



Failure is a pre-requisite for  
success

Pause. Think Thrive



## Failure

### or - How I nearly lost my parents house, through a bank guarantee...!

I hope you had a chance to read my LinkedIn version of this story and that it led you here. I have tried to keep this relatively succinct so, I am happy to chat if you want to know more or are struggling with a business issue.

### Two successes and a failure

Before my latest venture, I co-founded three businesses and made various investments in third party businesses, as well as guided, mentored and helped others. As you would expect, I have experienced first-hand both and vicariously successes and failures.

Three co-founded business but only two successful (see my LinkedIn Profile). However, the first was, well, a failure. It was back in 1987, so nearly 40 years ago. I was obviously very young and naive. I had already had some side hustles alongside school and college, so to try something a bit bigger was a natural step.

It is hard to convey how much I learnt about people and business in general. I experienced incredible kindness too but also some of the harshest lessons in my life.

My younger brother and I decided to set up a retail business (i.e. a shop with equipment, fittings and marine engine servicing too). We were both very much into boats and wanted to combine our passion with business. He would run it, and I would finance it (and help where I could).

Our self-appointed adviser (i.e. bank manager) was happy to lend us money to set up, against our business plan, in other words against a floating charge on the business assets purchased and a fixed charge on my parents' house. Just small print really. 1987 was the last time I didn't read small print!

Interestingly, the business wasn't an unmitigated failure, aspects made money, and it was very close to break-even but it was forced into closing (by lack of cash/ funds) but it was nonetheless, a failure. Except, of course, I had learnt so much about business that I wanted to do it again!

I knew then that the lessons were valuable and now 40 years later, they seem even more so. Indeed, they were quite simply a pre-requisite for success. I am sure plenty of people succeed first time, but I have come to know that early failure is a gift, despite the pain.





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In short, by the time we had learnt what makes money; having at first invested in quite a bit of the wrong stock, we were unable to raise enough to re-stock with enough of the things that we now knew sold like hot cakes.

We went back to our business adviser (the aforementioned bank manager) with a proposal, who took this as an excellent sign that now was the time to pull the rug and start to invoke the loan repayment - as noted secured on our parents' house. The sense of shock and betrayal has faded over the years, but it was there. In the end we paid everyone back, including suppliers; including the bank but it nearly cost me my honeymoon.

I have set out a few points below. Lots are obvious but of course behind each is a lot of detail and lived experience. There is a lot more, but this is only a LinkedIn post!

A - Big picture: Failure is not really failure:

- Failure is a symptom of trying, only trying can lead to success
- Failure is in many cases a pre-requisite, or pre-cursor for success
- Failure is a gift, a painful one but a gift nonetheless

B - Detailed picture: Ten other learnings:

1. Some people are (very) unusual [like a customer who wanted to come in and sniff wetsuits]
2. Bank managers are not independent business advisers
3. Loan, lease, supply contracts etc all need attention to detail
4. Adequate funding and cash flow is critical
5. Buy the right stock:
  - a. Slow moving stock needs to be dumped fast to raise cash
  - b. Fast moving stock is wildly profitable, as the margin, even small ones can be made several times a week, or even day (ask Tesco)
6. Provide on-going servicing - even if you need to discount the product
7. Market including pre-launch, pre-prelaunch, official launch
8. Never have a business where you have to wait for it to come through the door
9. Never be afraid to confront issues, negotiate everything
10. Motivate people to help you and those who help you





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I also found out that some people are incredibly kind. The actions of the two people below made me realise there are a lot of good people out there. I have tried to pay these kindnesses forward.

C - Miscellaneous - abject kindness

- My boss gave me personally £5,000 in 1989 (without conditions) for my honeymoon, knowing I couldn't afford the one I had booked if I was to save my parents' house. He has now died but I repaid him every penny plus a large CD collection, which was the only way I could get him to accept any interest.
- Another of my friends offered me a similar amount, which I didn't need given the above (we are still friends).

### Conclusion

This was my first real brush with being an entrepreneur. Exhilarating, totally absorbing, what I wanted to do, but failure came first. In hindsight, it is easy to say now, but it was a good thing. What I have learnt has paid me back many times over. This is just one story; there are inevitably more lessons learnt over the last nearly 40 years.

My message to anyone fearing, or experiencing, or having experienced failure, is that failure may seem like a dead end or a disaster, but it is a gift of learning and much more. It is a badge of success in a way, it shows you tried. If you can re-frame it, to what was learnt and then go again, then you are using that gift. Regardless of what you do, learning is critical, relationships are everything.

Good luck!

