

# How to Gain a Start-up Mindset: *Lessons from Silicon Valley*

04.17.16



## How to Gain a Start-up Mindset: Lessons from Silicon Valley

*Staying competitive is critical to business success, requiring leaders who possess the skills and mindsets of an entrepreneur. Anyone can learn to have a start-up mindset - as long as they take risks, embrace failure and "question the status quo."*

Can entrepreneurial skills be learned, or are they innate? How can leaders apply a startup mindset to existing corporate structures? **Mark Coopersmith** is a senior fellow at UC Berkeley's Lester Center for Entrepreneurship and Innovation and teaches the UC Berkeley Executive Education Program: *The Start-Up Mindset*. His experiences launching startups, creating new ventures inside global enterprises and advising dozens of companies have shown him that entrepreneurial mindsets and skills can be taught and applied if we apply the lessons from Silicon Valley.

### Capturing the Silicon Valley "magic"

Silicon Valley's unique material conditions -- venture capital, premier academic institutions (including Berkeley), an enormous talent pool -- create an ethos where people are geared toward experimentation, have a hunger for new ideas, and embrace risk. This is why Silicon Valley has more

successful entrepreneurial ventures and unicorn startups than any other part of the world. Across an entrepreneurial ecosystem like SV, and its history of business successes and failures, we can observe patterns of behavior indicative of successful entrepreneurship. These patterns give us the tools with which to train leaders to be better entrepreneurs within their organization. Practical tools, such as business model design, how to iterate products, methods of analyzing customers and markets, are all part of the entrepreneur's toolkit.

### **The entrepreneurial mindset**

But entrepreneurial leaders have more than just the tools -- they have the right mindset. Entrepreneurs are oftentimes outliers in the sense that they embrace risk, says Coopersmith. "There's a bias to action, a willingness to ask for forgiveness not permission. There's a focus on getting things done and making big things happen. The ability to get people to follow you."

These types of leaders are constantly seeking to disrupt their current state with a vision toward their desired future. They possess the mindset that aligns with the Berkeley-Haas Defining Principles, in particular: they are "students always" and they "question the status quo." Coopersmith says we can learn lessons from dynamic leaders at companies like Instagram and Netflix. In specific cases, these leaders have exemplified "start-up mindsets" by listening to customers, learning from early feedback, and designing effective rebound strategies -- turning what could have been disastrous flops into global powerhouses.

### **Embracing the other "F" word**

Above all, leaders must learn to welcome the other "F" word: Failure. Coopersmith says failure is an enormously untapped resource and one of the most important keys to innovation, which gives leaders extremely valuable lessons -- but only if they welcome failures as opportunities. In fact, says Mark, if you are launching new ventures and not failing at least one-third of the time, then you may not be trying hard enough. Furthermore, leaders who learn to embrace and learn from mistakes can shift a culture of "trial and terror" to "trial and error."

"One of the questions that often happens first when there's a failure is, 'Whose fault is it?' Which immediately creates an environment of blame," says Coopersmith. "What if instead you said, 'What just happened? Why did it happen, and how?'"

Coopersmith and his UC Berkeley colleague John Danner investigated hundreds of organizations across many sectors and company stages of growth, identifying specific ways that leaders can leverage failure as a strategic resource to drive faster, better innovation and growth. Leaders who learn to appreciate this "failure value cycle," and, indeed, who anticipate inevitable failures, can build organizational cultures that prepare for, respond to, and learn from failure.

Berkeley Executive Education faculty like Mark Coopersmith are pioneering the way business leaders can apply lessons from Silicon Valley entrepreneurs to themselves and to their organizations. Learn from Coopersmith directly at The UC Berkeley Center for Executive Education in The Start-Up Mindset.

FROM THE EXECUTIVE.BERKELEY.EDU BLOGSITE "THOUGHT LEADERSHIP" POSTED 04.17.16