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Deepak Jayaraman

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Context to the conversation

Bill speaks about how Amazon drives a culture of risk taking by being open towards failures. He also goes onto speak about the distinction between good failure and bad failure and how companies should ensure they don't mistake one for the other

Transcription

Deepak Jayaraman (DJ): And actually in the book you talk about how Amazon learns from failure, right? You talk about the dramatic failure of Amazon Unbox and the first attempt at streaming content and how Amazon learnt from it and eventually evolved it into Amazon Prime Video. Could you talk a little bit about how Amazon ensured that there was a culture where failure was not something that was looked down upon but was seen in the right perspective?

Bill Carr (BC): Yes, so this takes first of all it starts from the top. So, if your CEO, if the CEO is saying we messed up there, I want to know who messed up, who is accountable for this then you are not creating a culture where failure is acceptable, okay? If when people screw up or take a well calculated risk, try something new and it doesn't work and you fire them for it, you have definitely not created a culture that accepts failure and innovation. So, there are relatively unlimited number of books, articles, podcasts that all talk about how a company can be more innovative. Like, you know, if you asked, if you have 50 CEOs in a room and you ask them who here wants to be more innovative, you will get 50 hands raised and say, okay great. Now if you asked that same set of CEOs, okay, great, tell me about the give me three examples of things that your company has done in the past two years where you thought it out in detail, you took a big risk and it didn't work and you are going to get very few hands that are going to come up because most cultures, society and Wall Street seek to punish failure. But you cannot have innovation without failure; it's not possible. If anyone thinks that Steve Jobs got it right every time or Jeff Bezos got it right every time, they don't really, they have not studied them very closely. We are all, it's like anyone who is a golf fan, if you watch the golf highlights you only watch people hitting great shots and draining good putts. What you are not watching all the times is the pros make a mistake and hit it into the water and we all make mistakes. And so, you have to have a culture that accepts failure and then seeks to learn from it. Now, it's not okay to have a culture, it's not okay to have a culture where people fail because they didn't work hard, they didn't try hard, they didn't think it through or they make the same mistake multiple times in a row. Like that is that, there's good failure and bad failure, that's bad failure. Good failure is where teams say, here's a new process or product or project, it's well thought-out, if it succeeds there is a big the payout for our company is going to be big. And you want your company, you want your people and your company to focus on those kinds of risks and that if you do that, yes, some very meaningful percent of the time you are going to fail and so you can't have a culture

where you punish, fire, belittle people when that happens. You have to have a culture that is supportive and helps them understand and separates people from the inevitability of failure.

Reflections from Deepak Jayaraman

DJ: If this nugget is of interest, you might like the playlist on Culture at the podcast. You can go to playtopotential.com, go to the Curated Playlists section and look for the Playlist on Culture.

End of transcription

RELATED PLAYLISTS YOU MIGHT LIKE

Culture: Culture eats Strategy for breakfast but how does one build it. Leaders across domains (Academics, Armed Forces, Silicon Valley, Bollywood, Venture Investing) talk about the notion of culture and how they go about building it in their organizations. You can access the playlist [here](#).

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Bill Carr - Nuggets

- 72.00 Bill Carr - The Full Conversation
- 72.01 Bill Carr - Learnable elements from Jeff Bezos's leadership
- 72.02 Bill Carr - Bringing 14 leadership principles to life
- 72.03 Bill Carr - Raising the bar on recruitment
- 72.04 Bill Carr - Recognizing and developing good judgment
- 72.05 Bill Carr - Disagree yet commit - bringing it to life
- 72.06 Bill Carr - Written communication - a competitive advantage
- 72.07 Bill Carr - Building a culture of learning from failure
- 72.08 Bill Carr - "What" decisions versus "Who" decisions

About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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