



Home



My Network



Jobs



Messaging



Notifications



Me



For Business



Adve



### Inside the Double Bubble

Perspective from a digital marketer inside Silicon Valley - totally removed from reality

Biweekly newsletter

3,702 subscribers

Subscribe



Source: <https://m.lasvegassun.com/news/2020/nov/27/tony-hsieh-former-zappos-boss-downtown-lv-dies/>

# Tony Hsieh, Purpose, and The Dark Side of Selling Your Company



David Rodnitzky

Agency Growth and M&A Advisor/Coach.  
Grew 3Q Digital from a coffee shop to...

75 articles

+ Follow

December 11, 2020

Open Immersive Reader

*Editor's Note: If you work in the agency world, **please listen to my podcast - Agentic Shift** - a podcast featuring interviews with agency leaders on how they scaled their agencies!*

I was saddened to hear that Zappos founder Tony Hsieh passed away last week. Like so many people in the Internet community, I was a huge admirer of Hsieh's approach to business, and in particular, customer service.

Zappos was one of 3Q Digital's earliest customers, so I had occasion to visit their headquarters in Las Vegas several times. To this day, I love telling people about the sign on the Zappos front door that reads: "We're a service company that happens to sell shoes."

Since Hsieh's death, articles have emerged that suggest that Hsieh was fighting serious internal demons. An extensive [Forbes article](#) reports that Hsieh was drinking heavily, using recreational drugs, and struggling with mental health.

I am sure that many were shocked and confused to hear this about a man who they so admired and who seemingly had everything. How could an industry titan, beloved by virtually everyone he met, with hundreds of millions of dollars in the bank, have a problem in the world?

This line of reasoning immediately reminded me of [the poem "Richard Cory,"](#) written by Edwin Arlington Robinson and later recorded by Simon and Garfunkel. Here's the lyrics to the Simon and Garfunkel song in its entirety:

They say that Richard Cory  
Owns one half of this whole town  
With political connections  
To spread his wealth around  
Born into society, a banker's only child  
He had everything a man could want  
Power, grace, and style

But I work in his factory  
And I curse the life I'm living  
And I curse my poverty  
And I wish that I could be  
Oh, I wish that I could be  
Oh, I wish that I could be

Richard Cory

The papers print his picture

Almost everywhere he goes

Richard Cory at the opera

Richard Cory at a show

And the rumor of his parties

And the orgies on his yacht

Oh, he surely must be happy

With everything he's got

But I, I work in his factory

And I curse the life I'm living

And I curse my poverty

And I wish that I could be

Oh, I wish that I could be

Oh, I wish that I could be

Richard Cory

He freely gave to charity

He had the common touch

And they were grateful for his patronage

And they thanked him very much

So my mind was filled with wonder

When the evening headlines read

"Richard Cory went home last night

And put a bullet through his head"

But I, I work in his factory

And I curse the life I'm living

And I curse my poverty

And I wish that I could be

Oh, I wish that I could be

Oh, I wish that I could be

Richard Cory

Hsieh and Richard Cory had everything and yet felt they had nothing, or perhaps, felt that they were nothing.

On one level, this is a reminder that mental illness does not discriminate based on age, income, business success, or the number of people that follow you on Twitter. Even the most "successful" people in the world can be plagued by self-doubt, depression, and anxiety.

### **Why Successful Exits Can Lead to Depression**

On another level, perhaps this is a story about the dark side of entrepreneurial success.

A few weeks ago, I wrote an article about [the importance of meaning for entrepreneurs](#). In it, I quoted the psychiatrist Viktor Frankl: "Don't aim at success. The more you aim at it and make it a target, the more you are going to miss it. For success, like happiness, cannot be pursued; it must ensue, and it only does so as the unintended side effect of one's personal dedication to a cause greater than oneself."

My primary point in that article was to point out that entrepreneurs who built businesses solely for the financial outcome would struggle and likely fail when confronted with challenges, because they lacked a higher purpose beyond just making money.

Hsieh's death, however, has made me think about another side of purpose: when an entrepreneur finds purpose through his or her business and then sells the business, this may leave a great void in the entrepreneur's psyche, leading to depression and existential angst.

I speak from experience because this happened to me. In 2019, I sold a significant stake in 3Q Digital to outside investors. On paper, this was a career-defining moment for me; a company that I had started in a coffee shop and grown to more than 300 people was large enough and successful enough to attract professional investors who were ready to lead the company to even greater heights. It was a meaningful financial event for me and a validation of my entrepreneurial abilities.

I assumed that this transaction would simultaneously assuage my ego, reduce my stress, and improve my day-to-day happiness. Instead, I fell into the deepest depression of my life.

It took me many months post-exit to understand and emerge from this rut. And I'm sure with the passing of my time, my comprehension will evolve even further. What I can say today, however, is that I've experienced or identified four psychological stressors that can contribute to post-exit depression.

### **Exit Angst, Part One: Finding the Carrot**

Prior to my exit, I was focused on continuous career progression. When I was 25, I was excited to just have a full-time job, even though it barely paid the rent for a rundown apartment in a dodgy part of town. Around 30, I got my first Internet job and became a manager, another goal. At 35, I achieved the title of Vice President. At 37, I started my company and spent the next dozen years growing it.

All along the way, there was always a new carrot dangling in front of me: work hard and I might get to that next level and then seek out an even bigger carrot. And then I got (at least, for an entrepreneur), the biggest carrot: an exit. As long as I was chasing a carrot, I had purpose. The moment I sold my business I, for the first time in my professional life, had no carrot in front of me.

Entrepreneurs love competition. So, in hindsight, I realized that I really enjoyed being in "the rat race" because, after all, it's a race. Selling my business removed me from the competition that I cherished.



### Exit Angst, Part Two: Losing Meaning

I really felt that my work at 3Q Digital had meaning. Someone once applied Maslow's Hierarchy of Needs to work by noting that you either have a job, a career, or a calling, with **a calling being the highest level of self-actualization**. In my case, I always told people that 3Q Digital was on a mission to save clients from inept agencies. In Hsieh's case, it was a mission to "deliver happiness" to as many people as possible.



From this perspective, exchanging a business that drives self-actualization for money is a pretty bad deal because, really, what is more important than feeling that you have a calling on earth? And yet, entrepreneurs make this choice all the time.

This is not to say that an entrepreneur should never sell his or her business. The decision to sell a business is multifaceted (and I've written about this decision process in a prior article, **To Sell or Not to Sell**). That said, for an entrepreneur who truly feels that his or her purpose is

largely defined by the purpose of his or her business, selling the business can take a massive psychological toll.

I continue to work at 3Q and, until recently, Hsieh was still the CEO of Zappos. So I'd argue that both of us still had the ability to pursue self-actualization through the companies we sold. For entrepreneurs who sell and then walk away entirely, this may drive feelings of great loss.

### Exit Angst, Part Three: Dreams Versus Reality

In *Man's Search for Meaning*, Frankl tells the story of a fellow concentration camp inmate who **shared a dream with him**:

"One day a fellow prisoner confided to him that a voice in a strange dream had promised to answer whatever question he wanted to ask. So he asked the voice to tell him when the camp would be liberated. The dream voice replied, March 30th. The man awakened from his dream absolutely thrilled and excited — March 30th was only a few weeks away. Under the torturous conditions in the camp, the man took the dream seriously, believing with all his heart that March 30th would bring salvation. But as the day approached and the news reaching the prisoners remained discouraging, the man took sick."

A day later, the man died. **Frankl concludes**: "The ultimate cause of my friend's death was that the expected liberation did not come and he was severely disappointed. This suddenly lowered his body's resistance against the latent typhus infection. The faith in the future and his will to live had become paralyzed and his body fell victim to illness."



Before I sold 3Q Digital, I imagined what it would be like to someday sell my business. In my dream, I saw myself as exuberantly happy post-sale. First, I thought, I would have

enough money to buy a beautiful house, travel to exotic locations, and eat at the finest restaurants, and that this would bring me great joy. Then, I assumed any past challenges around self-worth would magically disappear once the world knew about my exit.

In my mind, all of this would happen instantly after the sale. The reality, of course, could not live up to the dream I had created. The financial freedom was great, but I've since learned about the concept of "**hedonic adaptation**" (having more money doesn't make you happier, you just adapt to a new and higher standard of expectations). And expecting a business outcome to eliminate self-worth issues is inherently contradictory - it assumes that you'll feel better about yourself through getting the approval of others. The entrepreneur lacking self-worth will always point to someone else's bigger and better outcome as an example of why he or she hasn't done enough.

Entrepreneurs, almost by definition, are dreamers. But when a dream doesn't come true or manifests itself differently than what was imagined, it can be difficult to grapple with reality.

#### **Exit Angst, Part Four: Too Many Options**

A newly-exited entrepreneur has the freedom to pursue numerous new paths. Start a new business, retire and learn gardening, volunteer at a non-profit, become a venture capitalist. For many founders, this is the first time in their life with so much optionality. As Sartre says, we are all **condemned to freedom**. Whatever choice the entrepreneur makes implicitly excludes some or all of the other choices.

In a TED talk, **Seth Streeeter** describes **nine types of wealth**: financial, impact, emotional, social, fun, physical, spiritual, intellectual and career wealth. In our singular quest for business success, we often ignore some of these crucial types of wealth - there's usually not enough time in the day to do anything but keep the business going and spend some time with the family.

Remove "running a business" from your weekly agenda and you suddenly have 40 (and likely more like 80) hours of



extra time to allocate. Choosing between all of these equally valuable options can feel overwhelming.

### Find Your Second Act . . . Eventually

Have you noticed that many great entrepreneurs embark on almost Quixotic quests after leaving their company? Bill Gates has set out to **cure the world's diseases**; Sergey Brin launched **Google X** and works on self-driving cars and contact lens that measure glucose levels. And Tony Hsieh created the **Downtown Project** in Las Vegas.



I think all of these entrepreneurs discovered that they were addicted to purpose. But, as the expression goes, admitting you have a problem is just the first step to recovery. Finding purpose is not easy and it may be hard to duplicate the Serotonin high of that initial purpose-driven business. I wonder if this is what Hsieh was chasing and ultimately wasn't able to recreate.

At some point, we all retire. For many, this moment comes in their late 60s or early 70s, after having spent 30 or 40 years dedicated to a profession. In popular culture, we talk about retirement as the "Golden Years." It turns out, however, that there is a significant **uptick in depression** amongst recently retired people: "The person's sense of self is tied up very strongly in what he or she does for a living; and, with retirement, a sense of loss can occur, leaving a person struggling to understand who they are and what their value is."

I got through my post-sale depression after a few months. In part, I felt better because I realized that there were still plenty of carrots left to harvest at 3Q. By continuing to work full-time on the business, I've been able to keep my mind active and engaged.

The other thing that helped me was to allow myself to be comfortable with uncertainty. At some point in the future –

maybe measured in years or maybe measured in decades – I'll leave the company I founded. I don't yet know what I'll do next. I've realized, however, that I gain no psychic benefit by beating myself up over a lack of a plan.

What I'm trying to do instead is to live in the present. As **Lao Tzu notes**: "If you are depressed you are living in the past. If you are anxious you are living in the future. If you are at peace you are living in the present."

To be clear, I haven't become the Buddha: I have plenty of worry and anxiety. But I have hope that eventually I'll figure out my next purpose-driven path, and patience that it may take me a while to discover it.

If you are an entrepreneur, I wish you great success in your business. If you are lucky enough to someday have an exit, realize that you are not alone if you feel a sense of loss at a moment that you may have thought would be nothing but pure joy. Some around you may not understand and deride your pain as a "high class problem." High class problems are still problems!

And give yourself time to find your next act, be it in business or otherwise. Odds are, the creativity and drive that helped you build your business will eventually guide you to your next purpose.

Report this

Published by



**David Rodnitzky**

Agency Growth and M&A Advisor/Coach. Grew 3Q Digital from a coffee s...  
Published · 3y

75  
articles

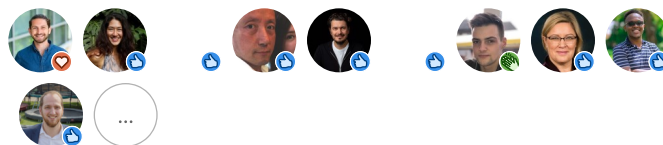
+ Follow

Entrepreneurs who sell their business often experience post-exit depression. It happened to me and I think I've identified why. [#exits](#) [#entrepreneurs](#) [#tonyhsiesh](#) [#businessowners](#) [#innovation](#) [#startups](#)

Like Comment Share

Barak Kaufman and 239 others 87 comments


Reactions



87 Comments

Most relevant ▾

 **Derrick Duplessy** · 2nd 2y ...  
 Founder, Duplessy Foundation - Closing the racial economic gap by teaching sales to women, immigrant, and minority biz owners

**David** Thank you for this post. It truly puts in perspective what's really important on the entrepreneurial journey. Meaningful entrepreneurship is a good way to stay out of trouble.

Like | Reply

 **Chris Chase** · 2nd 2y ...  
 CEO, Chase Design

Great read and very interesting insight. Thank you.

Like | Reply

[Load more comments](#)



### Inside the Double Bubble

Perspective from a digital marketer inside Silicon Valley - totally removed from reality

3,702 subscribers

[Subscribe](#)

### More from this newsletter



**Act Like a Semiconductor Company (Agency Scale Tip #10)**

David Rodnitzky on LinkedIn



**Just Say No to Bad Revenue (Agency Growth Tip #8)**

David Rodnitzky on LinkedIn






**To Scale, You Need to Fire Yourself from Jobs**

David Rodnitzky on LinkedIn

- [About](#)
- [Community Guidelines](#)
- [Privacy & Terms ▾](#)
- [Sales Solutions](#)
- [Safety Center](#)

- [Accessibility](#)
- [Careers](#)
- [Ad Choices](#)
- [Mobile](#)

- [Talent Solutions](#)
- [Marketing Solutions](#)
- [Advertising](#)
- [Small Business](#)

-  **Questions?**  
Visit our Help Center.
-  **Manage your account and privacy**  
Go to your Settings.
-  **Recommendation transparency**  
Learn more about Recommended Content.

Select Language

