



Stanford eCorner

Embrace Your Wins and Inexperience

Susan Koger, *ModCloth*

May 27, 2015

Video URL: <http://ecorner.stanford.edu/videos/3548/Embrace-Your-Wins-and-Inexperience>

ModCloth's Susan Koger explains how the drive entrepreneurs have will never let them be satisfied, and so they should make time to celebrate achievements along the way. Koger, co-founder and chief creative officer of the online retailer, also discusses the advantage newcomers have of being able to ask basic questions and see new opportunities.



Transcript

So, I was able to kind of take this, this business that started in my parents living room and eventually moved into - this is, this photo here in 2006 was our first like, official fulfillment centre. And I'm looking at today like we're in a 200,000 square foot fulfillment center in Pittsburgh. You know, like I said we're shipping two million orders last year. You know it's - we've come a long way. But another lesson that I've learned as an entrepreneur is that you know part of that drive will - like that, that really drives you to start things, will never let you be satisfied. So, it's really important as an entrepreneur I think to like work - to work on the practice of like celebrating your wins and like taking a moment to step back and saying like, wow, we have actually come a long way, because I look at this and I'm like, okay we've come a long way but we still have, I still have such a high aspirations for the brand, I have such high aspirations for the business, we still have such a long way to go. And that's been like an important learning for me. It's like, how do you, how do you make it sustainable, how do you like celebrate these wins but still keep that drive to want to get bigger and better. So, I'm still excited to get bigger and better, I'm still learning tons of lessons along the way. And one of the biggest ones that I have learned thus far is that it's okay to be, I'm kind of calling it like it's okay to be a rookie, like it's okay to kind of not know what you're doing, it's okay to come at problems from a really kind of like rookie mentality and that can actually be, it's not just okay but it can really be an advantage.

and I think that you know, as I look back at my career and like my story at ModCloth, I think that it absolutely was, and advantage for us in a lot of ways. Like I said, like we weren't retail veterans like we didn't come from retail families like, this is a photo of me with our first delivery of non-vintage merchandise like, peeking over those boxes like oh my god, what I am going to do with all these boxes next. It's like literally you can kind of tell literally in our college house. And, you know, like when I was going through this process like back in it's like really formative time like 2005/2006 and thinking about making this a real business like, I really had to Google like, where do I find wholesale clothing like, I didn't know where to go and who to ask. And, you know, it eventually like all my goggling eventually led me to like some of the major fashion trade shows and I kind of like, bought a ticket to Las Vegas and went to these trade shows and like walked in without knowing what to expect. And you know, like I thought maybe it's going to be it's like glamour's thing, I mean you hear about the fashion trade shows, it sounds like maybe it's going to be kind of cool. In reality, this is what it actually looks like, you are in the Las Vegas Convention Center, you are walking through you know it's kind of concrete there is no windows, so this was what I walked into with this kind of rookie mentality. And I think the fact that I did just go in and like asked a ton of questions and was like, you know like I literally asked about everything. I mean, I probably honestly was like asking some dumb questions. Like I was like, if I buy this, how many do I have to buy and when will you ship it to me and when will I pay you and like some of these things that, you know, usually you know about the time you get to this level.

And you know what I learned about the trade shows like really quickly, right? It's like the buyers go there, they walk the floor like everyone from small retailers like, ModCloth was at the time to like the big department stores. They walk the floor,

they looked at the designers; the designers all bring samples that they are hoping to put into production. They see how many buyers are interested in the samples and then they go back and they make some bets and they say okay this is, you know, we have some pre orders for these and like these things people are kind of interested in. So, this is where we're going to kind of place our bets and like place our production orders. And so, what I realized really quickly in 2006/2007 as I was starting to like build out our designer portfolio and moved away from this one-of-a-kind-vintage model was that, a lot of the items that I really loved weren't getting made. And so what I'd hear from the designer is just like, oh but Nordstrom bought this one, don't you want this one, this one will get made. And of course, I didn't want the item that Nordstrom bought even if it was a great seller for Nordstrom because I needed differentiated cool products for my customer. So, you know, I kind of like I asked some rookie questions like, I was like hold on, you guys have all of these samples here and you're showing them to us and like, just because I am the only one that likes them like, sometimes half of the items that we are finding at these trade shows weren't getting made, like we had a really big fallout rate. So, yeah, I asked some of these questions, you know, they said we have all these samples here like, I have all these customers that I can talk to like immediately I don't have to you know, wait six months and then walk out on to a sales floor like, the traditional brick-and-mortar guys do, why can't, if you have these samples here, you've already gone through the cost of making the sample, can I just take those samples and see, maybe my customers will really love it, maybe I can help you get to that. You know, usually depending on the item it's like a 100, 600 minimum production order.

So, maybe I can help you get to that, so I can like guarantee my order and I can give you some real customer feedback. This led to our be-the-buyer program which we launched in 2009; this is kind of like a quick snapshot of the concept. But it really came from this like, rookie mentality of like why not, why can't we do this? And I think like, some people in the fashion industry kind of have this reaction of like, but that's your job as a buyer like, that's the thing that you are suppose to do is, you are suppose to go out there and like kind of you know, make your educated guess of what the customer will like. But from my perspective I was like, if I don't have to take that risk. And I can actually engage my customers and let them - let her be part of the process, like wouldn't that be much better for everyone.