

April 2019

Beyond the Concept: The Proven Ways to ‘Fail Fast’ for Business Success

[David K. Williams](#) CONTRIBUTOR

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Some experts have mockingly disparaged the tendency of Silicon Valley startups, as an example, to have an extreme bias toward quick action. “Act first; ask questions later,” seems to be the rule for companies that spring up by the day, as opposed to careful planning, a measured approach to execution and meaningful contingency plans.

When compared to the legacy companies that seem to need “at least six meetings to decide what to order for lunch,” according to [one pundit](#), the thought of having a “license to fail” has appeal. (In his [article for TechRepublic](#), writer Patrick Gray notes at least one company requires everyone to stand and applaud when someone acknowledges they have failed.)

Clearly, the concept of welcoming failure can go too far. But this week I spoke with Mike Hall, a third-generation leader in the Hall Labs innovation campus in Provo, Utah that for 64 years has produced hundreds of patents, scores of companies and an average return on investment of 2.5x. (As disclosure, I have recently begun consulting Hall Labs.)

The genesis of Hall Labs began with Howard Tracy Hall (Oct. 1919 – July 2008), (Mike’s grandfather), who was most renowned for his role in the invention of the synthetic diamond during an intensive four years of research for General Electric. Later he invented unique methods of manufacturing synthetic diamonds, leading to the formation of MegaDiamond and Novatek. Novatek was the progenitor of the Hall Labs campus that now spans 131 acres and 12 buildings as one of the nation’s top three Opportunity Zone business growth and investment sites in the world.

Mike’s father, David R. Hall, holds 450 patents, with 400 in process, and has played a critical role in the advancement of Hall Labs since its cofounding with his father in 1955. Today David Hall and Mike co-lead as Managing Directors.

In our visit, Mike shared the ways effective use of “failing fast” has contributed to [HaulGauge](#), as well as the advancement of fellow portfolio company [Hall Logic](#) and their product [NeverDump](#).



Michael Hall is a third-generation leader for innovation center Hall Labs in Provo, UT.

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Like his grandfather, his father, who began his professional career at Ingersol-Rand and the majority of his siblings, Mike started his career not in Hall Labs but elsewhere. In his case, the area of his passion was automobiles.

“I lived in Detroit for 10 years, working for DaimlerChrysler and Mercedes Benz,” he says. “That’s where I learned principles of innovation that have been important for HaulGauge.”

HaulGauge is based on an ingenious idea: a \$99 “diagnostic port connector” that plugs into a truck or an SUV to analyze the weight you are hauling.

The weight is important, he explains, in that you need to know the measurement and the weight distribution of the load as well as the capabilities of the trailer brake controller to pull the load safely. The measurements are so difficult to take, the standard practice is to estimate and hope you’ve got it right. The mission for the product is to provide an easy solution that would address every kind of load/haul situation.

Anyone who has driven an RV or hauled a load with your SUV is familiar with the phenomenon of pressing the accelerator and hearing the engine work really hard while the vehicle accelerates slowly. It was this physics coupled with an ingenuity principle from MercedesBenz that led to HaulGauge.

“We called it sensor fusion,” he says. “You take the information you can get from ordinary sensors and fuse the data to come up with something new and unique.”

He continues, “Force equals weight times acceleration. So we measure the amount of effort it takes for the engine to produce acceleration, and from that we can calculate the weight of the load.” The HaulGauge is an “onboard inertial scale” that sits under the vehicle’s dash and connects to the wireless app. You start the vehicle and accelerate from zero to 10mph, and within about 100 feet it calculates the weight of your load.



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Failing Fast: Are You Really Ready to Scale?

So here’s where the principle of “fail fast” comes into play. The first iteration of the product required a wired connection from the gauge to a suction cup on the windshield of the vehicle. It worked fine but was a little unwieldy.

“We release our products as soon as we know they work correctly,” he says. “But we have a rule that you need to be serving at least 1,000 customers before you consider the design phase complete.”

It’s an excellent point. One of the most daunting aspects of a hardware release is the risk of manufacturing thousands of units, only to realize too late the big improvements you could achieve with just a couple of tweaks. Imagine the agony of funding the materials, the manufacturing and storage for a warehouse of products that are inferior to the new and better design? Or worse still, to hear your prospective investor say they can’t invest until you’ve sold the thousands of units you’ve already produced?

The new and wireless HaulGauge has now replaced the initial product that premiered in 2016. Amazon sales have passed 1,000 customers. With final tweaks in place, the company has announced a distribution deal with eTrailer.com and has finalized several others. After three years of tweaking, the ramp up to scale can begin.

A Lesson in “Failing Fast” from NeverDump

Mike shares an even more dramatic example of savvy failing from the HallLogic.com product NeverDump. NeverDump is an RV product that is basically a black water incineration system. Imagine the value to every RV owner of eliminating the (ahem) “dump station experience” of gloves, sewer hose and dumping and cleaning of the tanks at the end of every vacation, or occasionally even en route.

The ability to eliminate this process would be a godsend to customers and a big differentiator for any RV maker that incorporates the technology. The company has shown its prototype product at a recent RVX show and is actively talking to every company possible that manufactures RVs. It is easy to imagine this technology as a game changer.

So where’s the “fail fast” in this story? The process David Hall has established has instituted agility, Mike explains. “As inventors and technologists, we tend to fall in love with our ideas,” he says. “We love ideas and we encourage them. But we have an expression we use, ‘give away the puppies.’” [Editor’s note—yes, the original expression was ‘drown the

puppies’ to express the fearless ability to kill a ‘pet project’, but the company doesn’t endorse cruelty of any kind.]

“We’re quick to tell people ‘okay, go and try it’,” he says. “But instead of a long and drawn out process of discovery, we give them the resources to test the idea. If it doesn’t pan out, we’re able to ‘fail fast’ before we get unduly attached.”

NeverDump is a case in point. In its original iteration, the group presented the idea as a building technology that would end the homeowner’s dependence on city services or septic tanks for black water waste. But homeowners didn’t respond to the value proposition. They considered it a city or municipality concern. Thus the “fail fast” transition to an industry where the vehicle owner is keenly and even excitedly interested in the product result.

The key to the “fail fast” principle, as Mike has illustrated, is to not only fail fast, but to also fail well:

- As soon as you know your product is working, release it. But get it solidly proven with a solid base of customers before you transition to scale.
- Fund your idea well enough to prove it out quickly. But if it doesn’t pan out, end it or pivot to Plan B quickly, before you fall so unduly in love with your original idea you are unwilling to accept that Plan A is a fail.

How have these principles applied to your business? I look forward to hearing your thoughts.



David K. Williams

I am the founder and chairman of DKW Ventures. I am a serial entrepreneur, have led divisions and companies and a C-level executive for companies ranging from startups to multi-nationals. I am a consultant to C-level executives throughout the world, from South Africa to America, Canada, Europe, and Australia. I have over 40 years of experience in selling, innovation, and on using the soft skills of character to substantially increase personal and organizational success. I've led divisions and companies that are venture backed, partnerships, bootstrapped, high growth, retail, commercial real estate, technology, and energy, I am the author of *The 7 Non Negotiables of Winning: Tying Soft Traits to Hard Results*, from Wiley & Sons.

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