

Conference for Women

Fireside Chat, 2-12-14

Moderator: Samantha Ettus

Guest: Jessica Herrin, founder and CEO of Stella & Dot

SAMANTHA ETTUS: Hello, and welcome to the Conference for Women fireside chat. Today I'm your host, Samantha Ettus, and I'm thrilled to be welcoming Jessica Herrin, who is the CEO and founder of Stella & Dot, which is a jewelry brand that is changing the shopping world.

Welcome, Jessica.

JESSICA HERRIN: Well, hello, Sam. Thank you so much for having me. I'm happy to be here.

SE: We're so thrilled for you to be here, too. And we have so many questions for you today. A few have come in from our audience, and I have a number of questions as well.

I thought it would be helpful for you to just start out and take us back to the point at which the idea for Stella & Dot became a reality.

JH: I'm happy to.

Well, you gave a good intro by saying that Stella & Dot is a jewelry brand that is changing the shopping world. And we are certainly doing that, but how we started and who we really are, I think, tell our story, which is we are a fashion company, we do have gorgeous accessories, but much more so than that we're a people company that is inspired by creating flexible entrepreneurship for women.

So the inspiration behind Stella & Dot was really about democratizing entrepreneurship and creating a home-based, flexible business platform that was modern and lucrative, that brought together the best of high tech and high touch, and as a way to make people happier with just more choice in their lives. So that's what Stella & Dot is really about.

We sell our exclusive accessories line through in-home functions through our independent stylists.

SE: A little bit how we think of old-school Avon ladies.

JH: But a lot cuter and more modern and using technology. But yes. Yes.

SE: So how has it been updated? So if a few friends get together and they want to host a

show, how does that work for them?

JH: Well, really every show that we have is a three-week style event that's both online and there's a pop-up shop in the middle of the hostess's house or office. A stylist brings together a gorgeous display of our accessories, and then women gather around, try it on, have fun. It's very casual, it's very informal, and it's really fun.

And our business opportunities -- the stylists just have a business in a box so they are able to put this together pretty easily.

SE: So that's what you call them. Your Avon ladies are called stylists.

JH: Yes. That's our independent stylists.

SE: That's great.

Okay. But take us back to that moment where so many people who are listening right now have an idea for a business, and they just don't know how to move that idea into the reality that you have right now.

What was that point where it went from just being an idea that you talked about to something that was real?

JH: I think that's a great question. And one of the things that I always want other budding entrepreneurs to know is that both businesses that I started, I had the idea years before it really came to fruition. It had to incubate and percolate in my mind and become real.

So I think it's really normal for people to be in a phase where they are thinking about something, and it can take a while to take action. So if anyone listening is in that phase, I've been there.

SE: And just for anyone who doesn't know, your first business was Wedding Channel which was then sold to The Knot, correct?

JH: That's right.

SE: Go ahead.

JH: So I did that business out of business school, and that was a phenomenal experience. It was early on in my career. I was 24 years old when I started it, had no idea what I was doing, but I was a very enthusiastic entrepreneur, excited about all the changes that were coming in that time of 1998, the Internet providing so much opportunity, and I did that.

And around about that time we were lucky enough to be featured on Oprah, and a lot of women reached out to me and asked: I love it. I want your best business advice. I want to do what you do.

And at that point I really did not have a good solution because I recognized that in order to do that business, I had been, you know, at the right place at the right time. I was going to business school in Silicon Valley at the dawn of the Internet and it was very fortuitous that I was there. But I had to have a specialized education, raise a lot of capital, take on a lot of risk, do all of these things that I didn't think were, you know, easy advice to dispense that people were really going to be able to act upon.

So I just became very curious. This was probably in '99 that I started thinking about the question that I wanted to come up with an answer for, which is how can I better tell someone, Here's how you can go start a business that actually will make you happy, where you will love your life while you love running this business.

SE: Just so we understand, that business you are talking about is having your own Stella & Dot store, basically. I mean, running a Stella & Dot business, is that what it ended up being?

JH: Well, that's what I got to was starting Stella & Dot, which was I wanted to create a flexible entrepreneurship opportunity recognizing that a lot of women weren't necessarily going to want to go raise that -- because they needed their life to be flexible around having a family, which is the next phase that I was going into. So I wanted to just start with a blank piece of paper and create a new entrepreneurial opportunity, so that was where it started many years before. And I did a lot of research and a lot of thinking and ultimately that led to the creation of Stella & Dot.

SE: So tell us about this concept that you have of flexible entrepreneurship. What does that look like in reality? Tell us about one of your top performers and how that looks for them.

JH: Well, I'm with one now. It's pretty interesting to be inspired by that. But with entrepreneurship, a lot of times the American dream becomes the American nightmare because you dream of having this business and then all of a sudden you realize that you are in debt, you are working night and day.

You are doing the part you fantasized about, whether it's owning a store or starting this online business. That's a percentage of the time that you do on your business, but there's actually the other 90 percent that is all the stuff that you don't want to do like employee relations, accounting, distribution, customer service, all the things that you don't imagine.

So for me, it was about taking away all those aspects and leaving in place what it was that people really loved.

So with Stella & Dot, when you talk about our top stylists, that was really part of this vision was that there isn't one person in my mind that's most successful, even though there's certainly one person that gets the biggest paycheck. Because I wanted to make sure that women were authentically listening to their own voice and defining success as happiness. And that meant their pace for their life stage, their way.

So we may have someone who is doing a trunk show a month and earning \$300, we may have

someone who is leading a team and earning \$300,000 a year, or even almost \$800,000 a year. But they are doing it in accordance with their life priorities, around the other things in their life. And if they are happy, they have maxed out success, in my mind.

Typically, our average stylist is doing this very part time around another full-time job outside the home, or very busy with kids inside the home, which is really the ultimate full-time job, and they are doing this where they're getting out one night.

SE: Well, but there's a practical element to it where that's not a full-time job if you want to earn a paycheck.

JH: Absolutely.

SE: -- that's not going to get you there.

JH: It's consuming, you are just not paid. You are paid in hugs and kisses, though. It works fantastic for moms that are home with their kids because they are doing that, and there's core benefits.

SE: So -- yes.

JH: So one is you are able to go out on a schedule that works for you and earn money when you want to. So that can really complement, and it's flexible. You can do it while your kids are napping, while they are sleeping, or while you are trading off child care duties with your partner.

SE: So tell us a little bit about -- you have two daughters and a husband who also works full time; is that right?

JH: Uh-huh.

SE: So tell us a little -- I think a lot of people would love to hear about your life and how it's organized, because you don't have as flexible a schedule, I imagine, and I'm sure it's super, super busy all the time. So how have you organized your life?

JH: Well, one, I did pace the start of my business around the birth of my two daughters. That's the other thing I want entrepreneurs to know, is that life is long and if you have the right passion and the right mission, you will get there over time and you have got to enjoy the journey.

So for me, when I was pregnant and had newborns, I wasn't traveling. I wasn't working, you know, every day in the office all day. It was only when my youngest was -- you know, I stopped nursing that I actually went and dove all the way into this business and tried to really grow it. But I had to temper my own typical nature to make sure that I was rounding out my life and being the mother and wife that I wanted to be as well.

And then over time I have had to renegotiate my contract with my husband around how are we going to partner 50/50 so that we both can thrive in our careers and things that really mean something to us, but yet maintain the level of care that we want for our kids which is just high-involvement parenting.

SE: I love that. I love the renegotiate the contract idea.

JH: Absolutely. I used to do everything, he used to do nothing.

SE: So what does that look like in reality?

JH: That was the former contract. That one had to be cancelled.

The hope I have for women who are in this phase is first, you have to lower your standards. That's what we have to do right now. I had to go to my husband and be like, just so you know, your level of service is being downgraded. You will not necessarily have a home-cooked meal every night. Your house will not always be immaculate.

But don't think that those things are what actually is making us love each other and be happy. I'm going to do this sometimes, and sometimes this other stuff is going to slide. But the important stuff, that won't slide. We're going to have quality time --

SE: How did his role change?

JH: Well, my husband has made a lot of changes over the years, especially as Stella & Dot has grown and my travel schedule has grown. He really switched his career to be -- not necessarily his full career, but he focused on less international travel which is what he was actually doing when we started as an investor, and he took on a different focus in his career so he was more -- around more often and doing less travel so we could make that work.

He is just a complete superdad, really. He doesn't look to just one of us to be involved at school, but we're really -- it used to be that I did everything, then we got to 50/50. Now I can honestly say he does more of the heavy lifting around the kids' homework and school than I do. We just made adjustments over time to enable that.

SE: So you are a real team.

JH: Absolutely, yeah. I'm very lucky.

My best career advice for women who want to be mothers is if you want to be successful in your career, number one thing, do not marry a jerk. You've got to marry someone who --

SE: Yeah, someone who is going to help you achieve your dreams. It's so true. You have to have someone who is going to help you reach your potential.

JH: That's rule number one.

And then advocate for yourself.

SE: Yes.

JH: Because men are very sweet, but they are often clueless. And you have to be very clear, like, look, you're my partner, this is what's going to make us happy, we can make this work, here's what I need.

SE: Absolutely.

JH: So you have to barter in that relationship.

SE: So let's talk a little bit about how you built this enormous brand now and what the beginning of that looked like. How has your -- how is the brand today different from your initial vision for the brand?

JE: In many ways it's the same and in a couple of ways it's different. For me, it was all about creating opportunities for women to help them thrive, and that's what we've done. My biggest point of pride is the Stella & Dot story is not my story, it's the sum of all of our independent stylists' successes.

So in the beginning it was me in my living room. Now it's lots of women in their living room doing this in a fun, simple and easy way. So that part is very much the same. The innovations that have evolved, that when we started it was e-commerce, now it's social and mobile, the innovation of the platform that we're able to shoot today is a really exciting evolution.

The design was our amazing chief creative officer. When I first made the jewelry, it was ugly. I didn't know at the time, I thought it was cute. Now it's actually incredible because of the talents of Blythe Harris who is just an unbelievable award-winning designer. And everything that's gone out of our New York and Saucelito studios is -- just truly, that's a much better part of this today.

SE: How did that translate to people understanding what the brand means? So if you had to describe the brand in one word, besides the women empowerment idea of, you know, flexible entrepreneurship and the business aspect of it, but if you want someone to think of the jewelry brand, how do you like them to perceive it, or what's your sort of one-liner for that?

JH: If you are talking about how I want people to think of the company, and I can describe it in one word, it would be happy. We're in the happiness business, not just the fashion business. If you think about our fashion business, we're irresistible affordable luxury.

SE: Irresistible affordable luxury.

JH: Yes.

SE: So a lot of people who are listening right now have businesses that are in different phases, whether it's a germ of an idea, or they are already successful or they are struggling, but they are in different phases of thinking about their brand.

So how does that translate to -- how do you communicate that message to a broader audience when you have -- I mean, one of the things you have going for you is a really succinct -- that's a great line, so that's sort of the first step. How do you then broadcast that message and make sure that everything with the brand is consistent with that message?

JH: Well, I love this question for early-stage businesses, because the first and most important thing you need to do, I think that start-up entrepreneurs generally overindex to try and find a mentor or a board of advisors, and what they really need to do is focus a lot less on that and a lot more on customers. Are you solving the real problem, and how are you uniquely solving it?

And all the how-do-I-market-my-business is about deserving a customer and making the value exchange something where the customer is going to be better off with your product than without it. Focusing on that will help you authentically and organically evolve your statement and your brand.

Your brand is your customer experience. It's not marketing. It's not a logo. It's not colors. It's not, you know, a one-liner. It's about creating an experience for a customer where they cannot wait to go up to the rooftop and shout to their friends that you've got to experience this, too. And if you obsess about that, you will find that the brand naturally evolves on it. Everything else becomes easy when you really are just creating value for your customer.

So you've got to know who it is.

SE: I love that --

JH: You can't be all things to all people.

SE: -- what you just said about -- yeah.

JH: Just know your customers. Don't try to be all things to all people, and continually obsess every single day of how can I make her experience better, her life better? How does this product add value to someone's life?

SE: I love the idea of your brand is your customer experience. That's such a great quote because I think so many people don't think of that as having to do with the brand, and it really is everything because that's how your customer is perceiving you.

When you have this many people sort of as your stylists all around the country distributing your product, how do you still maintain control of the brand?

JE: You know, I love that question, and people often ask that for a business like ours with independent stylists. And I'll tell you, I don't think of our brand as our company brand. It belongs to our stylists. It's their company and it's their business. And in their community, the way that they are personalizing their business is making it right for their customers.

So I trust our stylists and their intuition.

We have policies, we have procedures, we have logo guidelines, we have all those things, but sentimentally, the experience may not be as glossy and perfect, but it's just made better and more warm and more authentic through our personal stylists, and I think our customers feel that and love that. They are not looking for Stella & Dot to be some glossy, removed corporation. That's just not who we are. We are your girlfriend in your living room helping -- being the person who is pulling something out of your closet, making you feel better because you are looking cuter that night. So our brand is very much about being real.

SE: So can you take us step by step -- I think that so many entrepreneurs get overwhelmed with the idea of -- how many employees do you now have, Jessica?

JH: Well, we have about 370 in our home office, and then there's just over 34,000 stylists in five countries.

SE: Wow. So how did you go from, you know, your living room, your two kids, doing this sometimes in the office, sometimes not, how did you go from that point to then managing 34,000 stylists and over 300 employees?

What was that trajectory like? Can you go into that for us? Because I think it's really fascinating for people to hear, sort of in a step-function way, how that worked.

JH: Well, I think in general when you look back, people can be daunted by doing something extraordinary, whether it's climbing a mountain, running a marathon, anything that's very big. But the most wonderful thing to realize in life is that it's just one step at a time. That's all it ever is.

And it's just -- nobody ever has more than 24 hours in a day, so time is not really a factor. Every extraordinary thing that's been accomplished in life has been done by a human within the exact same construct of time. So it's about your choices, about what you do first.

Focus on what matters most, and always be able to identify what's the one thing that if I were going to write a book about the success story of this business, achieving this mission, what would the next chapter be called? And if your time is not focused on the title of that chapter, you probably need to recalibrate and redirect to the one thing that really matters.

So for me, I started this in my living room with a pair of earrings. Because I wasn't going to do this if I didn't believe and didn't experience myself that this was going to be a transformative experience and a joyful experience for a stylist. So I became a stylist. That's what I needed to do next. And then I went and was able to authentically share what that experience was like and

have another stylist join.

And it was one pair of earrings at a time. It just was persistence and continued questioning that went from out of my living room, paced around the birth of my children, to helping other people join the business and then teaching them how to do the same thing that I just did. But it was with very much a laser-like focus on why we mattered, why we were in business, and just real passion to fuel me through whatever bumps or hurdles came along the way.

SE: Now, how much responsibility do you feel to helping younger women entrepreneurs or other women entrepreneurs, and not just ones that are working for you as stylists, but who have their own ideas and their own companies? What involvement do you have in sort of the entrepreneurial community?

JH: Well, I feel a hundred percent responsible because I'm so grateful that there are people in this world who took time with me when I was a young kid and had no idea what I was doing to help me. I was so touched by that, and I do think it is -- it's a moral imperative to be able to take whatever experience you have had in your life and pass it on.

And I need to do that in a focused way. Obviously, the two women that I'm focused most on mentoring are my daughters. So I've got to make sure that I've got my business, I've got my family, so I try to channel my activities.

I'm about to go into another speaking event for military spouses which is just if you think about a group of people that you need to show your gratitude to, so I'm very excited to do career counseling in that setting. And then I try to do it back through my university, because that was an organization that gave so much to me.

So I focus my attention to know that I'm trying to make an impact and share some of the lessons that I've learned along the way.

SE: Now, you had a lot of success raising money, raising venture capital, which is notoriously very difficult for women to do. Obviously the numbers are not there; there are fewer women who are approaching VC firms, but there's also so few VCs on the other side of the table.

What would be your recommendation for people who are pursuing VC money, women, how to handle that?

JH: First of all, I would say don't buy into the idea that there's some kind of bias for women in fundraising. That has never been my experience, and I know plenty of backed female entrepreneurs. I think the number of women not being backed is solely a function of there's just less women asking. I really believe that. I have done this in -- I just don't -- fundamentally, I think investors want to get a return on their investment. And if that idea comes in whatever package, if it's a great idea, people will back it.

One, you cannot give up. You are going to have to talk to 20 people, and you have to keep

going. So don't assume that your gender is an issue. Just pursue getting a great business plan. Listen to people, evolve the idea, continue to pursue it.

Now, that said, venture is not for everybody.

My second business, I was incredibly enthusiastic not to repeat that cycle of getting that funding which puts your business on a path for an exit within five years.

That's not what I was trying to accomplish the second time around.

But if your business requires it, I think that there's a lot of opportunity out there for women to get help by going to these events and groups and just doing networking and getting out there to put yourself in a place to meet venture capitalists.

SE: When you say that your second business didn't require it, you are talking about this business?

JH: Yes. With Stella & Dot, I bootstrapped it. I worked nights and weekends while I was pregnant and had another full-time job. I didn't take a paycheck for four years. I wanted to control the company so that I could control the mission.

I wasn't doing this to make a quarter and please analysts on Wall Street. I was doing this to democratize entrepreneurship for women, so I was very careful to make sure that my financing strategy aligned with what I was truly doing with my business.

SE: So at what point did you realize you needed to take more money to build the business?

JH: Well, I'm very proud of the fact that Stella & Dot really did not take a lot of capital to create. All total, we raised a couple million dollars, and that was really driven by wanting to get other people to have ownership in the business so that they had skin in the game and wanted to be really involved as an advisor.

So I just asked when I was -- when I was with my board member who I had worked with at Wedding Channel, he is now involved at Stella & Dot and was an investor.

SE: Got it. So at that point you did take out that money, but it wasn't in the same way as you did with Wedding Channel.

JH: No. Yeah, it wasn't. It was really about having other people connected to the mission in a significant way so that it would have a better chance of success.

SE: And you have actually started two businesses that are very traditionally female-oriented businesses, right? One of them is weddings, one is jewelry, but then you have had to really thrive in the business world which is largely men, so what was that like?

JH: You know, what's interesting about both of my businesses, their customer base was very

female, but if you actually looked at the business activity -- let's talk about Wedding Channel for a second because that was an enterprise software company selling into established retailers to deliver an aggregated gift registry system, so that required selling into CEOs and CIOs and talking to their groups.

It was a technology-oriented company on the back end and a very consumer-oriented branded company on the front end. So all of my businesses have been a combination of technology and then doing a brand for consumers.

So for me, there was an advantage to being a female, as understanding the consumer, but I also really was there as an entrepreneur with a legitimate background in technology that, just like any other man, was valued equally by the people I was talking to.

So I truly think that I have never thought of myself as a woman in business. I've thought of myself as a businessperson. I've never said to myself, I can do anything a man can do. I just thought to myself, I can do anything.

I've largely ignored my gender except when it's been an advantage, which is listen, I get this woman. I am this woman. But my best advice to women is just to ignore it, because generally it's not relevant. I don't think other people see it as relevant as much as we worry that it might be.

SE: Yesterday I was at the Makers Conference and Chelsea Handler -- someone in the audience was saying that they are the only female on an all-male comedy writing team for one of the shows in New York, and she asked Chelsea Handler how to handle that.

And Chelsea Handler said, well, I've handled that a lot in my past. I just act like I'm the reason all of them are in the room.

JH: Right.

SE: So I sort of loved that. And it's a little bit like what you are saying which is that it's not an issue for you so if it's an issue for them, you don't even notice it because you're just so focused on your work.

JH: I think generally what you shine the light on glows. So if you are walking around with this identity of I'm a woman, is that a conflict? Is that an issue? Is that a disadvantage? It creates one.

If you are walking around being like, I'm the best businessperson on the planet, you are lucky to be involved in my business, that's the atmosphere that you create. So I think women should just focus on here's an opportunity, here's why I'm uniquely suited to deliver it, here's the economics of the opportunity, isn't this great? And that's (unintelligible) hard stuff.

SE: That's a great blueprint for so many women who are listening, because I think that the way -- even just hearing you, it's just so inspiring because it's very manageable when you think of it

in those terms.

Now, how have you created a culture internally for the corporate culture for the 300-plus employees? Was that something very intentional in how you built it?

JH: Well, I'm sure every corporate culture is one that's living and breathing and evolving. And some of it you create very intentionally and some of it you create unintentionally. For me, the best part about our culture that's incredibly intentional is it's mission driven.

So we have hiring filters, and our very first one is mercenary/not mercenary. You've got to be there because your biggest paycheck is knowing that what we do, it makes a difference in the world. That's who we want to be around, because life is way too short not to love what you do, why you do it and who you do it with. So I think you create a culture first and foremost based on your hiring filters and making sure you are very careful about that.

Then secondly, we do talk about our core values and we have laid out those core values to be very thoughtful. Now, like any human or any entity we don't always do them every single day, but we try. We are always directionally moving in the right place where we're agile, we're nimble, we stay entrepreneurial, all those things that create our culture.

SE: You said that your two biggest sort of products as mentees are your daughters.

How do you inspire them to be confident girls growing up?

JH: Well, my daughters are the light of my life and I, as their mother, think that they are just the most amazing people I have ever met. I know every mother thinks that, but I'm right. Of course, that's the number one way that at the end of my life I will judge if I have been successful. There's only three people that get to vote whether or not that worked out, my husband and my kids.

All I care about is wanting my daughters to be happy. And for that, I try not to overly coddle them. I want them to know that they have to work hard, that they have to go through struggle, and that life is not about being perfect or getting everything right. It's about the ability to get back up and be happy the whole time.

So by trying not to helicopter-parent them too much and do some of those things that I think might rob them of some of their strength, that's the way that I hope they get their confidence. Not because I'm telling them they're perfect, but because they're realizing that perfection is not a precursor to happiness.

SE: That's great. Along the way, as a final question for you, you've probably been said no to many times when you have had these giant ideas that some people just don't believe in.

What has been your reaction to the nos?

JH: First of all, the world is filled with naysayers. There is an ample supply of people who

will tell you why this won't work and why your idea is bad and everything is going to go wrong, and the reality is, you just have to ignore them. I think as an entrepreneur, you have to be incredibly tenacious and a very positive person because you have to outlast the obstacles and you have to ignore the naysayers.

I have been said no to way more times that I've been said yes to. I simply just asked more. And that's the most important thing. I think it's a conscious choice to recognize that the only way you are going to really fail is if you give up. And if that's not an option, remove the option of quitting, you accept that your success is certain, then you are just in process when you are hearing no. You are getting a little closer.

SE: That is awesome. I love it.

And with that final note, I just want to thank you so much for being with us today. You are terrific and such an inspiration. If everyone listening just embodies Jessica's confidence, I know you will be as successful as she is.

So thank you so much, Jessica.

And for those of you who want to join Stella & Dot as a stylist or a host, you can go to [StellaDot.com](http://StellaDot.com), or to learn more about Jessica, to get in touch with her, go to [StellaDot.com](http://StellaDot.com).

Thank you so much for listening. Next month we'll be back with another fireside chat with another extraordinary leader in business so we are looking forward to having you join us then.

Thank you so much again, Jessica.

JH: Thank you so much, Sam.

Good luck to everybody listening. Bye-bye.