

## How To Recover From Failure

Effortless achievement is sexy. It's also a myth.

No one who has ever built anything of lasting value (be it a business, a personal relationship or a body of critical knowledge) did it without suffering pain and disappointment. Failure, at some point along the way, is inevitable.

The U.S. Bureau of [Labor Statistics](#) estimates that just two-thirds of all start-ups see their second birthdays, and less than half make it to their fourth. And in this troubled economy, plenty of those survivors may well be hanging by a thread.

Entrepreneurs who make it manage to take the hits and keep getting up. *Rocky* fans, insert your favorite quote here.

### In Pictures: Nine Ways To Recover From Failure

Better yet, try something from vintage [Theodore Roosevelt](#), the 26th U.S. president, whose words entrepreneur Bob Compton keeps on a laminated card tucked in his wallet.

Compton teamed up with magician David Copperfield to launch a magic-themed restaurant in New York City's Times Square. They had raised \$40 million and had completed 80% of the project when a majority equity partner

blocked another interested investor to avoid further dilution. "After several years of work, the project imploded," recalls Compton. "I was extraordinarily depressed."

It's times like that when Compton whips out Roosevelt's speech, which reads, "It is not the critic who counts. ... The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, who ... if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who knew neither victory nor defeat."

If stirring words aren't enough to get you through, try demolishing something. That's what Steve Conine, co-founder of CSN Stores, an online home-furnishing company, did when his software outfit--which helped companies save money on their mobile phone bills by evaluating the costs of different plans--took a tumble.

In early 2001, Conine and partner Niraj Shah landed their first big client, **Merrill Lynch** (nyse: [MER](#) - news - people ), located near the World Trade Towers in lower Manhattan. Months later, faced with moving 30,000 employees after the Sept. 11 terrorist attacks, Merrill no longer cared about how much it was spending on mobile phones, so the pair had to shut down the company the following March.

"I turned to housework to take out my aggression," Conine says of his recovery tactic. "I demolished my kitchen and rebuilt it, which was really therapeutic." Ironically enough, it also led him to his current entrepreneurial venture.

Surviving failure is also about taking comfort in your own convictions. So advises Lizanne Falsetto, founder of Think Products, which makes Think Thin protein bars. Back in 2003, she dove into the low-carbohydrate craze at the behest of her customer retailers. "I knew the trend would hit the wall, but I found it hard not to focus on what customers were begging for," she says.

When the low-carb faze fizzled, revenues plummeted to \$12 million from \$42 million in one year. Now, says Falsetto, "I've learned to tell retailers what they should want and not simply listen to their requests. It helps the brand in the long term."

Another failure-healing tactic: meditation. Back in January 2006, Chris Reed, founder of REED'S, which makes Reed's Ginger Brew, had just started working with bankers on an initial public offering when he got slapped with a \$2.7 million lawsuit. Another soda marketer that had contracted with Reed alleged that the soda from Reed's plant had caused at least one personal injury. "When I found out about it, I felt like it was the end of my career," says Reed.