



9 LESSONS FROM A 10-TIME STARTUP FAILURE

By Eric T. Wagner

“Nine out of ten businesses fail; so I came up with a foolproof plan — create ten businesses.”— Robert Kiyosaki

Well spoken by Kiyosaki.

But what's it like to live through 10 failed startups and still come out with a 3 million dollar company?

Meet Kurt Theobald, Co-Founder and CEO of Classy Llama.

Yes — Theobald started 10 businesses over the span of 5 years. Each one a failed mess. But herein lies the beauty from ashes — he nailed it on his 11th try.

Now ranked at #454 on Inc's Top 500 Fastest

Growing Companies in the U.S. for 2013, Theobald's latest creation (with the help of co-founder Erik Hansen and a team of 23) is on target to reach \$3 million in revenue this year.

As luck would have it, Theobald and I were able to sit down for a 60 minute rapid-fire chat where I did everything I could to extract the secrets of his success.

Pull up a chair and take notes, because Theobald reveals 9 valuable lessons you can take to the bank today, which I now gift to you:

Lesson 1: Opportunistic vs. Strategic Entrepreneur: One Of These Is Fatal

Look up ‘shiny object syndrome’ in an older dictionary, up pops a picture of Theobald. He had the disease and it wasn’t pretty.

“That was really just a big mistake on my part. If it looked interesting, I’d pursue it. It was just like whatever came my way. Just chased multiple opportunities and never was strategic about any of it. That in itself led to many failures.”

Lesson? Act strategic. Don’t just chase every opportunity walking by in a pretty skirt. Understand your core competencies, your ‘North Star’ purpose and learn what ‘opportunity discernment’ means.

Lesson 2: Fail Fast... But Not Too Fast

Sweeping the startup world is the mantra ‘fail fast’. And yes — this is sound advice for every startup. But is there a case when it can go too far?

Ten failures in 5 years — I’ll let Theobald tell you: “It may not be entirely redeemable to let go so fast. I’m an impatient person and it’s a leading weakness. I’m very quick to let go — sometimes too fast to let go. Sometimes the most successful entrepreneurs will stick with it, try from different angles and then it eventually takes off. They stick it out and get the formula right.”

Lesson? Yes — take on the ‘fail fast’ approach. But balance it with tenacity and dogged determination. You don’t want to be the miner who stops digging 6 inches away from the vein of gold.

Lesson 3: Find Your Formula

Every successful business on the face of the planet has this in common: they’ve figured out their ‘secret sauce’ and are now scaling it. But you can’t scale until you find your formula first.

Theobald on one of his 10 failures: “By the time it came to close, there wasn’t enough revenue to sustain the (business) model. It just wasn’t viable and the formula wasn’t right at a fundamental level. It wasn’t too long after that I went and filed personal bankruptcy.”

Lesson? Nail first, scale second. Nathan Furr and Paul Ahlstrom drive this home hard in their book ‘Nail It, Then Scale It’. Do this in the wrong order and you’ll drive off a 500-ft cliff.

Lesson 4: Know Who You Are

You’re either an entrepreneur or you’re not. Period. No half-way point. No being a ‘little bit’ pregnant. The entrepreneurs who recognize who they are at their core are most likely to figure it out and succeed in the long run.

Theobald explained it this way: “I wrote two things in my journal: One, when I fall, I am getting up. Every single time. And two; I get up because it’s who I am as an entrepreneur. Therefore to not get up is to betray who I am. And so that’s what kept me going through all the failure. You can’t stop. You don’t really have a choice because if you choose that then you might as well sacrifice your whole life.”

Lesson? Write it down. If you truly believe you’re an entrepreneur, commit right now to that as your identity. Claim it and live by it. I did when I was 14. You may think I’m a writer, but I’m an entrepreneur. Period. And I never quit.

Lesson 5: You Must Have A Deeper Why

Simon Sinek nails this in his infamous TED Talk speech. If you’ve never listened to this thing, do so after finishing this article.

Theobald; “I believe the most successful entrepreneurs have a deeper why. They have a deeper purpose for what they’re doing. The most contemporary and best example I can think of is Steve Jobs who came back (to Apple) with no ownership and taking only a dollar for his salary. Just because he cared about delivering greatness. He just wanted to be insanely great and make a dent in the world. That mentality is what changed things for me. It’s the key difference between exceptionally successful entrepreneurs and marginally successful entrepreneurs.”

Lesson? Dig deep and find the deeper why. If you’re just in this for the collateral benefits of possible wealth, freedom and independence, I predict an eventual train wreck for you.

Lesson 6: It's Not About You

Grasp the meaning behind the deeper why? If yes — then you'll automatically recognize entrepreneurship is not about you.

Theobald explains it this way: "When you chase opportunities, it's all about you trying to get something for yourself. I started experiencing success when I made a significant shift in my thinking. My role changed from looking out for myself to focusing on making other people successful. This mindset generated significantly different results."

Lesson? Jump 180 degrees to the other side. Stand in the shoes of your _____. (Yes — fill it in. Customer. Team member. Supplier. Partner. Whoever.) Let your focus be on making them successful. Internet entrepreneur Jeff Walker calls it spreading the 'abundance juice'. Do it and you'll never once have to worry about your own well-being.

Lesson 7: To Really Crush It; You Must Cede Control

Want the real secret to success? Empower others, support their success while giving up control. 'What? Give up control? No way. This is my baby and I own it. I control it. Besides, I fled my job because I was sick of not having control.'

Theobald counters with this; "Control is a dangerous thing. You actually gain more control by giving up control. You want to share it with others and allow them part of that stake in making decisions and moving forward. You are simply not smart enough to be successful on your own."

Lesson? Empower others by giving up some control. The only real element you should control in your business is the vision, purpose (deeper why) and core values.

Lesson 8: Focus On Effectiveness Instead Of Your 'Rake'

Yes — you need to be profitable. Yes — you need to generate coin. But by solely focusing on your rake (read: moolah); you miss the bigger opportunity.

Theobald put it like this; "When you become more effective, it's characterized as increasing the size of the whole pie so your slice is bigger. Leveraging the goods you been given and submitting yourself to others and team, your rake will actually be better in the end. So focus on being effective, and not so much on what your ultimate rake is because you'll be much further down the road."

Lesson? Stop thinking of your own wallet. Again, it's not about you. Focus on how to empower others, cede control and in the process, focus your time and energy on being effective in those areas. The result? You eat a much bigger piece of pie.

Lesson 9: You're Doing It Wrong...

Theobald also wrote a book named 'Finding Truth At The Bottom'. He shot me a copy and I'll wrap this thing up with my favorite quote from the book. The context is a guy who struggles mightily, but keeps doing things the same way. His wise mentor pretty much socks it to him straight in this quote:

"Nothing's going to give if you keep doing the same thing you've been doing. If you keep banging your head against the concrete wall, the wall doesn't suddenly give way. Instead, you end up knocking yourself out. You need to pick a different approach."

I've just extracted and delivered 9 things from Theobald you can look to change in your own business. Don't just read it. Take action and fix what's broken. Otherwise, you're unconscious and slumped at the bottom of the concrete wall with no one to blame but yourself.

Don't let this be you.

About the Author



I am a life-long entrepreneur and startup expert living in Sisters, Oregon and I am the Founder and CEO of Mighty Wise Academy: A Virtual Academy For Entrepreneurship. I am also a mentor and advisor for multiple startup companies. If you'd like to learn what it really takes to become a successful entrepreneur, you can ***connect with me here >>***.