

# The Resilient Founder

## Lessons in Endurance from Startup Entrepreneurs

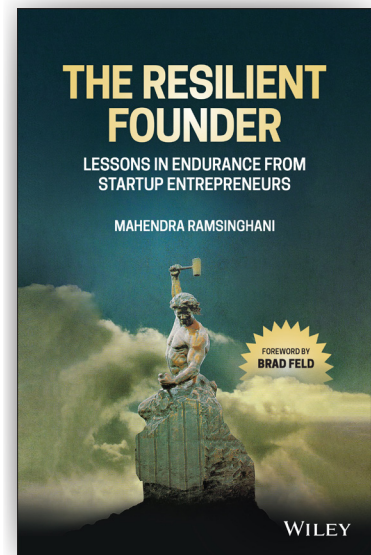
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## KEY TAKEAWAYS

- To manage the inevitable challenges and setbacks of entrepreneurial life, founders need to build resilience.
- Fundamental to building resilience is developing strong emotional self-awareness, an understanding of not just your desires and feelings, but also how your mind works.
- Founders need a healthy ego to negotiate between the impulses that drive them to take risks and their ethical and moral codes.
- Developing daily self-care practices can help founders endure the emotionally taxing entrepreneurial lifestyle.

## OVERVIEW

In a business environment in which nearly 90 percent of startups fail, the emotional and psychological pressures on startup founders can be immense. Exacerbating those pressures is a culture that values doing and thinking over feeling. In **The Resilient Founder**, Mahendra Ramsinghani combines research with insights from over 150 startup founders to guide you toward developing the self-awareness and inner resources you need to navigate the challenges of entrepreneurship. It's a book for founders, innovators, and leaders who want to strengthen their emotional and psychological resilience so they can endure and flourish.

## PART I: RUNNING TO A STANDSTILL

Entrepreneurial ambition, the intense pressure to succeed among fierce competition, and the roller coaster rides of wins and losses all put tremendous pressure on founders. In the worst cases, those pres-

ures can lead to serious mental health challenges. With so much of your self-identity linked to your startup, your CEO hero journey and entrepreneurial dreams can quickly turn into despair. This is why, as a founder, you need a healthy *self-image*, a strong belief in yourself and your capabilities.

However, should you find yourself beginning to despair, know that most depressive episodes last less than 10 months—a challenging but relatively short phase in life. Talk through your emotions with trusted friends and colleagues or a professional, and be wary of letting your aspirations spiral out of control. Unchecked, they can lead to a range of unintended negative outcomes and emotions, including anxiety, self-centeredness, and aggression.

As a leader, you should also know that people who put themselves into high-risk environments, including the competitive world of startups, are predisposed to major depression. Be aware of your stressors—internal and external, specific and ambient—and should setbacks come, face them with acceptance and resilience. People with positive, nonthreatening worldviews are four times less likely to suffer a major depressive episode. The following strategies can help you hurdle the inevitable obstacles and frustrations that all entrepreneurs face:

- *Build resources to overcome constraints.* Meet market resistance with technical acumen directed toward relevant market segments, and use engagement and outreach to secure the early adopters and design partners you need to raise more funds and grow your team.
- *Leverage your internal resources.* To build emotional resiliency, maintain a healthy mind and body through a positive self-image and worldview and through strong, supportive relationships with family and friends.
- *Focus on process over rewards.* Free yourself of ruts and hindrances by falling back on your daily routines and the little things that have brought you success, building momentum from small wins along the way.

## PART II: UNDERSTANDING OUR PSYCHOLOGY

Founders can also build resilience by developing their *psychological quotient* (PsyQ), which is an awareness of what drives them internally. For the typical entrepreneur, those core drives are optimism, confidence, and a sense of adventure—the forces that disrupt markets and spur innovations. Yet, those same forces can also be destructive. The drive to succeed can devolve into a downward spiral of stress, burnout, and depression. But founders with a strong PsyQ can recognize when emotions clash with logic and lead to poor decision making.

Developing your PsyQ starts with defining your *ethics*, the code of conduct by which you do business and the sense of meaning you take from being an entrepreneur. Reflecting on the following questions can help you identify and define your ethics:

- What's your value proposition, and how is it reflected in the way you treat your customers?
- How do you create a sense of belonging for your team and care for your own well-being?
- How does your company contribute to the betterment of your community and society?

For your company, the answers to these questions should be your guiding principles. For you, they should serve as both your moral compass and your *superego*, that quiet but firm inner voice that guides you—especially during difficult times—to do the right thing.

But doing the right thing—working for the greatest good for the greatest number of people—can be challenging in hyper-competitive entrepreneurial environments that prize quick returns and headline-making successes. The answer to this dilemma lies in psychology. Just as the ego negotiates between the hedonistic *id* (those drives and impulses that can spur a founder's sense of passion) and the pull of a morally superior but sometimes constraining superego, founders should build ethical frameworks that balance the need for strong ROIs with a healthy, people-first corporate culture.

While the notion of having a big ego is often scorned, founders need a healthy ego to reach their fullest potential. Your ego defines how you see yourself and the world. With a healthy ego, you'll see yourself as capable and adept and the world as a place to engage and explore. But as you cultivate your ego, don't let it become overinflated. Having an outsized sense of self-importance can cause you and your startup problems.

To strengthen your PsyQ, you should be aware of your *id* as well as any rash behaviors. What drives you internally and externally? How do your drives and desires factor into your entrepreneurial actions and ambitions? Founders need the spirit of adventure that the *id* can spark. Just be sure to temper that spark with your superego's ethical framework and logical reasoning. The following are hallmarks of a healthy founder's mindset:

- Refusing to become overwhelmed by challenges but knowing when to ask for help.
- Believing in your abilities without perilously overestimating them.
- Choosing risks that align with your ethics rather than heeding your passion's whims.
- Knowing what you believe and understanding how your belief system affects your logical and analytical thinking.

## PART III: REASSEMBLING THE FURNITURE

Building a healthy ego will help you develop an attribute that no startup founder can do without: resilience. Resilience isn't simply the ability to persist when faced with challenges; it also includes how well you can:

- Plan ahead and respond to adversity with reason.
- Deliberate before speaking or acting.
- Remain poised and organized under pressure.
- React appropriately to minor frustrations or irritations.
- Tolerate an unpredictable or poorly structured environment.
- Make good judgment calls and predict probable outcomes.
- Respond agilely and adapt your views when situations change.

The measure of your resilience comes when stressful situations arise. When they do, your ego will employ the following four levels of defense:

1. *Pathological*. You deny that a problem, or the negative behaviors you've contributed to it, exists.
2. *Immature*. You indulge in fantasies about the problem or project your emotional state onto others.
3. *Neurotic*. You intellectualize problems, rationalize unacceptable behaviors, and disassociate yourself from your pain, repress it, or displace it onto others.

4. *Mature.* You use wit, humor, and spontaneity to dispel anxiety, sublimate it into creative or physical activities, or divert it into altruistic acts.

Learning to employ Level 4 defenses will put you on the road to mastering your ego—to making good decisions, nurturing strong relationships, and staying anchored in the reality of your circumstances.

But mastering your ego can be challenging on your own. In fact, if your mind is putting up Level 1 and 2 defenses, you may very well need the insights and guidance of a professional therapist. Working with a trained therapist can offer you a reliable and confidential pathway toward building the resilience and stability that successful entrepreneurs need. Without a therapist, you may struggle to identify the stumbling blocks, blind spots, and hidden selves that prevent you from being your most productive and resilient self.

Therapy typically progresses through four phases:

1. *Acceptance.* You accept and trust that the therapist is there to help you.
2. *Engagement.* You open up so the therapist can understand your experiences, beliefs, and behavioral patterns.
3. *Insights and growth.* You develop new perspectives on yourself and your challenges, and you learn techniques to manage your stressors and navigate your triggers.
4. *Development.* You grow sufficiently to face challenges on your own.

While therapy can bring real benefits for many, you should also be aware of therapy's challenges and pitfalls. First, you and your therapist must agree on the nature and degree of your issues or concerns. You must also be willing to cede agency to the therapist. Therapists can only work with what their patients give them. The decision to combine medications with therapy, if suggested, is also one to consider carefully. Keep in mind, too, that your therapist is above all a professional trained to treat you, not a surrogate for an intimate personal relationship you may want or lack in your life.

Ultimately, should you choose therapy, understand that it won't lead to changes overnight. Improvements tend to be incremental, and breakthrough moments are fairly rare. But over time, therapy can help many people not just halt their downward spirals but flourish and thrive.

## PART IV: THE RITUALS THAT WORKED FOR US

All founders can better face the inevitable challenges, stresses, and setbacks of entrepreneurial life by practicing self-care. This means engaging in practices and rituals that help you manage your internal responses to external forces. When times are good, you can neglect self-care and hardly notice a difference. But when challenges arise, a lack of self-care can lead to depression or draw you into addictive and destructive escapist behaviors.

To avoid that downward spiral and build resilience instead, try these five self-care prescriptions suggested and practiced by countless other founders:

1. *An organized diminution of work.* Learn to regularly take breaks, turn off your devices, and create space from your work so you can regain your poise, energy, and focus.
2. *Getting out of your head.* Use deep breathing techniques, long walks or runs, and a meditation practice to lower your stress levels, silence your inner chatter, and pause the rumination that can exacerbate anxiety and depression.

3. *Feeling, not thinking.* Immerse yourself in music, reading, creative endeavors, volunteering, or gratitude journals to engage your emotions, distance yourself from your stress, and build your capacity for healthy self-reflection.
4. *Spirit over mind.* Develop a spiritual practice, religious or agnostic, to cultivate inner peace and contentment, to seek solace during hard times, and to better know your *shadow self*—those fears and inner demons that underlie your negative feelings and reactions.
5. *A promise to yourself.* Draft a letter to yourself in which you remind yourself of your positive core traits and identify evidence from your past that illustrate them.

As you learn to integrate rituals like these into your daily life, you'll build the healthy ego and resilience all founders need. You'll also move closer to living a fulfilling life, one in which you master the demands of a complex world, cultivate healthy personal relationships, grow in your career, learn to give to others, and accept your life's challenges and rewards with equanimity and grace.

## POSTSCRIPT: CARING FOR THE BROKEN AND THE DEPRESSED

As you develop your self-care practices, you may find yourself in a position to help colleagues and other founders dealing with anxiety and depression. If you do, remember first that many people resist asking for help due to fears of stigma, stereotyping, and repercussions. Should someone reach out to you, above all resist the urge to offer advice or cheerlead. Instead, listen nonjudgmentally and empathize. Build trust, offer your care, and respect the limits of the support you're able to give.

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## ABOUT THE AUTHOR

**Mahendra Ramsinghani** is the founder of Secure Octane, a San Francisco-based venture fund, and has advised sovereign and corporate venture funds in the United States as well as the Asia-Pacific and Middle East regions. He's also the author of *The Business of Venture Capital* and coauthor of *Startup Boards* with Brad Feld and Matt Blumberg. His articles have appeared in *MIT Technology Review*, *Forbes*, and *TechCrunch*.

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