



# Stanford eCorner

## The First Sales

Adam Lowry, *Method*

November 09, 2011

Video URL: <http://ecorner.stanford.edu/videos/2835/The-First-Sales>

Co-Founder Adam Lowry shares stories from Method's early efforts to revolutionize the cleaning products market. He describes the challenges of cold calling on customers, making the first sales and scrambling to fulfill orders.



### Transcript

We started the revolution in this 200 square foot office about the bridal boutique on Unit 3 in San Francisco. Our first goal was really to get the product designed. And Erica and I put our life savings into this business: it was a small five digit number at the time and we still have that fully invested in the business. We are all in. And the idea was we wanted to use that money to try to develop the most premium and most high quality product that we could. Part of that was leveraging a bottle design and we actually spend over half of that money building a mould for our very first bottle, which is a very simple, elegant, kind of bullet-shaped bottle. That meant skipping on everything else that we could. Including when we made the decision that photography would be a really interesting way to - a really interesting graphic direction for the products, because it was something that was very elegant and personal, but had never been used in the cleaning space. It meant using me and Eric's girlfriend at the time as models, and that's Eric actually shooting the pictures - he was in a photography class at the time. And we certainly couldn't afford sales staff.

So, we did it the old fashion way. That was - this is how we do it: we put on a tie, we get a bag and we get four homemade products. And we would drive down to a grocery store. We'd walk into the grocery store at 6 o'clock in the morning, we'd corner the store manager and we start pitching him on why he had to have Method on this store shelves. And if anybody has ever done anything like that, you'd realize we got a lot of doors slammed our face. We were kicked out of pretty much every grocery store in the Greater Bay Area. But we persisted, and on one fateful day, February 28, 2001 - after about a year of trying - we actually got this store, Mollie Stone's in Burlingame, to say yes to us. There is a funny story about this day that I will tell very quickly. We had been in the store before, we came in this day and we said: 'Hey we are back, you know, what do you think?' You got - the store manager said: 'All right guys, I'm going to give you a shot. You are going to have space on aisle 5, but you got to have product here in four hours'.

And we of course had no product, we didn't have any production, we didn't have anything, we had some prototypes. And so I went to the lab, Eric went back up to the city, grabbed the keys from all the workplaces of all of our friends we had given samples to. I made up juice, we got some bottles, we got some - inkjet printed some labels, stuck on them funnels, paper towels. We borrowed some wine cases from a friend of mine, and I bought that invoice book on the way down to - back down to Burlingame, which is a type you kind of rip off and sign a hand to them. And that's how we filled our first shelf. \$68 was our first revenue and that's a picture of the shelf. If you look closely, you can actually see Eric's girlfriend on the right two hand SKUs, and that's me on the left two hand SKUs. We went to Home Depot and we bought like sinks and stuff like that - of course we didn't have any money, so as soon as we were done with the photo shoot, we went back to Home Depot and returned them. And so, we built the business from that one store to about 20 stores over the course of the next year. And our routine was to get up every morning, put product in the back of my parent's truck that they let us borrow, and drive around to stores and fulfill the shelves, count bottles, see what we had sold, you know, try to fix the facings and maximize the

merchandizing as much as we could.

And what we did after time - after a little while is we managed to somehow get some syndicated data about how cleaning products sold in typical grocery stores. And we put two and two together and realized actually we were doing pretty well. And that was the point at which we realized we really had the potential for a business here.