

Why success always starts with failure

 By [Peter Redelinghys](#)

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In 2002, *FORTUNE* magazine ran a cover story on why companies fail. It mentioned that even the most dramatic failures tend to be years in the making. What undoes companies is the familiar stuff of human folly: denial, hubris, ego, wishful thinking, poor communication, lax oversight, greed and deceit.

Fast forward a decade later and the same *faux pas* still apply, whatever the business... an advertising agency, store, IT firm, marketing agency or whatever. The real challenge is not just understanding why your business failed in the first place, but understanding the importance and need to accept failure and bounce back.

Just as light cannot exist without darkness, so success needs failure. Failure is the foundation of success as it provides the opportunity to learn. Thomas Edison was reported to have made 3,000 attempts at creating a light bulb using more than 6000 fibres before he got it to work. This is a great example of a real winning attitude - the concept that 'there is no failure, only feedback'. This attitude is what leads to learning. If failure plays any other role in your life other than an opportunity to learn you are insisting on your current circumstances.

The big question

The big question is: Going in to 2013, how do you get your confidence back after failure? Understand that the business's failure has nothing to do with your value as a person. The typical business is started because of reasoning that says: 'I am really good at what I do. Why should I make other people rich when I am doing all the work?' As much as I can understand this reasoning, it completely ignores the tools, skills and attitude it requires to run a sustainably successful business. This is proven by the fact that 71% of all small business fail within their first five years of operation. Most sources ascribe this to inadequate business management skills and the rest of them consider the main reason for the high failure rate a lack of funding.

Getting your confidence back after failure should be a practical journey of equipping yourself to manage a business. Confidence inspired by competence rather than a blind hope driven by enthusiasm. There are several options available, get a business coach, join an incubator programme or assign a mentor. There is no shame in not knowing what you don't know yet. There is a trail of destruction behind those who refuse to learn.

The next step

The next step is planning the next step. In other words, setting out a plan of action and blazing a path to success. Take steps to ensure history does not repeat itself. Establish a business owner mindset: Look at your business assuming that you don't work in it and never will. Your business should be considered an investment not a job of which you are the boss. If all your business is doing is paying your salary then you might as well go back to the world of 9 to 5.

Determine what business you are really in. Most people consider their business in terms of what they do. I am a plumber, lawyer or accountant etc. I know many plumbers who work with pipes and taps and they get the odd job to demonstrate their skills. Then I also know a plumber who is in the business of solving peoples' water problems. No surprise that my friend in the business of solving peoples' water problems does 10 times better than the other guys. The business you are in is about what value you offer, not what you do.

Playing the blame game is a waste of time

Systemise your business. Create a cash plan all the while keeping in mind that profit is a theory and cash is power.

When you speak to the entrepreneurs who have failed, they tend to point fingers at everyone around them. They blame their bank. They blame their clients. They blame their family. They blame, they blame, they blame. While blame may help you feel better, it doesn't solve the problem. In order to succeed going forward, you need to acknowledge that there is more to learn. Once you've acknowledge that, you need to identify where things went wrong. Your new opportunities exist in the solutions to those mistakes. If you know what went wrong and are invested in finding sustainable solutions, you have hope of running a successful business. You can't run a business with an attitude of avoiding mistakes; at best, you can manage risk. It's not about always getting right but rather learning to learn faster and faster.

Learn how to anticipate the changing world and be prepared to adapt. Change is the only constant. It's easier and more profitable to adapt to your clients than what it is to get your clients to change *their* ways. Listen to your clients and find ways to listen to those who are not your clients. Understand trends, identifying opportunities rather than reacting to circumstances. Be honest with yourself about your own strengths and who you are and surround yourself by people who know more than you do.

It's a fact. Some 80% of all small businesses will fail within the first few years of operation. If yours was one of them, allow your failure to be the foundation of your success going forward. Learn from your mistakes and, this time around, be in the 20% who do succeed.

ABOUT PETER REDELINGHYS

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