**Forsythe Entrepreneurial Center**

Founder Stories: Founder of Harry’s and Warby Parker

Presented by Paul Earle

Paul Earle: Hi, I'm Paul Earle, Principal of Earle and Company and a faculty member at Northwestern's Kellogg School of Management. Welcome to season one of founder's stories produced by the Hadley Institute for the Blind and Visually Impaired. The mission of founder's stories is to provide you the listener with a deeper understanding of entrepreneurship, engage and entertain you along the way for sure and perhaps even inspire you to become an entrepreneur yourself. In this episode, we're going to get the playbook for success from a person who is truly one of America's great contemporary entrepreneurs.

Jeff Raider: My name is Jeff Raider and I am the Co-founder and Co-CEO of Harry's.

Paul Earle: And that's not all.

Jeff Raider: And the Co-founder of Warby Parker.

Paul Earle: You heard that right. Jeff has a major hand in starting, not one but two mega hits. If you're not already familiar, Harry's is the personal care company, best known for their razors and blades. Warby proceeded Harry's and was the first ever really sophisticated online purveyor of eyewear, glasses and such. We began the conversation by talking about Harry's as it has been in the news a lot lately, having just been acquired by a competitor for over $1 billion.

Jeff Raider: So founded Harry's with my Co-founder Andy. We launched the business in 2013 but the original idea for Harry's came in 2011 when Andy was walking through a drug store and waited for 10 minutes for someone to unlock the case where the razors were being held, paid $25 for four razor blades and some shaving cream. Was looking in his bag and there was a picture of a blade flying over the moon and just didn't feel great about the entire purchase experience. And called me and previously I had helped start Warby Parker and he said, "Could you guys take what you learned at Warby Parker and do it better here?" For me, I think his purchase experience completely resonated. I didn't feel like it was a great experience for me as a guy and felt like there was opportunity to do things better for ourselves first and then hopefully for millions of people everywhere.

Paul Earle: Like most great startup stories, it began with the identification of a problem, something that was broken and it really bugged the founder personally. Is anything bugging you? Start by keeping a list and if you can solve it, maybe you're the next Jeff Raider. Back to the story.

Jeff Raider: We launched the brand in 2013 direct to consumer with a pretty simple product line. It was a razor, a razor blade and some shave cream. And the idea was that we would be able to deliver people differentiated design, a brand that was approachable and friendly, warm and could kind of be a partner to guys in the journey of getting ready in the morning with really fair value. And then we launched online because we wanted to get to know our customers and see how well we could treat them. We built and scaled the brand over time. And as part of that made significant investments in our products, starting with razor blades themselves. We had partnered with a company in Germany, a factory in Germany to make our razorblades. And when we were about a year old, we bought the factory and did so that we could continue to drive innovation and take a product that we thought was really good and invest to make it better on behalf of our customers. Take everything that we were learning from those customers and make it better.

Jeff Raider: And over time, we've continued to try to expand the brand with the mission of trying to create things, products and experiences that people in the world like more. And that's led us to continue to innovate on in shave and make more shave products, continue to try to make our razors and blades better. So lead us to launch the brand in multiple channels. So today Harry's is online, it's at major retailers like Target and Walmart. Then expand the brand internationally. And so we're in Canada and the UK today. And we're thinking about more expansion from there and then expand our product line to other products that guys would use in their sort of personal care regimen where we, because we know our customers really well, see opportunity to create better experiences for them.

Paul Earle: This is where a lot of growth is going to come from. They didn't just build a brand and a company. They built a huge consumer base and a real platform off of which they could do lots of things. It's a big reason why there is such a giant price for the company when they were acquired.

Jeff Raider: We also sort of through that process have built lots of capabilities that we think can power other brands like Harry's. Things like the ability to connect with customers, direct to consumer, the ability to think about sort of insight, use leveraged insights to think about what products and brands, missions would connect with people and sort of experience scaling brands and the infrastructure to do that. Whether that be accounting systems or recruiting processes or planning processes that enable sort of high growth brands to achieve their objectives. And so we set out with the idea to leverage some of those capabilities to also build more brands over time. And the first brand that we built and launched was Flamingo, which is a women's brand in the body care space starting with shave and hair removal. But over time we'll extend to body care, which we're super excited about. That launched about a year ago. Our mission again is to try to leverage this broader platform to have more impact positively on people in the world.

Paul Earle: That part was really important. It's the idea of purpose, capital P. It's not about what you're making, it's why you're making it. How are you going to improve things for people? Jeff's statement of mission is sincere. Knowing him, I can assure you this outcome is truly what motivates him. It's real. Moving on with the story we talked about a call most entrepreneurs love to get, a suitor on the line, and a really big one at that.

Jeff Raider: And then about three months ago we announced that we would be combining Harry's with Edgewell, which is a larger sort of personal care company. They own Schick in the shave space, they own Banana Boat and Hawaiian Tropic and Suncare, Playtex, Femcare and some other brands. And felt like there was opportunity for us to partner with them in an exciting way to leverage their product technology which is best in class to improve our products on behalf of our customers, to leverage their global reach to continue to scale Harry's and Flamingo. And for us to use some of the capabilities that we've built around building brands and engaging customers to help re-imagine their portfolio and think about how we collectively as a company can have more impact on more people across lots of different products and channels.

Paul Earle: And what a journey it has been. Jeff and I talked about what he's learned and what his experiences can teach others.

Jeff Raider: I think the thing that matters most at Harry's and at Warby Parker, and I think this is probably true of lots of other direct to consumer companies and just lots of other brands in the world, is it's an intense focus on the customer and trying to do what's best for the customer. I think we've found that that they in some ways should dictate the playbook.

Paul Earle: How's that for a wild idea? Focus on the consumer. Seems obvious but too many big legacy companies don't do this very well. Jeff continued.

Jeff Raider: And so for example, at Warby Parker our customers want to shop our products in our own stores because it's a highly involved purchase experience and it just makes sense that they would want someone to engage with them deeply in that experience. And so it would make sense then for us to have our own stores. Our stores can become a destination because glasses are something that you only might buy once or twice a year at most. Whereas shave and razors and other kinds of personal care products, they're just a less involved purchase experience. And so it might make sense to have those products in stores in a way that's still great for the brand that lots of other people go to. So that's what motivated us to launch our own Warby Parker stores and to launch Harry's at places like Target and Walmart and I think that that's important. You have to listen to your customers, really understand what they would want and then take the actions to serve them in the best way possible.

Paul Earle: We talked about whether entrepreneurs are born or made. I think you'll like his answer.

Jeff Raider: I've definitely not always been an entrepreneur. Growing up, my mom was an entrepreneur and I saw how hard it was for her to build and grow her business and I was like, I never want to do this. This seems like a crazy risk reward trade off and just a ton of work. I started my career, I worked at Bain and Company, which is a strategy consulting firm then I worked in private equity. But I think the things that make an entrepreneurial journey so exciting are probably just natural things that I like. I like hard ambiguous problems. I like autonomy. I think I'm an optimist. I just get excited about ideas.

Jeff Raider: And I think working in other sort of areas in business, the days that I was most excited or engaged when I got to sit with people and hear their stories about building their business and that was just super inspiring to me. And so I think all of those things probably led me to get sort of naturally excited about entrepreneurial endeavors despite what I'm swearing to myself as a kid that I would never do that. And I guess maybe then another thing that I would say is probably true is that I've don't really love rules, even my own rules. So I'm happy to kind of break those norms and conventions when I feel like it's the right thing to do.

Paul Earle: Jeff is being his typical humble self here and to say he doesn't really love rules is an understatement. This guy is a certified rule slayer. Well, mostly.

Jeff Raider: Yeah. I wouldn't say that, I'd say that I try to understand the rules and if they make sense I will follow them and or if it's convenient for me I'll follow them and if it's not, then I'm happy not to follow them. Which sometimes drive people, my wife and other people in my life crazy. But I think all those things kind of led me to get excited about entrepreneurial endeavors and then it just took an idea that got me super excited where I saw opportunity to, I think have a big impact on other people in the world to want to kind of make that leap.

Paul Earle: Regarding that leap, he reminisced on how Warby got started, his first rodeo as a full on entrepreneur.

Jeff Raider: Some good friends of mine approached me with the idea for Warby Parker. I was sitting around business school after class one day and one of my friends came up to me and said, "What do you think of the idea of selling glasses online?" And I was sitting next to another one of my good friends and we all kind of, three of us were talking about it. And at the time I had a $500 pair of glasses. My prescription had changed multiple times. I hadn't changed my glasses because they were so expensive. I didn't really like the brand I was wearing or have any affinity towards it. It was just kind of a very utilitarian product and an expensive one at that. And I said, man, I'd love a pair of glasses that was new and that I really liked and I love a much more affordable price. I was a student and that was expensive.

Jeff Raider: And another one of my friends had worked in the eye wear industry. And said, "I've been to the place where they made your glasses, they cost a fraction of that to make, the reason they're so expensive is because, there's these big companies that kind of dominate the industry and charge a lot more for then what they cost to make. And so I think there would be an opportunity to create a brand where we can deliver people amazing quality glasses that we're really proud to wear and loved but do so at much more affordable prices. And that idea was super exciting for me. And I literally went home after the conversation. I couldn't sleep that night. I emailed my friends at 1 am, and I was like, "Hey, do you guys think there's potentially an opportunity here?" And I think they responded immediately to that email and off we went.

Paul Earle: Things came together quickly when you know, you know.

Jeff Raider: We sort of started to work on it at that point. I think there was a bunch of checkpoints over the time of us starting to think about the idea that gave us kind of more conviction in it. So we did a bunch of work on the industry to start to try to validate, hey is this, right? Is there, are there structural reasons why people are paying too much and could we actually create a product and a brand that was different? So that was kind of number one. Number two was to really understand people and their motivations and were they happy or were they not, how they feel about it? And that was super helpful for us to get a sense for. And I think number three was to start to develop a perspective on a brand that could look and feel different.

Jeff Raider: Once you sort of had that you said, hey, people aren't super happy. There's a structural reason industry-wise why and we could break a lot of those structural barriers by doing things, thinking about things differently, break the rules when convenient I guess. And three, you start to get a vision for a brand that would really resonate. Then it was just, okay, like once you kind of get those things, it's like, okay, then we need to finalize what the brand is and figure out how to kind of create the product in a supply chain and sort of way of going to market that does break all those barriers. And once you have those three things, then it's about just launching and getting going. And so it kind of one thing kind of naturally led to another.

Paul Earle: Just follow the path and see where it takes you. Jeff's story reminded me of one of my favorite songs Learn to Fly by Tom Petty. One of the lines is "I started out for God knows where I guess I'll know when I get there."

Jeff Raider: And I think for us, one thing that I would say is I think you have to have conviction along the way. There's going to be good days and bad days when people will say that's not a good idea or you get some piece of information that might make you think about something differently. And for me, I think it was a fundamental conviction that there was an opportunity here and that I wanted to do this with these people. And once you kind of get that and you have to validate it thoughtfully. If there are things that came up that were insurmountable, we would have moved on. But everything that we kind of came across while maybe feeling like a setback and then we sort of would take a step back and say, okay, I've got conviction, I still want to move forward here. It's just how do I do this in a way that takes the information to consideration and then figures out a way around it.

Jeff Raider: So as an example, when we started talking about the idea for Warby Parker and we asked people if they want to buy glasses online, they said no. And the reason they said no was because they wanted to feel and touch the product. And so we said, okay, well that's an issue. Our whole model is built on direct to consumer distribution. How do we get around that? And we did that in two ways. We had created a virtual try on where you can literally go on our site and the technology was reasonably primitive at the time. It has gotten much better over time, but you could go on our site and literally see what a pair of glasses would look like on your face.

Jeff Raider: The other thing that we did that was I think the real breakthrough for is we said, we'll send you pairs of glasses to try on at home. Note without lenses in them. And you try on five pairs at home, you see which ones you like and then you can send them back to us. It's really, you can make it really easy for you and then, oh, we'll follow up and ship you kind of the final that you like. And that seemed to be a real breakthrough for people and it's something that people wanted to try. And that's still a pretty big driver of our success.

Paul Earle: One mark of a great idea is that it seems obvious in hindsight. Sending a number of pairs of glasses to try on seems like duh now, but nobody had really done it yet. Coming down the homestretch, Jeff and I talked a lot about the challenges and rewards of being an entrepreneur.

Jeff Raider: I think the most challenging parts, I would say it's probably two sides of the same coin. I think the most challenging and rewarding thing of being an entrepreneur, is the fact that you deeply internalize everything. So when things go well, I think it feels like you are on the top of the world, like you personally done something, created something that it's just so extremely good. And I think on the flip side, when things don't go so well, then there's good days and bad days and sometimes you don't get breaks your way or there's an issue with people not working well together or there's some thing where by accident a customer was let down. You've got to go kind of make it right for them.

Jeff Raider: When things don't go well, it just feels like you also take it personally. Like wow, how could I have personally created a situation where this thing that I didn't want to happen happened. And so I think what I've tried to do over time is sort of always remind myself that the good days almost are never as good as they seem and the bad days are never as bad as they seem and it's just kind of somewhere in the middle. And the most important thing is that you continue to stay true to your vision. You continue to build a great team, hopefully is inspired to work there. You continue to keep the customer first.

Jeff Raider: I think you do those things then in the long term, hopefully more good things happen than the not good things. And so I think that that's probably the thing that is both great and hard. I was talking to a friend last night who's about to start a business and he's in the prelaunch phase and he's like, man, it's overwhelming. And it does feel overwhelming sometimes and I think then that's when it's just so important to kind of maintain that perspective.

Paul Earle: It's a great road but hard road for sure. You have to be really feeling your idea intensely, be really into it.

Jeff Raider: I mean I think one of the reasons that entrepreneurial companies are successful is because, or some are successful, because people really care. And so I think that's really important. But I think the question is just how do you do so in a way that's constructive and not destructive to either the company or to you. My advice is to go in eyes wide open and recognize this is going to be all consuming. And so if you know that this is going to be all consuming, then I think you just have to love the idea. And you have to know that you are going to be so passionate about this, that for years of your life, this is going to be the thing that consumes you. And if you do truly love it, if you're inspired by the mission of the company, if you can't stop thinking about it and that's a good thing, then I think you should go forward with it. And if you're not so sure about that, if you're not so sure you're truly inspired by the opportunity, then I would probably think twice about it.

Paul Earle: Jeff closed with some great advice that is a bit counterintuitive to some. Aspiring entrepreneurs can be very protective of their ideas, fearing that they're going to get ripped off. It's understandable. But it's also super important to talk to people so you can get input on your idea.

Jeff Raider: I would talk to as many people as you can. And if you're super inspired by the idea, you're not going to be able to help yourself. All you're going to want to do is talk about it. My wife, I think, when we're [inaudible] was like, "I can't have one more conversation about glasses. I'm sorry. All you can talk about is glasses." But I was just so smitten with the idea and the opportunity. That's all I wanted to talk about. I think that's really important. And I would talk to as many people as you can and get as much advice and input as you can. Because I think that that ultimately is going to make you better. And I don't think, I think ideas are cheap. And I think execution is really, really, really, really important. And I think the more people that you engage with and talk with, the more input you get, and the more advice you get, the better you're going to end up being.

Paul Earle: So there you have it, sage guidance from one of the best in the business and one heck of an interesting story to boot. Jeff is still a pretty young guy and I can virtually guarantee you that he's going to do something else interesting in the future too. He's not one to retire early, so stay tuned and if you hear about a brand new innovative business and find out that it's a Jeff Raider production, you can say, yep, that sounds about right. I hope you enjoyed the interview and talk to you again soon.