

Mark Suster's 7 lessons from failing

Entrepreneur and venture capitalist [Mark Suster provides a great example of the educational value inherent in making mistakes](#). And, since the only thing that comes close to learning from failure is learning from other people's failures, this is a great interview where he shares the main mistakes he made in his first company.

It's also a great illustration of something we try to teach all our proto-entrepreneurs. It's not whether (odds are you will) but how you fail that makes the difference in your long-term success. From these lessons, Suster went on to found Koral, which was acquired by Salesforce.com, where he became Vice President of Product Management before joining VC-firm GRP Partners.

Suster was a Vice President at Salesforce.com, which acquired Koral, where he was Founder and CEO and, before that, of BuildOnline, a company focused on the engineering and construction sectors.

Here's my take on the mistakes he notes ? which he describes in lurid detail in the video:

- He raised too much money, which meant he needed to grow big and grow big fast in order to have even a chance at giving his investors the returns they wanted.
- He took [strategic money](#), which is never as good as it seems because they're not experienced VCs, the investor is rarely the same person whose support you need, and they invested in the business model you had at the time and have no interest in the new one that might actually work.]
- He hired too many people, too fast, and too much like him. Growing too big too fast is a big enough risk. Hiring people just like you, what researchers call homosocial reproduction, ensures you're adding more of the same old capabilities, not the new ones that a new venture needs as it grows and (as importantly) gets more complex.
- He ran it like a democracy. One of the essential tensions in teams is managing the paradox between leadership and democracy. The answer is not to abandon the democracy but to know when everyone should weigh in and when one person needs to make the decision.
- He launched too many projects at the same time ? attempting to capture more customers and more features before anyone else, rather than establishing a stronghold by doing one thing well and moving out from there.
- He pursued too much publicity too soon. Who doesn't think free marketing is good, and more is better. But with every statement and every promise, it raised expectatons and, ultimately, demands on his team and company.and, finally, a lesson he doesn't mention (perhaps because it was not a failure he needed to learn from)
- He succeeded. One of the biggest concern many would-be entrepreneurs have is that they will launch a company, fail, and have nowhere to go from there. But the big question is not whether you will fail but how. If you work hard, seek out the best advice, make the tough calls, treat your co-founders, employees, investors, customers, and suppliers with respect and integrity then, when your company fails, someone will want you on their next team (or want to be on your next team).

YouTube Video: [YouTube.com/watch?v=saAN4jBgLgQ](https://www.youtube.com/watch?v=saAN4jBgLgQ)

More great stories about the mistakes the made entrepreneurs can be found on TechCrunch's [Fail Week](#).