



# The Entrepreneurial Dream: Happiness, Depression and Freedom

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**Abstract.** Some recent research suggests that entrepreneurs are, by their nature, more prone to depression. This paper uses research in entrepreneurship, psychology, philosophy and neuroscience to show that, contrary to current belief, entrepreneurs are not unusually susceptible to depression. They are in fact extraordinarily resilient, but their entrepreneurial projects often create high levels of risk, uncertainty, loss of control, fractured relationships and damaged identity. These, coupled with extreme lifestyles, lack of sleep and exercise and poor diet, combine to create exceptional physiological and psychological stress. These conditions, and not predisposition, lead to entrepreneurial depression. Entrepreneurial traits are a shield and protection, not a cause of distress. The paper suggests a range of mitigating philosophical, strategic and personal approaches to improve wellbeing and social and economic outcomes. In summary, entrepreneurs should keep themselves fit to lead, share the burden with a team and keep the project lean.

**Keywords:** entrepreneurship, entrepreneur, psychology, mental health, depression, stress, resilience, freedom, autonomy, lean, risk, success, failure

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## 1. Introduction

Governments and policy-makers increasingly treat entrepreneurship as a key component of economic success (Acs, Estrin, Mickiewicz, & Szerb, 2018; Aparicio, Urbano, & Audretsch, 2016; Kraaij & Elbers, 2016), but the entrepreneurs themselves are treated as economic factors rather than as sensitive resources. The economy requires them to succeed in their current businesses or survive to move on to other ventures. Some current research, particularly the clinical perspective of Michael Freeman, treats entrepreneurs as flawed. There is a need for research that values entrepreneurial traits as strengths but recognises the inherent psychological dangers of the entrepreneurial path. This paper fills the gap and addresses the issues of entrepreneurial motivation, wellbeing and mental health.

Entrepreneurs have unusually high rates of depression (Freeman, Johnson, Staudenmaier, & Zisser, 2015). Researchers recognise the very real distinction

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between opportunity-led entrepreneurs, and necessity-led entrepreneurs whose circumstances force them into entrepreneurship through lack of opportunity: entrepreneurship is less a choice than a symptom of lack of choice (Darnihamedani & Hessels, 2016; Reynolds, Camp, Bygrave, Autio, & Hay, 2002; Shapero & Sokol, 1982). While some entrepreneurs are indeed forced by circumstance, more respond to opportunity (Global Entrepreneurship Monitor, 2018). Entrepreneurs are attracted by the promise of freedom and autonomy (Ryff, 2019; Van Gelderen & Jansen, 2006; Van der Zwan & Hessels, 2019), but many discover that, in reality, they have lost control of their personal, social and professional lives (Khelil, 2016). 95% of US startups between 2000 and 2010, disappointed their founders (Gage, 2012) and, in consequence, threatened their physical and mental health. In a recent University of California study, half of entrepreneurs say they have mental health issues and a third are depressed (Johnson, Freeman, & Staudenmaier, 2015). The decision to become an entrepreneur increases these risks. Some researchers suggest that entrepreneurial personality types correlate with a higher incidence of general mental health issues, ADHD, depression and suicide (Freeman et al., 2015).

This paper uses research in entrepreneurship, psychology, philosophy and neuroscience to show that, contrary to current belief, entrepreneurs are not unusually prone to depression. They are in fact defined by their resilience, self-confidence and willingness to face uncertainty. However, their entrepreneurial projects often create high levels of risk, loss of control, fractured relationships and damaged identity. These, coupled with extreme lifestyles, lack of sleep and exercise and poor diet, combine to create exceptional physiological and psychological stress. These conditions, and not predisposition, lead to entrepreneurial depression. Entrepreneurial traits are a shield and protection, not a cause of distress.

The conclusion suggests a range of mitigating philosophical, strategic and personal approaches to improve wellbeing and social and economic outcomes. In summary, entrepreneurs should keep themselves fit to lead, share the burden with a team and keep the project lean.

## **2. Why Be an Entrepreneur?**

The Approved Index (2015) map of entrepreneurial countries, based on GEM (Global Entrepreneurship Monitor) data, identifies Uganda as the most entrepreneurial country in the world, with Sweden and Finland listed as among the ten least entrepreneurial. If this seems surprising it is worth noting their definition of entrepreneurship as “the percentage of an adult population who own (or co-own) a new business and has [sic] paid salaries or wages for at least 3 months”. Arguably, this measures not creative entrepreneurship but economic desperation. There is no developed country in the Approved Index top 15.

GEM itself distinguishes between opportunity and necessity motivations and the GEM report (Global Entrepreneurship Monitor, 2018) finds that most entrepreneurs are driven by opportunity, and this is even more marked in developed nations. In North America 82.6% cited opportunity as their motivation. Kara and Petrescu (2018) summarise earlier research on motivation and the need for achievement as motivators, and find that self-employment increases Subjective Wellbeing. Segal, Borgia, and Schoenfeld (2005) refer to Vroom's Expectancy Theory and conclude with an analogous suggestion that "self-employment intentions" are a function of self-efficacy, risk tolerance and perceived net desirability. This last factor contrasts the psychological benefits of self-employment with the more certain value or distress of regular employment: push and pull. Net desirability clearly influences the move from unemployment to self-employment; and policy and other incentives increase startup rates, although they may not improve growth and success rates (Dvouletý & Lukeš, 2016). While there is no doubt that some kind of inner calculus is involved in the moment of commitment to an entrepreneurial course of action, the generic motivations towards entrepreneurship are more likely to be found in Abraham Maslow's (1943) hierarchy of needs. The hierarchy shows physiological needs at the bottom, and suggests that no higher needs can be addressed until these are satisfied. Maslow is much criticised for his research base, nevertheless, his model remains popular and is a simple, useful and memorable presentation of motivational factors. The final revision (Maslow, 1971) includes a sixth, "transcendent" tier, that of higher purpose beyond the individual.

Maslow's self-actualisation and self-transcendent levels are only open to the fortunate few who have satisfied and moved beyond the lower levels, "the awakened, the illuminated, the 'high plateau' People" (Maslow, 1979, p. 794). The top two levels can never be fully satisfied but represent the unachievable drive towards betterment and the service of a higher purpose. This is explicitly spiritual or mystical, but while Maslow mentions religious calling he is careful not to limit himself to religion (Koltko-Rivera, 2006). His Transcendence is imbued with a Romantic sense of the sublime, and embraces humanistic, ecological, social or societal service: anything beyond the individual.

The entrepreneurial need to "make a difference" addresses the levels of self-actualisation and higher calling. The constituents of the highest strata of Maslow's hierarchy predict the stated motivations of many entrepreneurs, for example the need for status and identity, progress and learning, challenge and achievement.

### **3. So Who Are the Entrepreneurs?**

William Gartner (1988) warns against a trait-based definition of entrepreneurship, saying that we cannot identify the characteristics of dancers and

use what they do to define the dance. While this is a compelling metaphor, we accept that there is a dance, and consequently we are justified in asking who is dancing, and why. As Carland, Hoy, and Carland (1988) put it “Who is an entrepreneur?” is a question worth asking’.

The answers come from a range of empirical research. Lüthje and Franke (2003) studied 512 engineering students at MIT and found that Entrepreneurial Intent is more influenced by personality factors (propensity for risk-taking, internal locus of control) than by environmental factors. A study of South African tertiary education students (Louw, Van Eeden, Bosch, & Venter, 2003) identified “Competing against self-imposed standards”, “Self-confidence” and “Dealing with Failure” as more apparent in students with entrepreneurial intent. Entrepreneurial Turkish students evidenced more of every entrepreneurial trait than their non-entrepreneurial peers, although their confidence is only marginally higher (Gürol & Atsan, 2006). If we accept Gürol and Atsan’s list of traits, we have (i) locus of control, (ii) need for achievement and (iii) tolerance of ambiguity (Entrialgo, Fernández, & Vázquez, 2000); and (iv) risk taking propensity, and (v) innovativeness (Stewart Jr, Watson, Carland, & Carland, 1999); along with (vi) self-confidence (Robinson, Stimpson, Huefner, & Hunt, 1991).

There is an established link between low self-confidence and depression. Al-Asadi, Klein, and Meyer (2014) confirm the correlation and suggest a causal spiral where low confidence leaves patients more prone to depression, and the increasing signs of depression undermine confidence. Entrepreneurial Intent is directly related to entrepreneurial self-efficacy, and that is, at least in part, influenced by education, experience and exposure to other entrepreneurs (Drost & McGuire, 2011). Entrepreneurs must be confident enough to commit to their risky ventures, and so should be less susceptible.

Locus of Control (LoC) was a concept introduced by Julian Rotter and his team in the 1950s and 60s to describe an individual’s perceptions of his ability to influence his own life and specific outcomes. An external LoC suggests a belief that the circumstances and outcomes are driven by external factors. Krause and Stryker (1984, p. 787) report that “*moderate externals are the most vulnerable to the effects of job and economic stress*”. DuCette and Wolk (1972, p. 253) find respondents with external LoC were characterised by “*a preference for extreme risks, low persistence, and atypical shifts in level of aspiration; they were more extreme in their estimation of success when responding to items related to academic, occupational, and cognitive activities*”.

By contrast “extremely internal types may be so overcome with a sense of personal responsibility for the occurrence of the stressful event that they may suffer from anxiety and depressive reactions” (Krause & Stryker, 1984, p. 784) and this evidences an inability to cope with life’s ups and downs when they are genuinely beyond our control. Entrepreneurs, who characteristically have a marked but mild internal locus, should be more resilient to setbacks. Chen and Silverthorne (2008, p. 579) conclude that “Respondents who had an internal LOC

perceived lower levels of job stress, and reported higher levels of job satisfaction and job performance” while Krause and Stryker (1984, p. 787) confirm that “moderate internals are able to cope most effectively with stress”.

Entrepreneurs have a higher than average Need for Achievement or nAch (Begley & Boyd, 1987; Collins, Hanges, & Locke, 2004; Wu, Matthews, & Dagher, 2007). This is associated with people who never switch off. In a study measuring a physiological hypothalamic–pituitary–adrenal (HPA) response and cortisol release, individuals with a high nAch were found to be more habitually stressed than their peers but coped better with challenging tasks and negative feedback (Yang, Ramsay, Schultheiss, & Pang, 2015). They fared particularly well where they had articulated both challenge and feedback as opportunities to learn and improve. Entrepreneurial activity involves very high levels of uncertainty. For many, particularly those with a need for control, this presents a problem and a source of stress. Entrepreneurs’ tolerance of ambiguity serves as a buffer and allows them to continue even when the fundamentals of the nascent business are still open to question.

Uncertainty is risky, and entrepreneurs necessarily have a higher propensity for risk-taking. Risk-taking is a complex psychological trait. It includes elements of sensation and novelty seeking and impulsiveness. Zuckerman and Kuhlman (2000) confirm that these are personality traits rather than responses to opportunity, so all risks are more acceptable to the risk-taker. The gambler is more likely to take drugs, and the Lothario who takes sexual risks is more likely to crash a car. Nicholson, Soane, Fenton-O’Creevy, and Willman (2005) point out that typical risk-takers show high extraversion and low conscientiousness. This is the opposite of typical entrepreneurs, but lest this seems like a contradiction, they identify three different, but not exclusive, categories of risk-taker: the Sensation-Seeker, the Goal Achiever and the Risk Adaptor. Of these, the Sensation-Seeker manifests a general predisposition towards risk and is unlikely to become a successful entrepreneur. The Goal Achiever accepts entrepreneurial risk as a condition of expected reward. The Risk Adaptor exercises increasing mastery of a skill or profession where risk is endemic (as is the case with many forms of finance or speculative trading).

Hvide and Panos (2014, pp. 210-211) observe “*More risk tolerant individuals are more inclined to start up a firm but of poorer expected quality than less risk tolerant individuals*”. There has been some argument over the characteristic nature of entrepreneurial risk-taking since Brockhaus (1980). Astebro, Herz, Nanda, and Weber (2014) suggest that entrepreneurs are not so much seeking risks as dazzled by opportunities. They habitually under-estimate the challenge and over-estimate their own abilities, with the consequence that they embrace risks that others would find unappealing.

Families, peer groups and role models all have a profound impact on intending entrepreneurs, and it seems that these factors also specifically affect risk-taking. Smith, Chein, and Steinberg (2014) identify the influence of peers on

adolescent risk-taking while Kish-Gephart and Campbell (2015) noted the importance of social class for CEOs, where more affluent backgrounds led to the acceptance of greater risk, mitigated by the safety nets of social networks, family means and elite education.

Innovativeness is central to contemporary theories of Bricolage (Baker & Nelson, 2005) and Effectuation (Sarasvathy, 2009). Even Schumpeter's (1942) creative destruction calls for "the qualities of boldness, self-confidence, creativity and innovative ability" (Kirzner, 1999). Hmieleski and Corbett (2006) measure entrepreneurial activity and creativity, and find a clear link, supported by Rauch and Frese (2007). There have also been a large number of studies suggesting a link between creativity and mental health issues such as bipolar disorder and depression (Power et al., 2015). Silvia and Kimbrel (2010) acknowledge the potential link between mental illness and "divergent thinking, creative self-concepts, everyday creative behaviors, and creative accomplishments", support the correlation but find the impact is smaller than generally assumed.

We have examined the entrepreneurial personality and discovered that the characteristic traits are more likely to constitute a shield and a defence against the psychological risks of entrepreneurship. These traits not only characterise entrepreneurs, they are directly responsible for a secondary characteristic, resilience. Every worthwhile project has setbacks and we all fall down from time to time. Some projects fail because they could not have succeeded, some because they are badly managed and some because their sponsors are unable or unwilling to continue to the point of success. The resilient entrepreneur increases his likelihood of success in a project with potential, but also increases the cost of failure in hopeless projects, by carrying on. The essential commitment and faith in the project all too easily become delusion. Resilience is a buffer against short-term failures but an amplification of the cost of final failure.

#### **4. The Call and the Cost of Freedom**

Entrepreneurship is hard to define, but "happiness" is even more problematic. Aristotle (c 340 BC) saw happiness as virtue, fulfilment, balance and engagement. Fulfilment requires excellence and the realisation of potential, which is judged in the context of purpose. The entrepreneur commits to a project with an investment of time, money, emotions and identity. Entrepreneurs become voluntarily blind to alternative courses and opportunity costs. They create their own purpose and commit to it wholeheartedly, taking them to the higher reaches of Maslow's hierarchy. Daniel Pink (2011) identifies three powerful human motivators: autonomy, mastery and purpose. These are also the key constituents of job satisfaction and overall happiness, and they lie at the heart of the entrepreneurial dream.

Entrepreneurs are drawn to “being independent and one’s own boss” (Blanchflower & Oswald, 1998). Not only are they attracted by independence but “the self-employed report higher levels of job and life satisfaction than employees” (ibid), a finding echoed by Andersson (2008), Hessels, Arampatzi, Van der Zwan, and Burger (2018) and Taggar and Kay (2018). The freedom to make decisions, to develop specialist expertise and to pursue a worthwhile goal means that a commitment to an entrepreneurial project creates a sound basis for happiness: autonomy, mastery and purpose. Many entrepreneurs cannot imagine a life as an employee.

While the rewards are immediately psychological (and provisionally financial), there is a cost to embarking on a new venture. The lone wolf entrepreneur commits himself to isolation and a greater risk of failure, and this is possibly the reason that investors dislike single-founder ventures, although they may also be looking for the increased guarantee of continuity should the founder be unable to continue, as well as a range of core skills and experience. Nevertheless, singleton or team, new ventures rarely succeed. The Enterprise Research Centre (reported in Financial Times, 2017) finds that half of new businesses in the UK fail within three years, and Shikhar Ghosh’s research at Harvard Business School (Blank, 2013) suggests 75% are investment failures while 95% disappoint their founders. Entrepreneurial freedom comes at a cost.

## **5. When the Dream Becomes a Nightmare**

For the majority of entrepreneurs, their current project will bring failure, not freedom. Failure leads to feelings of bereavement (Shepherd, 2003) which shares the symptoms of depression (although psychiatrists treat them differently). Michael Freeman who has researched the links extensively (Freeman et al., 2015; Johnson et al., 2015), tells us that entrepreneurs are by their nature more prone to depression, ADHD, substance abuse and suicide. It is true that there are links between creativity and bipolar disorder (Baas, Nijstad, Boot, & De Dreu, 2016); goal-seeking and mania (Johnson, 2005); action-orientation and openness, and the same dopamine reward circuitry that leads to impulsivity, risk-taking and addiction. The links are, however, only apparent when the personality trait is extreme. We can all think of examples of the troubled genius, the manic inventor and the tragic business founder. These are memorable but heuristically biased (Kahneman, 2011) and not statistically representative. We can just as easily find stories of heavy smokers who live to 100, but this does not mean cigarettes hold the secret to longevity.

Many entrepreneurs succeed after a string of failures. This is of course the rationale behind the Martingale betting strategy where, after every loss at “Heads or Tails”, the gambler doubles the stake. Eventually, so the dangerous reasoning goes, they must be lucky. Entrepreneurs often persevere when a more balanced

individual might have accepted defeat. The iconic story of Rovio is testament to the single-mindedness of the founders. Three graduates of Helsinki's Aalto University started to develop games for mobile phones. They prevailed on friends and family and raised over €1m, but development took longer than anticipated, family members fell out and Mikael Hed, the CEO, left the company in 2005. Reality, of a sort, encouraged them to take on contract work in 2006 but that was insufficient and they started to cut their workforce. By 2009 they were down from 50 to just 12 staff, and close to bankruptcy (Cheshire, 2011). Realising that they had not taken themselves and their product sufficiently seriously they re-recruited Mikael Hed, raised more money and tried again. The founders had started saying "just one more try" after the third release. They were still saying it after fifty. What reasonable person would want to continue after fifty successive disappointments? Rovio, to the despair of their families and friends, were still insisting on "one more try" for their fifty-first title (which failed), and then for the fifty-second, which they called *Angry Birds* and which became the most downloaded iPhone game ever (Robertson, 2015). Somehow, the Rovio founding team had remained committed while their environment had become increasingly hostile and stressful. Many "normal" people would have succumbed to depression.

Not all entrepreneurs have such seemingly inexhaustible resilience. Eventually reality bites and this is apparent in the statistics. 49% of Freeman et al.'s (2015) research cohort of entrepreneurs reported depression and other mental health issues and there is a widely reported epidemic of founder suicides in Silicon Valley. Some authors ask what it is about entrepreneurs that makes them depressed. The better question is how so many entrepreneurs cope so well with failure when they are in a toxic environment that threatens nearly everything we accept as essential to happiness. Perhaps an entrepreneurial mindset helps us to happier, more meaningful lives. The Team Academy movement (Fowle & Jussila, 2016) uses entrepreneurial practice as a vehicle for developing self-efficacy, teamwork, resilience and business experience, and Tingey et al. (2016) report on entrepreneurship education as a means of encouraging attachment, confidence and mastery, self-control and optimism in American Indians. These traits are all significant in building defences against depression, but the circumstances of a fully commercial entrepreneurial project put them to the test.

Shneidman (1998) lists five psychological frustrations that lead to suicide, including (i) fractured control, (ii) assaulted self-image and (iii) ruptured key relationships. Founders pursue achievement and autonomy, but most find that a failing business, financial constraints and the demands of stakeholders lead to frustration and a loss of control. Entrepreneurship, in principle, is attractive and founders build and promote an image of excitement, competence and success to influence their backers, partners, staff and potential customers. For most, as disaster looms, the gulf between spin and reality becomes wider and increases the shame, humiliation and disgrace of failure and the collapse of self-image. The



damage is particularly severe where the founder has relationships built on leadership and trust. Nobody loves a loser, and sometimes being honest about the challenges will be enough to destroy the company. As the position becomes more precarious, the dishonesty escalates. In order to save the company and those who depend on it, the founder betrays the trust of those same people and sets up an inevitable rift, akin to bereavement.

There is no doubt that commitment to an entrepreneurial venture triggers the probability of suffering three of Shneidman's psychological assaults. Additionally there is the physiological impact of the entrepreneurial lifestyle. This becomes exaggerated in strongly entrepreneurial communities where there is a culture of extreme living, and every successful community includes some level of pressure to conform (Fowle, 2006). Silicon Valley is a unique and specific sub-culture but it influences attitudes to, and expectations of, all entrepreneurs. Douglas Coupland's *Microserfs* (1996) have eating, sleeping and psychological disorders. *Wired* (Del Conti, 2007), *Forbes* (Strauss, 2014), *Huffington Post* (Dotsenko, 2016) and *Entrepreneur.com* (Pennington & Crossman Sullivan, 2014) assume that entrepreneurs survive largely on ramen noodles, while *Forbes* (Young Entrepreneur Council, 2011) and *Huffington Post* (Quon-Lee, 2014) point out that there is more to entrepreneurship than noodles, ironically reinforcing the association. The assumption is that diet, along with sleep, exercise and personal relationships, have all been sacrificed to the greater cause. Doree Shafir's "Startup" (2017) fictionalises the dysfunctional lives and lifestyles of startup entrepreneurs, based on her journalistic observations. The ultimate expression of the entrepreneurial extreme is Jordan Belfort's drug-crazed and sex-addicted, semi-autobiographical *Wolf of Wall Street* (2011). The founder's self-image is a public relations pyramid scheme where the stakes (and the main characters) get higher, and the cost of failure escalates past the point of no return.

Social media has given us the blight of competitive happiness, and in entrepreneurial circles there is the analogous obligation to manifest success. Admissions of weakness are a personal failure and may well trigger business failure. Social pressure creates a spiral of adrenaline-based, high-energy activity. Failure is acknowledged, but only as a stepping-stone to even greater success.

The outcome is that half of the entrepreneurs questioned by Michael Freeman report depression or other mental health issues. Depression rates are four times as high as they are amongst the general population. Freeman suggests that the entrepreneurial personality, and not the entrepreneurial decision, is the trigger. However, we have shown that entrepreneurship is not a stage in the declining health of characteristically depressed people; it is a gamble with very high psychological stakes taken by naturally resilient people.

## **6. Guidance for Travellers**

Why be an entrepreneur? The answer, as we have seen, is the building of identity, the autonomy, the excitement and the well-being that comes from wholehearted dedication to a purpose. Even unsuccessful entrepreneurs often speak nostalgically of their failed ventures and many look for another opportunity to start a business (Hayward, Forster, Sarasvathy, & Fredrickson, 2010; Yamakawa, Peng, & Deeds, 2015). Those with higher levels of Emotional Intelligence are more likely to recognise elements of success in ventures that have failed overall (Zhou & Bojica, 2017).

The appeal is seemingly irresistible, the rewards are high, but the penalty can be fatal. Is there a way that nascent entrepreneurs can navigate their paths without exposing themselves to psychological risk? Depression is a cycle fuelled by lack of sleep, lack of exercise and poor diet (Lopresti, Hood, & Drummond, 2013). Entrepreneurs should make a point of enforcing basic disciplines in each of these areas. It is plainly hopeless to expect to solve the problem simply by asking individual entrepreneurs to espouse a healthy work/life balance. However, as with risk-taking and the influence of role models, entrepreneurs are susceptible to the expectations of their cultural milieu. So many entrepreneurs now start in universities, accelerators or incubators that these organisations should consider themselves responsible in helping their alumni to healthier outcomes.

Where a self-imposed health regime may be an unlikely fantasy, competitive (or at least monitored) health is more likely to succeed. Fitbits and other health devices have a profound effect on some people's health (Cadmus-Bertram, Marcus, Patterson, Parker, & Morey, 2015; Lyons, Lewis, Mayrsohn, & Rowland, 2014; Mercer, Li, Giangregorio, Burns, & Grindrod, 2016), and an even greater effect when their wearer is driven by performance metrics and goals (Michie et al., 2011). This gamification of health holds great hope for us all as we have the means and incentive to regulate our own lives. Even better is when we can create communities of health (Payne, Lister, West, & Bernhardt, 2015). This explains the success of Weight Watchers (Ahern, Olson, Aston, & Jebb, 2011) and the attempts of exercise apps like Runkeeper to move from self-monitoring to social, competitive and peer-regulated goals. The social environment helps, the smaller social group of fellow entrepreneurs allows the sharing of experience and the pooling of knowledge, and the founding team create a sense of camaraderie and shared purpose that strengthens resolve, mitigates the risks of loneliness and distributes the burden. New ventures founded by teams are more successful (Cooney, 2005; Song, Podoyntsyna, Van der Bij, & Halman, 2008), scale faster and are more flexible (Marmer et al., 2011), and when they do fail, their failure is less painful.

Any venture, or any project will have challenges. Having a clear purpose, and specifically a purpose that is nobler or wider than simple profit helps founders to carry on when times are dark. When funds are running low, investor support is

uncertain and progress seems interminably slow, then it is easier to carry on if the pain is matched by a belief that the venture is worthwhile. The new cancer drug will save lives; the educational product will transform the prospects for children; and the new building will allow thousands to enjoy healthy sports in all weathers. When Frankl was able to help others, even the horror of Auschwitz could not eradicate his satisfaction.

The final element is the enormous risk of the entrepreneurial venture. The sheer scale and potentially terminal consequences of failure still threaten the wellbeing of anyone supporting a new venture. But is the risk always unavoidable? In the last few years many venture creation courses have adopted the Lean Startup approach (Blank & Dorf, 2012; Osterwalder & Pigneur, 2010; Ries, 2011). This encourages iteration and discourages a planned (and therefore prescriptive) route to a pre-defined but speculative objective or product. Instead there is a focus on experiment, engagement with customers, and learning. We have seen already that treating setbacks as learning experiences encourages resilience, but the Lean approach also reduces risk by embracing it early. Traditional planned business projects attempted to put the plan into action. Lean Startup tries to put the action into the heart of the plan. Risks are identified and tested as soon as possible in order to minimise commitment to untested courses of action. If product/market match is tested and proved or disproved then there is a rationale for continued investment. Founders have a sound basis for increasing the exposure of friends, family, other investors and staff and partners. Short-term failure becomes cheaper and more likely – as does long-term success. Both the scale and probability of failure dwindle, as does the personal and inter-personal liability of the founder.

Many entrepreneurs succeed on the second or subsequent attempts, but some are so damaged by an initial failure that they cannot carry on. The pillars of psychological wellbeing are (i) Physical health and lifestyle; (ii) People and relationships with family, friends, co-founders and other stakeholders; (iii) Partnership with a complementary team and engaged customers; (iv) Product development through rapid iteration to minimise risks; (v) commitment to a greater Purpose; (vi) Proving the business through a discovery process that sees failure and success as essential steps in learning and (vii) Progress that is acknowledged and celebrated. Different industries have different cultures and attract different personalities, but the seven pillars are common to us all. We can take positive steps to replace the culture of heroic all-nighters with competitive sleep monitoring, diet and exercise. We can use each other as regulatory mechanisms. We can reduce business risks by addressing them early and iterating with customer help. We can treat stakeholders as collaborators and recruit their expertise and networks. We can state and restate the purpose so that the team is inspired and aligned, and we can celebrate landmarks and turning points.

Driving, skiing and skydiving all involve a level of risk, but it is the rewards and not the risks that attract us. In fact, we train, prepare and adopt specific disciplines to minimise the risks of each. Similarly, entrepreneurs who can manage themselves as well as their ventures will reduce their exposure to physical, financial and psychological damage.

## **7. Conclusion**

Active entrepreneurs suffer from higher levels of mental ill-health than most other groups. This is not due to innate susceptibility but to their commitment to high-risk, physically demanding and emotionally challenging projects. Professional athletes have more sporting injuries than the public at large, but not because they are unfit or unsuited to athletics. Their natural ability leads them to more demanding challenges. Entrepreneurs accept challenges others would reject. As athletes can train to reduce injury, so entrepreneurs can shape their projects to increase the chances of success and reduce the costs of failure. The most effective measures are the maintenance of physical health, trusting relationships and an attitude of experiment and enquiry. Policymakers, universities, accelerators and entrepreneurs themselves must ensure that these values become part of the core ethos of developing entrepreneurial communities and ventures.

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