

The Crossroads of Psychology and Entrepreneurship

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What does it take for an enterprising person to rise above the competition and become a successful entrepreneur? Is it an ideal mix of startup cash, marketplace insights, and business savvy? Perhaps, but psychological science suggests that these assets may not be enough. Rather, specific characteristics and behaviors may differentiate the founder of a thriving new business from the leader of a failed startup.

In a [recent episode of *Under the Cortex*](#), Nikki Blacksmith and Mo McCusker, cofounders of Blackhawke Behavior Science and corecipients of a [2021 APS Psychological Science and Entrepreneurship Poster Award](#), discuss their research on the crossroads of business acumen and psychology.

The first topic of discussion was the idea that people either have a million-dollar idea or don't. According to Blacksmith and McCusker, there's definitely more to it than that: Without the right team, even a million-dollar idea might not come to fruition.

"The company is only as successful as the people who are there to build that idea into reality," said Blacksmith. "This is especially true with the lean-startup model that was so popular in the last few years."

Most entrepreneurs focus on developing and marketing their product as fast as they can, but they need an equally strong focus on putting together a team with the right people to build the product. What failed entrepreneurs often lack is an understanding of the external environment—for example, who is your target customer, and who are your competitors? They also fail to understand where their business fits into the overall ecosystem.

Is entrepreneurship an innate characteristic? Not according to McCusker: "As a psychologist, I really don't love the term 'being entrepreneurial.' What our science shows is that there is no one-size-fits-all

model for an entrepreneur. You can't reduce it down to a particular type of person. Beyond individual differences, entrepreneurs have a particular set of characteristics, like an ability to think in a creative manner about innovation and a willingness to challenge the status quo."

For her part, Blacksmith doesn't mind the term "entrepreneurs" if it's used in the right context. "I really think of entrepreneurship as a process. It's about doing what hasn't been done before, bringing in the right people, and then managing and motivating them. But you have to know how to effectively collaborate across people." She also credits persistence in the face of adversity, without which "you're not ready to struggle and overcome obstacles."

The critical point for both psychological scientists is understanding everything before diving in to start a new business. They both stress the need for learning and curiosity from the beginning.

"A lot of times what happens is someone has a great idea, and because they have technical knowledge but weren't trained in marketing or finance, they are unsuccessful," said McCusker. "They need to take time to learn all of these different things and not assume they know everything. Entrepreneurship is not just about a product. It's about building a company, and a company is about building a community of people."

Blacksmith amplified these ideas by emphasizing that certain people will enhance your abilities, productivity, and success. Take the time up front to find the right team that will make you your best self as an entrepreneur.

Listen to the interview with Blacksmith and McCusker on *Under the Cortex*:
psychologicalscience.org/news/podcast-news.