

## **Keeping up the Energy: A Must-Read for Founders**

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Roy was the founder of a technology startup, CTools, which developed a customer relationship management platform for small and medium-sized enterprises. He started the company with his college roommate and good friend, Brett, and initially received significant interest from the local startup community. They even managed to land several pilot projects with potential long-term customers.

Three years since founding, however, things weren't looking too good. Roy and Brett were struggling to finance the startup or convert pilot projects into full customers. While Brett was still optimistic about pulling through these difficult times, Roy was tired of the whole situation and pessimistic about turning things around. Fights broke out often between the co-founders, with Brett feeling like Roy just wasn't giving his all to CTools and Roy feeling helpless to put in any more energy than he already was.

It wasn't that Roy did not want CTools to succeed. He'd work all day every day of the week but still feel like he had accomplished nothing. No matter what Roy did, it seemed to him that there was no end in sight to the problems that kept coming. Fast forward a couple months and Roy had left CTools to work as a software developer at a large corporation.

Most – if not all – founders are exposed to stressful challenges along the way, but not everyone goes through the severe loss of energy Roy experienced in the above story. This type of persistent and extreme loss of energy in connection with working on their startup can cause founders to feel unproductive, demoralized, and pessimistic.

In our current research, we uncover how founders' energy for their startups develops over time. For over a year we studied 38 founders from 14 early-stage startups from a variety of industries. While this research is still progressing, our early findings point to three key takeaways for founders.

### **Takeaway 1: Look out for the mechanisms driving energy loss.**

- **Disappointed expectations:** this occurs when a founder's prior beliefs about their role in the startup and/or their business idea are severely disappointed. This

goes far beyond the smaller hiccups or failures a founder might easily move on from.

- **Identity conflict:** here the founder senses a mismatch between their role in the startup and deeply held values or personal beliefs. The founder may feel like the startup no longer reflects who they truly are as a person and what they believe in.

Picking up on these mechanisms when they occur can be an important first step to preventing energy loss.

### **Takeaway 2: Engage in recovery behaviors to bring back the energy.**

Founders can regain their energy for their startup through three main recovery behaviors:

- **Be open to accepting help and making changes:** the first step to recovery involves the founder recognizing the need for help and/or the fact that something needs to change in the startup. For example, maybe the founder's current role is just not the right fit and responsibilities need to be reassigned within the startup team so that everybody can better play to their strengths.
- **Get emotional and task-related support from team members:** co-founders or other team members in the startup team can play a crucial role in providing emotional support to the affected founder. Being willing to let some tasks go to co-founders can help take some pressure off.
- **Seek out advice and validation from external partners:** a founder's highly pessimistic view of the startup can be turned around by hearing what external partners have to say. Realizing people outside of the startup value what the founder is doing can give a big energy boost.

Founders can experience so much personal growth and motivation through these recovery behaviors, that they actually feel even more energy for their startup than ever before.

### **Takeaway 3: Accept that the way forward may require leaving the startup.**

Some of the founders we studied seemed to be stuck in a downward spiral of continuously losing their energy for their startup, but still hanging on – largely due to thinking that they had already invested so much into the startup. This is a really dark place to be in and sometimes the way out involves leaving the startup.

When recovery behaviors aren't possible, founders might engage in other activities, like learning about a new topic or picking up a new skill that feels much more exciting than the current startup. Realizing where energy is being redirected can guide a founder towards what to do next. It may even result in a new business idea that the founder is better off pursuing.

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