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Tim Brown is the co-founder, co-CEO, and creative vision behind Allbirds, the sustainability-focused shoe company he co-founded in 2015. His experience as a World Cup soccer player for New Zealand led him to think about things on a grand scale, whether that be crafting shoes or running a business. In this conversation with Stanford adjunct lecturer Ravi Belani, Brown discusses his predictions for a future economy shaped by carbon accounting and reflects on how aspiring entrepreneurs can learn from his experiences building a sustainable brand.



Transcript

Narrator Who you are defines how you build. 00:00:10,290 - Welcome YouTube, Stanford, and ETL communities, 00:00:12,840 to the Stanford Entrepreneurial Thought Leaders Seminar. It is so great to have you here today. I'm Ravi Belani, a lecturer in the Management Science and Engineering Department at Stanford, and the director of Alchemist, an accelerator for Enterprise Startups. This Entrepreneurial Thought Leader series is brought to you by STVP, the Stanford Engineering Entrepreneurship Center, and BASIS, the Business Association of Stanford Entrepreneurial Students. Off of the heels of our recent announcement of a new school at Stanford, the Stanford School of Sustainability, we are so thrilled to have our first sustainability-focused speaker here at ETL, which is Tim Brown. Tim is the creative vision behind Allbirds. How many people have heard of Allbirds? Oh, fantastic. So very little introductions needed. How many people own a pair of Allbirds? Oh, even more fantastic.

That's terrific. So if you know of Allbirds, you know that Allbirds is the sustainability-focused shoe and clothing company which Time has called "the world's most comfortable shoe," and I can attest to that as well. Tim co-founded Allbirds in 2015 with co-founder, Joey Zwillinger, and Tim, prior, crafted a revolutionary-focused footwear fabric, made from sheep Merino wool, which became the basis of their flagship running shoes. And it's no coincidence because Tim is a Kiwi, he hails from New Zealand, the land of the sheep, where he's the son of a mom who's a nurse and a dad who worked in nonprofits. And Tim had an unusual path to entrepreneurship. He started off by getting a degree in design from the University of Cincinnati in Cincinnati, and then became a professional footballer. I'm talking about global football, not American football. I'm talking about soccer. He became a professional... A true footballer, where he played professionally for the Welling Phoenix Football Club for five years.

And among other things, he competed in the World Cup. Tim also earned a master's degree in management from the London School of Economics, and he continues to serve as an ambassador for New Zealand football. Allbirds is a certified B corporation, which has raised more than \$200 million in venture capital and IPO'd on the NASDAQ Exchange in November of 2021. And the company focuses on simplicity, comfort, and natural materials. And in September of 2022, Allbirds launched its first plant-based leather sneaker. And so, please join me now in welcoming Tim Brown to ETL. (audience applauding) - Thank you. 00:02:40,441 Thank you. That was pretty good, Ravi. You covered everything.

- Oh well, we're done. 00:02:49,650 - You covered everything. 00:02:51,090 - Well, so Tim, I wanna start off 00:02:53,280 because you have an unusual path to entrepreneurship, which is rare. And oftentimes, those rarities are where there's the biggest differences and competitive advantages. Specifically, you come from a background of athletics and a background of design, so I wanna double click on both of those and I'd like to first start off with athletics. To what extent do you think your career as an athlete informed your success as an entrepreneur? And just to give a little more context, we oftentimes analogize the two together. They're both competitive activities, they're high stress, and you need to develop certain skills to be competent at both. Were there any key takeaways that you learned from athletics that you would wanna share to other founders that have benefited you? - Yeah, sure. 00:03:36,360 Well, thank you very much for having me. It's such a privilege to be here.

How lucky are you to be on this campus? I feel like I wandered around this afternoon and I'm not sure if all of you are meeting to discuss what you watched on Netflix last night, but it feels like you're solving the world's problems. It's incredibly inspiring and such a privilege to be here. I had a decade-long professional sporting career, and, as my co-founder likes to joke, I needed to take lessons from that, Ravi, because I didn't have any other work experience. This is my first job. Really, my first proper job was to found Allbirds. And so, sport was really the foundation for how I've thought about being an entrepreneur. And there's so many similarities, there's so many... There's so... There's so much overlap. I mean, let's start with the role of team.

I learned pretty early on that I... To forge a professional sporting career, I didn't need to be good at everything. I needed to be good at one or two things and do that better than anyone. And that I could... If I made myself irreplaceable within the context of a team, that I could make a professional career. Now, let's be really clear. I'd come out of university in America, didn't make it in MLS, had gone to the Galaxy, and got promptly booted out, went down to one of their feeder teams. I'd battled my entire career. But I realized that if I tried to be all things to all people, I wouldn't make it. But if I was incredibly honest about the one or two things that I felt like I could do better than anyone else, that I could craft a career as a professional athlete and that's what I did.

I also realized that being a part of a team, there's the star players and then there's... And then there's the people that drive community, creativity, drive the sense of team. You'll know those people in your classes, the people that give energy, the people that bind people together. You can go an enormously long way by being one of those people. And I think within sport, there's the star players, I was never one of those, but I was a team person and I felt like I was the Shane Battier, who I actually met recently, that intangible person that was gonna help that group win, and that was my superpower. And I managed to make that a career and be part of a New Zealand team that went to the World Cup, and it was a great journey. I think the second thing about sport... It's a funny thing with sport. You chip away at something for a long time, usually the same skill, over and over and over again. And oftentimes, you don't really see the improvement, but you just gotta trust in the fullness of time that's gonna compound, and you're gonna get really, really good at something.

And I think, oftentimes, particularly in entrepreneurship, you're looking for a silver bullet. You're looking for that big idea. And oftentimes, this is about grinding on something that you believe in deeply. In the case of a wool shoe, I didn't invent wool, didn't grow up on a sheep farm, as good as that would've been for the story, didn't invent shoes, had a kind of an obvious idea. And I spent six years, over 100 prototypes, trying to make a shoe made outta wool. And lo and behold, stuck with it long enough to get good at it. And I think we tend, Ravi, to massively overestimate what we can achieve in the short term and underestimate what we can do in the long term if we stick with something, and I think sport taught me that. And I think it is really maybe my superpower, in the context of entrepreneurship, alongside the team piece. And the last thing, I think the resilience. I remember a Monday night at a supermarket, not long after I'd become a professional, where a fan came up to me and said that I'd played particularly poorly in the last game as I was shopping for...

As I was shopping for my vegetables. And you get... You learn to understand that you have the ability, far more than maybe you give yourself credit for, to pick yourself up and go again, and I think sport gives you a pretty strong education in that. And as an entrepreneur, you don't get anywhere without that. - And are there practices 00:08:01,860 that you cultivated to deal with that stress, of just, day after day, perfecting this one skill, getting people who aren't giving you positive feedback but persisting? Or is it just something that happened by the path, that you just did it and so you created a tougher skin? Or are there deliberate practices for being resilient and sustaining stress that also apply to entrepreneurs? - That's a great question. 00:08:27,360 I think I'd say a couple of things to that. I think the greatest gift, and it was kind of counterintuitive at times, were the experts, the so-called experts, that went out of their way to tell me that the idea was no good. They actually... It was so... It was so obvious and significant to me that it clicked in my brain, maybe as an athlete, that I was going to go and prove them wrong.

And I like to think about the metaphorical black book of a list of people that I still keep in my mind that sort of doubted me. And so, there's some element of that that I think you need. I dunno if any of you've seen the Michael Jordan documentary, right? He would cultivate, almost, in his mind... There's a scene in that movie where they're playing the Seattle Supersonics and the night before, he is at a restaurant, and the coach doesn't come over and say hi to him, and walks past this table, and he is like, "I'm gonna score 50 points the next night." There's an element of an edge that I feel like... That I've taken from sport that I definitely think is there. The second thing was to work at something for a long period of time, it needs to be... At least for me, it needs to fit into a larger sense of the world and what it means. And so, I found myself as a professional athlete,

boyhood dream, doing everything that the black book of people said that I couldn't, and then I was like, "What? "This is a job like anything else "and it's not particularly making me happy." And then I worked out that, actually, this unlocked the ability to play for my country, to play for New Zealand. And similarly, as an entrepreneur, my dad would call me a wool cobbler as I chipped away at these shoes made from wool, and it used to drive me crazy. He'd make fun of me, "What are you doing?" And then I realized, "Oh..." I met my co-founder Joey, "Oh, there's gonna be a revolution, "sustainable revolution, "in the way that we make everything.

"Every product and service that we use "every day is gonna need to be rethought." And okay, now, it hasn't gotten easier from that point but I haven't looked back. So the role of purpose, I mean, that's a well trodden path, I think, in the context of entrepreneurship, but both in sport and in business, that's unlocked the next level of commitment from me, and without it, I would've stopped. - So let me dive into that, 00:10:47,340 this idea of hitching onto the purpose, and I want to dovetail that into the other thread, which is on design. You came from a design background, I'm curious to what extent that also informed your success. But the question of that I want to ask is there is this narrative of the entrepreneur as a visionary, where you see where the world should go. And entrepreneurship is about currying the resources that might be against you to get there. Then there's also this narrative, which the design school teaches, which is entrepreneurship is really the process. And in fact, the process is gonna teach you what you need to know to get to the result that you can't even predict. Do you subscribe to either one or maybe something else? And can you speak to, just in general, did you view design as an asset or liability when you were going into entrepreneurship, and what are the key benefits that you've gotten from your design background? - Yeah. 00:11:37,950 So look, I think the...

You need both. Without a vision or a dream, or some sense of where you're going to go, I think it can be difficult sometimes. So I think in the context of starting a business, that dream is there. One of the best things we ever did at Allbirds was we sat down in the very early days, we had six employees, and we wrote a vision 10 years in the future, which, at the time, I was like, "Oh, I don't wanna do that. "This seems really... "It seems soft and not really "a good use of my time. "We're gonna sit down and write a story?" And we did. it's a two page story that literally says in 2025, what it was gonna feel like working at Allbirds. And we talked about the mistakes that we'd made. And how often do we give ourself permission, particularly at the early stages of something, maybe even now as you sit here where you guys are in an extraordinary privileged position, you could be anything or do anything, but to fast forward in 10 years and ask yourself, "What am I sitting? "What am I wearing? "Who are my friends? "Who am I loving? "Where am I living?" Do you give yourself permission to do that? And how powerful that can be as an exercise 'cause we're...

'Cause we're so head down. And so, we did that at Allbirds and we, actually, we co-authored this story. We haven't changed it. We give it to everyone who interviews with us. And in hindsight, it was the best thing that we ever did because it was us at our best, the purest sense of what something could be before the world got in the way. And so, yeah, I think... You need all of it because then what you need to do is you need to go back with that athletic mentality, which is, "I'm going to believe "in the compounding impact of getting "a little bit better every day. "And if I come in and I'm focused "on one singular challenge," whatever it may be, whatever it is you guys think about, and you worked at it for one year, two year, three years, four years, how good you might be if you believed that that was something that you were worth developing excellence in. So it's all about process, but without the dream to sustain you through the ups and downs, I think it can be really, really difficult. So I think you need both.

I think you need both of those things. - And do you have any words of wisdom 00:13:52,980 for our aspiring students that might be thinking about design? There sometimes can be this functional classism that people will feel about the degree that you need when you're going down the path of entrepreneurship. Did you feel-- - I feel... 00:14:06,390 It's a really good question. I felt, and a little bit less so, but to a certain extent, still feel a level of insecurity, I think, as a business leader that is trained as a designer. And I think particularly in the early stages of engaging with venture capital and trying to raise money. I'd come over from New Zealand as an 18 year old, I wanted to play football, but I had fallen in love with design and the University of Cincinnati, the design school there was an opportunity to combine both of them. And I was head over heels. This is exactly what I should be and what I should do. But as I became an entrepreneur and a business leader, I fundamentally had gone to business school and realized there was incredibly smart people that all had incredible knowledge, but were running around, working out how to be creative, and how to tell stories, and how to innovate, and how to operate in uncertainty, or come up with an idea when everything that they had done probably through their career was programmatic.

I was like, "Oh, I've got that bit. "I just don't want to take that finance course." And actually, so I took an enormous amount of confidence from that. And I... There's not a lot of role models, as now a public company co-CEO, of designers that have done that job. You might look at Mark Parker at Nike, I think Brian Chesky does an amazing job, Airbnb, of normalizing that. And it's not that creativity should... Should lead, but it should be in every room. And the ability to operate in uncertainty, bring people together, synthesize disparate sources of knowledge, cut through complicated situations, and, more than anything, feel okay trusting your instinct as a designer, which is really what you are honing, I think, as you're educated as one, I believe it should be in every room. And the fortunate setup that we've had at Allbirds is that I founded it with an engineer from Berkeley who... So I think about us as a combination of art and science, but I think in all the ways that I imagine a school of engineering has extraordinarily great minds, don't be afraid of...

In all the ways that I probably avoided economics and engineering in my undergraduate to go look for the poets, the

storytellers, and the filmmakers to round out your ability to impact the problem that you might be going after. - And in retrospect, 00:16:42,240 you view that as a huge competitive advantage? - Absolutely. 00:16:43,906 - Yeah, yeah, just to make sure 00:16:45,240 the takeaway was clear. - Very, very clear. 00:16:47,220 And again, in the spirit of team, I can't do what Joey does, but there's an element of what I do that Joey can't either. And so, you buy into that, you can go further together than you can individually, then that's the essence of a team, correct. - Yes, and so let's talk about that 00:17:00,030 because you guys are co-CEOs, which is a very unusual split for founders because I think the traditional norm is that there has to be one CEO because if there's a conflict amongst the team, it has to be clear who gets to settle the conflict, and having co-CEOs would seem to deter against that. So can you talk about if... How you have good fights as co-founders, and still stay together, and make decisions, and are there any lessons that you've learned about having healthy co-founder relationships that you would pass on to the future co-founders that are here? - Yeah, look, I did it for a little period 00:17:33,930 of time by myself, and if your goal is entrepreneurship and starting a business, it's incredibly lonely and difficult, and you get a lot of negative feedback along the way, but less regular is the encouragement to keep going. So the ability to do that with someone...

I don't think there's any other way. I couldn't do it by myself. Maybe you can. I don't know, good luck to you. So doing it with someone was a non-negotiable for me. And then, to do it with someone who was very different from me, I think, was... Okay, "here's a couple things "I think I can do really well." And I had a very specific product vision. And I meet Joey, who... We couldn't be more different. New Zealander, American.

Engineer, designer. But we had a overlapping... And we spent a lot of time on this, overlapping set of values about how we wanted to be as people, about the world. And I met him and I met the purpose that I'd have been missing. And so, it was a moment in time. Our wives were roommates in college, so we'd had this very... He'd been a customer of the very first Kickstarter campaign that I'd launched. We'd known each other from weddings, but not much else. And it's an incredibly important relationship. And a co-CEO thing is either the best, you can go further together than you can individually, you buy into that.

Or it's the worst. There's no in between. And we've been very, very fortunate that we've taken this from me and Joey, and his dog, Walter, in his mother-in-law's house in San Rafael, now through to a public company with north of a thousand employees as co-CEOs. And it's taken a lot of work, but yeah. - And are there any specific practices 00:19:21,901 that you guys proactively do to keep the relationship strong? - It is like any healthy relationship, 00:19:28,770 it takes maintenance. We had to put a lot of structure behind it. We tend to meet at the beginning of the week and at the end of the week. There's a running list of feedback. Oftentimes, we try and split that down the middle, "Hey, keep doing this, "wouldn't do it this way." "A lot of people think that was "a really difficult thing. "Keep going, it's the right thing." And the maintenance of that.

And then, every quarter, we'll step back and we'll take a day, we'll go away, and then once a year, we'll do a trip. And so, there's structure around, "Okay, this is... "This is the way that we're operating." And then, again, thinking about this is chapters, no relationship is necessarily forever. It could be, but breaking this up into chunks so that you're reevaluating the shared impact that you're having and being really, really honest that you, as an individual, and you, as a partnership, are delivering what the organization needs. So I think that structure has been really, really helpful. You can't leave that to chance, 'cause otherwise... I don't know, he's gonna leave his cup on his desk and you're gonna pick up his cup, and then before long, it's bigger than the cup, and you're getting divorced. So the maintenance of that relationship needs to be very, very planned. - And that's great, thank you. 00:20:46,800 I'm gonna ask one more question and then we're gonna open it up.

And I can ask more too, depending upon the demand. But I wanted to go into sustainability. So we just launched the School of Sustainability. Can you share with us how you define sustainability and has your thinking about sustainability evolved or changed over time? - Sure, yeah. 00:21:06,240 I've got a lot to say on this. - The floor is yours. 00:21:09,660 - Well, first of all, I think 00:21:10,890 that word is a problem. No disrespect to the new school on your beautiful campus. It means too many things to too many different people as to be largely meaningless. Sustainability is about circularity, it's about fair trade labor, it's about end of life, it's about water quality, air quality, animal welfare, recyclability.

And before long, there's so many competing factors that I'm just gonna stay in bed because it's too hard. And so, I think the way that we think about it at Allbirds, and this has been an evolving process for us, is that carbon is the north star metric that we are intensely focused on as an organization. We have a carbon footprint as a business. We have a carbon footprint with every product that we label. Anyone, I see a few folks wearing Allbirds, if you pick up the insole, there'll be a carbon footprint of the individual product, everything that we make. And that's the thing that allows Allbirds to be compared to Google, New Zealand to America, the fashion industry to the energy industry, all wraps up to a larger number that we've gotta work to reduce. We bonus our executives based on revenue, profitability, and also reduction of our average footprint. So we have a very, very detailed, what we call, our "Flight Plan Sustainability Plan." And then we pay for offsets. And that's a controversial topic, which I'm happy to talk about. So all of a sudden, for the first time in six years, we don't have all the answers but we have, I believe, all the questions as a business around what sustainability should be.

In the same way that calories are on food, carbon, I believe, will become the universal metric for the transformation of our economy. And that in all the ways that calories don't represent the complete totality of a healthy diet, they do... They are an important north star that connects the dots between every type of element of a complex food system, and the same thing I think is gonna exist here. We just did a partnership with Adidas not that long ago and released a pair of shoes that were 2.94

kilograms of carbon. On average, we're a little bit less than 10. What does that mean? A hamburger's about five or six, so it's half a hamburger. If I was to get on a plane from San Francisco to New York, that'd be about 2,000 kilograms of carbon. So all of a sudden, I think, we're going to live our life increasingly with an understanding of the trade-offs. And I think people, they want a silver bullet. They want ice cream in this moment.

They wanna say fast fashion is bad. And it really is far more complicated. We just need to be aware of the trade-offs and we'll make choices based on it. And at the moment, and what is so interesting, is that we're in the very, very early stages of a complete transformation of that consumer ecosystem. And I think if I asked everyone in this room, "Do you care about sustainability?" I would imagine you're all gonna put your hands up and say, "Yep." And then if I asked you, "When has sustainability impacted a purchase "the last time you were at a checkout? "When has that been in your mind "as you've bought and you transacted?" And I would say the answer is probably pretty close to zero. And there is a lack of clarity on what is good and bad, and the consumer is confused. And I think it represents an enormous amount of opportunity for a new generation of businesses. - That's great. 00:24:49,890 We can keep going into that, but let me... I wanna open it up for questions.

Julia Hi, I'm Julia. 00:24:55,500 I'm wondering if you can talk a little bit about how the fashion industry overall is adapting to having more sustainable practices, and how it's been in the larger ecosystem of the fashion industry for you. - Yeah, it's interesting. 00:25:13,080 I... I just came back from the UK, I was there last week in London, sunny London, for the first time in nearly three-and-a-half years, and the conversation's advanced there, I think, on the consumer level. You can't walk past... Every second store on the high street has some form of sustainability claim. And from the last time I was there, that's an enormous transformation. This thing is moving quickly. Everyone understands it's a problem of our generation, they gotta do something.

What is less clear is exactly what good looks like. The topic of greenwashing was central to many of the conversations that I've had, that, at the moment, we can't really necessarily agree on a universal set of standards around evaluating performance of brands. And I think, again, to the point about consumer confusion, I think that's a really interesting next evolution of this conversation, is a set of agreed-upon standards. And I think you've started to see governments now getting involved. The Norwegian Consumer Authority went after H&M and said, "Hey, you've made some claims, "I think you're over your skis. "It's not right." And they really... They really went after them. And I think that's really important next evolution of this. At the end of the day, the transformation of our economy isn't really about the fashion industry, it's about energy, it's about transportation, it's about our food systems, it's about real estate, and the way we construct buildings. But the fashion industry, I think, has an outsize role in making sense of the very complicated science and making it relevant.

The scientists have done their job, now it's the storytellers, the poets, the artists, the movie makers. And I think, within the fashion industry, that is where I think you'll see a lot of the drive to actually explain this to the consumer. And I think there's a lot of positive signs, but it's the wild west at the moment. And all you need to do is say you're trying and, for the most part, that's enough. And I think we're just about to enter a new category of objectivity in measurement and standards, and universal standards, and governments are increasingly getting involved. And I think the businesses that are preparing, doing the deep work on this, are the ones that will win in the long run. And the folks that are just putting something up on their shop window, I think that there may be a consumer reckoning coming and I think that's a positive thing. - Terrific, that's great. 00:27:45,180 Audience Member Okay, so what has been 00:27:47,430 the hardest part about breaking into arguably one of the most established markets in the world, which is the shoe market? - Sure, yeah, thank you. 00:27:55,860 Well, first of all, I knew nothing about how to make shoes, so that wasn't a great start.

And we were using a material, in wool, that seemingly industry experts were coming out of the woodwork to try and find me to tell me had... Was impossible. Again, this took... I probably started working on my first shoe in 2008. I was deeply immersed in playing sport at the time. This was born as a curiosity project. There was no business plan, I didn't write a strategy. I was sponsored by one of the big sportswear brands at the time, I can't even say their name. But really, the only reason you play professional sport is to get free gear, and I got lots of it, and it was made from plastics, and it had lots of logos. And the initial insight was literally about natural materials and wool, which was this legacy industry in New Zealand, cue sheep jokes, that I knew a little bit about, and a design insight that I wanted to make something without logos.

And I just set off to do it, I didn't think much more than that. There was no pressure on this beyond me putting it on myself. And I went and visited a footwear factory that I found online, walked into this world. I was like, "Oh my gosh!" The mass manufacturer of shoes, enormous category. We make something like 25 billion pairs of shoes a year on average, but it's incredibly antiquated and reliant on manual labor in the way that it's done. And I asked a bunch of really simple questions like, "Are all the sizes the same?" "No." "Okay, that doesn't really make sense." And it was just... I got a confidence that there was really an opportunity here, and I just... I did it. And over six years... I launched the Kickstarter campaign six years later in 2014, after I took an entrepreneurship class at Northwestern and a professor told me it was the worst idea that he'd ever seen but I should put it on Kickstarter so that it could fail.

I think if I'd thought too much like that, I wouldn't have started. In fact, in some ways, when I look back on that time, I was like, "What was I doing? "I didn't even write a business plan. "I didn't go..." I just started like making, and I was powered by curiosity. And if I look back on that, don't underestimate the way that you feel. And I used to have a notebook that, when I

played football and I... My teammates occasionally would spot me sketching in this notebook, and I'd be super embarrassed when they did. And I had one... One of my coaches came over and he said, "Keep doing that. "One day, those things will mean something." And it was the best piece of advice. So just if you are feeling something and you see something, and particularly if experts are telling you that it won't work, trust yourself and follow that.

And I think you can have a lot of fun along the way. - I wanna key in on that 00:30:52,943 because I think this is such an important insight, because when was the moment when it shifted from just the side hobby to something that you had the conviction to dedicate a 100% of your time to? - So I was... 00:31:05,490 I was in the thick of playing professional sport and getting free gear. I went to the World Cup in 2010, so that was probably year two or three. I retired from professional sport in 2012. My last professional game was in March, 3-2 away loss to Perth Glory in the A-League. I barely think about it anymore. And so, that was probably year four. And then, I went off to business school, and launched the Kickstarter in 2014. So we're talking six years of chipping away at that.

- And so, 2014 was when... 00:31:39,037 But that was all as a side hustle, this thing. And then, was 2014 the year that you said, "I'm gonna full-time dedicate this"? - I graduated, yeah, in early 2014, 00:31:47,400 and I went home for Christmas, and this Professor, Carter Cast, who... This is always the way with professors that go our of their way to be unkind to you, you should keep in touch with them because they usually see something in you. He said this was the worst idea ever, put it on Kickstarter. So I shot a video, you can still see it online, for \$700. Kickstarter campaign in March of 2014. I had six pairs of wool shoes, a little bit of a research grant at that point, and my brother urging me to take a crack at it. And we shot a video one afternoon and put it on Kickstarter. And I was starting to polish my resume, such that it was, to go look for a job, and this thing exploded.

And in four days, we sold \$120,000 worth of shoes, and that was the beginning of it. And that's when I devoted it myself to it full-time. - That's when you had a 100%? 00:32:35,353 Okay, terrific. - But it was accidental. 00:32:37,590 And at the same time, I was applying for other jobs because I was convinced that this was not a good idea. - Well, it's a non-traditional industry 00:32:45,240 in Silicon Valley to go into build a next... A shoe company. I think a lot of people would say... And there's a lot of gravity that I think people place upon themselves on coming up with the next new disruptive tech. Any insights onto deciding what you should go after based on what you feel viscerally versus what the rest of the market's telling you? - Yeah, I mean, I think we talked about instinct.

00:33:08,273 At the end of the day, this thing's gotta be personal to you, and beyond like, "Oh, it started raining "so I started looking for a car," and that was the founding story and I've recreated that in retrospect. It's gotta be something that you feel on some level 'cause, otherwise, when it gets hard you'll stop. So there's gotta be some sort of personal connection to the problem, and you can get at that in a lot of different ways. I think the second... The second piece of this is that... That... That there's a white space there, and you believe that there's an opportunity and no one's done it. I think the assumption with innovation is it's a big new idea. Oftentimes, innovation is doing less of something. When you think about budget airlines, they were actually a reduction in service.

They took away business class. Innovation, a lot of times, is taking things away and simplifying something that's got bloated. The best businesses, I like to say, are born in the cracks in the pavement. Again, I didn't invent wool and I didn't invent shoes, and fundamentally the emotional core of our brand is comfort. Number one reason why people buy shoes is comfort, but it's traditionally associated with ugliness. So we were able to bring a design sensibility to enormous emotional territory, anchored in purpose around natural materials that facilitated that. It is very simple and obvious in hindsight, and it was... It represented, as it turns out, a massive market, and it had been overlooked by a lot of people that had been working in synthetics for 50 years, and there's a lot of reasons why. But the best ideas are often the most simple, and they're hiding in plain sight. - Yeah, terrific.

00:34:57,600 Mandy, do you want to... Are there questions from the cloud? Mandy Yes. 00:35:02,671 We have the most upvoted one from Zoom. - Okay. 00:35:06,007 Mandy So Tim, you once said, 00:35:07,777 "One of the secrets to our success is "we actually say no to 99%" of the opportunities to partner "with brands that cross our desks." How do you know when it's the right fit for a partnership? - Yeah, I... 00:35:22,110 Look, I think the power of... The power of a really positive no is something I feel like I spend a lot of time trying to teach, even within... Even within Allbirds. I think we're hardwired to sort of... To wanna say yes to things.

And at the end of the day, it's about focus. And if... Again, if you can navigate through the complicated world to understand what it is that you are really good at, and you can connect that to a problem that's worth solving, that maybe is bigger than yourself, and then you can work at that for a long period of time, my hunch would be you're going to be successful. And that's really easy to say and harder to do because we get distracted by a lot of things. And so, I think my philosophy of saying no, I think, is a developing idea. But I think who do we... Do we say no to who we're gonna hang out with? When you think about your circle of friends, there'll be that one guy, let's call him Derek, and you hang out with Derek. He's not adding to your emotional context, or your learning, or your education. You gotta say no to the meetings you're gonna take, the people that you... Where you spend the time, where you give your emotional energy.

Sorry to anyone called Derek in the room. I think... I think you need to be incredibly selective about where you place your

time to maximize your own personal enjoyment and to get the most out of it. And that's why I would encourage you to make sure that some of that time is with people that are different from you in the Drama Department, or in the Poetry Department, or whatever it is. Get outside of this wonderful school of engineering and be incredibly selective and focused on what you say no to. I think we think a lot about what we say yes to, but what do we say no to? - That's terrific. 00:37:17,110 Questions from the group, the gang? Achraf Hi. 00:37:24,090 Hi Tim, my name is Achraf. So my question for you is as the company grew, how did your role change from a designer to the CEO? And do you have to learn to let go your desire for design, or are you still very involved in the design for all the products that you launch? - Yeah, it's a great question, 00:37:41,367 and I'm sure there's far smarter entrepreneurs who have come through this place and talked about the need to sort of reinvent yourself. And I feel like every 12 months, we're six-and-a-half years old, now 1,000 employees, very, very different in the way that I use my time now than when we had six employees.

And so, I've... You have to constantly reinvent yourself. And I think the role of my partnership with Joey, we also need to reinvent ourselves as leaders along the way. I think the trap that you could fall into is, again, you start thinking that you need to be good at everything. At the end of the day, and I don't know you, but there'll be one or two things that you are uniquely placed to be extraordinary at. And I suspect that the rewards will come for you and the teams that you're a part of when you go very, very deep on those, and you're incredibly humble and aware that there's a bunch of other things that you need to get other people to do. And at the end of the day, as you scale, there's this sense that I'm gonna be the CEO. And constantly, as I go into work every day, there's... Am I doing those... A lot of those two or three things a lot that I'm really good at? 'Cause that's how I'm gonna help the team win.

And the other stuff, look, there's certain things I need to do in my job to be aware... I need to be aware of, I need to educate myself, and I need to do the hard work. But fundamentally, the more time I can spend doing those things is the way that I'm gonna help my team win. That was very, very di... Similar for me as a professional athlete, and I like to think about it in the same way as a CEO. - We have time for one or two more questions. 00:39:20,663 I'm going to... If anybody actually owns Allbirds material and has a question, you can raise your hand. That might be a quick filter. - There we go.

00:39:27,974 I like this guy on the front row. He's got them, I've seen 'em. - We've got... 00:39:31,110 If we can give the mic to this gentleman here at the front, and then we also have another person in the back. That'll be probably be the easiest way for us to curate. Okay, okay. Audience Member I love Allbirds, 00:39:42,720 so thanks for making them. I have a quick question and I grew up in a sewing machine back in Italy... In a sewing machine shop. And I actually did build my own pair of shoes when I was in high school, so maybe...

And that was a fun experience. But I had a question for you regarding sustainability and repairing... Like, when a shoes breaks or a piece of clothes, what's your opinion of repairing products versus recycling and making new one? If the footprint is so low, should we just make new product and throw them away, or should we repair? - Sure, yeah, no, it's a great question, 00:40:21,990 and you seem like a really good guy just based on your shoes. I swear, they're (murmurs). I was like, "He's a good guy, that guy." And it's been confirmed by this question, so thank you. Straight away, in the beginning of Allbirds, we were like, "Sustainability! "Problem of our generation, "climate change, the fashion industry, "we're gonna try super hard." But to be honest, at the time, that was what we were doing. And people want to, particularly in the context of fashion, recyclability, circularity, "We'll send the shoes back." You know how many times they get asked about that? "Oh, we'll send the shoes back." And now, what you have through the context of carbon, and carbon accounting, and carbon footprinting, is you have a framework to evaluate every decision that you might make. Within a carbon footprint, there's five buckets of information: materials, manufacturing, end of life, transport, and then use. And they constitute a carbon footprint of an item. And so, if I'm gonna return that, or if I'm gonna use energy to repair it, how does that work and what are the impacts for the carbon? Because I'm gonna be held accountable within the context of Allbirds for that.

So every decision has a trade-off. And at the moment, we offset everything. It's about 12 kilograms on average for a kilogram of... To offset a ton of carbon. In the future, if that tax was applied to everything, the market for offsets might be \$100, or \$500, or \$1,000. And all of a sudden, these trade-offs and all these micro-decisions have real impact. So to answer your question, yeah, that feels like exactly what we should be doing. We should be creating objects that last a long time that we can repair, that we don't need to replace. But fundamentally, if you look through the... Through the lens of a carbon footprint, could we make a product that was carbon zero, or even net zero, that, by its definition, the more that we purchased of it, the better it might be for the environment? It starts to become, all of a sudden, a creative exercise.

Traditionally, when you're thinking about creating an object, you're think about three things: What it looks like, the utility of it, and what it costs. And then, carbon represents this fourth pillar of creativity and innovation that allows you to make all these decisions with an objective framework, knowing that there's gonna be a cost to every action that you make. And so, I kind of... I give you that only because people want ice cream. They want there to be a silver bullet. "Oh, we'll just repair it," "we'll recycle everything." And yes, that is absolutely something we should consider, but there's a broader kind of innovation and creativity question. And when you're armed with that framework, all of a sudden, you can make better decisions about the right path forward. - And with that, 00:43:01,650 I'm gonna draw this session of the Entrepreneurial Thought Leader Seminar... I know there's a bunch of questions, but we're gonna draw this to a close because of time. So how everybody join me in thanking Tim for a fascinating discussion.

- Thank you. (audience applauding) (techno music)..