URL: https://stvp.stanford.edu/clips/why-study-failure

Harvard Business School professor and author Tom Eisenmann explains why he decided to take an eight-year deep dive into the concept of entrepreneurial failure.

Transcript

Tom Let's start at the very beginning.. 00:00:04,550 Why do you want to potentially be labeled the Professor of Failure? Why does studying failure mean so much? - Yeah, it has scared off a few founders 00:00:15,913 who might otherwise be looking for advice.. So, I mean there's two ways to answer this, which is why should an aspiring entrepreneur learn about failure? And, you know, the fact is, the drivers of failure aren't simply the photo negatives of the drivers of success.. There's, it's complicated, right? To succeed as an entrepreneur you probably have to grow, but boy, if you want to find a leading cause of startup failure, it's growing too fast, so studying failure is important, but personally why I started, it goes back to a team that I worked with.. They were students of mine, and a year after graduation launched a venture, I was an investor after they graduated, I had a lot of confidence in the team and they raised a million dollar seed round, wanted to raise a million and a half, that was part of the failure story, and got the business going, validated demand with the very best lean startup tech techniques we can teach them, and sure enough, after they launched, the demand was there and repeat purchases were there, took them longer than they expected to get the operations under control, so they were burning through cash and while they were making progress, they weren't making enough progress and shut down after a year.. And I could point to a lot of things that went wrong but I couldn't pinpoint the cause or the causes of failure.. And that was a little disconcerting.. Here I was a supposed expert on entrepreneurship and in our field, you know, depending on what you, how you define a startup and how you define failure, two thirds, three quarters, 90% of startups fail.. And so it's a really important phenomenon and I was a failure at explaining failure, so this goes back eight years.. And so I set out to read everything anybody had ever written about startup failure, practitioners and academics and interviewed lots and lots of failed founders and the investors who backed them and do the survey work and write the cases that formed the backbone of this book, so it only took eight years to pull it all together..

Things move a little more slowly in academia than they do in startup land...