



Jane McCallion

What can we learn from failure?

Many are afraid of failure, but it can also be viewed as a step on the pathway to success

Failure. It's not something any of us want. For some it hangs like an albatross around their neck. They are the failed musician, the failed inventor, the failed business person. They were involved in the failed project that ended up costing thousands but didn't deliver. Ultimately, they failed.

How many people are there in the world who have a great idea but are too afraid of failure to pursue it? What would the world be lacking now if those who went on to start great businesses or invent world-changing technology had let fear of failure, or even failure itself stop them?

Fear and doubt

Why do we fear failure, though? Philosophers, psychologists, and sociologists could surely argue over

this for decades, but the stigma associated is certainly near the top of the list. In business, this stigma can be magnified. While it may be embarrassing if you declare you're going to go from couch to running a 5k within a month, dismiss the naysayers but then only end up doing a week's training before giving up, the whole thing will be forgotten fairly soon. If you fail in business, there is a danger you will be seen as incompetent, or even as a liability. Fail badly and publicly enough, and you - and your business - may never recover.

There certainly are some high-profile failures that fit this model: Leo Apotheker, who was sacked as CEO of HP following its disastrous acquisition of Autonomy, hasn't served as a CEO since. Apple fans will be familiar with John Sculley, whose choices are seen

by some as driving the company to the verge of bankruptcy. He, too, hasn't been a CEO since.

The reality is that these are outliers. They were high-profile people running high-profile businesses where something went very wrong. The majority of failed businesses or business people who have faced failure aren't well known and have often gone on to have successful careers, with some even founding second, more successful businesses.

The reality of failure

The number of businesses in operation in the UK has been growing over the past several years, according to the most recent statistics from the Department for Business, Energy and Industrial Strategy (BEIS).

In 2019, BEIS found the number of private sector businesses had grown from 5.7 million to 5.9 million, a 3.5% increase, or more than 200,000 businesses. Meanwhile, in its Business demography, UK: 2018 report - pub-

lished in November 2019 – the Office for National Statistics (ONS) found the business birth rate in the UK in 2018 was 12.9%, versus the business death rate of 11.4%. This is compared to 13.1% and 12.4% respectively in 2017. These numbers have been improving over time, too. Indeed, even during the 2008/2009 financial crisis, the number of businesses in operation in the UK held steady at around 4.3 million, rather than there being a steep decline.

We currently face an even greater economic crisis though, thanks to the COVID-19 pandemic. However, that doesn't have to mean businesses fail and disappear completely. Speaking on the BBC's Coronavirus Newscast podcast, political and economics journalist, Evan Davis, explained: "In any normal economy, you're going to have some companies going out of business, and you want some of them to go out of business because they're not fit for purpose [so] that's what's going to happen to them."

In extraordinary times such as this, there's a danger of a domino effect of companies going bust and wiping out both their suppliers and their customers, all of which under normal circumstances would be – and indeed were – successful and profitable businesses, according to Davis.

"Companies that have gone bust, but which have a future life if only they didn't have all these old problems that are hanging over them... you want them to come back to life as quickly as possible. Often the best thing you can do with a company that appears to be dying, is cut away all the old debts and just tell it to go off and do its stuff again," Evan adds.

"Picking apart the pieces of a dying company can itself be using up most of the pieces of the dying company. And, sometimes, if you can keep that cheap, you can put the company back to work back doing what it was doing before and ... not constrained by bills that it ran up during the coronavirus epidemic without any fault of its own. You just want to get it back up and running, and that's the best thing to do with it."

In short, facing insolvency and what appears to be inevitable failure doesn't have to be. In a climate such



as this, where more firms will go under than would otherwise have been the case, it is perhaps less a case of failure and more a case of sheer bad luck.

A stepping stone

Failure doesn't have to be final. Embracing a "get back on the bike" mindset for dealing with failure when it's happened, or knowing it could happen, but then doing it anyway, can also lead to great things.

Who would have thought that less than 10 years after the axe finally fell on the Newton that Apple would launch one of the most undeniably transformative pieces of technology of our lifetimes?

Speaking to Entrepreneur Europe, serial entrepreneur and author Alex Charfen – who fell into bankruptcy during the 2008 crisis – said it was a straight talking friend who got him back on track.

"He told me to look at things differently," Charfen told Entrepreneur Europe. "He said, 'You had lots of choices. You could have chosen to ignore your bankruptcy and racked up more debt. You could have chosen to run away to Mexico or Europe. You could have chosen to become a shut-in and isolate from the world. Instead, you decided to face bankruptcy head on. Now own it and move forward.'"

There are many other examples of successful business people who have offered similar sentiments over the years.

Microsoft co-founder Bill Gates is quoted as saying: "It's fine to celebrate

success but it is more important to heed the lessons of failure."

Or, in the words of Thomas J Watson, chairman and CEO of IBM in the first part of the 20th century: "You can be discouraged by failure, or you can learn from it. So go ahead and make mistakes, make all you can. Because, remember that's where you'll find success – on the far side of failure."

Failure as a leader

The idea of "fail fast, fail often" (which is made up of four parts: fail early, fail fast, fail often, fail better) is controversial. It was described by the CEO of Spyder Works as "the stupidest business mantra of all time." But it does offer value when you realise it's not about encouraging failure but, instead, carving a path to success.

Embracing failure as a leader encourages honesty. If team members know they can be honest about a failing project, mistakes will be discovered earlier rather than covered up and allowed to fester and grow.

Yes, actions should and must have consequences – to avoid unnecessarily risky or dangerous behaviour – but they should also be proportionate. The consequence of a failed project can simply be a blame-free post-mortem to assess what went wrong and how to avoid the same mistakes again.

Ultimately, if you find yourself staring failure in the teeth, whether as an individual or the leader of a team, remember that when you come out the other side, you may just find the route to success.