The current entrepreneurial landscape is dominated by the pursuit of “unicorns” — startups valued at over a billion euros. While these rare cases of success symbolise innovation and scalability, the obsession with unicorn status often overshadows fundamental qualities such as resilience, adaptability, and the ability to learn from failure. In this article, we argue that shifting the focus from unicorns to the metaphorical “frog” — resilient and persistent — could redefine success in entrepreneurship. Embracing trial and error, valuing small victories, and building sustainable businesses piece by piece is not only a practical approach but a necessary evolution for achieving long-term impact.

The Obsession with Unicorns and Its Consequences

The term “unicorn”, coined by venture capitalist Aileen Lee in 2013, represents the rarity of startups reaching billion-dollar valuations. By November 2024, there were 1,422 active unicorns globally (PitchBook, 2024). The pursuit of unicorn status has become synonymous with entrepreneurial success, fostering intense competition and a focus on rapid growth. However, this emphasis often neglects the patient, iterative process of building resilient businesses.

This obsession has led many entrepreneurs to prioritise metrics such as market valuation and funding rounds at the expense of sustainability and market fit. Yet, the reality is stark: around 90% of startups fail, with 10% not surviving their first year and 70% shutting down between their second and fifth year (CB Insights, 2024). These figures underscore the critical need to embrace failure as an integral part of the entrepreneurial process and to value resilience over perfection.

Resilience and the Power of Trial and Error

The entrepreneurial journey is, by nature, unpredictable. Resilience — the ability to adapt, recover, and grow in the face of adversity — is a fundamental trait of successful entrepreneurs. This capability is not merely a personal attribute but also a strategic process that enables individuals to face uncertainty and turn challenges into opportunities. As Reid Hoffman, founder of LinkedIn, once observed: “Entrepreneurship is like throwing yourself off a cliff and building a plane on the way down.” This metaphor captures the iterative essence of entrepreneurship, where trial and error are not just inevitable but indispensable for innovation.

Every failure provides invaluable lessons, serving as a learning laboratory. These moments of setback reveal not only what doesn't work but also offer valuable insights into what can be refined and improved. Thomas Edison famously encapsulated this mindset when he said: "I have not failed; I've just found 10,000 ways that won't work." This perspective not only demystifies failure but also underscores its importance as a stepping stone to progress.

"We learn wisdom from failure much more than from success. We often discover what will do, by finding out what will not do; and probably he who never made a mistake never made a discovery." – Samuel Smiles (as cited in Dana et al., 2021).

The concept of learning from mistakes finds a powerful example in the aviation industry, now one of the safest industries in the world. This safety was not achieved through an absence of failure but through a commitment to investigate, document, and continually train to prevent the recurrence of incidents in the future. Every accident or near-miss is treated as a learning opportunity. Rather than seeing errors as the end of a cycle, aviation has transformed them into essential steps for increasing capacity, scale, and performance, constantly improving safety standards. This model of resilience offers a valuable lesson for entrepreneurs: failure is not a full stop but the beginning of a process of refinement.

Even Jeff Bezos, CEO of Amazon and one of the most successful individuals in the world, acknowledges the central role of failure in the growth and innovation of his company. As early as his 1997 Letter to Shareholders, Bezos remarked:

"Nine times out of ten, you're going to fail. But every once in a while, you'll hit a home run that in business terms is more like one thousand runs."

This mindset of embracing failure as an inevitable part of success reflects Amazon's commitment to taking calculated risks to achieve extraordinary outcomes. This philosophy was reinforced in the 2015 Letter to Shareholders, where Bezos stated:

"Failure and invention are inseparable twins. To invent, you have to experiment, and if you know in advance that it's going to work, it's not an experiment."

These statements illustrate how failure, rather than being avoided, should be seen as an essential step in the journey toward innovation. Bezos frames mistakes not as obstacles but as catalysts for progress.

In the context of entrepreneurship, this approach allows setbacks to transform into opportunities for growth, fostering the creation of stronger, more resilient, and sustainable businesses. This cycle of trying, failing, learning, and adjusting is what drives innovation. As in aviation or Bezos's strategy, successful entrepreneurs understand that every unsuccessful attempt brings them one step closer to a viable and impactful solution. Resilience, therefore, is not merely the ability to endure failure but to use it as fuel for continuous evolution.

Small Successes: Building Blocks for the Future

In a culture that celebrates meteoric achievements, small victories often go unnoticed, yet these incremental accomplishments form the foundation for greater success. These seemingly minor achievements, frequently underestimated, are the essential building blocks of sustainable and solid growth.

Each smaller milestone — whether it's winning a few loyal customers, perfecting a product, or solving a logistical challenge — is not merely an isolated advance but a meaningful contribution to the larger vision of a startup. These accomplishments represent tangible steps toward larger goals, transforming daily efforts into cumulative results that strengthen the structure of the business.

"Decisions to persist or exit for entrepreneurs, whether social or commercial, are shaped more by the nature of the venture and situational stimuli than by intrinsic motivations, highlighting the importance of adaptive contexts and resilience to overcome adversities" (Muñoz, Cacciotti, & Ucbasaran, 2020, p. 7).

It is important to note, however, that entrepreneurship, much like Darwin's description of evolution, is a continuous process of natural selection. In this context, today's successes are often the result of accumulated learnings and mistakes over time — not only one's own but also those of others (Darwin, 1859). As in biological evolution, where successful adaptations emerge through experimentation and the elimination of what does not work, in entrepreneurship, the products and business models that endure are those that survive this process of natural selection.

A remarkable example is the 3M Post-it, a product that emerged from a failure. The adhesive created for the project was initially deemed a failure because it lacked the desired strength. However, this "imperfect" characteristic was transformed into a creative solution for reusable

sticky notes. This case demonstrates how failures, when reinterpreted, can lead to innovations that address previously unknown needs.

Startups that embrace this Darwinian approach focus on customer needs, adaptability, and progressive growth, rather than chasing unattainable goals or succumbing to the pressure to become “unicorns.” Every misstep is seen as an opportunity to learn, adjust, and iterate. The ideas that survive this cycle of experimentation and error are those best adapted to market demands and capable of withstanding competitive pressure.

Choosing to stand out as a resilient “frog” rather than chasing the ephemeral glow of unicorns is thus a strategic decision. It is about valuing gradual and sustainable progress which, while less glamorous, offers genuine resilience. In this process, accumulated successes are like well-adapted genes, built on collective learning and experiences that, over time, shape the future of entrepreneurship.

The Frog Mindset: A Return to Authentic Entrepreneurship

Shifting to the frog mindset symbolises a return to the core values of entrepreneurship: resilience, adaptability, and perseverance. The frog does not define itself by the illusion of perfection but by its ability to survive, adapt, and thrive in challenging environments. Entrepreneurs with this mindset are not discouraged by failure; instead, they view it as a stepping stone toward success.

Startups that embrace this process not only build stronger foundations but also contribute to a more robust and innovative economy. An illustrative example of this approach is the story of an employee who made a mistake that cost their company millions. When offering their resignation, the employer responded, “I just spent money on your training; now move forward.” This incident underscores the importance of viewing mistakes as opportunities for learning and growth, rather than as reasons for punishment or giving up.

Back to the Laboratory: Experimentation and Innovation as Pillars of Success

Returning to the laboratory — where experimentation is free, and failure is treated as an opportunity to learn — is fundamental to truly innovative entrepreneurship. This creative environment, where multiple paths are explored simultaneously, still requires a well-defined plan. It is not about acting randomly but about allowing curiosity and discovery to be guided

by a strategic, yet flexible, framework.

This journey can be undertaken with or without technology, with or without external support. It is a demanding path that few entrepreneurs are willing to take. It involves “getting your hands dirty” — deeply engaging in the process, grappling with practical details, and continuously fine-tuning the mechanics of the business. It also demands the ability to “hit the mark down to the millisecond,” refining even the smallest details without losing sight of the bigger goal.

“Be the person who still tries. After failure, after frustration, after disappointment, after exhaustion, after heartache. Be the person who musters up the courage to believe that a new attempt can manifest a new outcome” (Cacciotti et al., 2016, p. 305).

This type of entrepreneurship acknowledges that the main trail is not always the only way to reach the top of the mountain. Creating alternative paths does not mean giving up on the goal but exploring new routes, adapting, and embracing the challenge. These different paths may lead to more creative, more sustainable, or simply more rewarding solutions. And herein lies a powerful lesson: while the mountain is important, the true significance lies in the process of discovering how to get there.

Real-Life Examples: Learning from Mistakes and Innovating

Failure is often seen as an insurmountable obstacle, but some of the most successful companies in history show that it can be a catalyst for innovation and growth. Below, we examine four iconic cases of mistakes that were transformed into lessons, redefining the trajectory of their respective companies.

One of the best-known examples is Coca-Cola’s launch of New Coke in 1985. The company decided to change the formula of its classic soft drink to compete with Pepsi, only to face a massive backlash from consumers, who rejected the new taste. In response, Coca-Cola quickly reintroduced the original formula under the name Coca-Cola Classic, regaining its market position. This episode highlighted the importance of understanding the emotional connection consumers have with products and demonstrated the value of audience-driven decision-making.

Another iconic case is Apple’s launch of the Newton MessagePad in 1993. This early personal

digital assistant faced technical issues such as poor handwriting recognition and a high price point. Despite its commercial failure, the Newton proved to be a valuable learning experience for Apple, with insights from its design and interface contributing to the development of future products, culminating in the success of the iPhone and iPad.

Netflix also learned from its mistakes when, in 2011, it attempted to separate its streaming and DVD services into two distinct companies. The change caused confusion and backlash among customers, leading to subscriber losses and a sharp drop in stock value. However, Netflix quickly recognised its error, abandoned the separation plan, and doubled down on growing its streaming platform. This strategic adjustment enabled the company to become a leader in the digital entertainment industry and synonymous with streaming content.

Finally, SpaceX exemplifies the power of turning failures into innovation in the tech sector. In its early years, the company experienced a series of failed launches, including three Falcon 1 attempts between 2006 and 2008. These failures brought the company to the brink of bankruptcy, but each mistake was treated as a learning opportunity. In 2008, Falcon 1 became the first privately built rocket to reach Earth’s orbit. This resilience allowed SpaceX to revolutionise the space industry with reusable rockets, redefining expectations for accessibility and efficiency in the aerospace market.

Studies show that fostering a culture of experimentation and embracing failure improves innovation and long-term performance (Harvard Business Review, 2023). Startups that adopt this approach not only build stronger foundations but also contribute to a more robust and innovative economy.

By adopting this mindset, entrepreneurs and businesses can focus on the true value of the journey. After all, entrepreneurship is not just about reaching the destination but about the discoveries made along the way. Every mistake, adjustment, and small victory adds up to create more resilient, innovative, and future-ready businesses.

Conclusion

The relentless pursuit of unicorn status has obscured the true essence of entrepreneurship: resilience, learning, and sustainable growth. By adopting the frog mindset, entrepreneurs can redefine success — not as an unattainable valuation but as the ability to adapt, persevere, and learn at every stage of the journey. The entrepreneurial ecosystem must celebrate these qualities, promoting a culture where failure is seen as a stepping stone and small victories

are recognised as the building blocks of great achievements.

References

Bezos, J. (1997). *1997 Letter to Shareholders*. Amazon.com. Retrieved from https://www.amazon.com/ir/annual-reports

Bezos, J. (2015). *2015 Letter to Shareholders*. Amazon.com. Retrieved from https://www.amazon.com/ir/annual-reports

CB Insights. (2024). The top reasons startups fail. Recuperado de https://www.cbinsights.com/research/startup-failure-reasons/

Cacciotti, G., Hayton, J. C., Mitchell, J. R., & Giazitzoglu, A. (2016). A reconceptualization of fear of failure in entrepreneurship. *Journal of Business Venturing, 31*(3), 302–325. https://doi.org/10.1016/j.jbusvent.2016.02.002:contentReference[oaicite:0]{index=0}

Darwin, C. (1859). On the origin of species by means of natural selection, or the preservation of favoured races in the struggle for life. London: John Murray. https://doi.org/10.5962/bhl.title.82303

Edison, T. (n.d.). Quotes on innovation and failure. Recuperado de https://www.goodreads.com/quotes

Harvard Business Review. (2023). The benefits of embracing failure in business. Recuperado de https://hbr.org/

Hoffman, R. (n.d.). LinkedIn founder on the nature of entrepreneurship. Recuperado de https://www.linkedin.com/pulse/entrepreneurship-reid-hoffman/

Muñoz, P., Cacciotti, G., & Ucbasaran, D. (2020). Failing and exiting in social and commercial entrepreneurship: The role of situated cognition. *Journal of Business Venturing Insights, 14*, e00196. https://doi.org/10.1016/j.jbvi.2020.e00196

Kahney, L. (2008). Inside Steve’s Brain. Penguin Books. ISBN: 9782806224972.

Keating, G. (2012). Netflixed: The Epic Battle for America’s Eyeballs. Portfolio. ISBN:

9781101601430.

PitchBook. (2024). Unicorn startups: Trends and insights. Recuperado de https://pitchbook.com/

Schindler, R. M. (1992). The real lesson of New Coke: The value of focus groups for predicting the effects of social influence. Marketing Research, 4(4), 22-27. Recuperado de https://jameshammon.com.au/wpcontent/uploads/2019/01/new_coke_AMA.pdf

Vance, A. (2015). Elon Musk: Tesla, SpaceX, and the Quest for a Fantastic Future. HarperCollins. ISBN: 9781101601430. Disponível em Google Books.