

## Chapter 1: Failure is Not Trying

What is failure? The most basic definition of failure is a lack of success. So, then, what is success? Success is slightly more ambiguous, the definition being the accomplishment of an aim or purpose. There is nothing in the definition of success that is specific to making money or creating a multi-million-dollar corporation.

Success is all about purpose, your purpose. Since failure is considered the opposite of success, it makes sense that failure would be related to purpose also. What is your purpose? As an entrepreneur, you could have a lot of goals for your business, but in the simplest terms, your purpose is to start a business. If your purpose is to start a business then your success would be starting and your failure would be not starting or not trying. It is that simple.

A lot of people are afraid to start a business because they think that if the business fails, they will lose a lot of money, opportunity, and confidence. While these are potential risks, there is also the chance to gain something so much more, even if your business doesn't do well by market or financial standards.

Did you know that before Microsoft, Bill Gates started a software company that barely even made it to the market before shutting down?

In the 70's Bill Gates teamed up with two business partners, Paul Gilbert and Paul Allen, to create a company called Traf-O-Data. This software was specifically designed for traffic counting. As with all entrepreneurs, Gates, Allen, and Gilbert were taking a risk.

Traf-O-Data became obsolete almost immediately after it was launched because state governments began offering the same exact services for free. No one needed to purchase Traf-O-Data and the market for it dried up. They had to close up shop and move on.

Do you think this company was a failure?

There are a lot of people that might consider this project a complete failure because it had to be stopped before it really got started. However, the founders of the company didn't see it that way.

*“Objectively speaking, Traf-O-Data was a failure as a company. Right as our business started to pick up, states began to provide their own traffic-counting services to local governments for free. As quickly as it started, our business model evaporated.*

*But while Traf-O-Data was technically a business failure, the understanding of microprocessors we absorbed was crucial to our future success. And the emulator I wrote to program it gave us a huge head start over anyone else writing code at the time.*

*If it hadn't been for our Traf-O-Data venture, and if it hadn't been for all that time spent on UW computers, you could argue that Microsoft might not have happened."*

· Paul Allen

Even though Traf-O-Data had to be shut down, the experience and knowledge gained by Gates and Allen led them to create Microsoft which became one of the largest software manufacturers in the world. Imagine if they'd been too afraid of the risks to start Traf-O-Data. They might not have spent so much time on UW computers and developing cutting edge microprocessors.

Traf-O-Data is the perfect example of how the gains always outweigh the risks and drawbacks. No matter what happens to your company – even if it is “technically a business failure” - the knowledge and experience you gain will lead to bigger and better things.

## **Chapter 4: What Could Have Been**

Just like there are risks to doing something, there are also risks to not doing something. Going back to the street-crossing analogy, what would you miss out on if you decided crossing the street was too much of a risk? Well, you'd miss out on whatever it was on the other side of the street you wanted to get to. This is called lost opportunity risk.

If you lived your life never crossing streets because the risk was “too great” you would miss out on a lot of what the world has to offer and your life would be extremely limited.

The same is true for starting a business. The risk of not doing it means you'll miss out on so much more than what you get to “keep” by not taking the risk. Think of how different the computer industry, and potentially modern society, would be if Bill Gates and Paul Allen hadn't used what they learned about microprocessors to try again with a software business, Microsoft.

Bill Gates and Paul Allen took a risk with Traf-O-Data, and from a business standpoint, it went about as wrong as it could go. But if they hadn't taken that risk to begin with, computing as we know it would be completely different. If they'd given up or quit after

one bad go, Bill Gates might not have become a billionaire – the world’s youngest at the time.

They didn’t give up or quit because one venture went badly. They tried again, knowing that the potential benefits outweighed the potential risks. It is the perfect example of how what you learn from starting a business (regardless of how the business performs) will lead you to bigger and better things.

Rather than being afraid of taking a risk or what you could lose by starting a business, you should be afraid of the opportunities you miss by not doing something. When you take that leap to start a business, there are endless avenues to success and only one road to failure, giving up or quitting.

I’m sure you’ve heard the phrase “hindsight is 20/20.” It is easier to look back and say “wow, I should have done that, seeing how it played out,” right? Unfortunately, this is the mindset that leads to regret, and is exactly the kind of shift in perspective I want you to make. Think forward instead, think of all the things that could happen and all the doors that will open up when you start your business.

Regret is one of the most debilitating emotions to carry around. It can lead to a lack of self-confidence, struggles with mental health, and a general feeling of worthlessness, or feeling like “I’ve always wanted more from life.” At the end of the day, you’ll regret what you don’t do but you’ll always be able to find positives in the opportunities you do take.

Maybe you’re thinking that it is easy for me to talk about taking risks and jumping at opportunities because I have successfully started 26 businesses. There was a time when I chose to “play it safe” and not do something. In fact, I didn’t start my first business until I was 35. Looking at the numbers now, it seems shocking that I didn’t allow myself to take that risk earlier. I’m thankful for the lessons I have learned along the way, but one thing I would tell my younger self is to start sooner.

Back when I was in law school, in 2010, an acquaintance of mine urged me to buy Bitcoin. They said to just throw \$1000 into it. At the time, a Bitcoin was only \$.0008. Cryptocurrency was in its infancy at the time. When I first heard about Bitcoin, I thought it was a dumb idea.

Honestly, I didn’t really understand Bitcoin or the concept of cryptocurrency, which is what put me off. Rather than looking into it or researching it more, I wrote it off as something stupid.

Of course, in the past several years, the cryptocurrency market has exploded.

Looking at the current value of Bitcoin, \$40,866 as of today, if I'd invested \$1000 twelve years ago, it would be worth more than \$51 billion. That number is so high it's difficult to believe. And that is just where Bitcoin is today. In April of 2021, it was worth as much as \$64,800 per share and the market for cryptocurrency seems to still be expanding. It brings to mind the phrase "what could have been."

Now, even if I'd invested in Bitcoin back in 2010, the chances of me holding onto it until now to reach that \$51 billion worth is very unlikely. However, it is a profound illustration of "what could have been," if I'd taken that chance. Think of the numbers you'd miss out on if you didn't take your chance.

Do I regret not investing in Bitcoin? I do at times. But looking at those numbers and the reality of my decision to not buy, I believe that the lesson I learned and the personal development that resulted are more valuable. But clearly, the lesson I learned was not worth more than \$51 billion in terms of money. It might some day because I haven't reached the end of the my story. But ultimately, it is highly unlikely that financially I can compensate for that decision financially. So what remains is the value that I receive from it personally. Ultimately, it is up to me to make something out of this mistake.

There was a risk of me losing \$1000, but there was a bigger risk of me not making a lot more than that. My experience with Bitcoin is another example of the risks of not doing something over the risks of doing it.

So, while you're contemplating your startup idea, take a step back and ask yourself what you'd miss out on if you didn't "pull the trigger." I'll say it again, there are just as many risks to not jumping on opportunities.

## **Chapter 13: Doing It the "Wright" Way**

Back when I was a lawyer, I was working at an international law firm. As a first year associate, fresh off the press, I had to put in a lot of extra hours to earn my dues. That meant late nights and even working weekends. I didn't mind because that was what was expected of me and other new lawyers getting their feet wet at big law firms.

There was this one senior partner at the firm, one of the best litigators in Phoenix, Arizona. He was in his 50's or 60's at the time. I learned that he'd been married and divorced several times, among some other questionable personal life situations. Now, that alone wasn't hugely impactful to me at the time.

My moment of clarity came when I went in several weekends in a row to work and this amazing litigator who had put so many years into his job was also working regularly on the weekends. He had a younger wife at home but he was still working late nights and all weekend long, just like I was.

Between that and his long history of divorces, I knew in that moment, I didn't want that future.

I strongly believe that you are who you associate with. I didn't want to end up like that powerful litigator – working round the clock and with a history of bad relationships.

Just because you have ambitions for yourself and your business doesn't mean you need to make sacrifices in every other area of your life.

### *The “Why” of Life*

If you never know your “why,” then you'll never be truly fulfilled. Not in your business and not in other aspects of your life. True fulfillment comes from finding happiness and balance in many areas.

When you discover what your “why” is, you might find (and probably will) that it isn't completely related to your business. This is because your “why” will be reflected in other parts of your life too.

Just like I knew that I didn't want to end up an old lawyer working every weekend with a troubled personal life, I had to figure out what it was beyond entrepreneurship that I wanted. I knew what I didn't want.

When you look at the lives of some great entrepreneurs, their lives outside of business, it can be chaotic and unfocused. While they might excel at making money and building a company, what do they have to sacrifice to get there.

I didn't want to be the kind of entrepreneur that had to sacrifice anything I wanted in life – a good relationship, a family, friends, a good balance between work and personal time, the freedom to enjoy my hobbies outside of work.

I'm here to tell you that you don't need to sacrifice those things just to bring your business to life or make it a success, financially speaking.

I've known people that have been afraid of damaging their personal relationships by putting time, energy, and money into starting a business. This is another instance in which fear can hold you back when it shouldn't.

When you know your “why” and purpose, there’s no need to make huge sacrifices in any area of your life. You can always find the balance when you’re doing things for the “right” reason – aka, when you’re living your “why.”

Because, as I said before, when you know your “why,” there is no failure.

### *Doing it all for the “Wright” Reasons*

In the early 20<sup>th</sup> century, mechanized flight was the hot ticket. Most people are familiar with the Wright Brothers, Orville and Wilbur, being the first to achieve mechanized flight and changing the course of aeronautics.

At the same time Samuel Langley was also hard at work to accomplish the same thing.

I want to take a step back for a moment. When people think their business fails, there are three reasons they will cite in one way or another. Those reasons are undercapitalization, having the wrong people involved, and not having the right market.

So, what tipped the scales to make the Wright Brothers succeed in flight where Langley failed? Was it those three aforementioned reasons?

Well, Sam Langley was a well-educated man. He was given \$50,000 by the war department (a huge sum of money in the early 1900s) to fund his team and research and development. He held a seat at Harvard and worked for the Smithsonian. Langley had all the right connections to the greatest minds of that time. He hired a team to work with him, a team of some of the greatest experts in the field.

So, he had the capital, he had the right people. What about the market? This was the early 1900s when mechanized flight wasn’t even invented yet. It was what everyone wanted, the US government was funding his work. Clearly, the market for it was hot.

The New York Times regularly reported on Sam Langley and his work. He was hot news and everyone wanted to see him succeed.

Why didn’t he?

Now, let’s look at what the Wright Brothers did. Neither Orville or Wilbur had college degrees. They ran a bicycle shop in Dayton Ohio, which is a small blip on the map. No where near Harvard or the New York Times.

Orville and Wilbur funded their tests and research from the proceeds from their bicycle shop. They weren’t given huge sums of money as grants or to pay their team.

The Wright Brothers assembled a team to work with them – people that were probably never paid in money, and who had no more than high school educations. They weren't on anyone's radar. Not the New York Times, not the US government. They had no interest from the market.

And yet, they succeeded where Samuel Langley didn't. In December of 1903, the Wright Brothers achieved mechanized flight. The funny thing about that was no one was there to see it except their team. It hit the news after the fact.

Okay, so what did the two teams do differently and why did that allow one to reach their goal while the other didn't?

Samuel Langley never believed in the vision of flight. For him, it was all about the results, getting rich and famous. He hired people that worked for a paycheck but couldn't care less about whether or not their goals were achieved – as long as they got paid.

This is an example of someone doing things for the wrong reasons. His only concern was the result. As I said before, money is never the end, it is a means to the end. Samuel seeing his end as getting rich and famous was narrow thinking in terms of his ambition and potential.

When he surrounded himself with people that were just there to get paid, he limited his ability to achieve his goal because none of them were truly invested in its success.

Once the Wright Brothers achieved flight and took it public, Samuel Langley quit. He didn't aspire to work with them, improve on their design, make it better. No, he quit.

The only true way to fail is to quite and stop trying, which is exactly what Langley did.

On the other hand, the Wright Brothers had a vision of changing the world with flight. It had nothing to do with money, fame, or personal gain.

They surrounded themselves with people who shared their vision. Instead of just showing up every day to get paid, these people worked for nothing just to see the vision come to fruition.

And they **never gave up**.

Every day, when the Wright Brothers would go out and test their machines, they would bring five sets of parts with them.

It was a rule of theirs that they wouldn't call it a day until they had either succeeded or crashed five times. Anything less than that wasn't good enough.

Then they'd go right back out and do it again.

The Wright Brothers never stopped trying, they had a vision, and they inspired people to their cause. That was why they reached their goals and succeeded.

They did things the right way and for the right reasons.

What should you learn from the Wright Brothers? First and foremost, this is another great example of people buying why you do it, not what you do. That goes beyond just growing the market for your business.

Like the Wright Brothers, don't hire people just because they need a job, hire them because they believe in your vision.

If you hire people that are qualified, they'll take your money but they might never be invested in your beliefs.

When you hire people that believe in your vision, they'll give you their blood, sweat, and tears. This can be hugely pivotal during your start up days because you can build a team that wants to see your business succeed. They might be willing to take pay cuts and give up benefits because when working towards a vision, those things don't matter.

When you live your "why" and your purpose there is no failure. You don't limit yourself or your businesses growth and you attract employees, supporters, and a consumer market that share your belief.

## **Chapter 17: When You Don't Try, Nothing Happens**

*"When you're doing something you genuinely love, and you're doing it for yourself, then you're intrinsically motivated and have a healthy passion."*

*-Dan Sullivan The Gap and the Gain*

There are a lot of potential risks when starting a business and there are no guarantees. The one thing I can promise you is that you'll never regret trying.

A lot can happen when you try. Some huge, fantastic opportunities can come your way. Sometimes it isn't so fantastic. However, the only thing that happens when you don't try is nothing.

## *How to Mitigate Disruptions*

When your company is running smoothly and efficiently, the likelihood of certain kinds of disruption are much lower. My advice for this is to continuously make small changes so you don't have to make big changes.

In order to keep up with the market and demand, to keep yourself relevant and make yourself different from others, you'll want to make small changes like adjusting prices when necessary, keeping all the necessary and relevant tools on hand, and keeping your equipment updated.

You don't want to wait too long on these, especially if other people in your market are making their moves. If you wait too long, it leaves you open to needing to make major changes which can be stressful and expensive.

For smaller companies and for startups that might not have the capital to make the necessary changes all at once, prioritize what needs to be done and come up with a plan of execution.

If you're not sure where you should put your focus on the small changes, look at the way your company is running. Are there any areas where you or your employees are getting frustrated? Are there places where you or your employees are spending too much time and energy – more than should be spent?

Those are good places to start when making small changes.

Think of your business like a set of drains and pipes. The water running through the pipes is the efficiency and the functionality of your business. If there is a clog, then the efficiency and functionality slow down. More effort and time is spent sending the water through the clogged drain.

If you take care of the clog as soon as you notice that water isn't running as smoothly or as quickly, then you avoid an even bigger problem. When a clog in the drains is left unattended, it grows and causes a lot more problems. Sometimes, it can back up production and business completely, bringing it to a standstill.

Then you need to get a plumber involved to snake the system and flush out the pipes. Of course, that is a much more expensive and time-consuming problem than just dealing with a minor clog.

Keeping up with small changes saves money and time, but it also is a constant form of adaptation and evolution that can keep you prepared and in a good position to act when something larger or more disrupting comes along.

## *Keep Trying*

The thing that I cannot stress enough is to always keep trying. The only way to really fail is to give up, quit, or not even try.

When you consider the terms I've used in the past couple chapters – pivoting, changing direction, adjusting, evolving, transforming – all those terms imply movement. None of them are stagnant or the kinds of terms people use when they are thinking about walking away.

All those terms are about some kind of action and momentum. Whether it is continuing to move forward, redirecting focus, or changing direction, there is still some kind of action plan.

Now, there are definitely times when you need to take a step back. If your business doesn't perform as planned or expected, it could take some time to recover financially and to regroup.

My advice to people wanting to start a business is the only way to fail is not to try.

My advice to people that have had business setbacks is the only way to fail is to quit and walk away.

If you crawl into a hole and give up because of some setbacks, you let those failures define you. I can almost guarantee that when you look back at those moments, you'll regret not pulling yourself together and doing something about it.

Don't let those setbacks stop you in your tracks. Take some time to recover financially, energetically, and even emotionally. Give yourself the space to heal and reevaluate. Often, it is in those moments when you have enough clarity for your perspective to shift.

As an entrepreneur, myself, I always have new ideas and people are always coming to me for advice and for risk assessments. I truly believe that what makes me so successful is that I am always willing to try with those ideas and I encourage those seeking my advice to do so as well.