

# How do you announce that your startup isn't going well?

Financial problems, strategic errors, or the end of the adventure, it's sometimes hard for entrepreneurs to realise the weaknesses of their small business. However, being honest and transparent could be more valuable than we thought...

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In July 2016, Take Eat Easy prepared the way: the startup announced that it would go into receivership. Instead of a boring press announcement or a message published on their website, the co-founders, Chloe and Adrien Roose, decided to use Medium to get the word out. The two posts, which fluctuated between entrepreneurial pride and unconcealed deception, received hundreds of likes, and almost as many comments. The posts were massively shared on social media, where the negative reactions, as well as the supportive ones, came flowing in.

## **Explain the how and the why of business failure**

On Twitter, there were tweets like “congrats on coming this far,” “sad!” followed by crying faces, and “sniffs” from old regulars of the internet start-up. It was a “very good” hit to communications according to Victoria Rollin, founder of an agency specialised in advising the communication of startups. “It was a good decision that the team of Take Eat Easy took the time to explain in detail

the how and the why,” she explained.

She says that the details given by Adrien Roose on the [successive accomplishments](#) and business failures of the delivery company are a necessary element. “First, because there is evidence of a moral aspect. When you’re the manager of a business, you have certain obligations towards partners and providers, but also towards the clients. There is a sort of follow-up to ensure,” says Vitoria Rollin.

Secondly, the director of the communication agency believes that this step of explanations should also be seen at an angle of “self-branding.” Entrepreneurs who are having difficulties should always think about “preparing for the after.” In general, explains the young woman, “creating start-ups is in their DNA and they will probably start again with another project.” Therefore, describing and accepting your errors will make admitting your guilt credible, and “not at all putting yourself down,” in the eyes of future collaborators.

Finally, Victoria Rollin insists on the aspect of “return of experience” that will be beneficial to other start-ups. “In this little ecosystem, it’s important to tell others, in order for them to avoid getting it wrong as well. One person’s mistakes can help others, it’s a form of solidarity,” she tells.

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## **Our startup doesn’t have any more money**

In the past, a particularly interesting example appeared with this title. It was in an interview between Emilie Gobin, co-founder of a pure-play decorating company L’Usine à Design, and Olivier Mathiot, with his business angel. Published by Le Journal du Net, the interview is given in a unique way, to say the least, talking about why the startup ended up going under, due to strategic errors of positioning and abandoning capital risk funds. For Victoria Rollin, this article would be a perfect example of the “transparency” that everyone should demonstrate.

Certain owners have understood this, for example, Damien Morin from [Save](#), Xavier Zeitoun from Zenchef, or the founders of MoiChef. In May 2016, the small business of delivering “ready-to-cook” packed meals, thought up by two well-known chefs, posted a long message on Facebook. Their title is startling:

“Our startup doesn’t have any more money”. The difficulties of the internet startup are listed one by one and they note that, if anything, they are proud of its recipes, chefs, and sales, and realise that “the end of the adventure [seems] close.”

## **The financial difficulties in successfully raising funds**

In the beginning, Tristan Laffontas, co-founder, admits to hesitating before publishing the post. With a degree in engineering, he worked for the “big companies” in the sectors of aerospace, mobile and guidance. In these firms, he would have never questioned communicating the economic weaknesses that could potentially lead to business failure.

“Together, we asked ourselves the question: ‘what could happen in a worst-case scenario?’ Our response was that a potential investor decided to pull out. But in saying that, we realised that this investor wasn’t really the guy for us if he ignored all the startups to the point of not being able to imagine that they have money problems. So, we decided to post it,” says the young man.

Time will rule in favour of the team: to begin with a simple “very factual inventory,” the Facebook post became viral, it was shared more than 1,800 times and seen more than 270,000 times. Tristan Laffontas confesses that he was very surprised by the enthusiasm.

“We didn’t really have specific money problems, it was more that we weren’t going to get rights to unemployment, and it’s for that reason that we thought that Moi Chef should come to the end of its life sooner than planned. However, people who didn’t work with start-ups, and who didn’t know that these were pretty common problems, interpreted the message as a call for help.”

“Ecstatic,” the members of the team decided to “play off” the situation a little and to take advantage of their popularity at the highest level. They launched a campaign for crowdfunding on Ulule. Quickly, the goal of 10,000 euros was passed, with the jackpot hitting 12,600 euros. The co-founder is certain that the money raised was mainly due to the distress message posted on social media.

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