Failed and proud of it

By Shashank Nigam

Two weeks ago, during my entrepreneurship class at Carnegie Mellon University, the professor invited a successful student entrepreneur to share his experiences with the students.

To my surprise, he was a final-year undergraduate computer science student whose one-year-old company collapsed just a couple of months back.

He shared his roller-coaster ride in establishing the company, but said his greatest success was knowing when to close it down.

The concept was to sell ads in a virtual world, in a sort of SimCity, where people would manage other people, cities or real estate. For example, if you're walking in this virtual world, you may see a virtual billboard for a cola drink. A soda company would pay quite a bit for this advertising.

POOLED CAPITAL

He assembled a team of three expert programmers (all university students) who were excited about developing the product. They pooled about US$15,000 ($23,420) of personal savings to get started.

They came up with a prototype within weeks that worked well and started trying to close deals, but realised that none of them was very good at doing business. They could not convince others of their product. Very soon, there was conflict among the three — one left, and another was offered a better-paying job.

By this time, they had exhausted their initial capital and a lot more in forgone salaries. So they thought the time was right to call it quits.

This student ended up losing his capital and hundreds of man-hours of work. Worse, within weeks of closing, another company came up, did the same thing and became quite a hit with one million virtual residents.

It was a little nerve-racking for me to listen to him glorifying his failure as success. This guy is now back to his studies and acing every class he is taking.

All our lives, especially in Singapore, we've been taught the importance of success, and how to achieve it. Our continuous quest for success often results in stress. We are told to avoid failure as much as possible, and society tends not to forget one's failures easily.

To ensure long-term progress as a society, I think Singaporeans must take bold steps to ensure that the fear of failure is eliminated from the minds of the young. Efforts are already being made in this direction. Last week, the Finance Ministry lowered the age limit for company registration, from 21 to 18 years, to boost entrepreneurship.

Best Insurance

But for entrepreneurs, the best insurance is a healthy economy that rewards risk-taking. One that is based on meritocracy and provides a level playing field in which growth is possible.

The Global Competitiveness Report (2006-2007) by the World Economic Forum ranked Singapore fifth in its Global Competitiveness Index, and the most competitive in Asia. Singapore is certainly a meritocratic country, and comes out ahead of other countries in terms of fairness and transparency in business.

We now need to embrace failure. From every failure comes the seed of an even greater possible success. Without failure, we probably can never grow to our full potential.

The writer is a final-year student at the School of Information Systems at SMU, currently on an exchange programme with Carnegie Mellon University in the US.