



What Founders Need to Know About Letting Go

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Failure is not a moment — it is a journey that unfolds over time. Entrepreneurs do not just wake up one day and quit. -- Based on interviews with founders

Failure is often framed as a badge of honor¹ — a painful but valuable detour on the road to success. We celebrate the resilient founder and the lessons learned². However, what we rarely acknowledge is what failure feels like while it is unfolding.

I faced that reality firsthand. Years ago, I set out to revolutionize the quick food segment. But as I tried to move from product development to market launch, my savings ran out, investor interest faded, and momentum stalled. I kept working on the venture, but quietly, I began exploring other career options. Deep down, I had started to sense what I couldn't yet admit: the venture wouldn't survive.

That experience stayed with me. As I transitioned into research, I began to wonder: Was my story unique, or do other entrepreneurs experience failure in similar ways? To find out, I interviewed 22 entrepreneurs who had shut down their ventures to capture how they experienced failing. I discovered that failure is not a sudden moment — it is a slow, emotionally complex journey. Entrepreneurs go through three overlapping phases that reveal how failure unfolds. The findings can help founders and their supporters navigate failure with empathy.

The Venture Preservation Phase: “I can still make this work.”

In the early stage, the founder and the venture are deeply intertwined — the startup becomes an extension of their identity. Founders often double down on their efforts despite challenges. Optimism overrides reason. As one founder I interviewed recalled: *“I did not have a plan B. It was always on a path of hope. Let me try this, we will figure it out.”*

While this mindset fuels perseverance, it can also be costly. Many reported neglecting their mental health, finances, and relationships in their effort to keep the venture alive.

The Corridor of Uncertainty: “Something’s not right... but maybe tomorrow.”

Despite trying their best, persistent setbacks often push founders into what we call the *Corridor of Uncertainty*: a phase marked by stagnation, fatigue, and a growing sense of pessimism. They feel stuck: no longer fully believing the venture will succeed, yet unsure how to move on.

One founder described it as “being in a loop,” knowing the venture wouldn't work, but still holding on. This is the emotional turning point, where the founder begins to separate their identity from the venture. The venture-first mindset starts to fade.

¹ <https://economictimes.indiatimes.com/magazines/panache/wear-your-failures-as-a-badge-of-honour-credr-ceo-feels-theres-no-better-teacher-than-life/articleshow/91815422.cms?from=mdr>

² <https://hbr.org/2016/03/making-start-ups-more-resilient>

The Self-Preservation Phase: “It’s time.”

At this stage, the reference point flips. The founder begins prioritizing the self, not in a selfish way, but in a deeply human way. They start making decisions based on what is best for *them* — financially, emotionally, and professionally. One founder who I spoke to even declined fresh investment, saying: *“I can’t run this show because I’m tired.”*

Crucially, we found that this transition from venture-first to self-first was not impulsive — it was iterative. It took time. And for many, the most challenging part of the journey was letting go. Eventually, some ventures are deliberately shut down; others fade away.

Why This Matters?

Most startup ecosystems continue to romanticize failure, but they rarely equip founders with the emotional vocabulary to recognize it in real-time. Our study offers that language — not to discourage risk-taking, but to make the cost of failure more manageable.

For founders, this model is a mirror. It helps normalize the messiness of letting go — not as a weakness, but as a form of self-preservation. Recognizing when to preserve the venture and when to preserve the self can ultimately help prevent burnout and enable more resilient, human-centered entrepreneurial support.

For mentors and investors, this framework offers a way to understand behavioral shifts in founders. A previously optimistic entrepreneur who is suddenly distant might not be disengaged — they might be entering the corridor of uncertainty. This understanding can be used to assist entrepreneurs to make informed decisions. Similarly, others who refuse to work on the venture may do so because they are just prioritizing the human behind the venture.

Where Are You in the Journey?

Questions for Founders to Reflect on:

- Am I sacrificing my well-being to keep the venture alive?
- Do I feel stuck, waiting for clarity that never comes?
- Do I still see a future with this venture?
- Am I now thinking more about what’s best for me than for the business?
- Is continuing this venture aligned with my well-being, relationships, and financial stability?

By reflecting on these questions, entrepreneurs may realize that failure isn’t just about what didn’t work — it’s about understanding why it didn’t, when to keep fighting, and when walking away is the best thing one can do.

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