

# FREE YOUR MIND

A Global Research Study to Help Leaders

Liberate Themselves from the *Spiral of Entrepreneurial Suffering*

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# Executive Summary

For the past several years, numerous online articles and research studies have highlighted the prevalent mental health challenges experienced by startup founders and their teams. These articles and studies have done an excellent job bringing awareness to the crisis in entrepreneur wellbeing.

The purpose of this report is to **identify key psychological patterns and environmental conditions that our research and experience indicate are accelerating challenges to the wellbeing of entrepreneurs, and to begin the narrative of what a hopeful future may look like.** It is our hope that by better understanding the catalysts for entrepreneurial suffering, an ecosystem can be created that provides entrepreneurs with the psychological development, emotional support, and creative environments that would help them innovate, build, and sustain the organizations of our future.

To identify the psychological patterns, our team **serendipitously conducted a 2-year study with over 1,300 participants on entrepreneurial wellbeing** which, to the best of our knowledge, is the largest study ever conducted on the topic. The purpose of our research was to go beyond the well-known facts that entrepreneurs typically experience high levels of stress, burn out, and difficulty finding the time needed to achieve business success.

Using a [Wellbeing Assessment](#) developed by our team of psychologists, executive coaches, and venture capitalists, our research identified a common pattern of subconscious mindsets and behaviors that exacerbate the entrepreneurial experience and tend to accelerate wellbeing challenges. This pattern of beliefs and behaviors, which we refer to as the *Spiral of Entrepreneurial Suffering*, is as challenging for entrepreneurs to manage as the business fundamentals of their venture.

Entrepreneurs in the grip of the *Spiral of Entrepreneurial Suffering* are characteristically possessed by the following beliefs and behaviors:

1. **"I AM MY COMPANY"** – Entrepreneurs frequently identify as their company to everyone in their social sphere, causing their emotional wellbeing to fluctuate with the fate of the company. Even if the entrepreneur does not identify as their company, society tends to do it for them.
2. **CONTROLLING THE UNCONTROLLABLE** – Entrepreneurs tend to push their anxieties aside and attempt to control reality, causing psychological stress when reality does not conform to their expectations.
3. **BEATING UP ON SELF** – Entrepreneurs tend to beat up on themselves emotionally and psychologically, because they experience their struggles as a reflection of their worth as a human being.

**The result of these core assumptions and behaviors is psychological suffering behind the scenes, which often leads to a spiral of unhealthy coping mechanisms, such as cracking the whip, false bravado, shaming team members, and scarcity mindsets, with the most extreme outcome being an entrepreneur taking their own life due to a startup failure.**

In addition to our own findings, recent research suggests that many entrepreneurs have a predisposition for mental health challenges. Although prior research suggests there is correlation between what our society defines as “mental health challenges” and the key traits of a successful entrepreneur, these pre-existing conditions, combined with the patterns and coping mechanisms within the *Spiral of Entrepreneurial Suffering*, can often lead to entire organizations spiraling out of control (e.g. Theranos, etc.).

For many, these findings paint a bleak portrait of entrepreneurship. However, our team was unconvinced that psychological suffering is a necessary part of starting a business. Instead, we embarked on a social mission to determine whether it is possible to break the cycle of self-imposed pain identified. **Would it make a difference in an entrepreneurs’ quality of life, their ability to lead, and their companies’ performance if they were given the opportunity to work on their emotional and psychological development, with the full support of their investors?** To test this hypothesis, our team ran an intervention to see what results could be achieved.

## Our Intervention for Psychological and Emotional Development

Our team of psychologists and executive coaches designed a 3-month program with curriculum to help entrepreneurs achieve breakthroughs related to “transforming fear,” “expanding time”, and “developing a growth mindset (to address self beat up)”. All aspects of the curriculum were based either on rigorous scientific research or experience in executive development programs at top global companies. **At a fundamental level, the interventions were designed to help entrepreneurs examine their deeply held assumptions and how they were relating to the external conditions of their life.**

Seventy-five entrepreneurs from the United States, Asia, Latin America, and New Zealand participated in twelve 90-minute live online sessions across the three months. To track shifts in mindset, awareness, and leadership capabilities, participants took the *Wellbeing Assessment* before and after the intervention.

Across the three-month study, participants improved in 20 out of the 22 outcomes in the expected directions. Overall, the quantitative results demonstrated significant improvements in core entrepreneurial skills around adaptability, growth mindset, decision making under pressure, and organizational efficacy. By practicing these skills and mindsets, it appears entrepreneurs can more effectively navigate high-risk business environments with emotional resilience and personal integrity.

Based on these outcomes, and our team’s 10+ years of experience observing entrepreneurs, our hypothesis is that creating environments and support systems where entrepreneurs can **cultivate greater self understanding and mental wellbeing during the innovation process** would translate to better products, healthier organizations, increased economic development, and an overall positive impact on our society. To take our findings to the next level, our team is planning to conduct a formal peer-reviewed study.

## Is the Venture Capital System Contributing to this Epidemic?

Our research and the results of our three-month intervention also raised the question as to whether the dominant model whereby entrepreneurs obtain the venture capital they need often forces entrepreneurs

to enact the *Spiral of Entrepreneurial Suffering* outlined above, thereby threatening the positive economic outcomes everyone in the system is hoping to achieve.

**More explicitly, are significant capital and financial returns being lost due to a lack of investment in an entrepreneur's holistic development?**

To address this question, we recommend that consideration be given to the following reforms to the existing venture capital model to ensure that both the human and the financial capital invested in entrepreneurs achieve their fullest market potential.

- **Investigate** new venture capital models, especially for smaller market entrepreneurs.
- **Tell a holistic story** of entrepreneurship in the entrepreneurial media, rather than mainly covering the big wins and losses, which only exacerbates the issues.
- **Commit to VCs' personal growth** to better serve as role models and mentors for their entrepreneurs.
- **Provide LPs with the education** needed to support entrepreneurial wellbeing.
- **Increase ecosystem collaboration** for the psychological and emotional development of entrepreneurs.

With awareness of the psychological risks to entrepreneurs, perhaps limited partners in venture capital firms will consider blessing their fund managers to provide the guaranteed development budget for the entrepreneurs they back. This initiative would take the pressure off the venture capitalist and entrepreneur and set the conditions for a system that encourages psychological and emotional development in future leaders, benefiting everyone.

## Entrepreneur Wellbeing - A Hopeful Future

We hope that after reading or listening to this report, a door will open to a new entrepreneurial future.

Entrepreneur wellbeing is both a moral and economic issue, and it's important for all participants in the entrepreneurial ecosystem - entrepreneurs, VCs, accelerators, universities, LPs, government agencies, the media, etc. - to share responsibility and participate in creating a new future.

The ability to envision new global solutions and change major industries in a matter of years can be one of the greatest gifts of the human experience. Creativity is fun, but is limited and dampened by the *Spiral of Entrepreneurial Suffering* where subconscious fear, arrogance, pride, anger and self-beat up are running the show.

**What would happen if we dedicated the same creative, innovative, and entrepreneurial spirit used for disrupting major industries to disrupt the way entrepreneurs build companies, and the way venture capitalists fund them?** The possibilities are vast and exciting, and at the very least, these seem like worthwhile investigations.

Given that entrepreneurs play a fundamental role in our society and economy, we'd like to invite whoever is reading or listening to this study to ask yourself **"Am I willing to be part of creating a new way for developing entrepreneurs?" After all, each of us has an entrepreneur within us looking for innovative solutions to maximize the potential of our lives and careers.** If you feel inspired to heed the call, we invite you to visit the links below where we have created a range of initiatives you can consider based on your interests and expertise. Leadership wellbeing is a core part of our social mission, we are just getting started, and your collaboration is needed.

If you are an entrepreneur looking for support, we have included links to explore options across budget ranges and desired intensity. We also encourage you to [take our Wellbeing Assessment](#) to understand yourself better, normalize what you may be feeling, and connect with a coach to share confidential feedback on the struggles you may be enduring in your entrepreneurial experience. If you are having struggles, know that you are not alone; there is nothing wrong with you; and there is an abundance of support available to help you navigate these circumstances to unlock the learning and growth opportunities.

For those of you with pre-existing mental health conditions, we invite you to also consider that **there is nothing wrong with you.** What if you took on the mindset that you were programmed this way to enhance your entrepreneurial capacities to ignite change, and that your only goals are to be aware of your tendencies to go out of balance, that way you can enroll the proper support to help you navigate the journey of life.

For entrepreneurs, venture capitalists, and leaders in general, we invite you to enter your e-mail below so we can send you the full report and audio files to listen to the findings on the go. It is our hope that these findings will educate and inspire paths to liberation for those who take the time to read or listen.

## Entrepreneurs and Mental Health – The Report

Each of the conclusions outlined in the summary above, plus our recommendations for changing the entrepreneurial ecosystem, are discussed in detail in the full report and audio files.

**Section I** begins by reviewing research on the topic of entrepreneurial wellbeing that was conducted prior to our own. These findings are illustrated in **Section II** with examples from contemporary entrepreneurial successes and flameouts.

In **Section III**, the origins and results of our own research using the *Wellbeing Assessment* are then summarized, with particular emphasis in **Section IV** on what we have learned about the characteristics of the *Spiral of Entrepreneurial Suffering*.

In **Section V**, we describe the intervention we conducted internationally with 75 entrepreneurs, and the improvements they were able to achieve through their own courageous work and the coaching support we provided.

Whether or not the venture capital industry itself is contributing to the crisis in entrepreneurial wellbeing is explored in **Section VI**, with some recommendations for change.

Our suggestions for further research into the causes and effects of challenges to entrepreneurial wellbeing are proposed in Section **VII**.

Author bios are available in Section **VIII**.

**Appendix A** contains resources for entrepreneurs, professionals in the venture capital industry, and readers interested in integrating the recommendations in this report for personal wellbeing into their professional lives.

**Appendix B** explains how we developed the *Wellbeing Assessment*. The data we collected from the assessment and the specific findings we derived from the data are presented in **Appendix C**.

Finally, **Appendix D** shows how data pointing to the *Spiral of Entrepreneurial Suffering* differed between Founders and their team members.