

The art of failing upward

In the start-up world, failure is now not so much a crisis as a modern-day finishing school, where everyone graduates with the perfect résumé of mettle-building career challenges

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IN THE start-up world, failure is in. No sooner has an entrepreneur failed at a venture in Silicon Valley than he takes to the Web—frequently to blogging sites like Medium, which hosts a continuous stream of essays on the topic—or to the stage at industry conferences like FailCon to narrate the failure and the growth he experienced as a result.

Telling the story of what went wrong is a way to wring insight from failure, but it's also a way of proclaiming membership in a community of innovators who are unafraid of taking risks. Tech workers now use terms like 'soft landing' (to fail gently without career harm) and 'failing upward' (to fail with an immediate career upside).

Thanks, in part, to a playlist of TED talks on the productivity of failure, the dictum to 'fail harder, fail faster' is now being peddled in fields from scientific research to elementary education. Consider recently-published books like Stuart Firestein's *Failure: Why Science Is So Successful* and Jessica Lahey's *The Gift of Failure*, which argues that children today occupy such risk-scrubbed environments that opportunities for failure must be manufactured. At AltSchool, in Silicon Valley, where pre-K tuition is \$27,000 a year, modelling failure is a part of the curriculum.

What is not being mentioned in the marketing of failure is that not everyone can, shall we say, fail successfully.

Here is one kind of failure story: in 2011, Bradford Shellhammer, a 38-year-old e-commerce entrepreneur, helped found a company called Fab, which took in \$325 million in funding and eventually zoomed to a billion-dollar valuation—only to be sold last year for what *Bloomberg* called a 'paltry sum'. That didn't stop his next online shopping start-up, Bezar, from raising \$2.25 million in its first round of funding that same year.

"It was quite easy to raise money for Bezar," Shellhammer said in an interview on Pando, a tech news site. "You walk away and you are a poster child for not-good things," he said about Fab's failure, "but the cool thing was that it put me on a different stage,



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and I could go meet the people I wanted to meet. The people who invested in Bezar are mostly just friends of mine." Last month, after running out of cash, Bezar was acquired by another company, which has now hired Shellhammer as an adviser.

But there's another, less buoyant, kind of failure story. It takes hundreds of thousands of dollars just to field one start-up team, money that people like Shellhammer—which is to say, white men with social ties to angel and venture capital—can get relatively easily. "They can raise \$100,000 with an email," Jhamar Youngblood, an African-American entrepreneur, told me. He is working on his third start-up, a messaging application called Blastchat, after he was unable to raise money for his first two.

"What counts as failure is subjective," he said. "For people like me, fail-

ure is not being able to raise \$100,000, and then when I go to angel investors seeking funding, they ask me if I've raised any money. It's like I've already failed because of the colour of my skin and not having my own networks to provide resources."

Of the Internet start-up founders who receive so-called Series A venture funding, 87% are white and only 1% are black, according to the research firm CB Insights. Kathryn

Finney of the organisation Digitalundivided says that only 0.2% of founders receiving venture funding from 2012 to 2014 were black women, and the average amount of money raised was \$36,000, instead of the \$1.3 million that funds the average venture-funded start-up. She runs an initiative called Project Diane, which seeks to 'disrupt pattern matching'—the practice of funding entrepreneurs based on their simi-

larity to those who have already been successful.

It is the "failure-deprived Stanford and Harvard students", as Lahey's book calls them—particularly white men with connections to capital—who are best equipped to fail successfully. For these elites, failure becomes not so much a crisis as a modern-day finishing school, where everyone graduates with the perfect résumé of mettle-building career challenges.

Buzz Andersen, a software developer who was an early employee at Tumblr and Square, thinks this limited culture of forgiveness encourages homogeneity, not growth. "It promotes a culture of once you're in, you're in, no matter how badly you've run your last venture into the ground," he said.

Leslie Miley, a former engineering manager at Twitter, argued on Medi-

um that this type of security for an elite set actually makes innovation harder: "The over-reliance on a limited number of schools and workplaces for talent has caused a type of group think to dominate," he wrote.

According to Dan Zimmerman, a physicist who is a director of product development at a renewable energy and robotics start-up, differences in the way failure affects people are also reflected in the science world. Diverging tracks begin in school, he said.

"We have one group who's being told, 'Don't take a challenging subject like physics so that you can get your credential', and we have another group that's being told, 'Drop out of college and just mess things up and it'll be fine'," he added. "If you 'fail fast' and you don't have the right demographics, the right safety net, you just fail."

And yet, for all the flaws in the cliché, I still think it's useful to talk about forgiving failure. Because whether you have many resources or very few, you're almost certain to fail at some point in your career. Perhaps we should treat failures as nothing more than setbacks.

Camille Fournier, an engineer and former chief technology officer of the dress-rental company Rent the Runway, said that even though celebrating failure "is an inherently privileged concept, I like it better than the fetishisation of perfection." We should get away from the "you failed; you are flawed" mind-set, she said.

Ruth Mesfun, founder of the networking organisation People of Color in Tech, believes that an appreciation of failure is necessary in technical fields. "A happy engineer would be a person who doesn't see any bugs, but in the real world that doesn't happen," she said. Zimmerman argued that scientific discovery depends on a "don't be afraid of making mistakes, don't be afraid of breaking something" attitude.

But if we really believe that failure is the path to innovation, we need to fund a more diverse group of innovators. And when some fail, as entrepreneurs often do, we should make sure that more than just the usual cast of familiar faces gets the chance to learn from that experience and try again.

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