



Failure Transcript

[00:00:00] Hello, my friends. Welcome back to Capitalism.com. Today, we're going to talk about failure. I am recording this about two hours away from leaving for my first flight in however many months. I'm on my way to LA to speak at SellerCon. If you're hearing this, SellerCon already happened. So, we did ... there's a ... you can get my notes and everything that I did for that speech over at [Capitalism.com/sellercon](https://capitalism.com/sellercon).

[00:00:32] And it's putting me in the frame of I'm about to speak to all of these Amazon sellers, so many of whom are feeling like they're playing from behind, like Amazon is so big now, like there's so many people who are doing this now. And this is just the case with entrepreneurs in general but especially with entrepreneurs in 2021 because there is so much happening with bitcoin and GameStop stock and Amazon and acquisitions and so much success and perceived success that we see in the media that it is very easy to feel as though you are behind, or to feel like you're a failure, or to feel like in order to speed up your process, speed up your progress, you have to take bigger risks and move faster.

[00:01:34] And so there is this angst and this anxiety that builds because you see how many things are moving quickly, and your life doesn't seem to be moving very quickly. And so the result is that you feel as though you've got to rush through it or you're going to be a failure, or you already are a failure. If you feel like that, I want you to know you're not alone. I feel like that. Plenty of my peers feel like that. A lot of my students feel like that.

[00:02:03] And it reflects something that is very interesting to how we, as human beings, interpret things, and it is, simply, looking at our story around what we call failure because we throw around that word like it is understood the same way by everyone, and that it is a universal truth, that failure happens, that failure is something to be avoided, that failure is something that is painful.

[00:02:36] But failure is really an interpretation in our minds. I did a video on YouTube that outlines ... I don't know if it's posted yet, so it might not be there if you go over to my YouTube channel, but I did a video outlining some of my biggest failures. And part of the reason why I did that video was just to get it off my chest, but also to remind myself and those of you who follow my journey that to say failure assumes that the story has ended.

[00:03:11] Saying I failed, saying it was a failure, assumes that there is a period at the end of the sentence and the door is closed. So, one of my biggest failures is a business that I bought a



few years ago that, as of today, I have lost just over a million dollars. If nothing were to change, I may lose another million dollars in that business. That hurts, and that has kept me up at night for a couple of years.

[00:03:49] And this week, some things were starting to turn a corner, and it didn't turn a corner, and I felt the anxiety all over again. And I talked about it in this video on YouTube and said at the end that I'm still playing the game. I'm still an entrepreneur and I have other businesses that are amazing successes. I have a growing audience and a growing customer base and my overall income is up. My investments are up. I'm becoming a better investor.

[00:04:27] But I give so much energy to that thorn in my side that has lost money, and the reason why I give it so much of my attention is because when I think about it, it reminds me of the thought in my brain, the fear in my brain that says, you might be a failure, you might not be good at this. And you know what happens when you allow that voice to get a little bit louder and give a little bit of momentum? It starts finding friends in your brain. It starts finding other pieces of evidence about why that might be true. It goes out and it says, and remember this? And what about this project? And remember when you said you were going to do this and you never did it? Don't forget about that relationship. Don't forget about that time you thought that project was going to be the big winner and you were wrong.

[00:05:26] It becomes a six-year-old child who is finding evidence for all of the things in the world that it's upset about. That's what our brains do when we feel any negative emotion. When we feel fear, when we feel anxiety, when we feel hatred, when we feel resentment. That voice, that feeling goes out and finds other reasons for the evidence.

[00:05:58] Do you know why so many people believe so many weird things on the internet? Do you know why so many people post clickbait headlines? It's because they are justifying the fear that is showing up, the negative emotion that is showing up in their brain, and their brain is going out and looking for any evidence, even ridiculous evidence. Even evidence that everyone else says, maybe you should shut the laptop for a while.

[00:06:30] But we do this to ourselves all the time, especially when thinking about failure. Failure triggers an emotion. Our perception of failure triggers an emotion which is often fear and shame. It's fear of running out of money, fear of being left alone, fear of never having another opportunity, fear of loss of self, fear of loss of the joy that you expected when you got into this project and into this game and into this business.



[00:07:08] And there's also shame. There is shame of looking bad, there is shame of losing other people's trust or other people's money or other people's perceptions of success. Now, those are normal emotions but if you react from those emotions, that's when really dangerous stuff happens. But the fix is not to try to correct the failure.

[00:07:40] The fix is actually to first get into a good place where you are now capable of making better decisions, because what most of us will do is we will react to the negative emotion and then we will try to fix the problem and then we stay in this negative reinforcement, this cycle of negative reinforcement where we feel a negative feeling and try to fix the problem, so we are now deeper into the problem and we end up finding more because the brain is now looking for more ways to justify feeling anxious or nervous or devastated or shame.

[00:08:28] And now, it goes deeper into the problem and it finds more, and more, and more and you're exhausted at the end of the day. It started with a twinge of negative emotion, and then it became this snowball of anxiety and fear and now it's like there's a tiger in the room and it won't go away. In my experience, the only way to kind of reverse that momentum is to walk away from it for a little while until I have the space to reframe it. That's really hard to do in the moment, but reframing the story we have around failure is possible and it can actually be incredibly empowering.

[00:09:07] I said earlier that I know I'm still playing the game, and I'm probably going to be playing the game 20 years from now. I sometimes get scared when I think about 20 years from now because the world is moving so quickly, I don't know how I'm going to keep up, but I can't predict or play for 20 years from now. I can only play for today.

[00:09:34] And 20 years from now, maybe I catch one of those crazy waves and I make hundreds of millions of dollars. If that's the case, am I really going to care about what I was stressed about right now? That doesn't help because I am stressed about it right now, so let me think about this a little bit differently.

[00:09:59] What if, what if just to play, what if this failure that I perceive was just the first inning? What if it would lead to a relationship that changed my life? What if it led to a skillset that became very financially rewarding? What if it led to finding an investment opportunity that I never would have seen before? What if being in this business that has caused me so much stress led me to a desire that I would have never found before?



[00:10:37] If I think about it like that then I can reframe failure as just one step in the process, or clarifying, I can see it as discovering more of what I do not like or do not want so that I have more attention for what it is that I do want. And it's so interesting, our brains only really work by comparison, so our brains only know beautiful based on the opposite, and it only knows happy based on the opposite. It only knows ease based on the opposite. Good or bad, success or failure, are really just comparisons in our brain. That's all the brain knows how to do, that's the only way that it can make judgements.

[00:11:20] So, in a way, my capacity for more, my capacity for growth, my capacity for happiness, my capacity for ease has expanded because I have felt the experience, the judgement of failure, anxiety, and fear. And knowing that, being in that, actually makes the negative emotion dissolve faster because I immediately tell the brain, we just learned how to be more at ease and more happy.

[00:12:00] So, if you're dealing with a failure or a perception of a failure right now, first, can you recognize the fact that it is a perception? And yes, you will give me all kinds of justification for why that is a true thing. Yeah, but it lost this much money, or it never did what I wanted it to do. And that is a story that is just a comparison of what you expected to happen versus what really happened. Is that a failure, or is that data? Is that a failure, or is it clarification? Is it failure, or is it the next step in a very long process?

[00:12:40] Now, here's why this is so important. Your interpretation of it determines what you do next. If you interpret a project as a failure, a business as a failure, a relationship as a failure, and it has a period at the end of it, meaning that's the end, it was a failure, your brain now closes that loop, puts it in a box, and now equates whatever you were doing with that negative emotion. Business now equals failure. Money now equals shame.

[00:13:21] And you see where the loops start to get created. Now, any time you think about starting a business, you will feel failure. Any time you think about making money, you will experience shame. And that box now reopens. So, you can reframe this at any time. You can reframe it by putting a comma in place of the period. That business didn't work, but then ... That business lost money, and then ...

[00:13:56] And there's always a comma. As long as you're alive, there's a comma, not a period. You're writing the script. You're writing the story and your brain is the producer and your emotions are the viewer. I just made up that analogy on the spot, well done, Ryan. You're writing the whole thing. You are writing this. And when you write it with a period at the end of



the project, you close the loop. And so, when you pick up the story where it left off, you see that same emotion and that same script play over and over again.

[00:14:32] I'm a Browns fan, and we experience this in the fourth quarter of many games where we're up by three points and then the fanbase and those who are watching start to experience some fear and anxiety when the team on the other side gets the ball and starts marching down the field. We have this kind of phrase that we say which is, oh, I've seen this episode before. It's when this kind of anxiety of the perception of we're going to lose starts to come into the experience because we've experienced many times being up by three and then the game going south.

[00:15:12] This is why losing is a cycle. This is why failure is a cycle. This is why success is a cycle. It's because we, as human beings, react to the story that we have about events with emotions. And those emotions, when they're put into a box, when there's a period at the end of it, they are there and play over as a story the next time there's a situation that looks so similar.

[00:15:42] So, if you're got a repeating pattern of failure, if you have a repeating pattern of losing money, if you have a repeating pattern of failed relationships, it is likely because ... I would offer for you to consider that that is because you have closed the loop on your brain at a previous time that this has happened and the only thing there is for you to do is go in and edit the script with a comma instead of a period. You're going to be playing this game of life, this game of business, this pursuit of growth for many more years and it doesn't end until it ends.

[00:16:32] And so, even if you decide not to continue in a business or as a business person, what you gathered along the way ends up shaping the rest of your life and I would argue that it ends up shaping it positively because the brain now has more comparison for what it wants and desires moving forward.

[00:17:01] And if you allow yourself to follow that by erasing the period and putting a comma, then you can reframe the past and you no longer have any failures. You now just have one giant success which is your life and your career. I was speaking with a friend of mine who was feeling shame about a significant financial loss and was embarrassed to talk about it and was afraid of being judged for this financial loss.

[00:17:34] And I totally understood where they were coming from. I've experienced that, too. I like to just try on beliefs. I like to just put on beliefs and see how they fit and see how they feel.



And so, I was speaking to this person and I said, can we just try on a belief? Can we just try this on? Let's just pretend that we believed that that financial loss was the best thing that ever happened. That was hard at first, but this person played along with me and I said, if you really believed that that was the best thing that ever happened, what evidence would you find to support that?

[00:18:16] And immediately, there was evidence. There was evidence about how it expedited a new relationship, there was evidence about how it led this person to find a different career, it expedited a move to a different part of the country. And these were all things that this person was so grateful for. And in fact, as she was looking at one of her relationships, she said, that's the best thing in my life. And I said, would that have ever happened if it wasn't for the financial loss? And she paused and realized that no, it wouldn't.

[00:18:54] And immediately, immediately, the financial loss was the best thing that ever happened. Now, at the time that that was happening, it felt like a period. It felt like a closed chapter. So, no wonder they would have embarrassment or shame around a financial loss. I've had that too. I think all of us have. But, the minute that this person saw that there was not a period but a comma because it led to some of the greatest blessings in their lives, total reframe on the experience.

[00:19:39] What is failure to you? How do you feel failure? How do you experience failure? How do you even determine what failure is? Is failure permanent? Or is failure the next step? Now, both of those things, you could make arguments for are true. But I will tell you, if you're on a path for growth, what we call failure is inevitable. It's more like setbacks, pauses, consolidations as we would say in the economy. They're moments for us to reevaluate what our next best step is.

[00:20:32] The key, the secret, the unlock is to put your attention and your focus not on what could have happened. That's putting a period at the end. But looking forward to say, now from this place, what's the next best step? Now from this understanding, now from this business, now from this reality, what is the next best step?

[00:21:06] So, one more point I want to leave with you, most of the time when we experience what we call failure, it is because we are using some sort of ego metric as the standard. We're looking at the outcome, we're looking at the money, we're looking at the status and we're trying to optimize for that. So, that test, that project lost money, so it's a failure. That assumes that the point was money.



[00:21:46] You see where I'm going with this? Money is great. I love money. Money is important, money is fun. Money is not the point. The point is the fun, the point is the freedom, the point is the love, the point is the experience, the point is the feeling along the way. I like money because money is one of the routes that I get to experience or amplify some of those things. It's really cool. Money is cool. Money is not the point.

[00:22:18] So, when I only take the objective score based on that data point and I call that failure, what a disservice to myself. What a shallow way to look at it. What a terrible way to take score. If that project that I'm working on, if that business loses money and I think that's the only point, then it's going to be really easy for me to put the period on every micro loss, every little thing that doesn't go absolutely perfectly, every little thing that loses money, every little step back, I'm going to call a failure, which means that by the time I'm about 38, I'm going to have so much failure in my brain that I will be absolutely paralyzed to make decisions or to move forward, and tell me you don't know someone like that.

[00:23:26] That's a warning sign. That is someone who has taken score the wrong way for their entire life, and as a result, they have labeled all of those micro setbacks with a fear and negative emotion that makes it impossible for them to move forward. And the fix is to reframe that with a whole lot of commas that led me to today, and today I know exactly what I want. And you do know exactly what you want because you want to be happy, because you want to have fun, because you want to grow, because you want to experience good relationships, because you want fun experiences, because you want new things, because you want to experience variety.

[00:24:18] You know all these things, and everything you experience along your way either matches that, or it doesn't match that. Guys, this is all in our heads. This game is all being made up in our heads, and when you treat failure as if it is an objective thing that everyone on the outside world can see and judge, you become a victim to the game rather than the creator of the game. The truth is, you are not done, the game is not over, you are still playing, and you have no idea what opportunities are coming tomorrow as a result of this so-called failure.

[00:25:04] You have no idea what new experience, new relationship, or new step on the path is awaiting you that would have never happened were it not for the setback. It's just a comma. It's just an experience, and it's just one step. You've got a long way to go. I'll be rooting for you the whole way. Thanks for listening, guys. See you on the next episode.