# License to Fail

*– why a zero-error culture kills learning and innovation*

By **Mads Cronquist** · Cronquist Consult ApS

Many organisations declare themselves innovative, but in reality they reward the zero-error approach. If you demand a business case that documents the route to something unknown in advance, anything that does not fit the usual way of doing things is held back.

It is not ill will. It is the default setting of the organisational brain: To protect what exists and play it safe. But that is exactly the setting that must be challenged if something genuinely new is to emerge.

This article is about why innovation requires a licence to fail – and how that mindset can help both the individual and the whole company.

## The default of the organisational brain

The brain is built to protect us from potential dangers and everything that can go wrong. Our standard survival mechanisms take care of that: Stay at home in the cave. That is why exploring the unknown, the mysterious and the error-prone does not happen by itself – neither in private life nor in an organisation.

Organisations have their own version of the survival mechanism: Approval procedures, zero-error targets, risk analyses and business cases that must show the causal chain from idea to result before you are allowed to start. That makes sense in operations, but it makes it almost impossible to work on what nobody has tried yet.

The zero-error attitude starts in the education system, where we learn to get the calculation right and earn the best grades. It rubs off on our personality: We do not dare expose ourselves and show that we are imperfect, because it makes us vulnerable and easy prey. Most organisations build on this and focus on minimising errors to increase productivity. That is a problem for the capacity to innovate – because it is actually by showing our imperfection that we move forward.

At Christiansen & Essenbæk, many of the skilled engineers were schooled in error-free calculations – and for good reason: A bridge renovation must not suddenly end in a collapse in the middle of the work. The book “Stærk under pres” (Strong under Pressure), under the heading “Fight the fault-finding culture”, aptly explains why the combination of a licence to fail, teamwork and strategy execution is a difficult discipline for engineers in particular: “The qualities that lead to good engineering are automatically

transferred to the collective perception of which human qualities are required to create a good team."

Even so, at C&E we succeeded in creating an innovation culture when the leadership team dared to experiment with an entirely new way of renovating bridges – around the clock. Daytime queuing for road users was cut by 80%, and EBITDA rose by more than DKK 10 million. You can read more about C&E at cronquist.dk/en/cases.

> *Zero errors is good for bridges. But it kills new thinking.*

## It starts inside the individual

An organisation cannot give itself a licence to fail if its leaders have not given themselves one first. You have to take your own medicine if it is to be credible – even if it tastes bitter. It all starts with a deep recognition that we as human beings are imperfect – and precisely for that reason hold an enormous, untapped potential.

Personally, 2024 became a defining year for me. I sold my house and said goodbye to a once important relationship. To become free, you sometimes have to cut away what weighs you down – whatever the cost, and it was not insignificant. But I decided to change perspective and find new pastures and people with the same surplus mentality who could help shape a better future. It will come anyway, but it is clearly more fun to be an active co-designer of what you want.

It is exactly the same process when a leadership team has to manoeuvre the company out of the operational doldrums: Change perspective, deselect and remove all the clutter that disturbs the clear picture of the vision. A licence to fail is also a licence to deselect.

## A shared mental map

Once you have changed perspective, new horizons appear. For me, the surplus of energy – my inner preparedness – was awakened and restarted, and together with other people a shared mental map formed of what we had to go through to achieve ambitious goals. Away from – and towards.

The same must happen in a leadership team that wants to create something new. It requires each individual to mobilise the burning inner fire, and the team together to look at the map in a new way – with curiosity and courage.

The questions are simple but hard to answer honestly: Is the dream razor-sharp? Do you know what you want to move away from? And which concrete actions must be executed to get past the "impossible" challenge? If, as a leader, you cannot trust yourself to go through fire and water when things really heat up, why should you be able to do something even harder together with others?

## Say “Thanks for nothing!” – and learn to mean it

In Danish we say “tak for lort!” – thanks for the crap – with a satirical undertone. We must learn to reshape it and actually mean it. Because slurry and cow dung – adversity in life – are actually fertilisers to help plants grow. So: Shit is the fertiliser for growth – as in nature, so in life.

Adversity, mistakes and mess are a vital growth medium on a par with love, joy and enthusiasm. That is how we grow and develop as human beings. Several times in my life I have had to recognise and live through the fact that “the unreasonable is here for a reason”.

An organisation that only accepts the neat and predictable also removes the fertiliser in which the new must grow.

## The new emerges at the edges

Innovation rarely comes from the centre of the established. It emerges at the edges of the known universe, where there is room both for the emergent and for a secure base. Where “the impossible just takes a little longer”.

In his Theory U, Otto Scharmer of MIT describes how we usually “download” – we repeat old patterns and see what we always see. For something new to emerge, we have to move down through the U: See with fresh eyes, sense the whole, let go of the old and open up to the future that is emerging. Only then do we crystallise the idea and test it in prototypes – with head, heart and hands.

Scharmer calls the leader’s blind spot the inner place from which we operate. According to him, leadership is the capacity to shift the inner place from which we operate. That is exactly the point: The new is rarely on the leadership radar. We cannot see it in advance and cannot argue our way to the route with great causality. We have to go out to the edges, experiment, grope a little in the dark, fail – and at some point find new footing.

## An experiment at the edges

The project “Fremtidens lederberedskab” (Future Leadership Preparedness) was itself such an experiment. In 2015–17, under the OLTC umbrella, we took 32 young people from 6th grade on five intensive and demanding outdoor character-building training modules of 2–5 days in Denmark, Sweden, Austria and Bosnia, combined with weekly homework training around my dining table. The training focused on strengthening each person’s capacity for self-care, raising shared collaboration skills and trying out team leadership in practice at a very young age.

Nobody could document in advance that it would work. But the young people grew markedly with the tasks, and the concept showed remarkably good results in social and academic competence development. The new emerged because we dared to start before all the answers were in.

## A licence to fail is not a licence to be sloppy

In “An Everyone Culture”, Robert Kegan and Lisa Lahey of Harvard describe how most employees do an unpaid second job: Hiding their weaknesses, looking as good as possible and managing others’ impressions of them. It costs enormous amounts of energy – energy that could have been spent learning and creating value.

In what they call deliberately developmental organisations, weaknesses and mistakes are not something you hide, but material for growth. It rests on three things: A safe community (home), fixed development practices in everyday work (groove) and a high ambition for development (edge). One example is feedback in the group, where a leader openly gets help from colleagues to work on his or her patterns.

This does not mean that anything goes. There is a difference between intelligent experiments and repeated mistakes – and between areas where you may fail and areas such as safety where you may not.

In “Execution – the discipline of getting things done”, Larry Bossidy and Ram Charan point out that self-insight and humility are crucial for execution. They describe self-mastery like this: “When you know yourself, you can master yourself. You can keep your ego in check, take responsibility for your behavior, adapt to change, embrace new ideas, and adhere to your standards of integrity and honesty under all conditions.” And on humility, short and sweet: “Humility allows you to acknowledge your mistakes.”

That is why in the LeaderShop model we turn strategy execution around and work the other way: We first focus on finding the strength and power inherent in all of us – a fire power, if you like, that we can consciously learn to activate when our surroundings demand it of us. The leader leads the way by admitting his or her own mistakes. And you give employees the black belt in advance: Trust comes first, so people can grow into it.

## Train the courage to fail

The courage to experiment is not something you get at a seminar. It is something you train. On one of our OLTC programmes in Bosnia, ten middle managers trained for four days in making decisions under pressure – without knowing all the answers in advance and with a real risk of getting it wrong. That is exactly where you learn what you and the team can do.

Afterwards, it is crucial to debrief: What did we learn, what did we do well, and what will we try differently next time? Then the mistake is not a defeat, but a step along the way.

## How to give a licence to fail

**Five levers for management:**

- **Start with yourselves:** Share your own mistakes and experiments openly in the leadership team.
- **Mark out the playground:** Decide where experimenting is allowed – and where zero errors still applies.
- **Do not demand causality in advance:** Make room for small prototypes before the business case is finished.
- **Turn mistakes into material:** Debrief what went wrong – and what succeeded – without looking for scapegoats.
- **Give the black belt in advance:** Show trust before it is fully earned, and help people grow into it.

## Three questions for the leadership team

**Ask yourselves:**

- Which good ideas have we stopped because we could not document the route in advance?
- How much energy do our employees spend hiding mistakes and weaknesses?
- Where are our edges – and which of us dare go out there?

## Conclusion – the fertiliser is a gift

Genuine innovation requires us to challenge the organisational brain's urge to protect what exists. It requires acceptance of mistakes and experiments – and it always starts inside the individual leader.

The new emerges at the edges, where we cannot see the route in advance. That is why we must dare to go out there, understand and appreciate adversity, since: "Shit is the fertiliser for growth" – and actually mean it.

*The article builds on my LinkedIn articles "License to fail" (2016), "Grobund for vækst og udvikling" (Fertile Ground for Growth and Development, 2024), "De tre I'er: Ideer, Innovation og Iværksætteri" (The Three I's: Ideas, Innovation and Entrepreneurship, 2026) and "Innovation at the outskirts of society" (2015).*

### Want to build a culture where the new can grow?

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