

# How Failure Made These Entrepreneurs Millions

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BY [Jane Porter](#) | June 14, 2013|

When [Steve Blank](#) appeared on the cover of *Wired* magazine 19 years ago, his company then, Rocket Science Games, was expected to revolutionize the videogame industry. At the time, Blank didn't let the skepticism of critics faze him.

"I thought I was a genius," he says. Three months later, when he called his mother to let her know he was about to lose \$35 million in investor funding, he wasn't feeling quite so genius anymore.

"I had lots of choices, including that I could have quit," he says. "Learning from that [failure](#) for me was one of the best experiences of my life." And learn he did. In 1996, Blank founded the startup E.piphany, which went on to earn \$1 billion for each of its investors.

In the past 10 years, says Blank, the culture around entrepreneurship has become increasingly failure-friendly. Serial entrepreneurs in Silicon Valley hop from one failed business to the next and billionaire entrepreneurs like [Richard Branson](#) wax on publicly about their failures almost as much as their successes. Still, "no one likes to fail," says Blank. "We are hardwired for success."

But what if you could actually use failure to help you succeed? Here are five keys to start failing your way to success:

## **1. Call failure something else.**

When was the last time anyone got hired for a senior-level position without any experience? For serial entrepreneurs, "experience" is simply another word for "failure," says Blank. By labeling a failed effort an opportunity to expand your knowledge base, you're framing it in a more positive light, allowing yourself to add to your credibility as a more seasoned entrepreneur.

## **2. Use failure as a stepping stone**

With every failure, identify what you know you did wrong and be conscious not to repeat your mistakes. This will bring you one step closer to success, says Steve Siebold, a Palm Beach, Fla.-based consultant who works with corporations and entrepreneurs on mental toughness and critical thinking.

"I've never heard [a millionaire entrepreneur] say they hit it right the first time out," says Siebold, whose book *How Rich People Think* (London House Press, 2010) is a culmination of nearly three decades of interviews. "The bigger they are, the more they've typically failed."

### **3. Never fail alone.**

Entrepreneurs like to be trailblazers. But make a mistake on your own and you might have a hard time determining what went wrong. Having a partner you trust and respect can turn every failure into an opportunity for collaboration. "A good partner can help you determine what not to do again," says Karl Baehr, director of business and entrepreneurial studies at Emerson College, a private four-year college in Boston focused on communication and the arts.

### **4. Don't hide your failures.**

Be proud that you were brave enough to take a risk in the first place. By being forthright about your mistakes, you open yourself up to learning from others.

Baehr's mentor, Walter Hailey, whose insurance company Lone Star Life Insurance went on to become a Kmart insurance company, used to take an hour-long walk at 5 a.m. every morning with a group of close friends to talk about ideas, successes and failures. "By the time they got back to the house, they had solutions," says Baehr. "They had a plan for the day."

### **5. Redefine what you want.**

Revisit and refocus why you got into business in the first place. "Look for your emotional motivators. We are emotional creatures. Logic doesn't motivate us," says Siebold, who launched five consecutive unsuccessful businesses before he started his current consulting company. For Siebold, that motivator was one day becoming a millionaire, a goal he achieved at age 31. "Most people only half-heartedly decide they want a lot of things. You have to get really clear on what you want," he says. "The question is: How badly do [you] want it?"

*Correction: An earlier version of this article misstated when Steve Blank was featured on the cover of Wired magazine. This took place 19 years ago.*

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