

**SPEED**

**eddd**  
the team due diligence

## **THE SAMPLE**

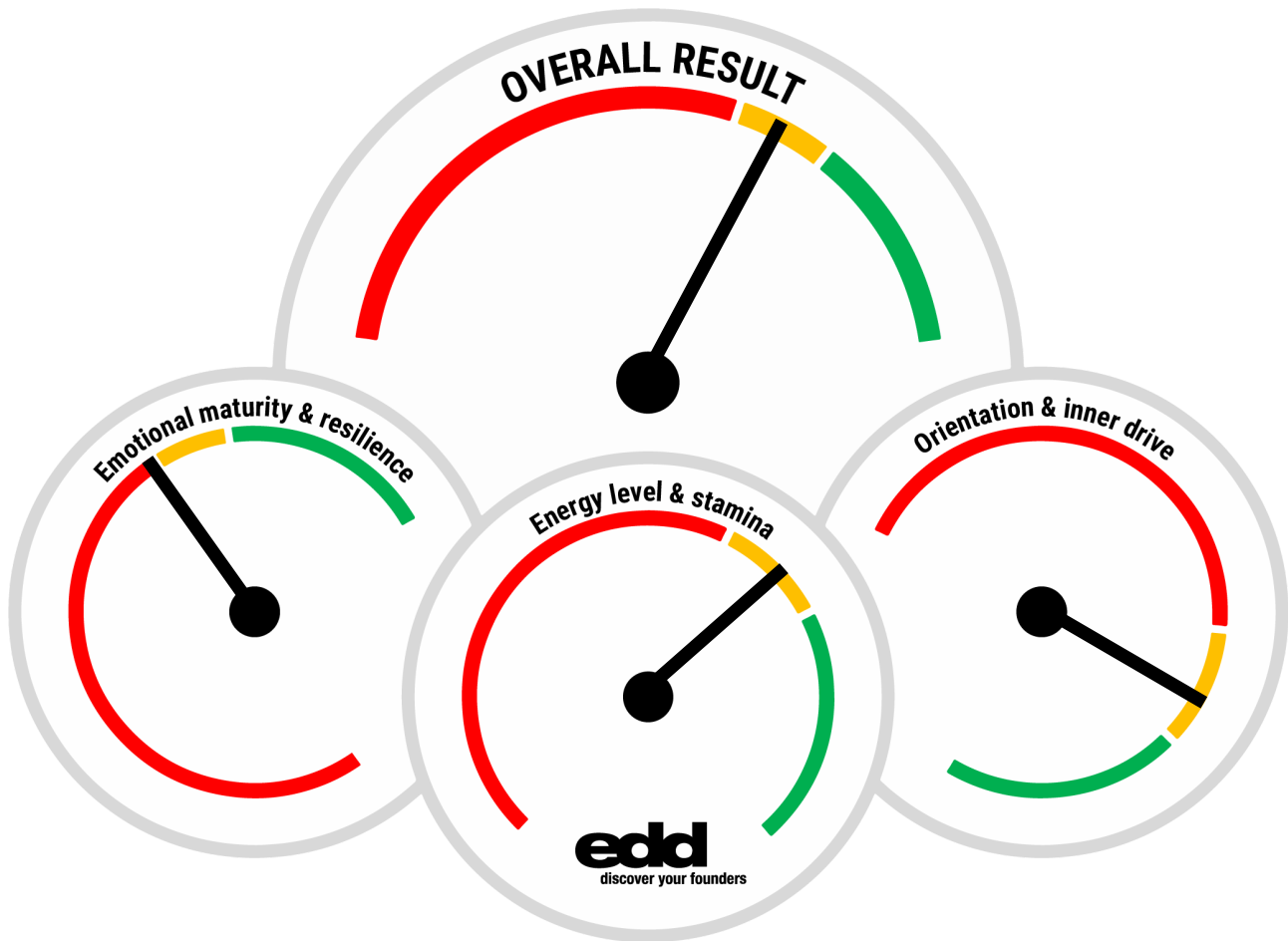
June 2024

This is a real EDD Team Due Diligence example and all names of the participants have been changed.

**INDEX**

<b>Overall Result</b> .....	<b>03</b>
<b>Emotional maturity &amp; resilience</b> .....	<b>05</b>
Locus of Control (LOC).....	06
Self-Efficacy.....	07
Ambiguity Tolerance.....	08
Solution Orientation.....	09
Self Control.....	10
Empathy.....	11
Emotional Stability.....	12
Analytical Skills.....	13
Stress Tolerance.....	14
<b>Energy level &amp; stamina</b> .....	<b>15</b>
Extraversion, Charisma.....	16
Risk Propensity.....	17
Propensity to act.....	18
Perseverance.....	19
Conscientiousness, Discipline.....	20
<b>Orientation &amp; inner drive</b> .....	<b>21</b>
Innovativeness.....	22
Entrepreneurial Passion.....	23
Need for Achievement.....	24
Need for Autonomy.....	25
Openness.....	26
Assertiveness.....	27
Value Orientation.....	28
<b>Facts</b> .....	<b>29</b>

# OVERALL RESULT



## Probability of Success

The EDD tachometer shows the results at a glance and - using traffic light colors - how they are to be classified. If the needle is in the green area, the personal characteristics and motives of the team correspond to them of successful entrepreneurs, from which a relative probability of success can be derived. Red would mean that the height of the factors is below the population average.

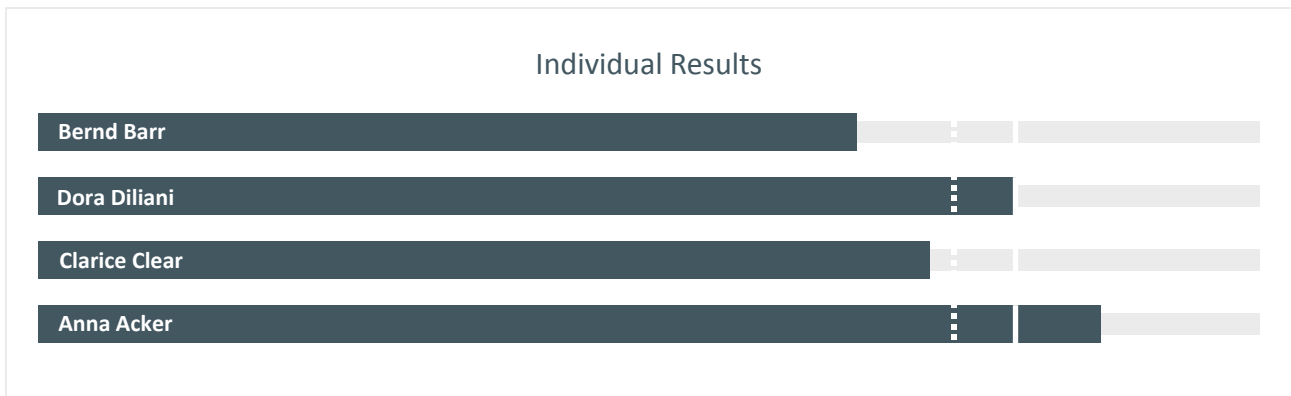
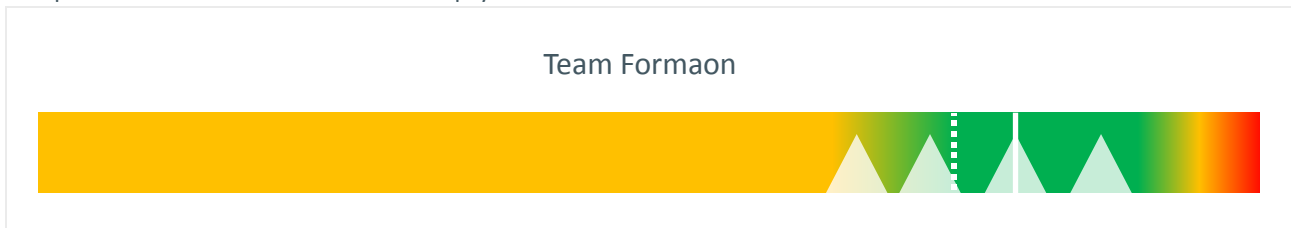
# EMOTIONAL MATURITY & RESILIENCE

## Locus of Control (LOC)

**Describes the belief that events can be controlled with one's own behavior.**

People with a high Locus of Control (LOC) believe that success is less determined by external circumstances and is essentially in their own hands. Events are experienced as a consequence of one's own actions. A high Locus of Control also means that the reasons for failure are sought in oneself and as a result the activity is increased in order to achieve a goal at all, instead of giving up like „There's nothing I can do“.

The opposite would be the belief in predetermination or heteronomy, which, due to a lack of influence, leads to a perceived helplessness and passivity. The model of coincidence, fate or external control can be understood as a protective mechanism of the human psyche to maintain self-confidence in the event of failure.



## Self-Efficacy

**Describes the confidence to be able to successfully solve future challenges based on the own abilities.**

In the academic literature, self-efficacy is described as “task-specific confidence” or “the fundamental ability to cope, perform, and be successful.” People with strong self-efficacy recover more quickly from setbacks, are more committed to overcoming hurdles and thus increase the likelihood of success.

Experienced successes increase the conviction that you will also be able to be successful in the future - especially if these successes are attributed to your own abilities and not to happy circumstances: People who first have to accept setbacks and then make progress through their own efforts increase their self-efficacy level higher than those who are immediately successful.

There is also a significant correlation between self-efficacy and commitment to goals (Locke et al, 1984). A high level of self-efficacy increases the acceptance of high goals: in the event of setbacks, people do not give up, but instead develop new strategies for achieving goals and intensify their efforts.

### Team Formaan



### Individual Results



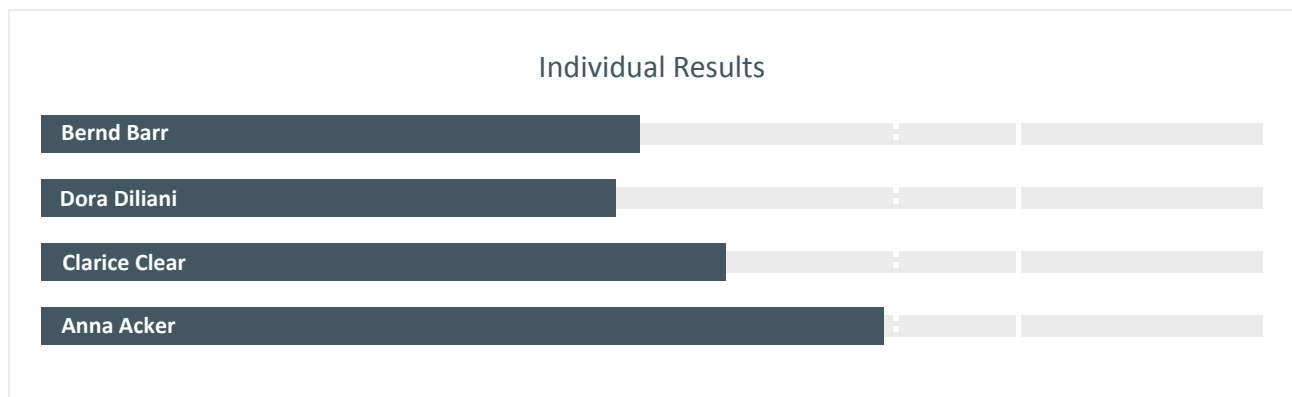
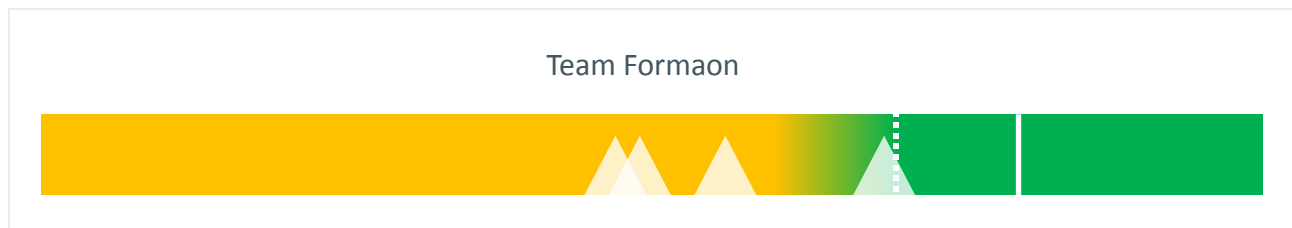
## Ambiguity Tolerance

describes the ability to deal with contradicting, unclear, unstructured or ambiguous situations

Ambiguity tolerance is the opposite of stereotyped thinking and makes it possible to perceive circumstances in a differentiated, multilayered and positive way.

The founders are able to adapt quickly to complex and changing conditions while remaining able to act at all times. It is accepted that in some cases there are no clear answers and quick fixes.

Anyone who decides against a linear career path and dares to take the leap into selfemployment is already demonstrating tolerance for ambiguity. Uncertain situations, challenges that don't fit into any category, are encountered again and again in all start-up and growth phases. Anyone who can handle it well has a clear advantage.



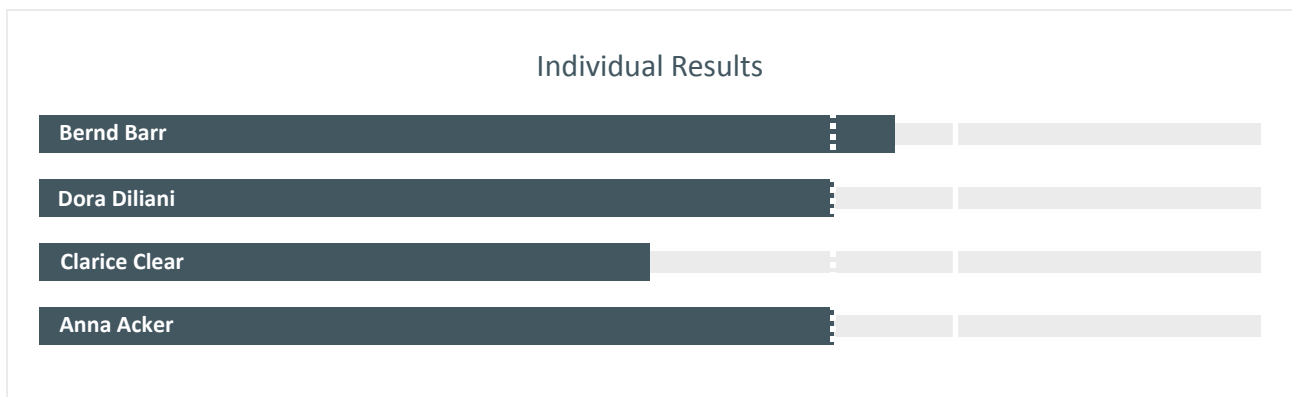
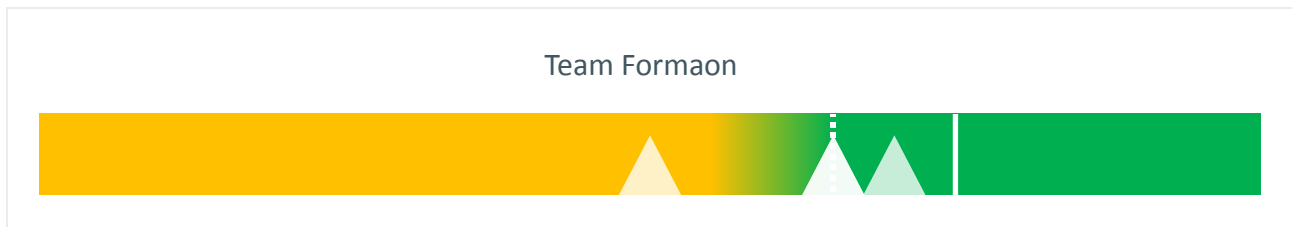


## Solution Orientation

Describes an optimistic and at the same time realistic attitude as well as the constructive handling of negative experiences.

Solution-oriented people don't look the other way when there is a problem or try to talk it down nicely. They recognize the situation calmly and objectively and look for possible solutions that are as direct as possible. They do not focus on the problem, but on the desired state and try to find the necessary resources.

Understanding a problem and wanting to break down its origins in detail is not in itself a negative quality. However, when it comes to rapid growth, pragmatic action with a clear focus on goals is often required.



## Self Control

**Describes the ability to regulate one's own impulses and to use energy in a task and goal-oriented manner.**

People with strong selfcontrol think before they act and are usually strong in task planning, organizing and prioritizing.

Willingness to postpone rewards: A reward system that does not demand immediate satisfaction is characteristic here: Small needs are put aside in favor of great success.

Efficient information processing: People with high self-control can ignore irrelevant information. As a result, they can concentrate on the essentials, reach their goals faster and are also less prone to errors.

### Team Formaon



### Individual Results



## Empathy

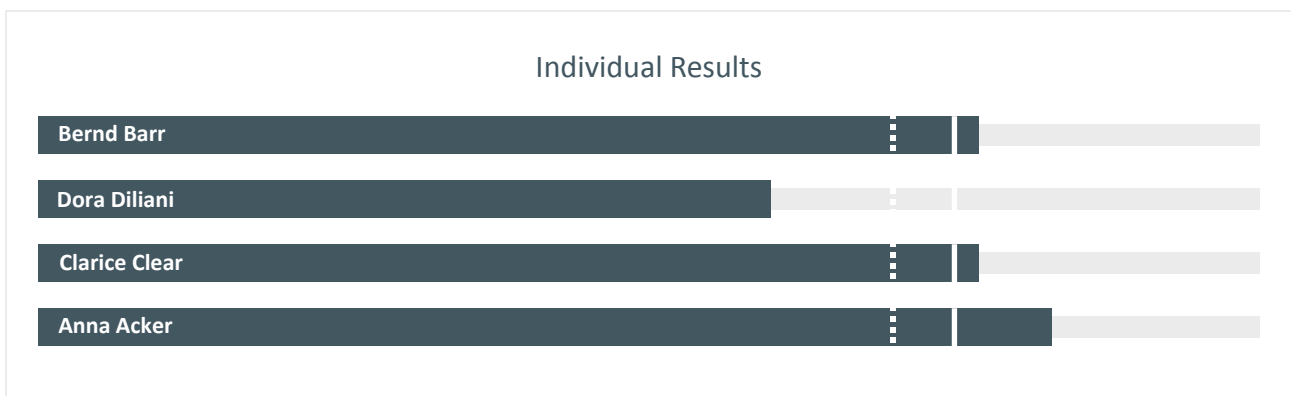
**Describes the ability to perceive emotional states and needs.**

Empathy is considered the fundamental principle of human interaction. Anyone who is able to empathize with the perception and experience of others recognizes their needs - and can integrate this knowledge into the development of products and (customer) relationships.

Components according to Howard Gardner and Thomas Hatch:

- Transfer the own mood regarding feasibility and enthusiasm to others (leadership)
- Negotiating and mediating solutions, preventing or resolving conflicts
- Making personal connections
- Perceiving and understanding the feelings, motives and concerns of others (social analysis)

In the early days, entrepreneurial teams spend between 30 and 50 percent of their working hours on communication. The way in which „relational capital“ is created and maintained through personal exchange therefore has a significant influence on the further course. Internally, a high degree of empathy is reflected in a cooperative and appreciative corporate culture as well as the ability to win employees over and to bind them emotionally.

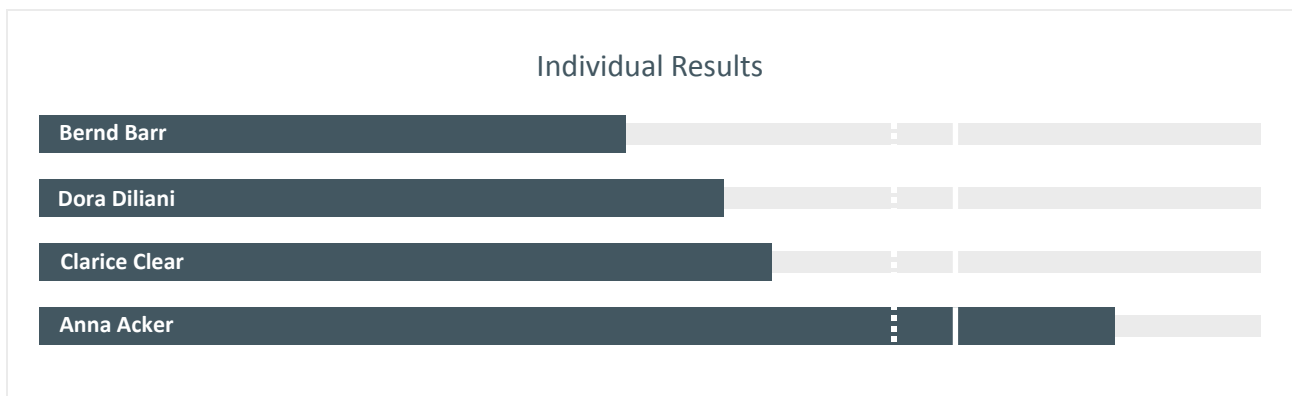


## Emotional stability

Describes the degree of mental balance.

Emotionally stable people are calm, level-headed, and self-confident. They can perceive their feelings intensely, but cannot be determined by them or thrown off course. They can filter, analyze and control emotions better than unstable (vulnerable) people.

Referring to the Big Five personality model, the counterpart would be “neuroticism”, whereby this is not to be understood in the Freudian sense, but simply expresses how much one lets oneself be guided by negative feelings. Emotional stability means being able to endure stress and pressure situations, low blows and fear and, in the best case, to be able to draw positive energy from them.

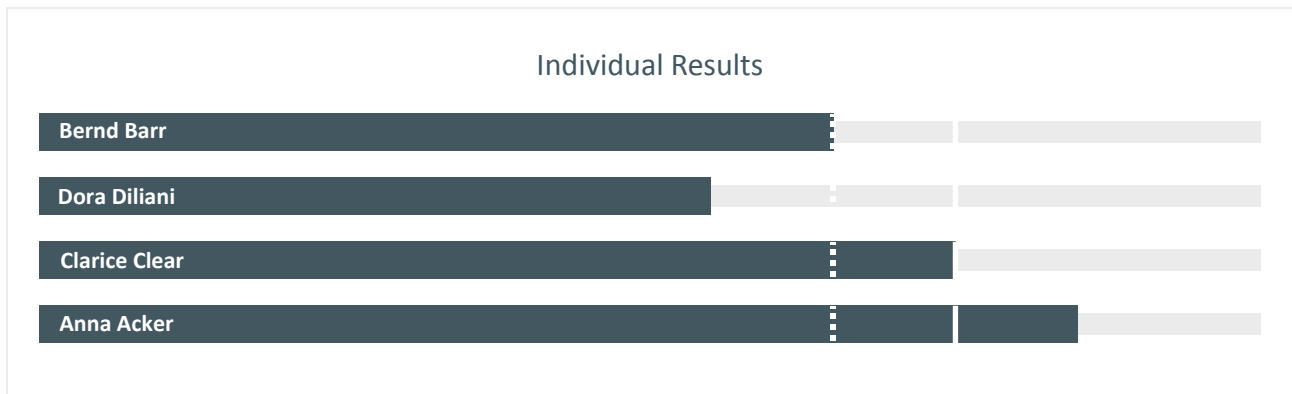


## Analytical Skills

Describes the ability to change perspective.

People with strong analytical skills don't just rely on what they (think to) know, what they have learned or what has worked so far. They question and are - in contrast to people who only want to have their opinions and worldviews confirmed - ready to change their previous views at any time and to reassess situations.

Analytical individuals are able to systematically adopt different perspectives of thought and perception on any subject, with strong implications for both creativity and communication skills.

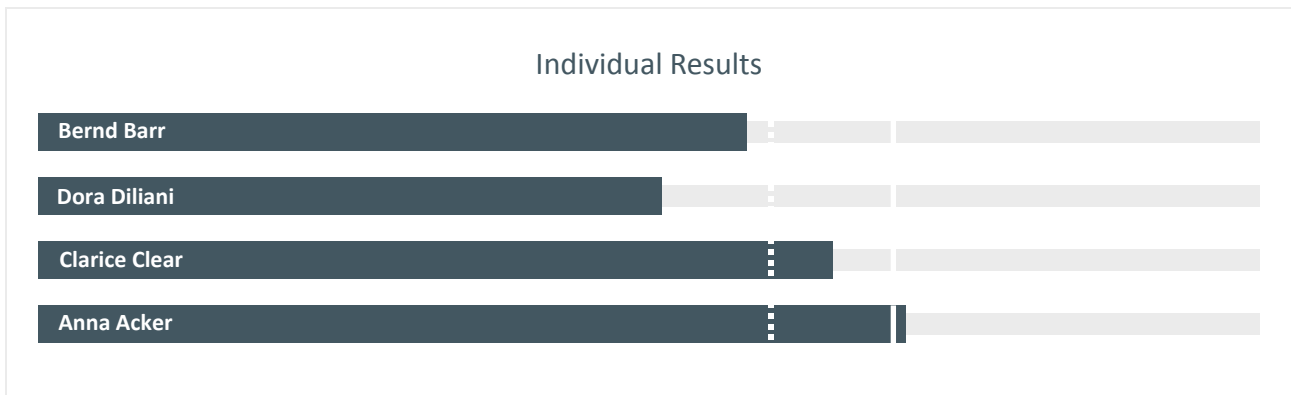
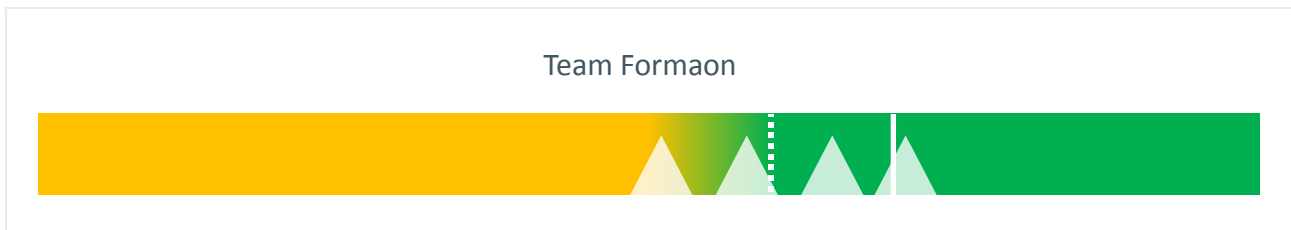


## Stress Tolerance

Describes the psychological resistance to pressure, stressful situations or sudden changes.

People with a strong endurance have a high level of emotional stability and inner balance. They work concentrated even under pressure and keep a cool head in every situation. Resilient people know that they have the knowledge, tactics, skills and strategies to manage crises.

Passion for what you do and good self-management are the best tools for dealing with stress: If you have your time and energy reserves under control, you will not reach the limit so quickly and you will be able to step up three gears if necessary.



# ENERGY LEVEL & STAMINA

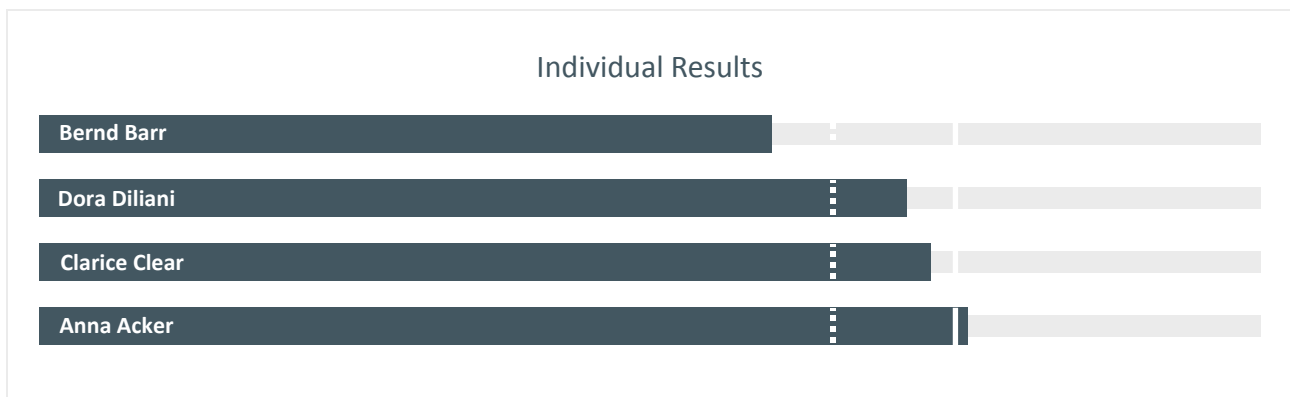
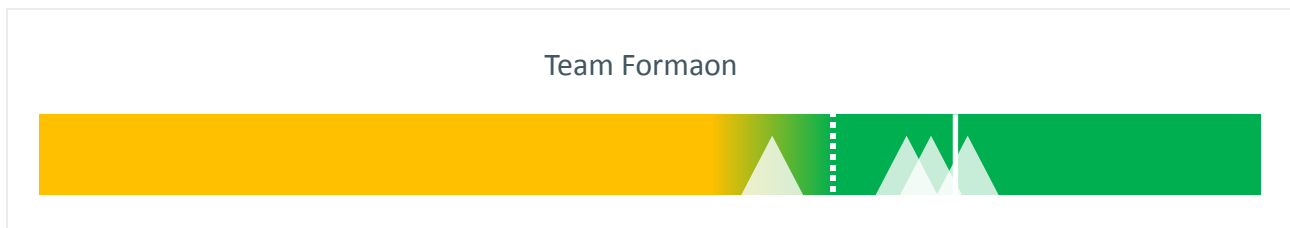
## Extraversion, Charisma

**Describes emotional expressiveness, self-confidence, self-determination and freedom from internal conflicts.**

Charismatic people are not stewards of the status quo. They are looking for stimulation, set idealized goals and show a strong commitment to these goals.

People with a high degree of extraversion appear active, dominant and are socially energetic. They have high expectations and at the same time great trust in their companions, who they inspire and motivate to subordinate their own interests to the collective mission.

Research has shown that communicating a vision is just as important as the vision itself. Charismatic people can share their ideas, inspire others and thereby gain passionate supporters. Through adept communication on different levels - verbal and nonverbal - others can be brought to internalize and support the vision and the values it contains.





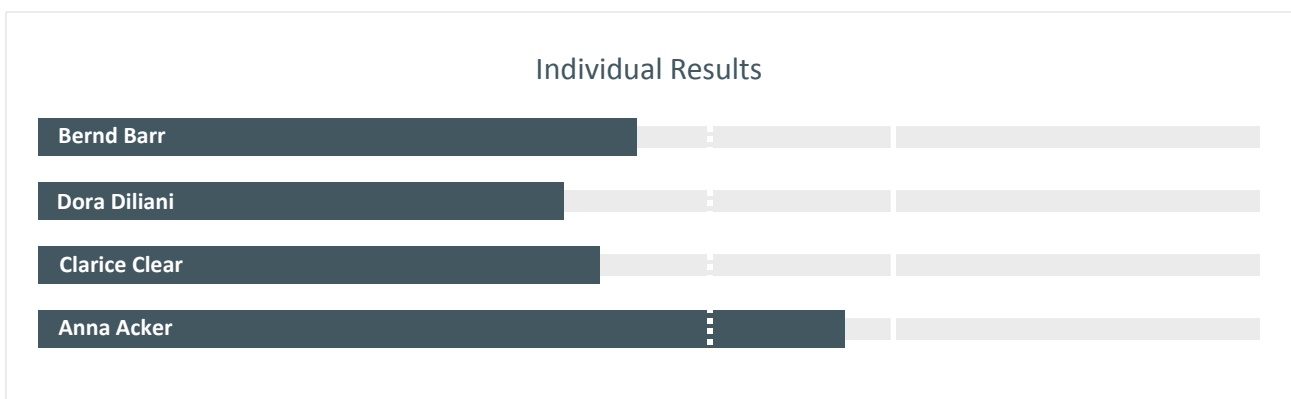
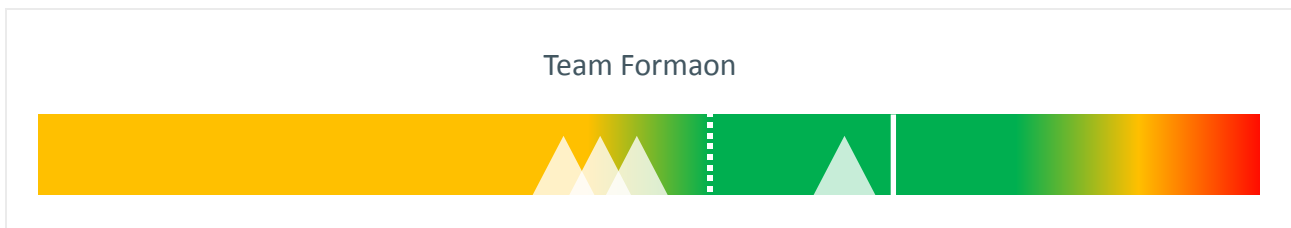
## Risk Propensity

Describes the willingness to make decisions even under uncertainty and to accept possible failure in the process.

People with a high risk propensity are willing to accept failure in the sense of financial as well as personal loss if they rate the chance of success higher than the probability of failure.

The first formal definition of „entrepreneurship“ by Richard Cantillon in 1755 already includes the subject of risk propensity as a distinguishing feature from other „businessmen“: Cantillon describes the entrepreneur as an „adventurer“ with the characteristic ability to recognize fruitful business opportunities and to take advantage of them by taking a risk.

Radical innovation involves far more risk than moderate growth with continuous small innovation steps. In this respect, the willingness to take high risks is a fundamental prerequisite for tackling such an undertaking at all. However, in order to lead them to success and not to rush headlong into the adventure and go down with waving flags, the risk propensity should be in a high but still controlled range.

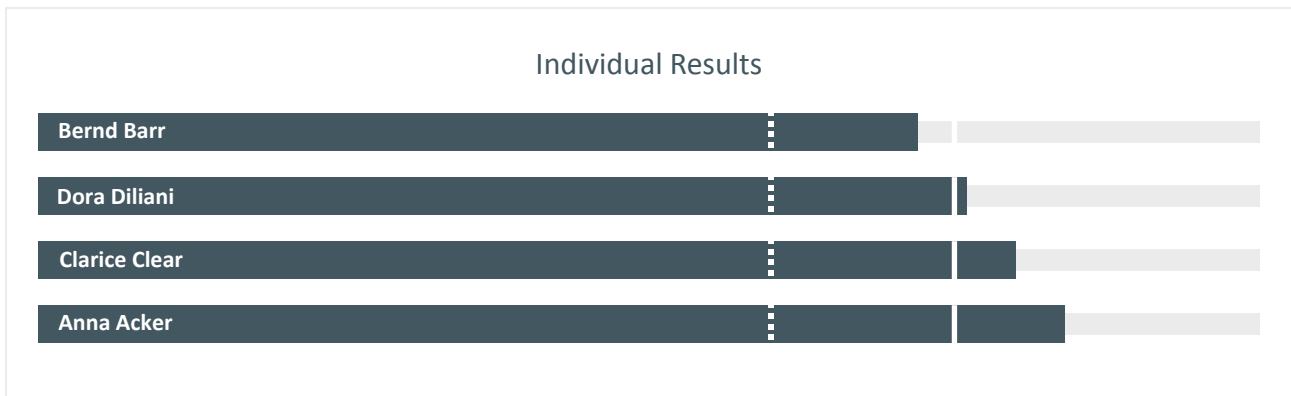
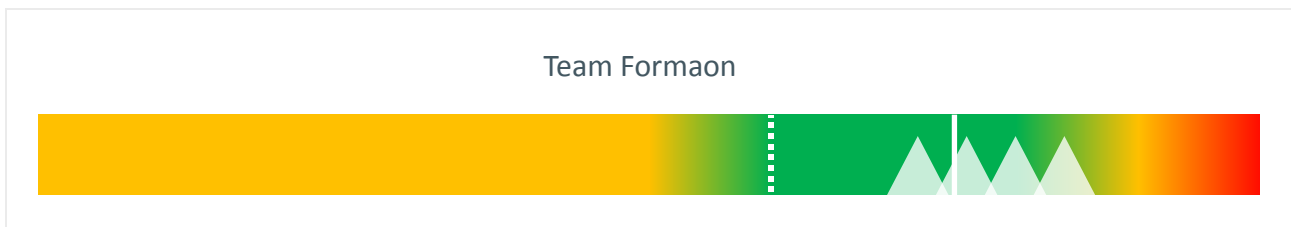


## Propensity to act

Describes the willingness to seize entrepreneurial opportunities.

While others simply take note of their environment, those who are tending to act see it full of chances and possibilities (opportunity detection) and are ready to take immediate action if they think it's worth it.

In all personality-theoretical approaches to start-up events, the tendency to act proactively plays a central role. According to J.W. Atkinson, the strength of the action tendency is the product of the strength of the motive to want to succeed, the probability of success, and the incentive to succeed. So, the higher the motivation and the belief in being able to achieve high goals, the more willing a person will be to take the initiative.



## Perseverance

**Describes the tendency to consistently pursue goals even when resistance, setbacks or exhaust on arise.**

Perseverant people maintain their motivation over a long period of time, do not allow themselves to be discouraged and - come what may - stick to goals that have been set.

Individuals with high scores in this area meet demands - both professional and outside one's job - with vigor. They are more optimistic about the future and have a more self-critical attitude towards their performance, focus more on persevering and are more interested in continuous development.

Too much perseverance sometimes threatens to become „stubbornness“ and lets you overlook the point in time when it might be better to rethink the strategy.

### Team Formaon



### Individual Results



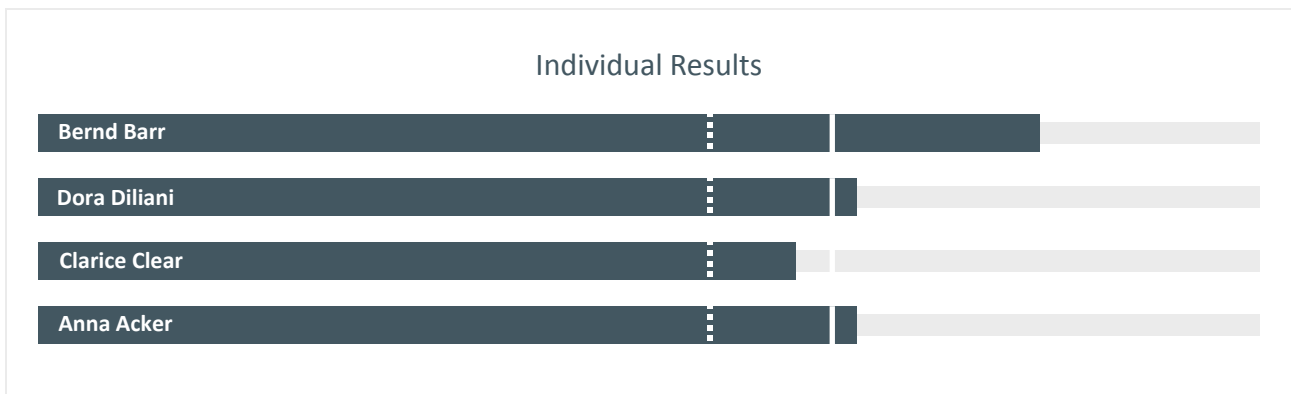
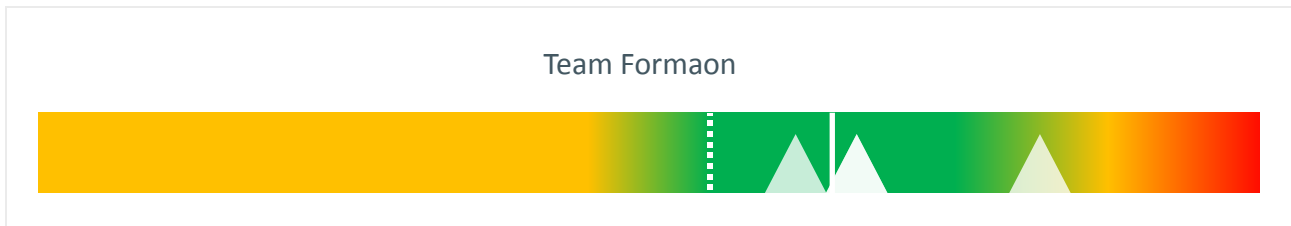
## Conscientiousness, Discipline

**Describes the determination, orderliness and accuracy.**

People with a high score in this area are disciplined, not easily dissuaded from their goals and often tend to perfectionism. Conscientiousness is a key trait when it comes to completing necessary tasks.

Conscientious people look for the one perfect solution, analyze it systematically and meticulously check all the details. They play an important role in building effective structures and processes and ensure a low error rate. They are also willing to invest a lot of time and energy and do not let adverse circumstances stop them from consistently pursuing their goals.

Conscientious people weigh decisions carefully, making them stabilizers, but not necessarily “drivers” within a team. If this quality is in excess or if there are several people, this can slow down progress up to the point of the „innovators’ dilemma“.



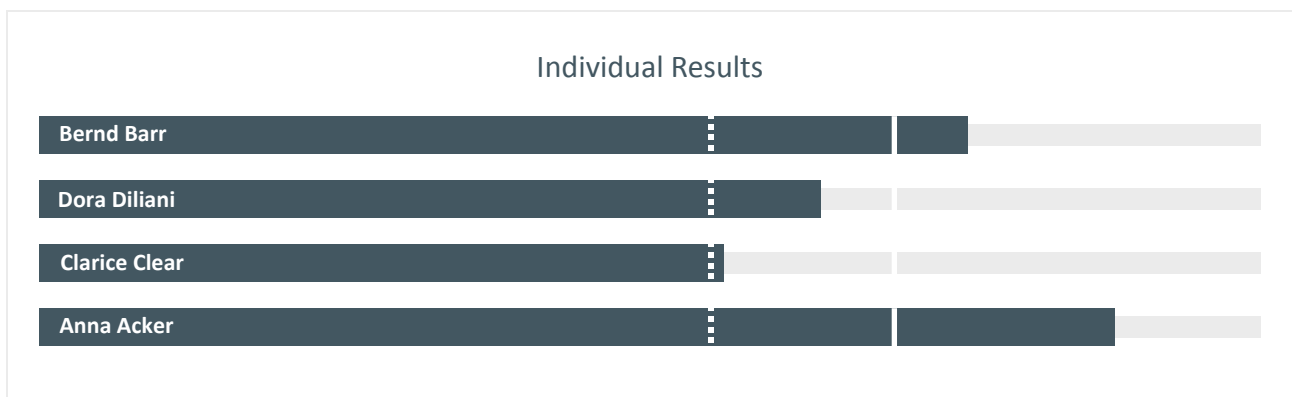
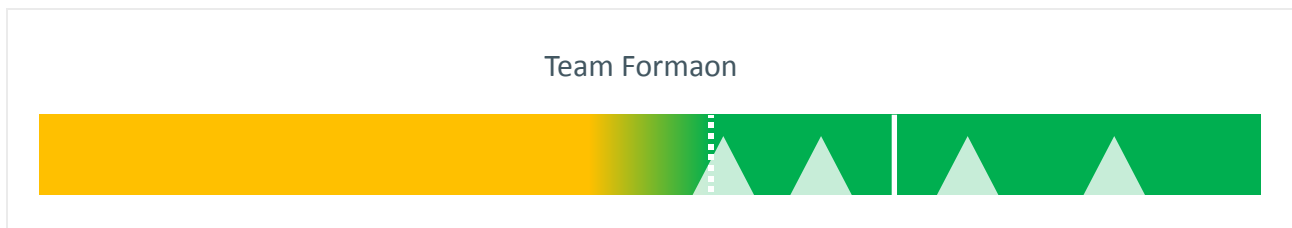
# ORIENTATION & INNER DRIVE

## Innovativeness

**Describes the ability and willingness to approach familiar things in new ways.**

Progress requires leaving familiar ways of thinking. Boundaries are questioned and consciously crossed in order to gain a new perspective on the connections. Innovative people think and act creatively, they act instead of reacting and actively initiate change.

The ability to think nonlinearly characterizes innovative people: While linear or „vertical“ thinking proceeds step by step and is based on practiced patterns, innovative people fundamentally question conventional thought patterns. Situations and framework conditions are not accepted as immutabl



## Entrepreneurial Passion

Describes the degree of emotion that goes hand in hand with the understanding of roles in relation to entrepreneurship and is significant for one's own identity.

Entrepreneurially passionate people are ready to commit themselves to their goals with full vigor, using all their strength. They live and love what they do, which in turn acts as a true “energy booster” and enables them to achieve great things.

Passion is also contagious: Entrepreneurially passionate people are able to inspire and encourage others (customers, partners, employees, ...) and thus promote the success of the business.

Team Forman



Individual Results

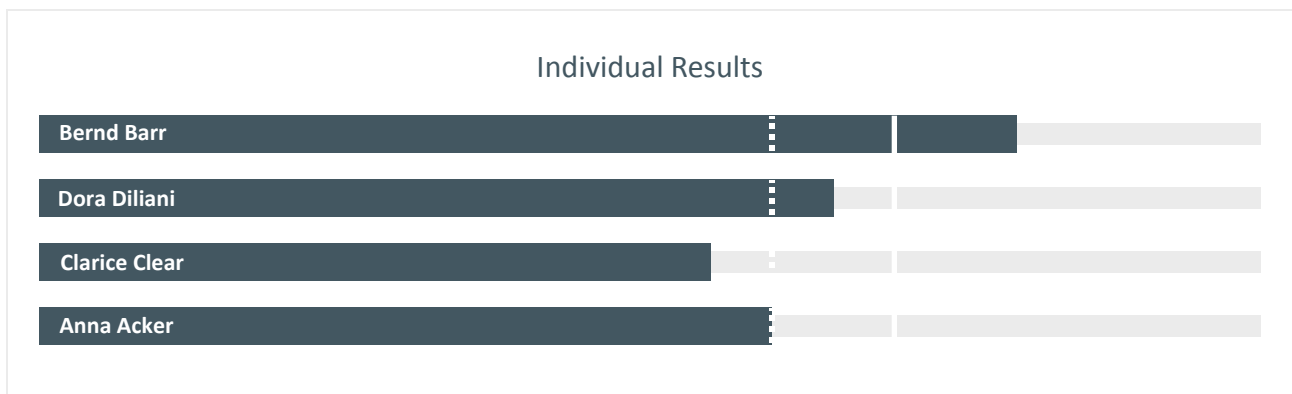
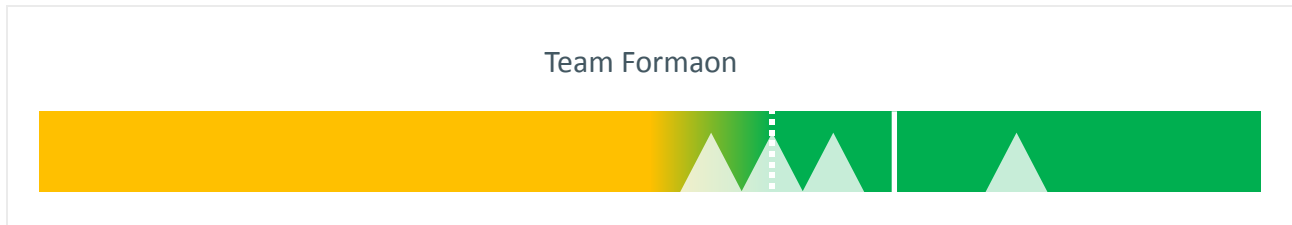


## Need for Achievement

Describes the willingness to be highly committed to goals.

People with a high need for achievement have the desire to create something important, to acquire certain skills or to meet high standards. They place high demands on themselves and like to compete with others. Defeat challenges them to try harder to ultimately achieve victory.

It's about performance itself, striving for positive results. Financial success, power and status are not a motive, but merely a measure and confirmation of one's own ability to perform.





## Need for Autonomy

Describes the urge to take the own life into the own hands and shape it independently of external influences or supposed limitations.

People with a strong desire for autonomy want to do it themselves. A success only really counts if it was achieved independently, if possible without outside help. Therefore, it is often difficult to accept support - whether in the form of money, work or connections. In principle, you don't like to commit yourself - especially not to people who want to have a say in decisions.

The focus when striving for autonomy and self-realization can be different:

Financial independence - People like to make monetary decisions without external control and are willing to take calculated risks for which they „take the rap“ themselves.

Administrative independence - Group structures with several hierarchical levels and long decision-making processes are a no-go. Speed and joy of discovery instead of pre-servation, trial & error instead of error avoidance.

Mental / creative independence - The central interest is living out creativity and realizing one's own life plan.

### Team Formation



### Individual Results



## Openness

Describes how wide, deep, and complex a person's mind is.

The trait „openness“ is one of the characteristics of the Big Five or OCEAN model. It characterizes people who have intellectual curiosity and feel the urge to gain experience and implement new ideas. Open-minded people like variety, often question the tried and tested and are interested in what is new. They are inquisitive and have a strong imagination.

They strive to broaden their horizons at every opportunity. Learning does not mean effort, but represents a basic need. In this way, they acquire a wide range of knowledge that is not limited to a single subject area. They deal with a wide variety of topics, enjoy acquiring new skills and are open to new things - whether they are ideas or other people.

### Team Formaon



### Individual Results



## Assertiveness

**Describes the tendency to assert oneself against others and to actively overcome resistance.**

People with a high level of assertiveness tend to be dominant and put their own needs above those of others in social situations.

For assertive people, success means removing obstacles. They want to achieve their goals despite all resistance - the greater the resistance, the greater the sense of achievement.

Unlike permissive individuals, they are more competitive, will not avoid conflict, and are better at negotiating in their own interest. You have a strong need for dominance and would like to take on the role of the „heroic leader“ in the team.

### Team Formaon



### Individual Results



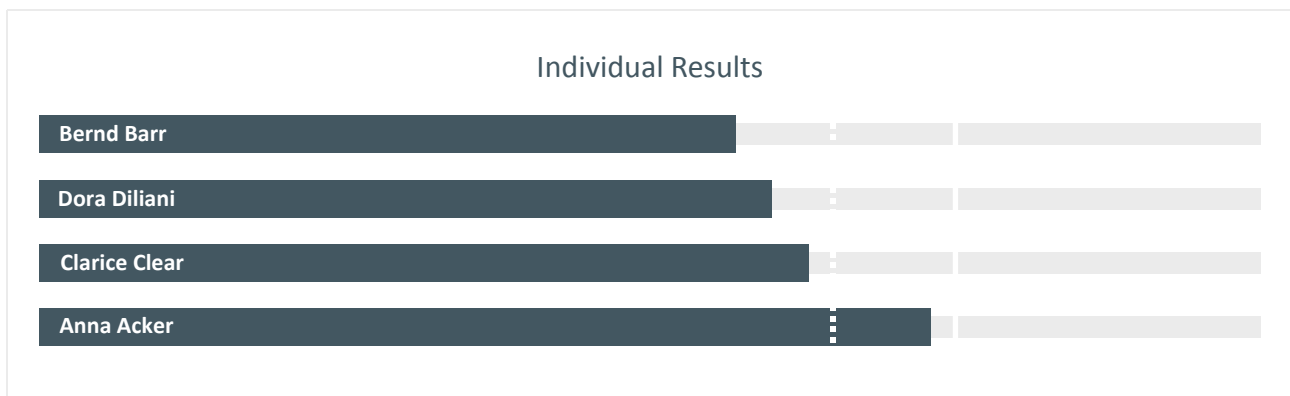
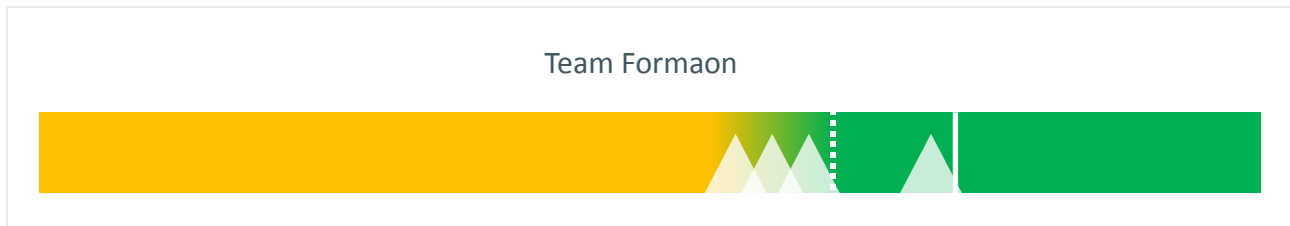
## Value Orientation

**Describes a clearly defined, overarching value system that determines all thinking and acting.**

Every person has their own construct of values: an invisible guide consisting of what is important to you personally, what you are willing to give and what you demand from your fellow human beings. Values provide orientation and set the standard for what is good, desirable and right. The clearer someone is in their values, the more stable they are in their actions and are not so easily thrown off track.

Strongly value-oriented people know their WHY, their purpose of existence: They know WHY they do what they do and follow a clear blueprint for the future. It's easy for them to see the big picture and they don't tend to get bogged down in small things. They know the framework in which they move, know what is important to them and have (moral-ethical) limits that they would not cross.

Common values within a team (or any other form of organization) are both the base for success and an anchor at the same time: If you agree on the mission that needs to be fulfilled and on the means that you are willing to use for it, you will always know what has to be done in order to achieve the goal.



# FACTS

Since the beginning of the last century, economists and business psychologists have been trying to analyze the start-up process and assess the chances of success by identifying relevant personality characteristics. "Characteristics" or "traits" are to be understood as behaviors or ways of experiencing that are shown constantly over time and in different situations. They arise in the course of personal development in the interaction of innate and environmental factors. For EDD, a large number of publications and longitudinal studies resulted in the essential findings and similarities filtered out and stored with corresponding data to give venture capital investors concrete figures on a topic that was previously barely tangible to provide a concrete and comprehensible assessment of the future success of the company. EDD captures 21 determinants derived from specific literature and current studies, shows to what extent they are present among the respondents and puts the results in relation to those of the population average and those of successful entrepreneurs. Successful entrepreneurship is defined both according to quantitative (KPIs) and qualitative criteria such as brand awareness, competitiveness or customer satisfaction. The data used include companies from all industries from Germany, Austria and Switzerland and are continuously updated.

## METHODOLOGY

The survey is carried out using an online questionnaire. Using a 6-point Likert scale (totally disagree - totally agree, not correct at all - fully correct) specific statements are assessed by the participants and skills are weighted (very low - very high). EDD is principally based on self-assessment. However - in contrast to classic questionnaires on personality traits - it includes not only the own view, but also the view of the other team members. With this multidimensional approach, on the one hand the validity of the results is increased, and on the other hand, the differentiation and thus a realistic evaluation is facilitated.

## RESULTS

### Benchmark comparison (Figure 01)

The graphics show the respective result compared to the population average (dashed line) and that of successful entrepreneurs (continuous line). The specified reference values are based on study results by Baum, Locke & Smith (2001), Stewart & Roth (2001), Baum & Locke (2004), Miner & Raju (2004), Zhao & Seibert (2006), Rauch & Frese (2007), Vance & Choi (2008), Frese (2009), Zhao et al (2010), Jain (2011), Brandstätter et al (2013), Cardon, Glauser et al. (2017), various dissertations from the fields of work and Organizational Psychology and Business and Social Sciences as well as results from myTYPE®, the Big Five personality traits model and the EIAM character-type model.

### Homogeneity or heterogeneity within the traits (Figure 02)

Teams have proven to be particularly successful when they are complementing each other not only in terms of their competencies, but also in terms of their personal characteristics. While "the higher the beer" applies to certain characteristics, others - if they are particularly strong - ask for an opposite pole within the team (e.g. risk propensity).

### Tolerance range or potential risk due to extreme characteristics (Figure 03)

The maximum is not always maximum positive! Certain traits can represent both a strength and a weakness: Are these excessive, they can even pose a threat to the company. So it's about the optimal depth that leads to success.

**The overall result (Fig. 04)**

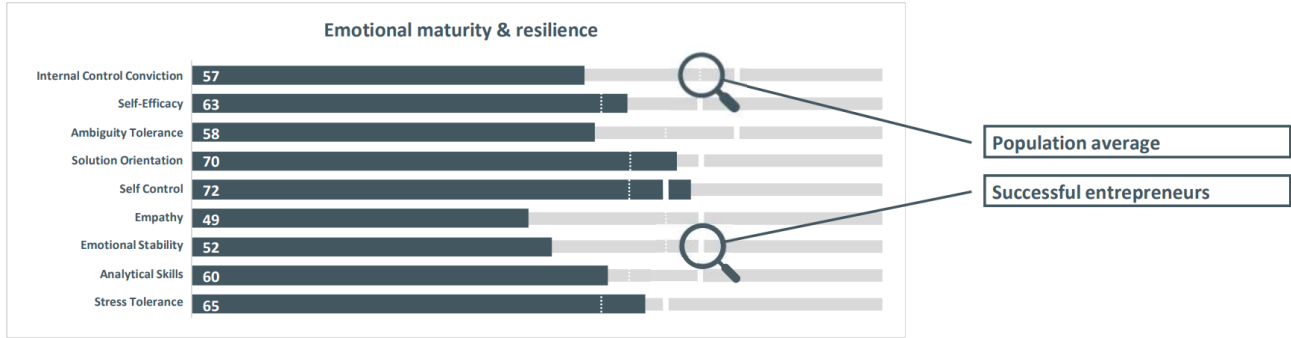
The EDD tachometer shows the results at a glance and - using traffic light colors - how they are to be classified. It should be noted that an “entrepreneurial mindset” is the basic requirement in order to be prepared for everything in the course of the first growth steps, but it always has to be seen in combination with a large number of hard facts (know-how, industry knowledge, finances, ...).

**Self-View & External View (Fig. 05)**

Shows the degree of similarity between self-assessment EDD and the Research assessment GmbH by teammates.

**INTERPRETATION OF THE GRAPHS**

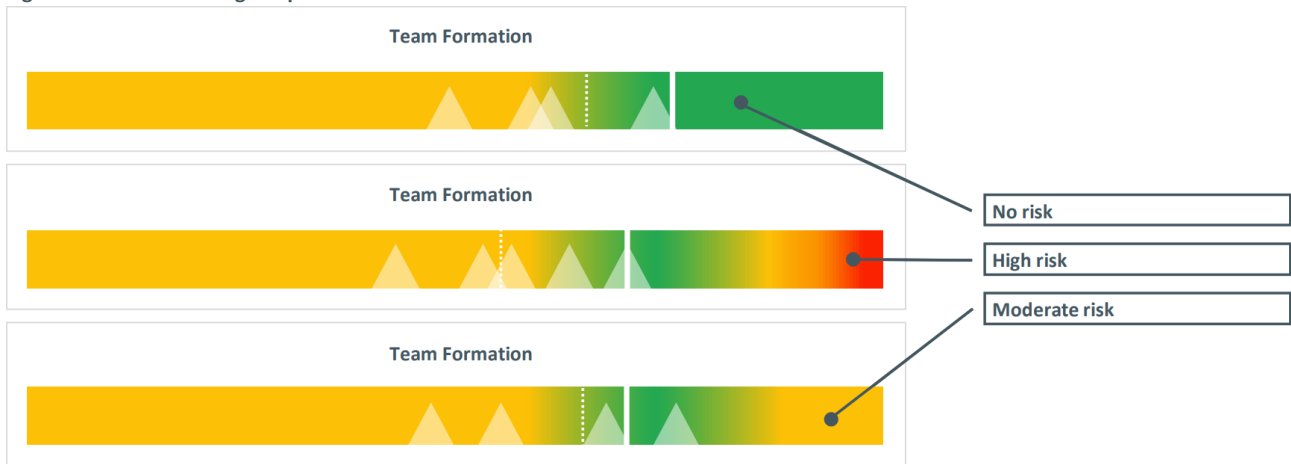
**Figure 01 - Benchmark comparison**



**Figure 02 - Homogeneity or heterogeneity within the traits**



**Figure 03 - Tolerance range or potential risk due to extreme characteristics**





**INTERPRETATION OF THE GRAPHS**

Figure 04 - The overall result

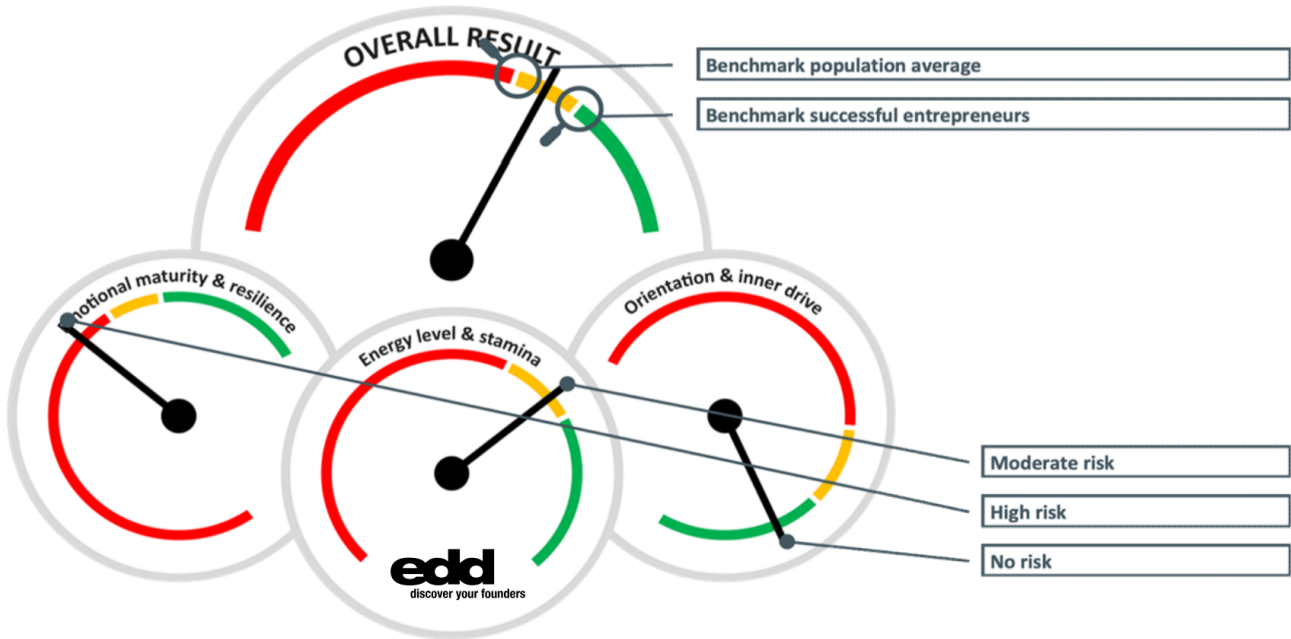


Figure 05 - Self-View & External View



**SPEED**

**eddd**  
the team due diligence

EDD Research GmbH  
Hafenstr. 47-51, 4020 Linz  
AUSTRIA

All rights reserved