The Reluctant Leader, Part III

I'm afraid of failing.

This contributor to a company's rate of growth and success is pretty obvious. Failure is not a foreign concept to most entrepreneurs. In spite of how good we may think we are, many of us have failed our way to where we are today—what Jon Maxwell refers to as "Failing Forward." We started our businesses being fully aware that the odds of succeeding beyond the first five years were overwhelming stacked against us. Yet, we started them anyway. If we were lucky enough to survive the start-up years, we continued to claw our way forward: working long hours, sacrificing personal time, and placing wild bets on the biggest craps table of all—business.

When our businesses reach a point where they can provide us with a reasonable level of financial security and physical comfort, it's only natural that we'd be reluctant to gamble what we already have for the possibility of having something better in the future. We do the mental math and determine the rewards aren't worth the risk of failing and losing it all. This becomes an even bigger factor as we age, and we realize the time we have to recover our losses is greatly decreased. This is reasonable caution, which is not the same as fear of failure. Reasonable caution is based on data or logic, where we evaluate current conditions and weigh facts to help predict outcomes. Fear of failure is based primarily on emotion, where conjuring up memories of past failures keeps us from moving forward.

We sometimes fear failing because we don't want to be viewed as losers. Many people spend their lives carefully building on small successes and they fear that if they fail, it might change what people think of them. Consequently, they avoid taking risks that might result in failure, as some confuse failing with being a loser. Frequently, these fears are based on painful experiences from our past. Experiences we're not eager to live again. Of course, those same risks could also result in success. Fear didn't stop Walt Disney when he was fired by a newspaper because he "lacked imagination." Or Jerry Seinfeld, who was booed off the stage the first time he tried his hand at stand-up comedy. Or Akio Morita, who failed at making rice cookers but has done pretty well for himself by founding Sony. Clearly, there's a world of difference between failing at something and being a loser.

This much we all know: business is all about change and risk. With all change comes risk and the chance of failure—big and small. Sometimes we risk financial loss. Sometimes it's social prestige. Sometimes it's just plain old embarrassment.

Owners who fail to embrace change in their businesses by default condemn them to irrelevance. In many ways, their fear of failing causes them to live out their own self-fulfilling prophesy. We'd do well if we asked ourselves more frequently, "What would I do differently if I know I couldn't fail?"