



# PETRA PROCESS

**4 REASONS WHY CEOs SHOULD PLAN FOR FAILURE  
AND ENCOURAGE RISK-TAKING**



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### LIFE LESSONS for BUSINESS OWNERS

Every successful company leader will tell you that failure is a part of business, but far fewer will admit they plan for failure.

Growing a business requires taking risks, and failure is a frequent outcome on the journey to achieving success. The company I founded and sold, NationLink Wireless, started out selling pagers to retail shops like RadioShack. When we recognized that cell phones would be the future of the business, we took a calculated gamble and reallocated significant resources (human and financial capital) to compete.

In hindsight, it seems like a no-brainer. But believe me, at the time there were still plenty of pundits who didn't believe cell phones would become an indispensable part of our life. Initially, I didn't want to **adapt and give up on the pager business** because my success as a business leader was linked to the product. My hesitation resulted in our company losing a lot of money and nearly going out of business. Fortunately, thanks to support from a great team, we embraced the cellular business and saved the company.

In their best-selling book "**Switch**," co-authors and brothers Chip and Dan Heath describe how world-renowned design firm IDEO (perhaps best known for its work with Apple) plans for failure during its design process. The company's designers even created a process chart that factors in the excitement and hope at the beginning, the emotional lows of when things aren't going as planned and the joy of victory at the end.

It's a brilliant way to view risk-taking and how leaders can plan for failure while on the road to success. It's an approach I embrace at **Petra Coach** and recommend to the member companies that we consult. Here's how you do it:

## **1. PLAN FOR FAILURE BY KNOWING THE RISKS**

When taking a risk, make sure it's a calculated one. Evaluate the upside and downside and what they mean to your business. Have answers to key questions such as: Does the undertaking align with your company's vision and mission? Do the activities and tasks support company goals and priorities? Did we plan for failure, and do we know how to respond if things go sideways? Remember, a failure that is aligned with your business's goals is still a step in the right direction. Don't let avoiding risks and being **resistant to change** hold back your team.

## **2. LEARN FROM YOUR MISTAKES**

Every failure experienced will provide important lessons that can be applied to your business. Roll up your sleeves and find out what went wrong. Were your expectations incorrect? Did you misjudge market demand? Was your strategy not on target? Be brutally honest about the hows and whys, but don't dwell on it or point fingers. Get your team together to determine the necessary changes and move forward.

## **3. CELEBRATE FAILURE**

Failure is part and parcel of running a business, so don't feel ashamed when things don't go as expected. Failure means you're taking action to grow your business. Celebrate each failure by publicly applauding team members who had the courage to take a chance and accept the consequences. Hold a "failure party" or create an award for the biggest risk taken. It will foster a positive attitude toward smart risk taking.

## **4. ENCOURAGE OPEN DISCUSSION ABOUT FAILURE**

All business leaders have failed at some point during their careers. To foster a culture of smart risk-taking, encourage team members to share their highs and lows about projects where they took a chance. Make it acceptable to talk about mistakes so team members are encouraged to share their experiences and ideas. It will create a more open and creative environment and help build **healthier teams**.

In today's world where business seems to move at the speed of sound, the biggest risk is not taking any risk at all. Few, if any, business leaders have succeeded by sticking to their original idea. A pre-planned, detailed strategy to deal with failure will keep your team energized and in a positive mindset when they tackle the next big idea.

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# THE PETRA EXPERIENCE

**The Petra Experience is like a Mental Marathon of focused effort to create a specific set of priorities and a planned process to achieve them... as a team.**

## **Looking to change your business life - forever?**

The daily grind of growing a business is tough... it doesn't have to be that way. We work from our own business experiences while focusing on your business – as coach and an accountability partner. We implement the Petra Process in a way that ensures it “sticks” then we stay engaged to keep you on your path to success and less frustration. We don't want this to be just another thing you start – then it gets ignored and finally dies... let's stop that cycle in your business. The Petra Program 'clarifies' what is most important to be done – by whom, by when – **AND** creates an accountability structure to ensure **IT GETS DONE.**

*Andy Bailey is lead entrepreneur coach with business coaching firm Petra and serves as the Entrepreneur Organization's global membership director. Visit his blog at [www.petracoach.com](http://www.petracoach.com) for more business and leadership insight.*

### **PETRA COACH**

342 Cool Springs Blvd., Suite 203, Franklin, TN 37067 | 888.330.1020  
[www.petracoach.com](http://www.petracoach.com) | [www.facebook.com/petracoach](https://www.facebook.com/petracoach)

