URL: https://stvp.stanford.edu/clips/learn-to-imagine-failure

Josh Wolfe, co-founder and managing partner of Lux Capital, observes that while entrepreneurs are commonly viewed as risktakers, most are risk killers — people who see risk and stop it. He gives the example of his partnership with Lux co-founder Peter Hébert, which he says illustrates the benefits of having an optimist and a realist as partners.

Transcript

- Another philosophy.. 00:00:03,360 We like to say that failure comes from a failure to imagine failure.. Now when I say we, it's mostly me because I'm very negative.. It's a adaptive mechanism growing up.. If I could expect all the bad stuff that can happen, psychologically I could cope with it better.. But I think that this is a great way to manage risk.. There's this mythology around entrepreneurs that entrepreneurs are these great risk takers.. But I actually think that most entrepreneurs are risk killers.. They identify a risk and then they try to kill it.. My co-founder of Lux, Peter Hebert, Peter Hebert and I have met 25 years ago..

We founded Lux nearly 20 years ago.. Pete is an optimist.. He is he wearing bright colors, as he always is.. (Peter laughing) Typically pastels.. He's thinking about, "How can things go right? How might this work? What if it's successful? How much money could we make? Who could we populate the board with? What's the right syndicate construction? How do we help these entrepreneurs?" And I am thinking, okay, "How's this all gonna fail? How's this all gonna go terribly wrong and what can we do to prevent it going wrong?" So people like to joke that Pete invented the airplane, and I, the parachute.. And this is a beautiful yin and yang and a partnership, but it's also something as entrepreneurs that you need.. You need somebody that can believe and say we're gonna go do it, especially when you have down times, but you also need somebody who's a little bit of a realist that can put the brakes on.. So this yin and yang, I think, in founder dynamics is actually really important...