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Why Mistakes Are Essential to Any Growth Strategy

By JOSH PATRICK

Jessica Wade started a high-end clothing label in 2009. The business, which she named Jes Wade, is based in Manhattan and has two employees. While many owners of small companies have a low tolerance for mistakes, which I believe is one reason many of them never get bigger, Ms. Wade realizes that mistakes are learning opportunities.

When they happen in her company, she asks herself or one of her employees what went wrong, and then they figure out what they can learn from the mistake. And they look at the company's systems to try to minimize the chances of the same mistake happening again.

Occasionally, for example, Ms. Wade's employees would cut a garment the wrong size, which wasted time and material. Instead of blaming her employees, Ms. Wade looked at the system. She color-coded the different sizes for dresses, which eliminated the problem.

Allowing mistakes requires that you trust your employees. You must trust that they are doing the best they can — that they aren't *trying* to make mistakes. But here's the thing: If you don't allow mistakes, they will happen anyway. They'll just get swept under the rug. When they are discovered, they have often become much larger problems.

In larger companies, mistakes rarely put the company at risk. In smaller companies, they can be death blows. That's why some owners overreact when a mistake happens, which was my inclination when I first started in business. Whenever a mistake was made, I would start screaming at whoever had made it — unless, of course, I had made it. In that case, I would pretend the mistake had never happened. It wasn't until I learned to accept mistakes and start learning from them that our business started to grow.

In the case of Ms. Wade, she is exhibiting the maturity of an owner of a much larger business. This might be because she didn't start her business until she was in her 30s. For the business's first 10 years, she kept a day job with large clothing companies where systems were in place, including one to handle mistakes.

As a result, she learned what it took for a business to be successful. What she didn't like about the big companies she worked for was the disconnect she felt from the final product. She would work on designing new clothing and never see the results. She felt that the creative process, which she was involved with, was disconnected from the final process of creating garments.

Like many entrepreneurs, this disenchantment convinced her that she had only one choice — to open her own business where she could set the rules. And she has done some smart things. Early on, for example, she was impatient for profits and not just growth for the sake of growth.

Now, as she begins to focus more on growth, her problem is that her marketing is mostly word of mouth. Even her website offers little information about what she does and how someone can buy from her. Ms. Wade knows that she needs to add different types of marketing and sale strategies. She is a micro-business and like many businesses of her size she has too many things to do and not enough time to do them. If she doesn't find a way to add sales she will remain a very small business where there is never enough time. This is an example of a mistake that has not been fully recognized yet, one that could cost her the opportunity to grow.

For Ms. Wade, the biggest challenge may be to figure out how to afford the talent she'll need for marketing and sales. The good news for her is that, if she's willing, she can rent the talent on a part-time basis. There are skilled marketers who would love to help her build a system where women who would appreciate the level of craftsmanship shown in her products will find her. Thus far, Ms. Wade hasn't seen the need for engaging outside help. If she wants to grow, she'll have to add more marketing muscle to her company. Renting help might be a solution.

Running a successful business requires many skills. We often have strengths in a few that get us started. Whether we're able to move to the next level of success depends on how well we can master new skills. While Ms. Wade is good at systems and management, she needs work on marketing and sales.

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