

URL: <https://ecorner.stanford.edu/videos/making-entrepreneurship-more-inclusive-entire-talk/>

While attending Harvard Business School, Katrina Lake saw an opportunity to combine data science with human stylists to reinvent the retail space. Lake founded Stitch Fix in 2011 to help women everywhere discover and explore their style through a truly client-focused shopping experience. In this conversation with Stanford lecturer Ravi Belani, Lake discusses experiencing and fighting bias, achieving massive and unexpected financial success, and leading with authenticity.



Transcript

Narrator Who you are defines how you build.. 00:00:09,300 - We are incredibly honored and excited today 00:00:12,820 to have Katrina Lake join us for this session of ETL.. Katrina is the CEO of Stitch Fix and a Stanford alum.. Katrina's the daughter of a mother who was a Japanese immigrant who taught in public schools in the United States and a father who was an American doctor.. She went to Stanford and majored in economics and flirted with being pre-med, but ultimately went down the business path and went into consulting after Stanford, also worked in marketing at Polyvore, and then went and got her MBA at Harvard Business School.. At the end of her MBA, she launched Stitch Fix which is a fashion subscription service to help women everywhere discover and explore their style through a truly client-focused shopping experience.. Six years later, in 2017, she took Stitch Fix public, becoming the youngest woman at the time to ever take a company public at the age of 34.. Stitch Fix is now a \$7.5 billion publicly traded company and Forbes magazine has named Katrina one of America's richest self-made women.. We are honored to have Katrina here.. So everybody, please welcome Katrina Lake to ETL..

Katrina, welcome.. Lots of love for you, virtual love, on the YouTube and Stanford community streams.. I would love to start off by understanding your path into entrepreneurship because if you look on paper at your background, it doesn't appear that there are several people or models in your life that you could've self-reflected on that would've assured you that the path to entrepreneurship was one that you were destined for, and yet you've become the poster child of becoming a self-made woman in the United States.. You know, your mom was a public school teacher, your dad was a doctor.. How did you discover the path of entrepreneurship? - I mean, to be honest, and thank you for having me 00:02:08,960 and hi, everybody, it's great to be virtually back at the farm, and yeah, I mean, I think I reflect on this a lot because I do think that a lot of people sometimes think like, oh, you went to Stanford, that must be where you were inspired to be an entrepreneur, and even honestly even at Stanford where I think there is so much exposure to great entrepreneurs and where it is such a clear career path for so many, even there I don't think I realized that this was a path that was available to me, and so I think some of why I think it's important for stories like my own to be shared is because I do think there are a lot of historical stereotypes around what entrepreneurs look like and I think some of those, and there's many, many people who don't look like Mark Zuckerberg and don't look like Larry and Sergey or whoever who are the stories of Stanford lore, and there's a lot of other types of ways to be successful as entrepreneurs.. There's a lot of people that look different and different backgrounds, and so I almost arrived at this path almost through process of elimination.. Like I thought apparel retail is super exciting and interesting and my thesis was I just want to be at whatever company is going to be the leader of this space in 20 years, and ultimately, I couldn't quite find any companies that I thought fit that bill, and ultimately, literally by process of elimination, I realized, well, if I don't see a company that's doing it, I can imagine it myself, but the one thing that I would attribute in terms of my background is that, and it's interesting, Ravi, I think you were the one actually who shared with me that I do think being the daughter of an immigrant, just having people in your family who have immigrated from a country and took big risks and changed their lives and having that narrative is just a really lucky thing, I guess, and I think you shared with me that that's one of the predictors of entrepreneurship or it's one of the only things that correlates with being an entrepreneur, and I think related to that, there were a couple stories in my childhood that I attribute to my belief in possibility and an expansive belief of anything being possible, and one of those is, yes, my mom immigrated here from Japan, but what's kind of interesting is actually her mother, my Japanese grandmother, that desperately wanted to be in the United States and she was born in Japan during the war and grew up during the war and idolized the United States and always felt like she should, dreamed of being an American some day.. You know, she lived in Japan, she didn't learn to drive a car, she was in an arranged marriage.. It was

crazy that somebody in that context would think, someday I'm gonna be an American and through a long way where it's like she had two daughters, she made sure her daughters went to college and encouraged them to go to grad school in the United States and actually through her daughters was able to make her way to the United States eventually, and so that's one of them and then the other one on my Caucasian side is that my grandfather was raised by two women.. So he was raised by his mother and her sister because both of them, when my grandfather was only like a year and a half, he lost his father and his mother's sister also was in a similar circumstance where both fathers passed away, and so now these two sisters had five kids in between them and this was before welfare and before a lot of the social services that we know today..

This was like a long time ago, and so these two sisters got together and they're like, one of us is gonna be, like she ended up becoming a buyer at a department store in Minnesota but one of them was like, I'm gonna go to work, the other one's gonna take care of the kids, and so they had this household that was led by two women, and so my grandfather, my American grandfather, he taught me how to use a computer, he taught me to ride a bike, he taught me to drive.. He had this belief that girls and women can do anything because of his upbringing, and so I think these narratives, this probably seems like a random aside, but I think these narratives are really important and I think as we think about how do we instill, and now I have two young children, and as we think about how do you instill in children and in young people this belief that anything is possible? And I think while I'm incredibly proud of the journey that I've had and I think I've overcome a lot to do this, I feel like I've overcome less than some of these people in my family that I've heard about.. I'm like, you think taking a company public, like whoa, like raising five kids with, I mean, that was a crazy thing to do or imagining that you could be an American someday when you were in an arranged marriage in Japan, like that's insane, you know? And so I think just having those as the benchmarks in your mind of like, oh, these are the things that people do and that's normal, it actually creates a really expansive mindset, and so I think these narratives we tell are super important.. I think to be able to have these, everybody, I'm sure every single one of you listening has narratives in your family of people who've done incredible, amazing, totally beat the odds things, and I think those things are really important to celebrate because it really changes your mindset.. It really changes what you believe is possible for yourself.. - I love this because I think these undercurrents 00:07:33,070 of your lineage are actually much more powerful indicators of having that spirit of entrepreneurship and the gifts of being a first or second-generation American is that thing that's baked into you that's actually very hard to actually be taught that's just embedded in you, and it is very much of the Maya Angelou ilk of I enter in a room as one, but I have 1,000 people behind me.. - Love it.. 00:07:56,050 - I do think that we oftentimes don't discuss these things, 00:07:59,810 and so especially when you're going into a new path where there aren't people that stereotypically you can self-reflect that look like you, many people have impostor syndrome.. They feel that they're not supposed to be on that path.. Many people even at Stanford, forget entrepreneurship, just being a student at Stanford, feel like they have impostor syndrome..

Did you ever feel like you had impostor syndrome? And if so or if not, what advice do you have to those who feel like they have that? - Yeah, I mean, I will try not to go on a total rant 00:08:36,200 about this, but this impostor syndrome thing drives me nuts because I get asked this a lot and I understand the sentiment of it and what I think is most, like I just hate the whole concept of it because I feel like when you say impostor syndrome, it makes it sound like something's wrong with me, like I have the problem, and I'm like, no, no, no, if I am feeling excluded in your environment or in your community or in your whatever fill in the blank, you're the one with a problem.. Like I don't have a syndrome, you have something to fix, and so I think there's a great article that was written actually last week in HBR that was, the title of it was like stop telling women they have impostor syndrome.. It's broader than that.. I think anybody can feel impostor syndrome.. You don't have to be a woman, but it talks, actually it's a very interesting, when I go on rants on it, I didn't actually know a lot of the historical context of the word and how it really was specifically targeted towards women for a long time, but I do think as a community we have work to do where it's like as a business community, we have work to do.. Even in places in Stanford, there's probably majors in Stanford or classrooms in Stanford where there's groups of people that feel like they don't belong there and they don't feel included, and rather than making it seem like that's something that's wrong with them, that should be our communal problem that we have to solve to make sure that people can feel equal access to success and that people can feel included in those contexts, and so I hope that the narrative changes a little bit on this because it just puts the burden on women and underrepresented communities of like, oh, you have the problem.. I'm like, I don't have a problem.. - It's your problem.. 00:10:10,220 - Everybody else has the problem.. 00:10:12,530 - Yeah, I love that, I think that's great..

00:10:14,350 Well, I think also the proof is in the pudding.. So you've been designated by Forbes to be one of America's richest self-made women.. I think in January this year you were designated officially to be a billionaire, becoming one of I think 19 female self-made billionaires in the United States.. That's against I think over 200 self-made male billionaires in the United States, and I'd love to talk about that if we can a little bit.. Before I get into the gender dynamics, a lot of people are enamored with money.. Obviously, there is the famed song I wanna be a billionaire so freaking bad, on the cover of Forbes Magazine with Oprah and the queen.. You are now in that ilk with Oprah and Sheryl Sandberg and I think you're one of the newest, if not the newest, American-made billionaires.. While it's fresh, can you tell people honestly what does it feel like to be a billionaire? What does it feel like to cross that milestone? Is that something that you felt was significant? - You know, I mean, if I'm really honest, 00:11:18,480 it really doesn't feel any different, and to be clear, also these are all just correlated with whatever the stock price does, and so obviously a lot of my wealth is tied up in Stitch Fix stock, and so of course I hope that it continues to do very well, but these things don't, honestly, I think what's a little hard for me is this has never been a primary source of motivation for me.. Like I don't think, being famous is not a motivation for me, being rich was really not a motivation for me, and so I have my own political and social beliefs that conflict with where I am in my career and where I am in society, and I think that for me, I started Stitch Fix because I was intellectually super interested in this problem and I felt

like I wanted a job that was intellectually stimulating where I felt like I could create change and I started Stitch Fix for reasons that were really more of just like, this is the job I'd like to have and I can create this myself and wealth was really not part of the equation, and I think what's, and I don't know if this is gonna be true for everybody, but I would say getting to \$10 million or something, that was very powerfully motivating.. To be able to feel like I could hit a milestone that meant that me and my family would be comfortable and that we'd be able to whatever, that is a very, very powerful milestone..

Then getting to these crazy numbers with all of these zeroes, I don't find that as much of a motivation and so I think it's interesting that societally there's a lot of obsession around it, and maybe for others they find that path really, really motivating, but I believe that we can motivate people in general through actually different means.. Like I think people find purpose really motivating, I think people find impact really motivating.. Like I actually think there's a lot of other things that are more motivating to people than dollars and I think as a society, I think capitalism is one where you assume that the primary motivation of people is money and I'm not sure that that's totally correct.. - It's great to just hear it from, 'cause I think people say 00:13:34,720 that it's good to hear it from someone who's actually in the experience.. The air's not sweeter now that you've got this much money or whatever.. It's the same drive, but can you comment though on why you think there's so few female self-made billionaires relative to males? It's an order of magnitude difference.. Do you have any thoughts on that? - I mean, I could spend the whole rest of my time on this, 00:13:59,650 but the world is fraught with bias and discrimination and a lack of fairness and equality, and I would say it's one of the things that when I was at Stanford and I loved economics, I mean, I did humbio also, but I loved economics where it felt like, oh, in a perfect world, this and this and this happened.. Like our world is not perfect.. I think it's actually been one of the most depressing and stunning things I think as I've gone through this of just realizing how bias is baked in at every single step along the way, and I was probably raising like 20 cents on the dollar relative to what white men out there were able to do, and even now being a publicly traded company, when I'm sitting across the table from potential investors of public equities and you think of like, oh, the great equalizer, the stock market, and it's still wrought with bias.. Like there's still portfolio managers that are largely white men on the other side of the table deciding, oh, this company's really valuable and this one's not and I think people have a lot harder time building trust across lines of difference..

Like we know this, and so every time I'm sitting across the table from somebody who doesn't look like me, which is most of the time in this world, I am at a disadvantage, and so I don't say that to complain, I don't say that to whatever, but it is not accidental that it is much, much harder for certain groups to reach these levels of wealth and to reach these levels of success.. Like this is something that structurally as a society has been ingrained for 100s of years and we've made some progress, but I think still the reality is that the people that are largely in positions of power are largely the same types of people that were in positions of power 100 years ago and that systemic bias creates real headwinds for entrepreneurs who might come from a different background, who might look different, who might not be instantly relatable to the people who are making decisions around who gets to raise capital and who doesn't and which companies are the best and which ones aren't.. - And so can you talk about how you navigated that path? 00:16:23,690 I know there's a lot of steps between starting the company to where you're at given this environment that exists, but I guess what I would be curious about is can you talk about even just the fundraising process? When you're pitching to VCs for a service that's focused on a demographic different than the typical VC, how do you navigate that fundraise and how do you pitch to potential investors that don't reflect at all your target customer demographic? Can you add color to that experience? - Yeah, I mean, that happened all the time 00:16:54,870 and I think the world has gotten slightly better since I was raising money from VCs 10 years ago, but all the time I would get comments like, oh, well, I don't see why anybody would want a service like this or like, oh, my wife, why is this any better than my wife's personal shopper at Saks? Like these are just not even relevant, and I think there's a time when we got to the final rounds of a lot of venture firms and we would, oftentimes we'd get to the final round, meet the whole partnership, do the whole song and dance and then not quite get there, and I had one VC who was very kind to share more context and he was like, I get to choose one or two board seats a year and he's like, I love my job, I'm really lucky I love my job, and I want to pick board seats where I live and breathe the company, I wake up everyday thinking about it, and I want to add value to you as a board member, and he was like, and I just, I don't think I can wake up in the morning thinking about women's dresses and I just don't think I can add a lot of value to you in this space, and that was really heartbreaking because, look, I've made similar decisions too.. I'm on the board of Glossier because I love the brand, because I love Emily.. Like I purposely did not join the board of a casual gaming company or whatever else that doesn't fit my passions and what I'm excited about, and so if you think about the lack of diversity in that VC world and what likely those people will be gravitating towards, I used to joke, I would've had an easier time raising money for an app that helped guys organize their tee-ball leagues for their kids.. Like that was a pain point that all these men really understood and that would've been easier for me to raise money for than a company that I have now that has almost \$2 billion in revenue and is in a \$400 billion market opportunity, and so I think that it is challenging, I think, when, again, coming back to the lack of diversity that's in those decisions makers and who gets money, it dictates a lot of things.. It's like which companies get founded? Which people are going to accumulate generational wealth? What kind of company cultures are gonna be created where my children are gonna work? All of these things end up actually being decided by a pretty small group of people and a pretty small group of people that's not very representative of our broader population and their needs, and so I think there's no question, we need more there.. I mean, in terms of my tips for it, I do think at the end of the day I am a very quantitative person.. Like this is actually a great business and it has been a great business for a long time, and so I really relied on my own handle of the numbers and of cohorts and of the financial statements and really being able to show people, look, even if you don't feel like you can wake up excited about personalizing and women's apparel, you can at least wake up and get excited about the size of the business and the size of the market opportunity and the profitability profile of the company, and so I had to focus on different ways to get

people excited, and to be clear, in the end, we found great investors who have been great, mostly have been great backers of the company and many of whom are still involved in the company today and I feel very lucky that I was able to find that along the way, but it definitely is not always an easy path.. - Yes, and I do love the fact of going back to, 00:20:25,760 making money is a great thing and appealing to that core and having that core inside that you know the solidity of the business..

I want to spend time on just the path on how you actually built the business out.. If I can though, there is a sensitive subject which I'd like to, well, let me just say this, it's been reported in the press that there was a venture capitalist that funded you that you faced sexual harassment from, and like any entrepreneur, you needed that venture capitalist's support to raise future rounds with future investors and that venture capitalist, because of that you had to sign an NDA to effectively not discuss the sexual harassment in order to continue the path of the company forward.. I know that you're still bound by that NDA, and so I'm not gonna be asking about that.. I do just want to take though my moderator prerogative and just mention it.. What I would like to ask is this, it's been now, I think seven years since the start of the Me Too movement.. Do you think things have gotten better? - Yeah, it's a good question, and yes, thank you.. 00:21:38,917 I cannot speak to it, but it's an interesting question, like have things gotten better? On the flip side, or on the pro side, I was maybe not that recent because I was actually sitting face-to-face with somebody which seems now like years ago, but I was meeting with an entrepreneur who was like, she was like, I read all the stuff that you had to deal with and she was like, I can't believe that that happened and it's so mind-blowing that you had to, like thank you for paving the way and it's crazy you had to go through that and honestly, part of me was like, that's cool that you think that was crazy.. It's like when Me Too stuff came out, I had many friends that had crazy, this crazy thing happened to me and this crazy thing happened to me, and so I think that within the course of, this woman is probably 10 years younger than me, and in the course of 10 years that to her it would be unfathomable that women would have to face this type of stuff at work, that's kind of cool.. I'm like, from my generation, people dealt with that kind of stuff and it was kind of like the price of doing business and that now it's unfathomable, that's great, but also it's just the bare minimum, right? It's almost like saying like, oh, this underrepresented group is no longer being physically assaulted in the streets and so now things are better and it's like there's still tons of bias and discrimination, and so I think the fact that those types of crazy things happen less that that's a great thing obviously and we should be happy for that, but I do think ultimately the reason that a lot of those types of things were allowed to happen for decades and decades is because of the vast inequity and bias in our system, right? Like if everybody looks like a certain type of person, it makes it very easy for these types of behaviors to become normalized and obviously if at all these venture funds, if half the team were women, this type of stuff probably never would've happened, and so I think it's great that I think we've made some progress.. I do think that there's an acknowledgement of a lot of bad behavior that was happening that is probably no longer happening, but I view that as table stakes..

Like the progress that I want to see is I want to see better representation at the top.. Like I want to see better representation on cap tables, I want to see better representation in the GPs of venture funds.. We need to see more equal representation at the top in order to really see the progress that we need to see.. - Awesome, thank you.. 00:24:17,010 I'm gonna be, students, I'm gonna be going to your questions in about 10 minutes.. There's so much wealth that I want to, and we're gonna have such limited time, but I want to shift now towards just talking about leadership because you are one of the most well-respected leaders and people self-reflect on how confident you are and how you lead and create and make people better.. I'd like to spend a little bit more time on that.. Can you describe, Katrina, how would you describe your leadership style? - You know, it's probably evolved a little bit over time, 00:24:47,030 but I would say the thing that really has stayed the same is I do see authenticity and vulnerability as a real cornerstone of it, and I feel, I don't want to say lucky in this, but I think one of the side effects, like I started a company when I had literally managed nobody before.. Like I had worked hourly jobs, like I had two junior jobs after college, but I had managed one intern and that was the only person who I'm still in touch with, Dan, he's wonderful, but I'd managed exactly one person before I started Stitch Fix and now we have like 9,000 employees, right? And so a lot of what I've learned I've learned on the job, and so I think one of the good things about knowing that you know nothing is that the only thing that I had, and I didn't have some amazing resume, I wasn't the best coder in the room or whatever, I didn't have some accolade that was like you should be the CEO, all I had really was an ability to bring people along and being authentic with people about what's happening, about how I'm feeling, about being vulnerable about what I feel like I'm good at, what I'm not, what are my areas of development.. All of these things are ways that I can build trust and the ultimate goal is you might trust somebody because you think that they're the world's best coder or you trust somebody because you know who they are and you know their values and you feel like you connect with them as a human and that's an even deeper level of trust, and so I think that in retrospect, I'm so glad that that's where I always invested my time because I think ultimately trust that you're building through the humanness of connection and being able to share some of yourself and understand that in others, that's a much more powerful foundation of trust, I think, than a lot of these other ones, but it really, I think it was just organically the way that I figured out that I could lead that I think is now a superpower in leaders, honestly, is being able to be authentic and being able to be vulnerable and being able for people at all levels of the organization to feel connected to you..

- Well, I think a lot of people wrestle with that 00:26:57,680 because how do you, what does that tactically mean? Like how do you actually lead with vulnerability? Because I think it's still ingrained in people that if you're putting yourself, does that mean that you have, and I assume it does, that as a leader, you have to be putting yourself in situations of vulnerability? And if you do, I think a lot of people feel that that will create instability in the organization if the leader is questioning themselves.. Can you speak to that? Do you put yourself in situations of vulnerability and can you give examples if you do? - Yeah, I mean, all the time and I think, 00:27:34,840 and to be clear also, even in the big decisions.. I was just gonna say you wanna be firm

on the big decisions of a company, but even those, I can stand up in front of the company and be like, this is what we decided to do.. This is why we decided to do it.. If I'm really honest, we had a lot of conversations because it's risky in these ways and I'm a little worried this part might not work out and I get that these are the reasons not to, but at the end of the day, this is why I decided it and that's a vulnerable way to be able to stand by a decision but also recognize that hey, it's not obvious.. I think a lot of times people think that it's really, really clear.. Like you just weigh the pros and cons and it's obvious, you run the DCF model and you should definitely do this, and that's not the way decisions are made honestly, and so I think sharing more of that behind the scenes.. In general, and I'll tell a funny story that actually relates to Stanford, I think the more you can get comfortable with those awkward, vulnerable, some situation you know you're gonna be able to laugh at later kind of situations and an example from Stanford is that when I went to Stanford, squash was a club sport and I lived in Ujamaa and my friend who lived in Eucalipto I think in Lagunita, my friend who lived in Eucalipto, she was the first person to get recruited from the east coast to join the squash team, and so I knew nothing about this sport.. Like I grew up in San Francisco mostly and knew nothing about this sport, but I knew my friend had been recruited for it.. Anyway, long story short, I'll try to tell it in a short version, but long story short, it was like a Wednesday night and she called me, a Wednesday afternoon and she called me and was like, this is so random, she was like, but our number eight player is super sick and can't get on a plane, our number 11 player's in a four-hour lab and we can't get ahold of her, our number 12 player went home to see her parents in Sacramento, our number 13 player, right? Like blah, blah, blah..

She was like, this probably won't happen, but if we are super, super desperate, we're supposed to be taking a red-eye to New Haven or whatever, maybe to New York, I forget how we got there, but she's like, we're taking a red-eye to Connecticut or whatever tonight and worst-case scenario, she's like, we need a warm body or else we can't play.. She's like, we need 10 warm bodies on the court or we can't play.. She's like, worst-case scenario, would you be willing to come? I was like, I'm not even good at tennis, I don't even know what sport this is.. She was like, but do you have plans this weekend and would you be able to come? I was like, sure, and so I assumed they were gonna find somebody else, but hours passed and she calls me and she's like, so we couldn't find anybody else and can you come? And so I show up and I get on the plane and I was like, and she had been like, oh, we'll teach you on the plane.. Like we took a red-eye, there was no teaching me on the plane, and so we get to, it was at Yale, and this was the national tournament, the national squash tournament that's like all the best teams and I had never set foot on a squash court in my life, and so I get there.. I mean, it was so embarrassing.. Like thank God this was before UGC and there probably, hopefully is no video footage of this out there, but it was so humiliating.. Like if anybody knows what squash is, it's like a ball, it has to be warmed up, people are like bang, bang, bang, and they're people, it's a really athletic sport.. People are really fast all over the court and I had to play all weekend.. I had to play in like seven different things..

Like our first one was against Cornell who was a top 10 team and this girl who had been playing squash for her whole life has to play me and it was so, and she was warming up the ball, then she lobbed it over to me and it's like I'm whiffing and it was so humiliating, and I had to stand up there every single.. You'd play multiple people.. I mean, it was just crazy, and so I played every single round and literally never returned a serve the entire time, and so these matches were really short which is good for the embarrassment factor, and then of course one of the matches, I saw a girl that I knew from high school in the stands and to this day, I'm like, this must be how she remembers me because I have not seen her since and I didn't have a chance to explain myself to be like, actually, I've never played squash.. All I know is that she spectated and saw me be horrible at squash and that wherever she is in the world now, that's probably her memory of me is that I was a horrible squash player.. Anyway, I tell that whole long story because my point is is like now I can laugh about it and I even laughed about it then, let's be honest, but I think the more you can put yourself in these situations where it's embarrassing, it's awkward, it's whatever, but it's just like anything, like you get better at it, you get used to it.. Go to a hiphop dance class, go sing karaoke, or do whatever the thing that seems like it's mildly embarrassing and just keep on doing mildly embarrassing things and then they eventually won't be that embarrassing anymore, and those are things that create commonality and the more people feel like, oh, well, other people have embarrassing experiences too, it humanizes you.. Sorry, now we wasted a lot of time talking about squash.. - It's an important lesson.. 00:33:03,293 It's such an important lesson.. I think it's actually the heart of this notion of entrepreneurship and resilience..

I just don't want people to lose the lesson which is, just to be clear, you're not the type of person who goes into this just saying, I don't care and so I can do these things because I don't care, and I don't want to be putting words into your mouth, but do you think of yourself as a confident person or do you think of yourself as a sensitive person when it comes to doing these things when you're putting yourself in these situations? And are you deliberately putting yourself into these situations of vulnerability even today? And is it more than just telling people about your concerns like on what you think the risks or the contingencies are? Is it actually putting yourself physically into situations of vulnerability perpetually? - Yeah, I mean, with COVID and stuff, 00:33:53,929 I've done it less honestly, but I love going to a ballet class or a hiphop dance class.. I can tell you I'm not very good at either of those things and I think it's a humbling experience, and so the short answer to your question is I am a confident person, like I really am, and I'm not sure that I would've said that honestly when I was a student at Stanford and I don't know that I would've said that, and I do think like a lot of things, it's learned.. It's a skill that you can actually develop over time and I think the more that you can do scary things or things that might hurt your ego and then you come out of it and you're like, that didn't hurt my ego, that actually wasn't that bad and the more you do that, I think the more you realize how resilient you are and I think so much of the confidence question is just like it's a fear of the unknown a little bit, right? - When did you know that you were confident? 00:34:42,070 So that's really fascinating.. At Stanford, if I asked Stanford Katrina, I said, are you confident? In your soul of souls, you would've said, no, I'm not confident? - I wish I could go

back in time.. 00:34:51,700 Probably, yeah, I don't know.. I certainly don't know that I would've said yes.. - Or when the life phase time was 00:34:57,893 when you said, I am confident? - I don't know.. 00:35:01,400 It's a good question.. I mean, weirdly, you would think that being said no to 50, like you would think that 50 venture investors telling me no would make me less confident.. I actually would argue that that, I mean, and maybe that's like the squash thing, right? Like it actually ultimately, I think, made me more confident..

Like I kind of felt more conviction that you may not see it, but I really believe in this, and so I think a lot of those, rejection in general, like getting rejected from jobs, getting rejected from schools, ironically, I think those things actually in the right light can actually make you more confident rather than less and so I do think, like Amazon is a company, for example, they do a lot of celebrating failure and whatever and I think we could definitely be better about that at Stitch Fix, but I think there's a lot to that because I do think that a lot of the hard times and whatever, those are what make us stronger and I think you can, if any of you, hopefully many of you have not, but if any of you have had a traumatic thing happen in your family or an illness in your family, it's a really hard thing, but oftentimes the family comes out stronger and you've said things to your family that you wouldn't have normally said and you feel more connected to your family and I think that those, going through hard things makes you stronger and like the squash story or the going to a hiphop dance, those are all just micro versions of that that I think are exercising the same muscle.. - Yes, so it sounds like if you have a fear of failure 00:36:33,650 which is what actually prevents many people from pursuing the paths that they're supposed to do in this life, the guidance is just get comfortable with failure, just throw yourself.. - Like I've seen, I forget what it was in, but I read, 00:36:45,160 to be clear, I haven't done this, but I read something about how somebody was trying to get rejected everyday and so every single day they would go to a stranger on the street and be like, can I borrow \$5? Or just try to get rejected everyday because then you build a muscle for it, and to be clear, I have no recollection of where this anecdote was from, but I remember thinking to myself, I didn't do that, but that's kind of a cool way to do it too.. It's just like the more you can exercise that muscle in many ways, I think the stronger you get.. - I think it's a great, great lesson, so thank you.. 00:37:17,830 I'm gonna turn it over to the student questions now in our final 10 minutes.. The most upvoted question is from YouTube chat and it's asking how does Stitch Fix fit into the future of fashion which we are now aware has to have sustainability and circular products at its core? Product life, fair wages, carbon issues, and sustainable fabrics.. - Totally, this is definitely a topic that's near and dear 00:37:42,730 to my heart and something we spent a lot of time thinking about and I think that there are, Stitch Fix in general, I think the history of apparel has been cheap and whatever, like mostly cheap, right? Where it's like, oh, let's buy things that are super cheap and trendy, super cheap and disposable, and there's no question that that has to go away for a number of reasons, and so I think first and foremost, we are focused on we don't want you to buy 100 jeans from us that are 70% off.. We want you to buy one or two pairs of jeans from us that are really great jeans for you, and so in a world in which people are buying fewer things, which I do believe that is the future, a model like Stitch Fix where we are getting to know you, we are sending you what you want, that is a much more sustainable version of that and I would also, a side note, we could talk about sustainability for the next hour, but a side note is when you look at retailers like dollar for dollar, just so everybody knows this when they're making their purchase decisions, e-commerce is actually wildly more unsustainable from a carbon footprint perspective than store retail and part of that is many of you probably come from places that are hot or cold, like the sustainability element of heating and cooling a huge department store, like you think of how tall those ceilings are, you think of how few transactions happen in there, just the huge store footprint that we've built is one of the worst things that we've done for our environment, certainly from a retailing perspective, and so even in Stitch Fix when you compare people are trying things on, sending it back, you would think that has a bigger carbon footprint, it actually doesn't.. We are a fractional amount of what department stores do..

So of course, that's still not enough.. There's still a lot more that we can do.. We've made commitments and you can go and look at, we have a social impact page, we've made commitments around having all of our inclusive brands have more sustainable fabrics, the circular economy I think is wildly interesting.. Like I would love to, there are lots of things in my closet that would happily have a second life and we already have great data.. Like what Stitch Fix is differentiated at is that we have great data.. We can really predict the right things for the right people.. That's better in a first-person world just to be clear also because we are not in the business of overproducing and overmaking things and then we are only buying the products that we know will have happy homes, but in a second-hand world, it's even more interesting I think because even in the first-hand world, it's hard enough to find jeans that fit, but you're trying to navigate years and years of different designers' apparel, all of a sudden, you really need recommendations.. Like I think anybody who's tried to buy in a second-hand market knows if you know exactly what you want, it might be easier, but you could spend hours and hours and hours and hours trying to weed through that, and so anyway, long-winded way of saying I think there's a lot of innovation coming here.. I'm excited about the direction that things are going and I really hope that Stitch Fix can be at the forefront of it.. - Awesome, that's great..

00:40:41,800 The next question is what specific segment of the massive clothing fashion sector are you targeting, affordable fast fashion, boutique brands, vertically integrated clothing production, dress code specific, religious, lower, middle, upper class, and why? - Yeah, so apparel is a \$400 billion market 00:40:57,620 in the U.S.. and the U.K.. alone and that's kind of where we play right now.. You know, I think what's interesting strategically is that historically, fixes have been really, like the first eight or nine years of our business were really focused around fixes which is you sign up, you let us know what types of things you like, we have a stylist that's using algorithms to deliver to you things to try on at home and so that model is really a little bit more of a lean back and shop for me model and that had an element, like you could either get that delivered when you like or you could get it delivered on a cadence if you like, but that was kind of the first version, and then

really this next model is actually potentially, more than 50% of people in the United States say that they hate shopping, and so this lean back and shop for me works great for them, but there's also a lot of people that want to have more say and want to be more proactive in their decisions around fashion, and so one of the things that we've been doing is we have shop which is a way that people can actually explore their recommendations and there's a lot of innovation to come that really allows us to be able to have people, even people who want to be more in the driver's seat that they would actually be able to also experience the great recommendations, and so those have been psychographically, but we are very, our audience is super Democratic.. Like we have a really broad age range.. Even on income, we're a pretty broad income range and because we are in the business of personalization, we can actually address many of those segments.. - There's a question from a Stanford student 00:42:34,750 which is what is something you would have done different at Stanford that could have helped you in your entrepreneurship path? And if I could, Tina Seelig, our director, has a favorite question which I love to ask too which is what do you wish you would've known when you were 20? I got it a little bit wrong, but what advice would you have given yourself at 20? What would you give our other 20-year-olds? - I mean, what would I have done differently at Stanford? 00:43:00,510 I mean, ironically, and these were all the right things to do, but I had a part-time job the whole time I was at Stanford, I really was focused on the bare, I don't want to say the bare minimum, but it was like I had an econ major and a humbio minor, I graduated a quarter early.. I probably was like, I mean, of course all these things are 20/20 when you can look back, but part of me wishes, I wish I hadn't forced myself, I don't know, I just wish I would've relaxed a little bit maybe and taken classes that weren't necessarily ones that were directly connected to my major.. I wish I had taken more weird classes.. Like I feel like there were a bunch of the, oh, sleep and dreams, like that class..

Like everybody talked about sleep and dreams and there were a bunch of these legendary classes.. Like learning to golf, that sounds so silly or play tennis or, I don't know, do something cool like play squash, like I don't know.. I wish I had learned some other skill with all the great resources that Stanford had, and so interestingly, none of my regrets honestly are, even like learning to code or whatever, that's actually not really one of my regrets.. Actually, my regrets are more like I wish I had spent more time doing things that were less academic I think than the things that I did and just spent more time on the more global notion of learning besides the more targeted version of learning that I was doing to achieve what I thought were my goals at the time, and then advice that I would give to myself, honestly, the advice I would have given to myself for this whole journey is more of just, I don't even think I had the capacity to think on as big of a scale, like sadly, I was not walking around with a pitch deck about how this is gonna be a billion-dollar business in less than 10 years and we were gonna go public in less than 10 years.. I didn't even imagine that.. That wasn't even at the upper end of what I thought was possible for the business, and so I do think that how, I don't know, I guess I would've tried to help myself to think bigger and believe in more possibility I think than I even did at the time, and then the general advice that I give that I think I was fairly lucky to be able to mostly have this is I do think in careers, people really obsess over does this job define me? And is this job really me? And I think they're just, I don't know, I think there should be a healthy delineation between something can be your job and it doesn't need to be your identity and I think my generation struggles with this a lot of just like feeling really inextricably tied to the role that you're in in that moment and that creates pros and cons or I think if you get laid off by a company or you leave a company, all of a sudden you feel like some of your identity is gone and that's not a great thing, and on the flip side, if you feel like the company is not aligned with your identity, it becomes a very tumultuous, hard thing and I get that, but I think, I don't know, I think being able to have more of that healthy separation and I talk about if you have two things in your job, if you are feeling challenged, you're learning, you're on the steep part of the learning curve, if you have that and you have a manager who is in support of your development and helping you grow and investing in you, if you have those two things, that's the promise land.. That's the way.. I feel like I had a linear notion of this is how you get to point A to point B, and to be clear, honestly, I kind of followed that.. Like this is advice that I didn't necessarily follow myself, but I was a little bit like I need to do this, I need to go to business school, I need to start a company, and I did have a pretty linear path, but what I've learned now is that I'm actually in the minority.. Like most people's paths are not linear..

Like most people are just following really interesting opportunities or really interesting people and following growth opportunities and then they end up some place interesting, and so I think that, anyway, my 20-year-old self would've been bored by now, so I'll stop.. - No, this is all gold, and there's a question 00:47:16,220 that's dovetailing what you're saying which might be our last question which is on that second piece that you were talking about for your development which is a manager or a mentor, did you have a mentor? Because you were going down these paths where there weren't that many I think self-reflective mentors that would normally be there, and so how did you find your mentors if you in fact did have a mentor? - Yeah, I've had different mentors along the way 00:47:42,450 and like Polyvore you mentioned, I was at Polyvore for a summer and the woman, Sukhinder, I was enamored with her 'cause she was the first time that I had met a leader that was very decidedly not trying to fit into the mold of the stereotypical leader you would have and she was very feminine in her leadership and there's just so much that I was like, wow, this is really eye-opening that you can lead in different ways and she was somebody that I kept in touch with periodically and even now being a publicly traded company, there are people out there that have texted me and have reached out of literally the ether being like, hey, I'm happy to chat whenever and I try to do the same thing when I see others, and so I think interestingly, the mentors have definitely changed over the years, but I felt really, really fortunate to have lots of people, men and women, who are in roles where they have contributed to my success, but I've been doing some of my own investing, and so I've invested in probably a little more than a dozen companies.. I only invest in diverse founding teams.. Like I deeply believe that if you are not thinking about diversity from the moment you're founding the company, it's an uphill battle and a lot of the wealth that's created is created at that founding team level, and so that's something that's super important to me, and what's been interesting is actually now that I'm more on the fund side, so now I can be giving money to fund managers, I'm only investing in diverse fund managers, and so even as you're

thinking about public markets or even as we're thinking about venture funds or whatever, I'm putting my money where my mouth is and I'm backing people that I know share the same values as mine.. (upbeat music)..