivated by financial independence to start a new business and 37% by personal satisfaction

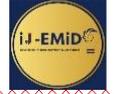


(UKTI, 2014). Another, more recent interview-based research that was conducted in 2018 reaffirms the notion that specifically the millennials are the ones to reject the 9-5 work and are more likely to start a business (Todd, 2018).

Robertson et. al (2003) have explored the student views on entrepreneurship, with their main findings being that their motivations were the opportunity to take risks, freedom, financial gains and having security of employment. The biggest barriers were the lack of funds, aversion to stress and a lot of hard work and time commitment in comparison to an average 9-5 working schedule, fear of failure and high risk (Henderson and Robertson, 1999). Interestingly, it was found that only 13% of students that were participating in this study and that confirmed their desire to start a business were actually willing to and started educating themselves about it (Pacheco 1998). That is very unfortunate, as research suggests that education plays a key role in the success of an entrepreneurial venture and raises a lot of awareness amongst the young people in general in regard to startups. Mentoring schemes are also an effective way of promoting entrepreneurship, raising awareness and increasing business knowledge (Lane, 2002). Robertson et. al (2003) has carried out the Leeds study in their research and has found that 61 % of Leeds Metropolitan University students expressed interest in running their own business at some point in their life. This leads to conclusion that many young people in education are interested in self-employment over corporate jobs. However, the main barriers that the study has found out to be were finance and the limited access to it; motivation- with many students seeing running their own business as ‘too stressful’ and requiring too much energy and time; lack of an innovative idea and not knowing the market very well- believing that there is not much point starting something that already exists; lack of a certain skill set and experience- feeling like this gap in knowledge and skills will lead to them having an unsuccessful business venture.

Moreover, Curran and Blackburn (1989) have carried out a national study of 16 to 19-year-old and the results that they found were that 24.7% of their sample have also expressed interest in running their own business. Since then, one can see an increase in the rise of government initiatives that are being targeted at this age group in order to help flourish and promote self-employment, as well as increase the group’s awareness and knowledge of entrepreneurship.

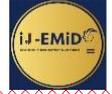
Overall, even though the motivation and the wish to start up a business is very high amongst the young adults in higher education, it is obvious that there are numerous barriers that exist, as well as wrong perceptions that those young adults seem to have. Unfortunately, the higher education system does very little to nurture a business mindset and educate students on entrepreneurial trades, leaving them to go out to gather their own research and learn either from startup schemes or mentoring work. It would be very nice to see the governments and universities take more initiative and create more awareness regarding self-employment, mentoring and funding, getting rid of stigmas against business ownership.



## **Research Methodology**

The research study has followed an inductive approach to Explore the barriers. The data was collected from entrepreneurs by conducting interviews with the young entrepreneurs Six interviews have been carried out for the purpose of this study asking different entrepreneurs, both male and female with different ages ranging from 18 to 25 about their experiences starting their own business at such a young age. The purpose of the questions asked was to derive from the interview the range of barriers a young entrepreneur is likely to face starting a new business in the United Kingdom.

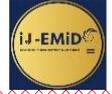
After receiving 100 filled questionnaires from respondents' quantitative method was deployed for the data analysis. Quantitative analysis use table and diagrams to show the frequency, using statistics such as comparisons, creating a statistical relationship between variables for statistical modeling (Saunders et al., 2007). The findings of this study were analyzed and presented in forms of tables and percentages. To show the distribution of respondents' perception data for several research questions were analyzed using percentage.



## **Presentation of Data, Analysis And Discussion Of Findings.**

### *Theme-1 Entrepreneurial Motivations:*

The set of questions remains consistent throughout each interviewee in order to ensure maximum validity and fairness. Firstly, the questions were posed to try and find out what exactly a young entrepreneur is and to find out the motivations behind the adolescents taking this entrepreneurial path. It is important to try and see their point of view and how does an entrepreneur define oneself and know their primary motivations. For example, they were asked to know ‘Why did you decide to be an entrepreneur/ take entrepreneurial path?’ This was mainly asked in order to find out whether the external or internal ‘push’ factors were that drove the individuals to entrepreneurship or whether it was their personal internal ‘pull’ factors. The response, as expected was very mixed and very unpredictable. Out of all the participants asked, five out of six had ‘fulfilling their lifelong dream’ as their main motivation. The most common response received to the question varied from to fulfill my dream but to also earn money at the same time; to follow my passion but also be able to have a flexible life with a full bank account; to follow my dreams without having to share the cut that I get paid for my talent. Most entrepreneurs had their business as their childhood dream or it was a skill and talent that they could later develop into a job, as in the case of participant 1 and participant 3, that are coaches with training businesses respectively, their main aim is not to just run a successful money-making business, but to teach people and young kids a new skill set that will help them later on in life such as gymnastics and dance in the case of participant 3 and fighting and self-defense in the case of participant 1. They want to also create a safe space for the community youth and to engage them in fun and useful and healthy activities that promote a good lifestyle. However, participant 2 had completely different aims when he started his business. His primary aims were materialistic things such as having expensive clothes and cars and money. He says that he ‘wanted to be able to spend without having to think about the price tag or looking at his bank balance’. But he does mention at the end of the question that he wanted to follow in his family’s footsteps, with both his parents already being successful entrepreneurs. Moreover, he says that he was craving fame and recognition around the city he lives in, but to also be distinguished from being ‘his father’s son’, but to be known as a successful businessman on his own too. So technically, it was also his childhood dream to never have a 9-5 job and be a business owner, just like his family members. Thus, this confirms that for every entrepreneur interviewed, their business was either a passion or a dream that following their life circumstances, became a reality.



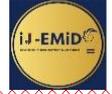
Every single entrepreneur that was interviewed had at least one ‘pull’ factor or an external experience that pushed them to become an entrepreneur. For example participant 1 had an argument with his boss, interviewee 3 got significantly underpaid, interviewee 4 had her whole family pressuring her and persuading her to follow this path, interviewee 2 did not want to have a 9-5 job and wanted to follow in his father’s footsteps and participant 6 decided to take control after a failed internship; participant 5 got fed up with terrible working environment that stopped his creativity. However, not all had internal ‘pull’ factors that made them choose this path. Participant 1 wanted to take control of his own working hours and his life; participant 2 grew up in this environment with both parents as entrepreneurs; participant 5 wanted to create for himself and be his own boss, as well as be able to express his creativity. But participant 4 for example, had absolutely no wish or thought about becoming an entrepreneur until her partner and family pushed her to do it. It is very interesting to note that every one of the 6 people interviewed had a negative work or life experience that has made them consider self-employment. But, only 4 out of 6 people interviewed really wanted to start being self-employed, the other two had to be motivated and pushed by their close circle

#### *Theme 2 - Key Entrepreneurial Factors/ Qualities*

Participant 4 speaking from her own experience and discussing her fears concludes that anyone can become an entrepreneur as she thinks that she was the most fearful and the least entrepreneurial person she knew and now that she has progressed so much and is an owner of a very successful business, she believes that if she did it, anyone else can, you just need to have a good support network behind you and a willingness to work hard. Thus, from the evidence that has been collected from the questionnaires, it is clear that anyone can become an entrepreneur and people do not just get born to be one as some literature leads us to believe, however, being hard working and willing to put in your all is a must when embarking on a new business journey. Therefore, this path is definitely not for lazy people or people that do not like to give their everything to their job.

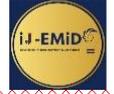
#### *Theme 3 : Changes In Entrepreneurial Motives And Aims Over Time*

In your opinion, what are the key factors/ qualities for a successful entrepreneurial business? / Are there certain entrepreneurial qualities/ traits one must possess before embarking on a start-up journey? Even though the factors vary from experience to experience, every entrepreneur has agreed that virtually anyone can become an entrepreneur if they were willing to put in the hard work. Participant 1 for example, states that anyone can succeed as entrepreneur as long as you are good with people as connections and networking is everything. He also says you can learn all the other qualifications and skills to help you. Participant 2 highly agrees with that point of view, stating that one must be a people’s person and very hands on. The common theme when discussing the main qualities that a successful entrepreneur should have were believing in yourself and your work; being stubborn and determined; disciplined; willing to work hard and give it 100%; being



decisive; having a thick skin, because when you are starting a business so young people try to take advantage of you and of the fact that you are lacking knowledge and backbone; not dwelling on things too much as mistakes will be made and this is a learning process starting a business from scratch; have patience.

They were asked about ‘How have they changed over Out of all the participants asked, five out of six had ‘fulfilling their lifelong dream’ as their main motivation. The most common response received to the question varied from to fulfill my dream but to also earn money at the same time; to follow my passion but also be able to have a flexible life with a full bank account; to follow my dreams without having to share the cut that I get paid for my talent. Most entrepreneurs had their business as their childhood dream or it was a skill and talent that they could later develop into a job, as in the case of participant 1 and participant 3, that are coaches with training businesses respectively, their main aim is not to just run a successful money-making business, but to teach people and young kids a new skill set that will help them later on in life such as gymnastics and dance in the case of participant 3 and fighting and self-defense in the case of participant 1. They want to also create a safe space for the community youth and to engage them in fun and useful and healthy activities that promote a good lifestyle. However, participant 2 had completely different aims when he started his business. His primary aims were materialistic things such as having expensive clothes and cars and money. He says that he ‘wanted to be able to spend without having to think about the price tag or looking at his bank balance’. But he does mention at the end of the question that he wanted to follow in his family’s footsteps, with both his parents already being successful entrepreneurs. Moreover, he says that he was craving fame and recognition around the city he lives in, but to also be distinguished from being ‘his father’s son’, but to be known as a successful businessman on his own too. So technically, it was also his childhood dream to never have a 9-5 job and be a business owner, just like his family members. Thus, this confirms that for every entrepreneur interviewed, their business was either a passion or a dream that following their life circumstances, became a reality. time?’ From the responses gathered, the goals have remained consistent for most entrepreneurs, as they aim to follow their passion and to earn money will always be present. After having worked for a few years, participant 2 changed his aims and motivations drastically. He says that he longer wishes to spend money on extravagant and unnecessary things, nor does he wish to show off and craves fame. He is planning to expand the business nationally, he wants to be present in every city in the United Kingdom, so his thinking and vision got a lot bigger. Moreover, he mentions that now he is saving a lot more, as the business is not always stable, and he wants to have money aside to start other projects too. Participant number 6 also agreed that she would like more recognition and wants to take her clothing business globally. The same goes for participant number 3 who is thinking to take his business nationally and open more and more studios across the country. He is also planning to do more charity and free based work in order to help children, thus he is not just thinking of expanding, but he is also thinking of doing good for the community and for his city. The common theme that one can see



when analyzing the different responses is that every participant has the same goals, but bigger. Interviewees one and five both agreed that the goals have not changed, just striving to grow and make everything bigger. A similar thing goes for participant four who says that her goals have not changed at all as the business is fairly new, but when asked what she wishes for the future, the response was to also go national and expand the business as much as possible.

#### *Theme 4: Challenges Faced By Young Entrepreneurs*

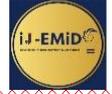
From the interviews, the top three challenges that young participants in this study met were finding funds for their business; the perception of others especially their close circle about self-employment and their attitude and prejudice to being an entrepreneur; their own fears and worries that they had to overcome internally in order to move on and solve the problems as well as continue working on their business. The top three reoccurring challenges just mentioned are written in the order from the biggest to the smallest barrier they faced when deciding to start their own business.

##### *Subtheme 4.1 Business Knowledge :*

The respondents were asked to know if they 'have much business knowledge prior to starting? What is your business background? Every entrepreneur admitted to not knowing everything about running business prior to studying. Bearing in mind that the average age of an entrepreneur starting their business is 22, they could not have been exposed to all the information that is necessary for running a successful business. Four of the six participants admitted to the biggest area where they lacked knowledge was the legal and accounting side of things. Many had to recruit external help when it came to that. For example, participant five had to enroll a partner that would take care of all the paperwork whilst he remained responsible for the creative side of things. Participant two who was raised in a family of entrepreneurs says that watching his father do his job from a young age has taught him a lot. He credits the fact that he has been surrounded by business since he was a little boy doing homework in an office at the back of a venue. Every single one of the participants agrees that as an entrepreneur, the thing that came more naturally was the idea making and execution, however, the other, more bureaucratic side of things was more or less unknown. Only participant four was actually degree educated in business management and possessed an in-depth knowledge about running a business, accountancy and the importance of things such as carrying out market research or good marketing. Apart from that participant, who could be considered as an anomaly as she was the only one that says never considered becoming an entrepreneur and was pushed by her circle to start-up, one can conclude that the young entrepreneurs had hardly any background business knowledge prior to starting and definitely hardly any experience.

##### *Theme 4.2: Accessible Information/Guidance*

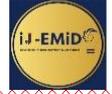
When asked that 'Was there much help (easily accessible information/guidance/ online support) available/ easily accessible?'.



Every participant mentioned relying on the internet for the majority of the information. Participant 6 says that both google, and Instagram have given her plenty of information and also connected her to other entrepreneurs whom she could, later on, ask for more guidance and advice. Participant 1 also credits google and its extensive supply of articles and statistics in helping him fill in the information gaps, he also mentions asking other people for help and advice, for example his partner at the time, who was a graphic designer helped him with marketing and website creation. Also, interviewees number 2, 5 and 4 all credit other people as their sources of information. Interviewee number two says that he was lucky enough to have a safety net of entrepreneurs as his family so he just turned to them for advice, moreover, he could just ask his father's accountant to help him out. Participants 4 and 5 say that they also turned for help to their closest friends and family, they say that chances are, someone will know someone who is a business owner, so you could always ask them for advice. The only different response that seemed a bit odd came from interviewee number 3 who says that he relied mostly on his gut instincts for help and guidance. He says that his way of building his business was finding everything out, learning and improving as he went along. He says that he did not rely on anything or anyone but himself for help. It seems like this is an anomaly as it is very hard to start up a business and make it successful without any prior knowledge and sometimes the mistakes one makes due to insufficient information can be very costly and easily avoidable.

### *Theme 3.3: Super-Barriers*

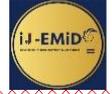
The respondents were asked about their biggest barriers ('Following your experience, what were the biggest challenges/ barriers you faced? How did you overcome them?'). Participant one says that he started his business during the 2008 recession which hit him very hard and he says that he was exceptionally lucky to secure a small loan from the bank in order to get his business going. Participant three says that funds affected him in a different way. The rent of studios would always fluctuate, thus, he could not properly plan his funds until he eventually managed to put down a large deposit which he had to work extremely hard for, to secure his own venue. Participant five also says that securing a loan was fairly easy, however, he did express a desire to cut the cuts as much as possible, so he does not have to be in a huge debt later on. It is possible to conclude that for those participants securing a loan was not such a big problem because of their age being 22, 22 and 25 respectively, thus they have work experience and record, making their credit rate score a lot higher and better than an average 18-year-old that has never worked a day in their life wanting to start a business and trying to secure a loan. Therefore, within the age group of 18-25, funds can be more of a serious barrier to someone aged 18/19 rather than someone aged 23/24 for example. Moreover, many participants mention different ways on how to save money in order to cut costs, for example interviewee one mentions living at home to save money on rent and bills. Also, participant 6 mentions that she managed to persuade her family in letting her use and refurbish their house's basement into a dressmaking studio, thus giving her a working space and cutting thousands of pounds in rent per month. The second biggest challenge that the young entrepreneurs



faced was the perception of others of their trade. Participant 6 remembers how whenever he mentioned to people that she is a dressmaker, the usual response would be ‘but have you sold any?’- the stigma being that self-employed person hardly makes any money. Participant 1 talks about the initial disappointment and concern his family and friends expressed when he made the decision to quit his job and start his own business. They were all advising him against it, because of the prejudice they had against both, self-employment and my chosen area of trade. Participant 2 had a lot of people around him not giving him credit for his work, thinking that he did not work for his business and it was all handed over to him- he says this has a very negative effect on him. Most of the entrepreneurs interviewed said that the opinions of other people have affected them in one way or another. And most of the entrepreneurs that faced this problem agreed that the best way to overcome this is to be a little more selfish, to believe in yourself more and stop caring about other people’s views and seek out their opinion.

Another big challenge that three out of six interviewees faced was themselves and their own fears. Participant 4 feels very strongly about this. She thinks that her biggest challenge was herself because she had no plans of becoming an entrepreneur and the fear was so great, she needed the push and support of her closest circle to overcome this. Participant 1 also talks about the fear he had, saying that making the initial leap was the hardest thing to do when it came to set up his business. He says that he took a whole year to think about it, going back and forth and the not knowing of what is to come was the scariest bit for him because he was in a comfortable well-paid full-time job prior to this. Interestingly, participant 5 says that he was the biggest challenge to overcome but for entirely different reasons. He says that his disorganization and procrastination traits were his downfall, especially when it came to paperwork, so he had to enlist his partner in order to overcome those barriers. He also says that admitting that you have some less favourable personality traits or fears is the first step and then just improving yourself is the way of overcoming this barrier. Other barriers that have been mentioned by the entrepreneurs were competition from other already well-established businesses in your area of trade mentions participant 3. Participant 2 agrees with that and adds that you must always be creative, act quick and adapt to situations and improve yourself and your business in order to stay relevant on the market. Participant 6 and 1 both agree that marketing is not just an important part of a successful business but also a barrier as it is hard to ‘self-promote’, and the agencies charge a lot of money which a young entrepreneur does not have. Participant 6 says that you could be making the nicest and the best product, but without marketing nobody will know about it and you will not sell anything. She credits Instagram and the platform it now gave for free self-promotion. This is expected to be less of a barrier in the future. Participants 1 and 3 on the other hand, mention that they started their businesses when social media did not exist and recall the endless days of fleering on the streets of the capital in pouring rain, stating that for them, marketing was definitely a big barrier as all the advert required large sums, so you had to rely either on yourself or the word of mouth.

*Theme 5: Overcoming The Barriers*

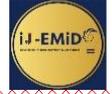


The participants; were asked solutions and advice to overcome the challenges a young entrepreneur might face when embarking on a startup journey in the United Kingdom ( 'Would you recommend taking this path to anyone else?'). The participant 2 said that because starting a new business is a process and development, one should be calm, and patient and he would be very wary of starting a business if you are impatient and are scared to lose money and time as this business can make you very anxious. Participant 4 also said that it is better starting this path with a very supportive person by your side that can help mentally and physically as she feels that it is very draining and impossible to do completely alone. Participants 3,5 and 6 all agree that you should definitely do this if this is your dream and your passion and you are prepared to put the hard work in. However, it must be taken into consideration that all of the six interviewees have successful fully functioning businesses and they have not suffered major losses that they have not been able to overcome, thus their positive attitude could be due to their circumstances. Opinions and recommendations could be very different coming from entrepreneurs that had failed at their entrepreneurial venture or lost very large sums of money. Thus, this recommendation is not based on representative opinion. It is also possible that their businesses are fairly new and exciting, thus their attitude is still optimistic comparing to that of an entrepreneur that has been in the business for decades. Participant 3 mentions that he is not just satisfied with his choice to become entrepreneur as it has increased bank balance and comfortable lifestyle and working hours, but he is very happy on the inside, proud of his own achievements and personal growth and happy that he has been able to make this more than just a job by giving back and helping his community. Interestingly, participant 6 says even though financially she is barely surviving, and it is only thanks to her family that she can stay and eat at home, mentally she is the happiest and calmest she has ever been in her life. She also says that he is fine that the business is not making that much profit at the moment, because in comparison to her overworked and stressed out friend she is satisfied with her life. Also, participant 4 says that at the moment her business is just about breaking even, but they are becoming more popular and gaining clientele and she is happy with that- it will all pay off in the long run.

As it has been mentioned before, the businesses are fairly new, so it is hard to analyse whether this really has paid off, but the participants seem very happy with a positive attitude, so we will have to rely on their predictions in order to understand whether their ventures have been successful and worth it.

#### *Theme 5: Network Support*

Not even one of the participants has done everything on their own. Four of the participants relied on family and friends or partners for support. Participants 1, 3 and 4 all had their partners helping them with mostly admin things, promoting the company, doing marketing and flooring and running general errands. Participant 1 also mentions that some of his clients have actually helped him in the past too, giving advice, helping him negotiate on locations, backing up loans and other major parts of the business. Moreover, participant 2 mentions that he now employs a large part of his



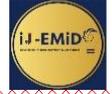
friendship circle, which makes him feel as if the business is one big family. Participant 6 employs her niece to be an administrator and a personal assistant, she also enjoys the fact that she can give members of her family jobs, they helped her with advice and in turn she can now make them a part of the business. One interviewee in particular (number 5) says that when he realized how much daunting work there is to do and how limited his knowledge and funds are, has decided to partner with someone who is completely opposite to him with a completely different skill set in order to compliment his creative side and focus on the important legal and accounting side of the business. He says that this has helped him tremendously to overcome all of the challenges he was facing. His partner was also a lot more experienced which made things a lot easier as his knowledge is vast. Thus, it is clear that it is impossible to do everything by yourself, as the amount of workload is high. Moreover, it is always better to have someone else's input and opinion, especially for young entrepreneurs, as stories of other people's experiences can help form better decisions and steps. This, in turn, will lead to a more successful business.

Four out of the six participants live at home in order to cut personal costs on rent, bills and food. They all say that this has helped them tremendously, as sacrifices for business in your personal have to be made. Surprisingly, only two participants, number 1 and 5, asked for a bank loan to start up their business and both say that it was an easy process and it was granted very fast. The only downside is the repayment and potential debt. The rest four participants all had a loan from either family, partners or friends without a high commission which was unexpected. Interestingly, participant 2 says that because of the nature of his business, he did not need funds at the beginning, all he needed was social media channels and a venue that was willing to let them host the event they were promoting, his father being a nightclub owner gave him a big break at one of his venues and it all took off from there. Therefore, it must be concluded that support and funding are also very personal challenges and they vary from business to business. Thus, the solutions to those barriers also vary as we can see from the participants. As for example, participant 5 opened a cocktail bar and needed a very large sum of money to start and on the other hand, participant 2 did not need any funds at all. It all really depends on the nature of the business and what connections and resources you have to start with. Bearing in mind that the age group being researched here is 18-25, one must consider that the connections and resources will be very limited and not many people will start in the fortunate position of a participant 2 who was raised in an entrepreneurial family.

#### *Theme 6:: Reflection On Doing Differently*

The participations were asked to share their reflective learnings (If you were to start over again or open another business, would you do anything differently?)

The response to this question overall has been very positive with hardly any big regrets and just a few recommendations for future entrepreneurs. Participant 6 is the only one that feels like she would have not changed anything and is very happy with the way things turned out, she believes

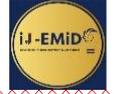


that a slow and steady process is the right way to go. Both participants 1 and 3 agree that because of the nature of their business and the fact that they are selling a skillset and educating others in their talent sphere, they would not really be able to do anything differently. However, participant number 3 and also participant 4 feel like their only regret is that they did not embark on this entrepreneurial journey sooner than they have. Participant 4 says that she had wasted three years debating the decision before finally agreeing to start up a business and feels like she had wasted time being anxious for absolutely no reason. On top of that, participants 3 and 5 feel like if they were to go back in time and start all over again, they would have been more willing to enlist help a lot sooner in their career, this could have avoided a lot of problems especially with things like taxation. Participant 5 also mentions that he would be less scared to be in debt and get a higher loan, just so he could rest a bit more as running a business and cutting costs can be very demanding and exhausting on your health. Participant 2 mentions the mistake that he blames on his youth and inexperience and also the wrong motivation at the start. He says that he wishes he did not waste so much money on unnecessary materialistic things such as designer clothes and accessories and instead put the money back into his business and saved up more. However, this is all a learning curve and also, very individual to each entrepreneur's story. It also seems like that the different faults the participants see are actually pretty minor in the bigger picture, as all of their stories are successful without any problems or downfalls.

#### *Theme 7: Measuring and Reaching Success*

Success, just like the challenges, is also a very personal thing and its definition differs from participant to participant. In general, success is defined as an accomplishment of an aim or purpose (Oxford Dictionary, 2018). Thus, when asking the participants, the question on their opinion of success (How do you define success? ).

As expected, the view of what success is was different from every interviewee. Also, the definition was very in line with the original aims that the participant mentioned. For example, participant 4 spoke about how she has never envisioned having her own business and the fear was so great-naturally, in her response to the success question, she answered that taking the steps towards opening the salon is a success in itself for her. Every single one of the participants somewhere in their answer mentioned that a part of a success for them is their personal growth, achieving the big and the little goals they set out for themselves, improving themselves, being proud of one's own actions. Participant 5 put it: "I do not just want for my business to grow, I want myself to grow with it too." Only three of the interviewees mention financial goals and recognition as a part of their success, thus partially confirming the theory that money is not a principal motivator for entrepreneurs, as most of them want to be a business with a purpose and not just a money-making machine. This would probably be more surprising if a different older age group was researched because they mostly tend to become entrepreneurs because of the push factors such as unemployment or redundancy, but this age group that was interviewed seems to have a lot more



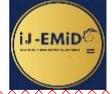
pull factors such as personal growth and impact on the world as their key motivator, thus their success definition is a such.

However only one participant said that that he feels proud of what he has established and is enjoying the success and feels like he has managed to overcome every single challenge. The other 5 participants did reply that they feel like they have achieved success to a certain extent, however, there is always room for improvement. Interviewees 2 and 6 both agreed that you always strive for more, so you want to first go national, then international, but then when would you stop? Therefore, for them you will never be fully satisfied. Participant 1 says that more money is always good, thus he also is not sure where to draw the line of success. On the other hand, participant 5 is trying to educate his customers on bettering the planet and promoting his ethos, so for his part of the success is when the customer leaves the premises a little more educated and aware- this is also something that will be very hard to measure in the future.

### **Summary of Findings and Discussion**

Out of the six participants that were interviewed, it seems that all six have a very positive outlook on entrepreneurship and a positive opinion on their own experience. The range of barriers was from funding, other people's perceptions, personal fears to market competition and marketing. However, the participants, even though faced with those problems, have managed to eventually overcome them without too much trouble and detriment to themselves or their business. It is important to point out that the primary motivations and aims for all the participants were not monetary gains, but improvement. Moreover, it is interesting to see how every story is so individual and unique to each participant, it is clear as to why there has been no set framework to define entrepreneurs and their qualities and motivations or to have specific guidelines in regard to the ways of overcoming the barriers. Entrepreneurship, its definition is such a personal experience that what worked for one, might not work for the other, and every success story is extremely different, all one can do as a researcher is to try to group the cases as best as they can. When it came to compare the available literature and previous research with the real-life experiences that were derived from this research, some interesting facts have been confirmed. For example, many academics say that the primary motivations of an entrepreneur do not include money.

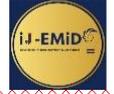
After interviewing six young entrepreneurs, it can be confirmed that their primary aims were 'pull' factors such as following their dreams, bettering the community, teaching others a skill, improving oneself and many more but it did not include becoming rich. Moreover, only one out of the six interviewed said that he was partially influenced by a 'push' factor that was unhappiness at his



current work place followed by an argument with his boss and eventual resignation. It is possible to predict based on this information that most entrepreneurs in this age group will be influenced by 'pull' factors as they would have had very little work experience that they would be pushed from one type employment to another. Also, in the previous research it was noted that men are more likely to take an entrepreneurial path and will be less hesitant- this turned out to be correct, with both female participants admitting to feeling fear of starting up and failure as well as being hesitant and indecisive. Moreover, it must be noted that there is no specific literature available that addresses this exact issue, thus it has been very hard to compare the findings to anything else. On top of that the limitations for research must be considered. Firstly, the sample size was small in comparison to the number of young entrepreneurs in the United Kingdom, thus it did not represent all young adults running businesses. Moreover, the six participants all run successful businesses, whereas in the United Kingdom there are many young entrepreneurs that start a business and then they fail and most likely the challenges that they face are far greater than those the interviewed participants faced in this research. Also, all of the entrepreneurs that participated in this study came from one area of the country, thus they do not represent the demographics in the whole country, and it is possible to assume that the climate of the area they come from is better for entrepreneurship and small businesses. The research did try to provide the most diverse study with both males and females and use people from different backgrounds, however, the number of interviewees is just too small to represent the whole generation of young adults

### ***Conclusion And Scope For The Future Research***

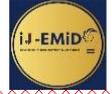
This is clear from this research that it is very hard to generalize the information and extract an exact answer, thus, the primary research objectives have been met to the best of the ability. The first objective was to define a young entrepreneur and find out what qualities are needed and the motivational factors that made a person follow this path. From the interviews with 6 young entrepreneurs between the ages of 18 to 25 in the United Kingdom, it has been derived that anyone can become an entrepreneur as long as they are willing to work hard for their goals, as this job requires patience, discipline and 100% of one's efforts. Therefore, being hardworking is the main quality that one needs in order to start a business. The second objective was to discover the main barrier and challenges that young entrepreneurs face in the United Kingdom. The top three main barriers were found to be funding, other people's perceptions and opinions and personal fear of failure and loss. The third and final objective was to find out the ways an entrepreneur has or can overcome those set barriers. It has been discovered that a young entrepreneur can seek to find funds from family and friends or try to secure a decent loan from the bank. Moreover, a lot of information is currently available online, so any misunderstandings can be cleared easily, and guidance can be found. On top of that, most entrepreneurs suggest networking and making as many connections as possible as people's advice and support is essential and invaluable in this career choice. Overall, all three of the set objectives for research have been met.



For future studies, a larger and more representative sample should be interviewed in order to represent the majority of the young adult population of the United Kingdom. It should also include unsuccessful stories in order to create a more correct and fair view. Moreover, as it is obvious that it is very hard to define the terms such as an entrepreneur or success and even harder to measure it, as it is such a unique and personal experience, it is possible that future research should not concentrate on this but work on researching the current climate for young entrepreneurship within the United Kingdom instead. This study would allow young adults that are wishing to take an entrepreneurial path more guidelines and a better understanding of the current social and economic climate in the country, so they could make a better-informed decision on their self-employed career. On top of that, it will be very interesting to see the different succession rates of business and whether the entrepreneur that set out to get rich is more successful than the ones that set out to improve and better something.

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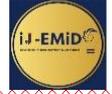
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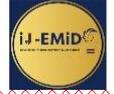
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### **Appendix: Sample questions for the interviews**

Why did you decide to be an entrepreneur/ take an entrepreneurial path?

Did you have much business knowledge prior to starting? What is your business background?

Was there much help (easily accessible information/guidance/ online support) available/ easily accessible?

Following your experience, what were the biggest challenges/ barriers you faced? How did you overcome them?

In your opinion, what are the key factors/ qualities for a successful entrepreneurial business? / Are there certain entrepreneurial qualities/ traits one must possess before embarking on a start-up journey?

What were your primary motivations and aims?

How have they changed over time?

Would you recommend taking this path to anyone else?

Has it paid off?

Did you enlist help?

Did you rely on someone or something for support? Funding?

How do you define success?

Have you achieved it yet?

If you were to start over again or open another business, would you do anything differently?