URL: https://ecorner.stanford.edu/in-brief/failure-is-hard-and-okay/

If you blame a failure on other people, you often lose the opportunity to learn from the experience. Pear VC managing director Mar Hershenson talks about the early success and subsequent failure of her first startup, Barcelona Design, and urges aspiring entrepreneurs to own and examine mistakes. She learned more from her experience with Barcelona Design, she says, than her subsequent and (more successful) startup Sabio Labs.

Transcript

Okay, fourth thing is, yes, it's really, really okay if your first startup fails.. So, I think also, this happens at Stanford, we all have great, great resumes, right, and I think we feel really successful, failure seems even a bigger risk, right, but it's okay to fail.. As I mentioned, I started this company called Barcelona Design, I still think we had a super cool logo, and we did great.. We actually had a lot going for us, our technology was amazing, we were able to literally design circuits that would take a human maybe days or weeks to design, we would get pretty close within a few minutes, right, so that was pretty impressive, and that's when computers were slow.. The second thing we did, which at the time was definitely crazy, was putting the application on a web browser, so it was really cool.. We were able to recruit a lot of great PhDs from here, so we had a stellar team, we raised money, and we have customers.. And that's not even all, the people loved me in the press, I was a woman in semiconductors, so they had never seen any of those people, so we had a lot of press, right? So the company was high fly up.. Then all of a sudden things started going down.. So I think there were many reasons, there's never just one thing, but it's a combination of things, we hired a CEO, I don't think that was the problem, I think the issue was, I never did get along with him, and I didn't work hard enough to get along with him.. so that's number one..

Second is we raised a lot of money, and when you raise too much money, you hurt your company, sometimes, because you go from being kind of nimble and fast to being comfortable.. We didn't hire well, the culture was broken, so everything was a mess.. And I was sitting here and I'm like, "Okay, what slide should I show, what's the picture to show "that I was actually, it was terrible?" And luckily, I had my separation agreement.. So that's it, you can get it all in a piece of paper at the end, where it says, "Mar, we don't need you anymore," right? It's really hard.. If you're a founder, I think in this last 20 years, I've met a lot of founders that have gone through that kind of failed founders, you can start a group called Failed Founder Anonymous, and it will actually be very successful 'cause we all feel the same pain, and it's very acute, it's like somebody died.. You go through the five sets of grief, you're like denial, anger, depression, bargaining and acceptance, right, you really suffer that cycle.. And at the end, once you get to acceptance, it's when it gets good, right? Because once you get there, you can decide to learn from the experience.. And that's what I did, once I got there, I was like, "What could I have done to make it better?" And life is just a series of failures, sometimes they work, sometimes it doesn't work, sometimes successes, it just everyday, right? And I think I try very, very hard every time something doesn't work, to not blame it on anybody but me.. Because if I do that, then I know that I'm learning from that experience, right? So I think for all of you, there will be small, big failures, it doesn't matter, I think the important thing is to look at it and say at the end, "What could I have done?" rather than, "what could they have done" right? Okay, so obviously, I went to start a second company, Sabio Labs, but I can tell you, that's kind of like the Apple LTC thing, you don't learn us much when things go well, you learn more when they don't go well...