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Required Reading for Growing Companies

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failure remembered

For a CEO, the word “failure” can call up sweaty palms, down-cast eyes, furrowed brows, deep sighs, faraway looks, “Oh mys”-each with its own meaning, association and emotion.

The CEO’s attitude toward failure is so important because it conditions the attitude and values of the entire enterprise. CEOs do have ways of cloaking whatever their true attitudes and emotions may be, but the very cloaking can suppress true enthusiasm and passion, and when colleagues and associates sense those lacking at the top, morale is adversely affected.

This column explores CEO attitudes toward failure.

Webster’s on-line Dictionary offers the following definitions of failure:

- 1a. omission of performance
- 1b. inability to perform a normal function
- 2a. lack of success
- 2b. a failing business:
BANKRUPTCY
3. a falling short: DEFICIENCY
4. one who has failed

In my own case, these definitions call forth specific associations:

Omission of performance-omission of timely belt-tightening in the Texas restaurant operation to better withstand the energy, banking and residential and commercial real estate recessions of the mid-eighties.

Inability to perform a normal function-Not knowing what steps to take to turn around the financial services business in Santa Barbara in the late eighties.

Lack of success-not achieving the projected number of center openings in the Boston child care business in the early nineties.

Failing in business-seeing the commercial finance business I headed in the early nineties put into receivership.

Falling short-seeing the joint venture I headed in 2000 fail to realize its promise.

So, does having experienced all of Webster’s meanings of failure make me “one who has failed?”

Yes. And there are a lot of different directions to take and emotions to experience after one makes that statement.

The failure was disappointing-It certainly is disappointing to have not achieved what one sought, not only for him- or herself but also for those colleagues and associates who shared the now-

empty dreams of success.

The failure is painful to remember-Here the emotion is deeper, the gap between the plan and the reality sticking in the gut or even searing the mind’s eye.

The failure was demoralizing and took me years to get over-The memory is a heavy load on the back, assumed involuntarily, and loath to separate itself.

The failure destroyed me and I have never recovered-Here the financial and the personal are so closely intertwined as to be an Atlas-like burden.

There are, however, some other attitudes “one who has failed” can adopt:

The past is prologue to the future-In my case, years later when I successfully handled turnarounds for a commercial finance firm, I realized how much I had learned and could apply, from the Santa Barbara experience and from later experiences.

I learned and grew more from my failures than from my successes-The questioning of my business acumen and my personal thought habits and emotions growing out of my Texas experience has served me extremely well in later

years. When everything I feared would happen did happen, I began to see how the fear of failure greatly magnified the actual events of failure.

I get to fail but I do not get to be wrong-A leadership program I was enrolled in during the past year had as its one and only rule, “Nobody gets to be wrong.” I have found that adopting this rule as my own frees me to take more risks and keeps me positively oriented whenever I once again become “one who has failed.”

So, your attitude toward failure is important. How do you work with it?

Kevin Cashman’s *Leadership from the Inside Out* describes seven pathways to Mastery for the CEO-Personal, Purpose, Change, Interpersonal, Being, Balance and Action. While the book goes far beyond the scope of this column, in one particularly memorable passage, Cashman advises us to “trust the unexpected” rather than to attempt to “control the uncontrollable.” CEOs who try to control the uncontrollable set themselves up as failures in their own minds whereas those who trust the unexpected may find incredible sources of hidden success, great learning or significant consolation



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in the midst of apparent failure.

Cashman relates the story of the Toro Company, maker of snowblowers, facing the aftermath of the snowless years of 1980-81 and a layoff of over 50% of its employees. The CEO told a meeting of all employees, "You're wondering what went wrong. Well, management let you down and the entire management team is gone except me. If you have to blame someone, then blame me. If you want to be part of the solution then join me, and we'll bring the company back from the ashes."

This CEO saw the failure as an opportunity to inject the values of authenticity and trust into the company, which then helped it withstand later market downturns and ultimately thrive again.

This past weekend I was in a curling tournament. (Curling is performed on ice, with brooms and granite stones, and became an Olympic sport in 1998.)

Our team had not curled together before, and we won two and lost two matches, failing to advance to the semi-finals as a result of a loss on the last shot of the fourth game. We failed to achieve our goal. Looking more closely at it, however, by the fourth game we

had bonded and truly became supportive teammates, so there was a hidden success. Further, by virtue of our loss, we were able to sleep in late on Sunday morning!

As the CEO of your business, you are going to experience failures great and small. Candid admission of those failures is a first and necessary step. Open acknowledgment of your responsibility in the failure is next. Search for opportunity in the failure follows, and finally, grasping and running with that opportunity can refocus on success. As you do so, I wish the following for you:

Sometimes our best efforts do not go amiss,
sometimes we do as we meant to.

The sun will sometimes melt a field of sorrow
that seemed hard frozen: may it happen for you.
(from *Sometimes* by Sheenagh Pugh)

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