Value of Failure
Students Course

Module 2: What is failure
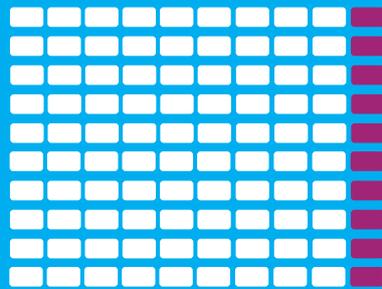
Students Workbook

Learner Name: _____

Assessor/Tutor: _____

value
of
failure

Did you know that...

...in some sectors up to
90 % of new businesses fail
in the first 5 years?

Table of Content

Did you know that...

...the value of failure makes re-starters grow faster and stronger than first-timers?

I Working with this Workbook

Learning without additional working materials does seldom lead to learning success. The Value of Failure Project therefore designed additional workbooks for tutors as well as for learners to support a fast and productive learning environment. Those workbooks follow the structure of the Value of Failure Learning Resources and give additional information and content.

The Students Workbooks for each of the modules should be seen as a helping hand for learners. They provide help, tasks and additional information. Free pages give room for your individual notes.

We also recommend to study the additional literature and online resources provided on the Value of Failure Website and the Value of Failure Pearltrees Account.

Following resources are provided on the project website:

- Tutors Workbooks
- Learners Workbooks
- Presentations

To enrich the learning experience we are looking forward to your feedback:

⊖ www.valueoffailure.com

Legend

Presentation

Workbook

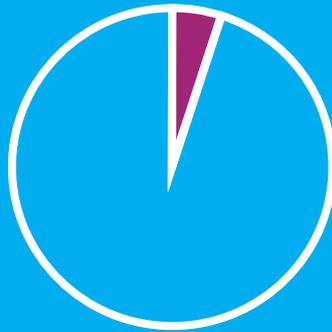Example

Remember

Digression

Law

Learned

Checklist

Link

Video

Did you know that...

...only about **8 %** of failed
entrepreneurs start
over again?

II About the Project

Value of Failure is a European Union funded grass roots initiative to support a better framework for so called failed or second chance entrepreneurs. The idea is to implement a new positive approach to failure in general and to business failure in specific. The project is funded by the European Union within the Erasmus+ framework.

The approach of the project is to address this important topic from two different sides:

1. Regional alliances involve all important stakeholders to set up more a failing- friendly environment and funding framework. The project develops a tool-kit for other regions to develop franchises of the alliances on their own.

2. A set of learning resources addressing students as well as second chance entrepreneurs are set up to implement a seed for a new thinking about failure and providing in depth knowledge about failure and how to cope with it.

All materials produced are open source and can be used by anyone according to the rules provided in the disclaimer at the end of this publication.

More information about the project, the e-learning courses and the regional alliances can be found on the project website

⊛ www.valueoffailure.com

The project is developed, designed and implemented by an experienced international consortium of universities, business development agencies, consulting companies and SMEs (small and medium sized enterprises) coming from Germany, Northern Ireland and Poland:

1. University of Szczecin, Poland (Project Leader)

The University of Szczecin (US) is the most powerful organisation in the West Pomeranian region. Presently over 30.000 students are following full-time, evening & part-time studies in 27 subject areas at 13 faculties. One of the most important objectives of the University is education of students and their preparation for entering labour markets. International cooperation com-

prises an extremely important aspect of US's activity. The top priorities are joint research and student & staff mobility programs.

⊛ www.english.usz.edu.pl

2. Canice Consulting, Northern Ireland

Canice Consulting is a small yet established private company based in Northern Ireland which operates in the fields of local and regional development, enterprise education and management and technical support to EU networks and programmes.

Canice Consulting provides a broad range of modern learning services to predominantly the EU market place. Services include training solutions, e-learning content creation, learning technologies and learning strategy design and consulting. Learning technologies include learning portals, learning management systems, content development systems, performance support tools, virtual classroom tools and more.

⊛ www.caniceconsulting.com

3. Creo Mind S.C., Poland

CREO MIND (CM) is a civil partnership established from two sole traders: Wojciech Brażuk and Prestige Brand Mariusz Woźniak. The company has wide experience in consulting services in the area of marketing, business development, strategic management and skills development. The owners of CREO MIND have been closely collaborating with the Northern Chamber of Commerce, providing their services for the largest regional chamber of commerce in Poland. Therefore CREO MIND has a strong potential in networking of entrepreneurs and in building relations among various stakeholders of regional market. CREO MIND has elaborated number of analysis and expertise on business and markets. CREO MIND is also recognized on the regional market from elaborating and realizing creative and innovative marketing campaigns and events.

⊛ www.websitecreomind.com

Did you know that...

...31% of projects fail?

4. Enterprise Northern Ireland, Northern Ireland

Enterprise Northern Ireland was established in 2000 to represent the network of Local Enterprise Agencies in Northern Ireland, and is the only membership body in Northern Ireland for organisations providing enterprise support. Enterprise Northern Ireland holds national contracts with various public sector organisations which it delivers primarily though its member agencies. These contracts include the Regional Start Initiative; Social Entrepreneurship, Exploring Enterprise, Tradelinks programme and Business Bootcamp. All of these programmes are further supported by access to finance through the ENI Loan Fund and the Northern Ireland Small Business Loan Fund.

As the only membership body in Northern Ireland for organisations providing enterprise support, Enterprise Northern Ireland is at the heart of a dynamic, high profile network. Enterprise Northern Ireland also represents the interests of the wider small business sector through policy and business development, research and quality assurance, and has a strong lobbying and campaigning remit.

← www.enterpriseni.com

5. The visionworks, Germany

The Visionworks is a small company specialized on consulting, coaching, marketing and project management especially for (micro) SMEs and Start-ups. For its clients the visionworks develops investor ready business plans and financing concepts and accompanies founders until the closing of financing. The visionworks has international contacts to public and private investors and has also worked extensively with all relevant regional stakeholders and institutions which are relevant for the regional Second Chance Entrepreneurs Alliance. Despite that the visionworks has great experience in developing learning courses and learning environments for adult education as well as for students.

← www.thevisionworks.de

Did you know that...
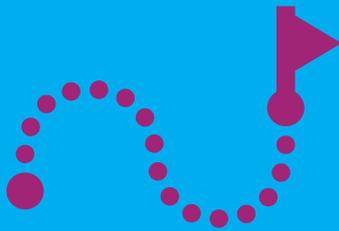
...88% of projects
are past the deadline?

III About this Course

Course Overview

The Value of Failure Course was designed for adult learners, including high-school teachers, undergraduates and the interested public. For teachers and tutors, the course will look at advances in psychological knowledge about failure which helps them to integrate this important topic into their teaching. For adult learners, it will help them to appreciate the positive effects of failure and their potential impact on their everyday life. The goal of the course is to make the existing positive effects of failure accessible to everybody.

The course can be used in a classroom environment as well as a self-contained distance learning course. Distributed free of charge on the Value of Failure project website.

⊖ www.valueoffailure.com

Course Components

The syllabus of the Value of Failure course is divided into seven different units called modules Each of them focussing on different aspects of failure.

Module 1: Basics of failure
Module 2: What is Failure
Module 3: Causes of Failure
Module 4: Preventing Failure
Module 5: How to detect Failure
Module 6: Cooping with Failure
Module 7: Learning from Failure

Each module is divided by sub-sections and can be used as a stand-alone learning session. Therefore each module starts with an introduction about the course which can be skipped if you have studied the previous modules already . All modules include additional resources such as videos and also provides questionnaires, examples and tests where appropriate.

Did you know that...

...the average cost overrun
of projects is 189%?

IV About this Module

Module 2: What is failure?

Introduction
In the first module of this course we learned that different personal mindsets result in different perceptions of success and failure. But of course there is also an objective view on different types of failure.

In this module we want to research some of the background theories of failure and look at the different types of categories failures can have. The theoretical background will help to understand how closely related failure, learning and success are. This is a very important learning not just for the further understanding of the course but also to deal with personal failures now and in future.

Additional information can be found on our website and our Pearltrees-Account:

⊕ www.valueoffailure.com

⊕ www.pearltrees.com/thevalueoffailure/

Did you know that...
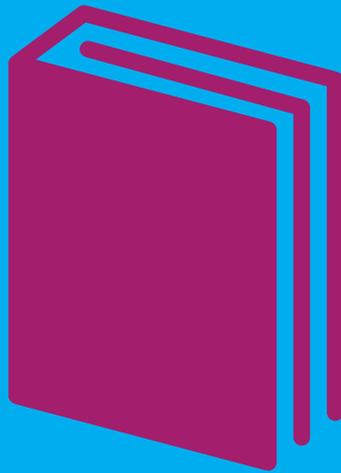
...Stephen King threw away his entire draft of "Carrie"? His wife found it in the trash and the book later launched his career with now more than 350 Million books sold.

V Learning Achievements

In this module you will learn about: Achieved   Date

1. What is failure
You will learn and understand different definitions of failure and understand the different categories failures can have.

2. Opposite of success
You will learn about the "flow channel" and understand how closely related (and even dependent) failure, learning and success are.

3. Productive failure
You will understand that not every failure and every success are the same. You will learn that, depending on your own performance and what they draw out of it, there is something like a productive failure - and an unproductive success.

Did you know that...
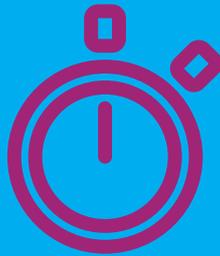
...the average time overrun of projects is 222%?

Module 2: What is failure
Chapter 2.1 Definitions of failure

Failing feels different each time. Some failures make us deeply sad, about others we do not even care. It seems that every failure is unique - and this is true actually. Failing feels different each time because every task and every situation are unique, our personal efforts differ and so do the learnings we draw from failing.

This is why there are many different definitions about failure used in different contexts. Some are very technical, others again are strongly related to a certain topic. Here are some examples:

General/common understanding of failure:
"Failure is the state or condition of not meeting a desirable or intended objective and may be viewed as the opposite of success." (Wikipedia)

Material Science & Mechanics:
"In materials science or structural mechanics, failure is generally the loss of load carrying capacity of a material unit or structural element." (Altenbach, Kolupaev)

Information & Communication:
"A system failure occurs when the delivered service no longer complies with the specifications, the latter being an agreed description of the system's expected function and/or service." (Laprie et al.)

Business Science:
"A situation in which a company or other businesses ceases operations because it is unable to generate sufficient revenue to cover its expenses." (Financial Dictionary)

Such as the different definitions, the consequences of failure are different each time as well. This is why we build different categories to work with them later on. You can categorize failure in many different ways. Examples are:

Categorization by...
- Consequences (e.g. Minor failures / important or catastrophic failures)
- Cause (e.g. Assumption errors / selection errors / capture errors)
- Levels (e.g. Human failure / technical failure / organizational failures)

In everything we do there is an underlying risk of failure. A risk is a potential event that has negative impact on the fulfilment of your task. Risks are an inevitable fact of life – they can be reduced but never eliminated. To handle and reduce, risks we try to analyse the sources, magnitude, and mitigation of risk, and actions directed toward its balanced reduction. This process is called risk management. Interestingly, the same tools and perspectives that are used to discover, manage and reduce risks can be used to discover, manage and increase project opportunities. We then refer to this as opportunity management .

Task 2.1 Definitions of success, failure and related factors
Look at your personal definitions you developed in the first module and compare them to those above. Analyse the differences of your definition and discuss them in a group of 3-4 people.
(If you did not write down your own definitions, go back to Module 1 and do task 1.1)

Did you know that...

...that James Dyson created
5,126 failed prototypes of his
vacuum cleaner before succeeding?

Chapter 2.2 Opposite of success

The common understanding of failure, as mentioned above, is that it is the opposite of success. But is this really true?

Let's look at some research results from Gaming Theory. The standard psychological explanation for the attractiveness of tasks and games is that the challenge of a given task and the respective skills of a person form a narrow channel where fulfilling the task is attractive. This is called the Flow Channel.

Figure 2.1: Flow Channel
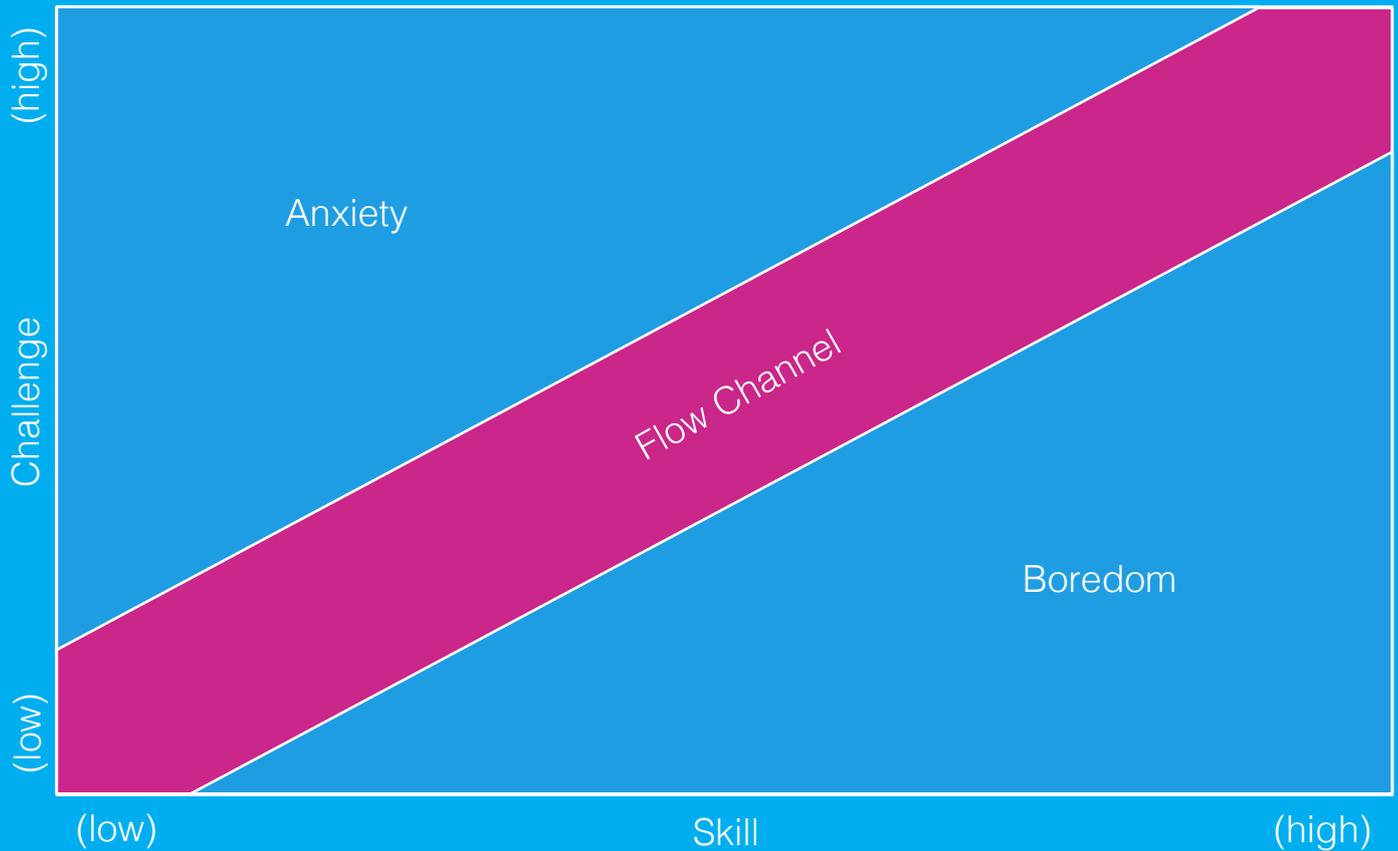
The theory suggests that we oscillate between anxiety and boredom. Assuming that we learn over time, the illustration suggests a smooth increase in difficulty of a given task to stay in the flow channel.

In reality we cannot assume that our skill level increases in direct dependency of the difficulty of a given task. There are many different theories of learning available. In this model we assume that a given task can be separated in many small steps and that those small steps need to be taken to fulfil the overall task. Imagine a computer game. How do you increase your skills? Usually by many small mistakes and trying the same difficult level over and over again - until you finally succeed and go to the next level. At the same time your skills increased - the same situation in the game would not bother you at all next time. You learned from your failures.

The following figure 2.2 shows the dependency of skills increase, success and failure. The Optimum Task Flow Model assumes that small failures and small successes lead to the optimum increase of skills while the difficulty of the task increases as well.

Did you know that...
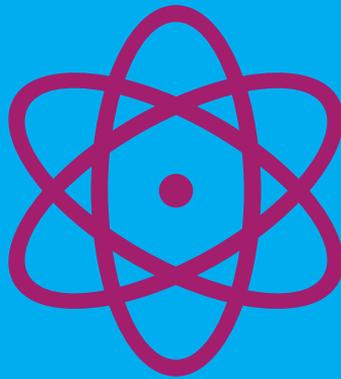
...Albert Einstein had some communication and learning difficulties in school?

But this model assumes something else as well: an irregulated increase of difficulty of a tasks leads to both, success and failure and to learning and increase of skills. This means that we need to try tasks that are too hard and that we then need to fail once in while before we succeed to increase our skills. For successful learning we need both: success and failure.

Figure 2.2: Optimum Tasks Flow
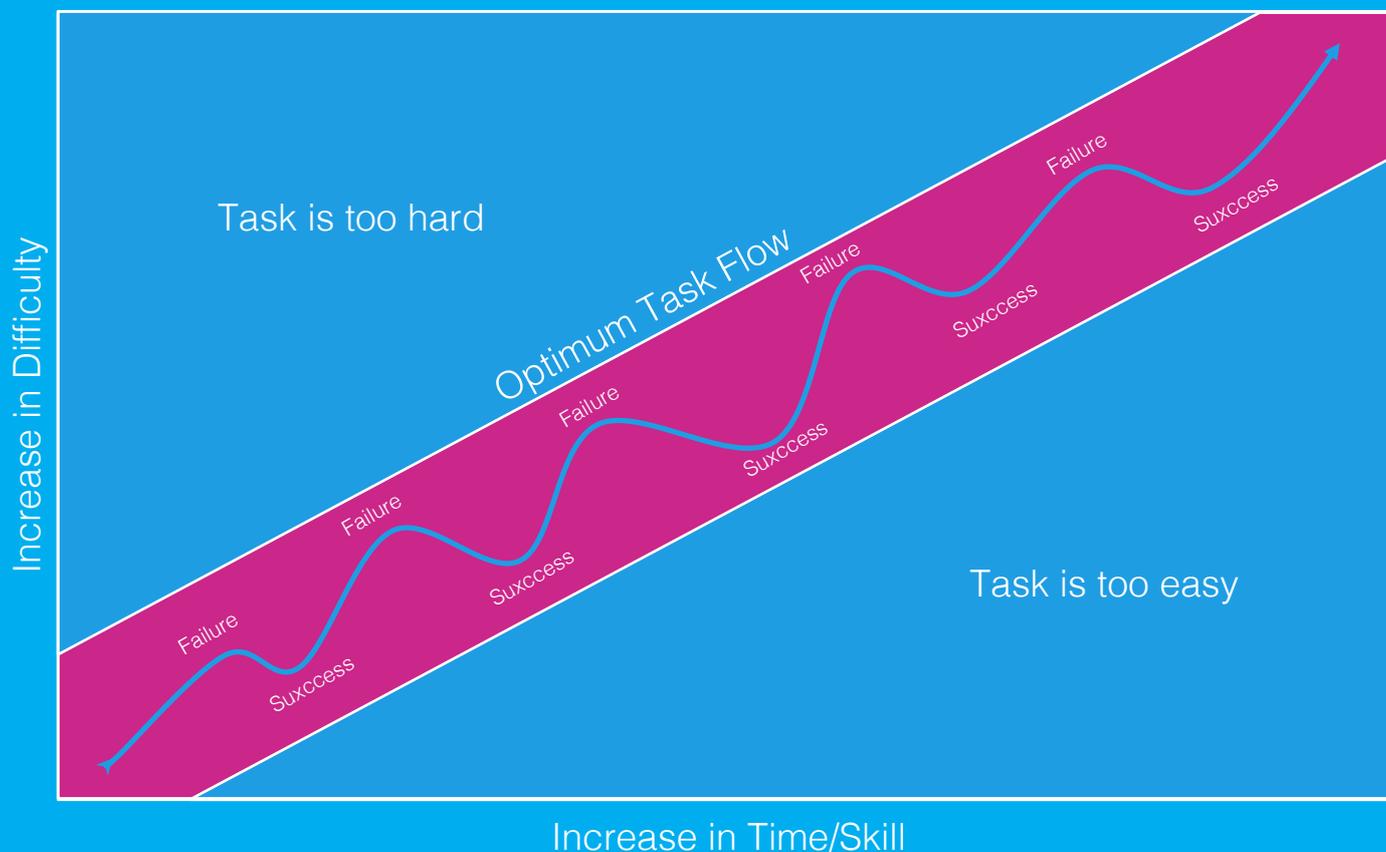
If it is that easy - why don't we accept failure as an important part of learning? Because failing sometimes hurts and this creates a general fear of failure.

The fear of failure is the reason why we think failure is the opposite of success and that creates the bad touch in our mindset.

Actually the fear failure is one of the biggest fears people can have. It limits us from starting and succeeding and therefore from learning and growing. But fear of failure at the same time is not all bad. It prevents us from taking too many risks. It seems that both ends of the line (too high fear of failure and too low fear of failure) can be dangerous (see figure 2.3).

As we all have different mindsets (and therefore different emotional comfort zones), we all need to find out our own level of risks we like to take - keeping in mind that failing is not bad per se.

Did you know that...
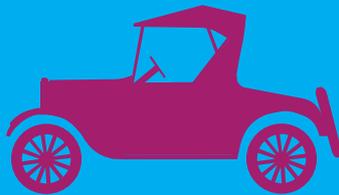
...Henry Ford failed with a couple of automobile businesses before he learned from his failures and revolutionized the automotive industry?
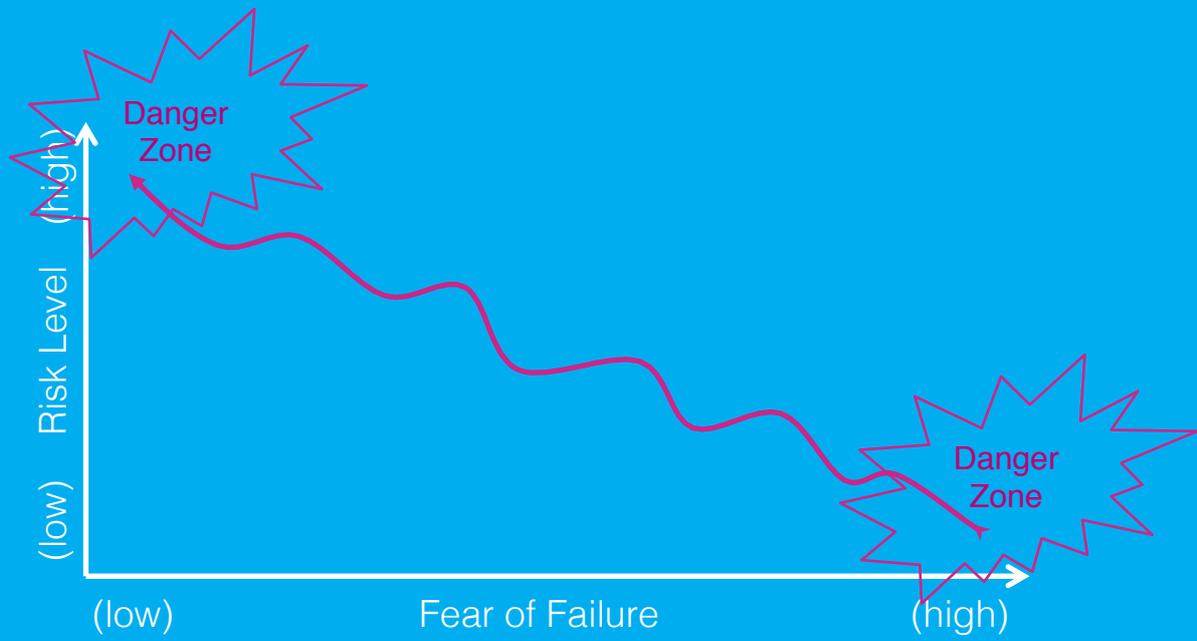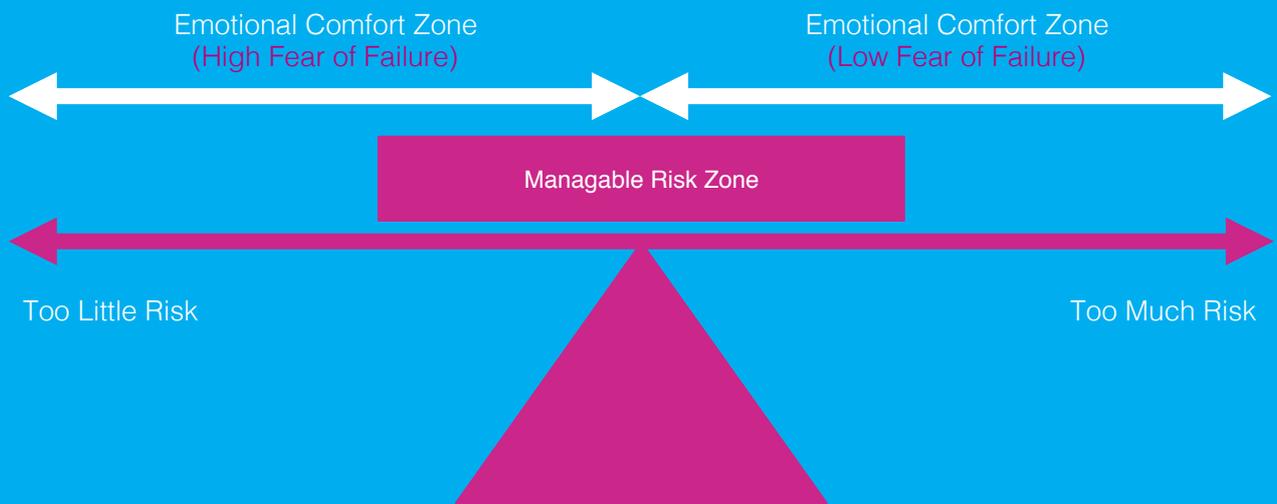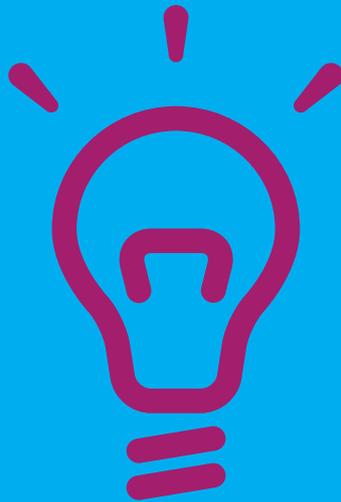
Figure 2.3: Fear of Failure and Danger Zones

Figure 2.4: Fear of Failure and Manageable Risk Zone

Did you know that...

...Thomas Edison has been told
by his teachers to be "too stupid
to learn" before he invented some
world-changing gadgets and applied
for more than 1000 patents?

Chapter 2.3 Productive failure

In the chapter above, we learned that failing is not bad per se. But how and why do some failures differ from others? What makes a "good" failure different form a "bad" failure?

▷ **Watch the video of Adam Kreek: http://bit.ly/1S08Hbc**

An Olympic gold medalist and explorer, Adam spends his spare time doing things like rowing to the Bermuda Triangle from West Africa across the open ocean. When Adam's vessel capsized within a few days of reaching Miami Beach, the story made global headlines. In this talk Adam talks about happy failure and sad success.

Task 2.2 Happy failures and sad success

Watch the Video of Adam Kreek and think about what he says about happy failure and sad success. Now think about personal examples. Name one example each (Happy Success, Sad Success, Happy Failure and Sad Failure). Think about the reasons why some failures feel different than others.

|	Happy	Sad
Succeed		
Fail		

As you see, there is no just black or white. Some failures feel different than others. Also some failures have more influence on your future behaviour than others do. Sometimes we learn from failures and sometimes we don't. This is why learning theory divides failure into productive and unproductive failure. Interestingly success can be productive and unproductive as well (see figure 2.5).

Did you know that...
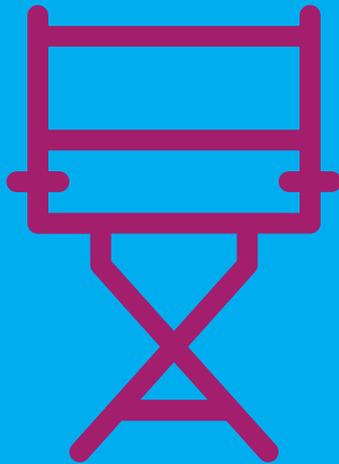
...Steven Spielberg was rejected by the University of Southern California School of Cinematic Arts multiple times before he won three Academy Awards?

Figure 2.5: Productive and Unproductive Failure/Success
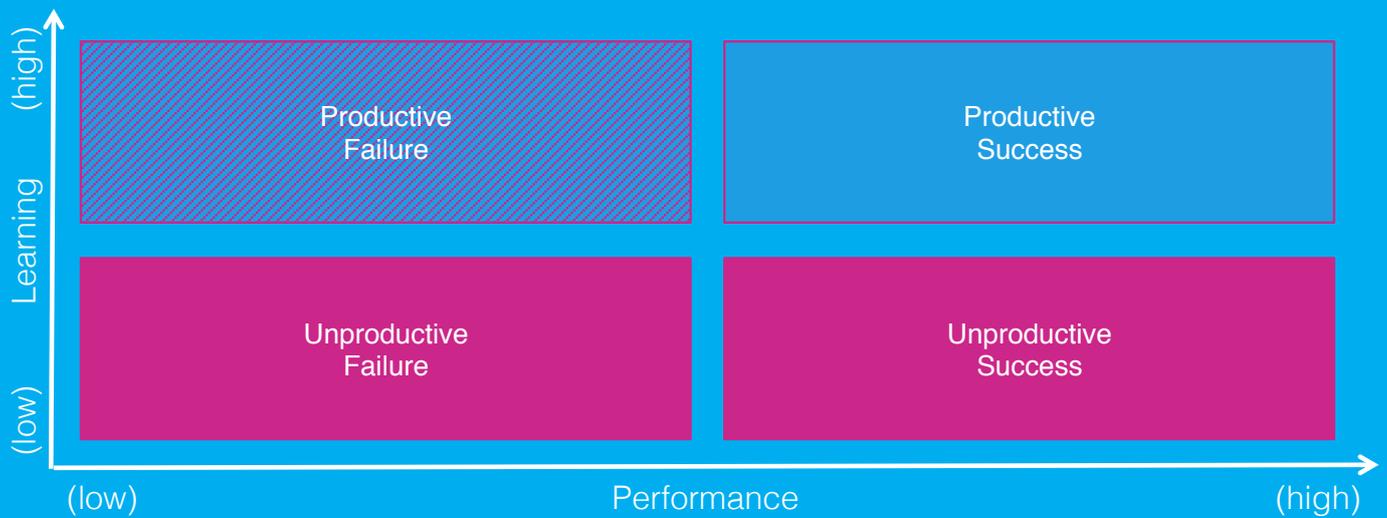
The question of failing productively or unproductively is just a question of how much learning we draw from our failure. It is a question of outcome. Failing without learning leaves us with nothing - failure with learning provides us with important knowledge for the future - we might even discuss if we should still call it a failure.

To be productive, failing needs structure. The task itself and your learnings from that is just a small part of it. The rest - and even more important part, is your involvement in the task (and the failure) and the social context in the situation. Some contexts allow failing more than others. It is important to gain honest and productive feedback on your performance to draw the best possible learnings and to succeed next time.

Figure 2.5: Structural Framework for Failures
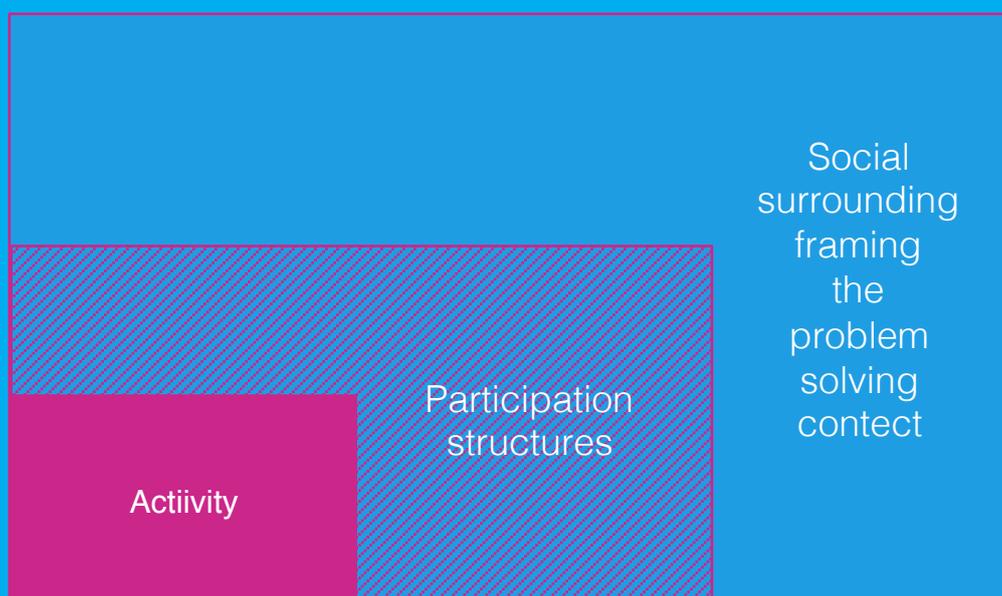
Did you know that...

...R.H. Macy failed with a couple of businesses before he started Macy's and became Americas No.1 retailer with about 800 stores?

🎓 Summary

The goal of this module was to understand that not every failure is equal - and that failure does not necessarily have to be the opposite of success.

There is a difference in each failure and it is our personal choice to fail productively or unproductively.

Additional information, literature and resources can be found on our website and our Pearltrees-Account:

⊖ www.valueoffailue.com

⊖ www.pearltrees.com/thevalueoffailure/

V Disclaimer

The Value of Failure Project has been funded with support from the European Commission. The author is solely responsible for this publication (communication) and the Commission accepts no responsibility for any use may be made of the information contained therein.

Erasmus+

Editor: © 2015
The Visonworks
Rannische Str. 17
D-06108 Halle (Saale)

Graphics & Layout:
The Visonworks
Rannische Str. 17
D-06108 Halle (Saale)

www.valueoffailure.com