6 Mistakes That Can Teach You the Most in Your Startup's Early Years

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Mistakes aren't all fatal. In fact, they're inevitable. Here are a few that new entrepreneurs can learn from the most.

Every successful entrepreneur has horror stories. When it's you and your idea against the world—at least that's what it feels like during the dark midnight-oil-burning times—you're going to drop the ball, bite off more than you can chew, and make mistakes.

Mistakes aren't all fatal, and most of them are useful. They keep you on your toes. I first started Create & Cultivate, an online platform and offline conference for female digital entrepreneurs, and I made plenty of miscalculations in my first few years. Here are six of them that taught me the most.

1. WAITING TOO LONG TO FIRE

Most fast-growing startups only hire quickly because they need to. In an ideal world, hiring slowly and carefully is the right approach—it just isn't always possible. To create a healthy company, you need to build a staff that's sustainable, and that requires time, patience, and often a pretty arduous interview process.

But there's a flipside here, too, which gets summed up in the startup world as the adage to "fire fast." This is a controversial piece of advice, but if you're holding onto an employee who's no longer serving the company, there's no reason to keep offering warnings. There's much to be said for ripping off the Band-Aid when someone has shown they're incapable of doing their job.

I've been loyal to staff members because they were there from the get-go, but just because someone had an early seat at the table doesn't mean you need to keep feeding them. Especially if they're biting the hand . . . you get the idea.

2. BEING SCARED TO WRITE BIG CHECKS

Some people think successful entrepreneurs are fearless, but that is hardly the case. At our last conference, one audience member asked Chelsea Handler about being fearless. "I'm not fearless," she replied. "I'm scared right now. I could fail on a global level, but I don't think I will because I embrace my fear."

Fear is healthy, it's necessary, and it will sometimes prevent you from making poor business decisions. Don't, however, let it hold you back from putting your money where your mouth is: If you aren't willing to invest in your business, how will you ever convince someone else to?

Many entrepreneurs put it all on the line, maxing out credit cards, spending their life savings, moving back home—but they believe it'll all pay off eventually. You know that saying, "You miss 100% of the shots you don't take"? Consider this: You miss 100% of the dollars you don't risk.

3. JUMPING INTO PARTNERSHIPS TOO SOON

You're at lunch, an idea starts to form, it turns into a call, a business plan is drafted, and before you can say, "Wait, hold up," a partnership is formed. Before you sign on the dotted line, though, you need to consider just how far you want this relationship to go. A friendship or simply a great idea between acquaintances are hardly the basis for a sound business partnership. As Jessica Alba put it to our recent audience, "It's like an arranged marriage, where you never date."

But you *should* take the time to know how your partners operate. Understand how they do business. Dig into their track records, and talk about big issues that crop up. Will you take a draw? Who is putting what percentage into the business? If things come to a head, how will you resolve your differences? These are all conversations that need to take place—and subsequently be put in writing—before you tie the business knot.

4. TAKING THE MONEY BECAUSE IT'S OFFERED

Money is alluring when you're 30, living at home, and have risked the cart as well as the horse. But you can get sucked into bad deals when you're feeling desperate. The kind of investor who offers you money but asks you to give away the majority share of your company usually comes knocking in lean times. Some simply don't value you as an integral part of the business. If they offer you money, don't fall for it.

There’s a useful adage among venture capitalists: "Fill your canteen when you're by the river and not when you're thirsty."

5. HIRING YOUR FRIENDS

No one will ever care as much as you do. It’s your business, your baby, and when you hire friends, sometimes the expectation is that they're an extension of you. After all, these are people you’ve shared your hopes and dreams with.

But by setting that expectation, you’re screwing yourself. Friends tend to see you as less of a boss and—no shock here—more as a friend. So when you have to sit them down for a bad performance review, or tell them that they can’t skip work to head to a mutual friend’s birthday party (even if you’re going), it tends to go over poorly. There are also power dynamics at work that simply don't exist in your personal relationships. Trying to navigate between the two is awkward and almost always fatal to the friendship.

This goes back to point No. 1: Take the time to hire the right people, not those that are convenient. Convenience has a way of biting you in the ass.

6. BEING TOO HARD ON YOURSELF

As a founder, you will spend countless nights unable to sleep, waking up in a cold sweat about a decision you made. Especially in the early days, you’ll question everything—yourself included. You’ll want to cry, and sometimes you will. But to get through it, you need to have a little self-compassion—the understanding that as a founder you'll never get it all right, and that’s more than okay. It's where the hard-won wisdom of experience comes from.

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