[01:10.8]

Hey everyone, it's Guy here. So we're taking a quick break this week while we work on new episodes for you. So we want to share one of our favorites from the archives, our advice line conversation with Vicky Tsai of Tatcha. And we'll be back with brand new episodes starting next week. I'll be joined by some amazing guests including Travis Boersma from Dutch Bros.

[01:29.0]

Coffee and Lyndon Cormack from Herschel Supply. And I can't wait for you to hear these episodes. They're super fun and thank you to all of you who have already called and we have so many calls. So we will try to get to most of you over time and we're super excited to hear what you guys are building.

[01:45.1]

So enjoy the show.

[01:57.0]

Hello and welcome to the advice line on how I built this lab. I'm Guy Raz. This is the place where we help try to solve your business challenges. Each week I'm joined by a legendary founder, a former guest on the show who will attempt with me to help you.

[02:13.5]

And if you're building something and you need advice, give us a call and you just might be the next guest on the show. Our number is 1-800-433-1298. Send us a 1 minute message that tells us about your business and the issues or questions that you'd like help with.

[02:31.2]

You can also send us a voice memo at hibtid Wonder and make sure to tell us how to reach you. And also, don't forget to sign up for my newsletter. It's full of insights and ideas from the world's greatest entrepreneurs. You can sign up for free@guyraz.com and we'll put all this info in the podcast description.

[02:51.9]

All right, let's get to it. Joining me this week is Vicky Tsai. She's the co founder of Tatcha. It's a skincare company rooted in Japanese beauty rituals. Vicki, welcome back to How I Built this. Thank you. It's an honor.

[03:07.4]

It's so great having you back. So today we are going to talk to founders who are taking, you know, a lot of them are taking some big career moves to bring their, their business ideas to life. And we thought you would be the perfect person to give them advice because you, you started Tatcha after making this really big pivot in your career.

[03:26.6]

You worked in corporate finance, you worked for Starbucks, but you kind of became disillusioned with that world after a while. Not starb, but just kind of corporate life. It burned you out and you're getting dermatitis and you took a trip to Japan and you met a geisha and you started using skincare products that they had and it just kind of changed your life and inspired you to build this company.

[03:47.8]

And this was back in 2008 and you struggled for some time to build Tatcha, but of course now it is a huge multimillion dollar company now owned by Unilever. Such an awesome story. We are going to put a link to it in the show description.

[04:03.5]

But, Vicki, before we get to our callers, I was hoping to ask you a couple questions. At what point did you feel like you could jump fully into this because you went to business school, you got the brass ring jobs, you were on the path to sort of corporate success and you came from a family that really emphasized success and achievement.

[04:25.1]

I remember you talking about this. And at what point did you feel like, it doesn't matter, I just can't do this anymore. I've got to do this other thing. I didn't have an idea and then decided to quit my day job. I quit my day job without any safety net because I was just, I felt that corporate life was so soul crushing.

[04:46.6]

And I just thought, if I continue doing this, there's a 100% chance I'll be unhappy. If I try something new, there's a 50% chance I'll be happy. And so I left with no plan. And no, I didn't think I was going to start a company.

[05:02.7]

I just knew I couldn't keep doing what I was doing. And then I stumbled upon Tatcha. That's awesome. One of the things I remembered after our interview in 2020 is that at the time you kind of stepped down as CEO and then you actually came back and to lead Tatia as CEO in 2021.

[05:24.5]

A little bit like Howard Schultz, who's been back and forth as CEO three times. Can you talk a little bit about the decision, the original decision to step down and then the decision to come back? Yeah, I stepped down after we brought in private equity in 2018 because they recommended that we bring in a seasoned leadership team.

[05:49.3]

And it really triggered this imposter syndrome in me that I had carried for my career. And I thought, I don't want to be the kind of founder that ends up limiting the potential of their business because of their own leadership limitations.

[06:05.8]

So I stepped down and I welcomed with open arms a new leadership team. And then a couple years later, Unilever asked me to come back. So 2021, in the midst of COVID and in the Midst of API hate, we also did a turnaround.

[06:21.7]

It was an honor to be able to step back in, and it gave me the opportunity to lead in different way that I never thought possible. And then at the end of that year, I actually put in place a new leadership team, including a new CEO.

[06:37.0]

It was the first diverse leadership team in beauty at any scale. And so they lead the company. Now I'm no longer CEO, but I'm proud and honored to continue to support them and be an advisor to the company. It's an awesome story because I remember we talked about it when you were on the show and you trusted these investors, and they were basically doing what they thought was in the best interest of the company.

[07:01.2]

But for you. And I think a lot of people feel this, and I do, too. I mean, I think, you know, obviously I think women tend to experience this more than men, but I think lots of founders experience this feeling of like, okay, now we're really big.

[07:16.4]

Maybe I'm not the right person to do this. And it's a very natural feeling to have. But you sort of said to yourself, wait a minute. No, I can do this. Yeah. It forced me to be curious about where those ideas came from in the first place.

[07:31.6]

Why had I believed that I didn't have what it took? Because I had the experience and I had the track record. The numbers were there, but I think I had internalized a lot of feedback over time. And when you're an entrepreneur, as you know, you get so many no's and so many people doubting you that you have to become your own hype machine in your head.

[07:54.6]

And every day you have to be like, I can do it. I can do it. But some part for me crept in, and that little bit of leakage eventually was enough to overflow my sense of self worth and self confidence.

[08:11.9]

And then I had to watch the company disintegrate for two years from my perspective. And that was what caused me to come back and say, I don't know why I doubted myself like that, but it's time to get to work.

[08:27.8]

There's not really time for doubt right now. That's a bit of a luxury I don't have, so let's finish what we started. And it was a joy. It was a joy. Yeah. Yeah. Your Steve Jobs moment coming back to lead the company or Howard Schultz moment.

[08:43.2]

Vicki, what do you say we take our. Go ahead and take our first call. I can't wait. All right, let's do it. Hello, caller number one. Please introduce yourself. Tell us where you are calling from and a little bit about your business. Hi guy. Hi Vicky. Thank you so much for having me here.

[08:58.5]

Hello, my name is Jessica Liu. I'm calling from Newport Beach, California and I'm the founder of Petite Anjou. I design and handcraft demi fine and fine jewelry with a playfully sculptural aesthetic. Amazing. Okay, and first of all, tell us a little bit about the business.

[09:16.4]

Do you buy the jewelry from somewhere else? Do you make it? Tell me about it. No, everything is handcrafted by myself. I'm a self taught metalsmith. I tend to gravitate towards making organic and flowy designs with a bit of texture.

[09:31.8]

But I also really struggle with sensitive skin. I know Vicki, you can relate. And so I made a vow to only work in precious metals. I don't use brass in my studio. So most of my pieces come in sterling silver or 18 karat gold vermeil. And I'm in the process of rolling out a fine jewelry collection as well.

[09:48.5]

Okay, so you are a metalsmith, which is awesome. I mean. Cause you know, I think you think of metalsmithing, I think of like the 19th century, like a guy hammering away at a horseshoe. Do you have an art background? A design background? Is that where this comes from? No, completely different.

[10:03.6]

I actually come from the corporate world. I used to be an attorney, but I always had a creative streak and I've been listening to the show for ages. I was always so inspired by the film, female founders in particular. And so I wanted to create my own thing. And I read the story about this woman who made a jewelry business curating designs.

[10:22.7]

And I thought I could do that, but I couldn't find designs that resonated with me. So I decided I was gonna make my own what I couldn't find out there. And so I taught myself, I watched YouTube videos, I bought all the books. And pretty much after my kids would go down for the night, I would stay up late at night teaching myself.

[10:39.7]

I'm like kind of blown away. I mean, you were a lawyer who taught yourself on YouTube. And now I'm looking at your website, Petty Anjou. And these are really beautiful, complex designs. I mean, congrats on the business. And what's your question for me and Vicki today?

[10:55.1]

So as you can probably imagine, jewelry is a super saturated industry. And so I'm wondering how I can increase visibility and brand awareness, especially coming as a brand that has higher price point products where it's not always feasible to give out samples or do gifting to influencers or editors as part of A marketing strategy.

[11:14.6]

And roughly what's the price ranges of your products? They start at around 195 and go up to about $1,600. Right. Because you're dealing with gold and silver. Okay, fair enough. All right, Vicky, let's see what we can do here. Jessica's got. She makes everything. They're beautiful products, handmade, high quality, but it's challenging.

[11:33.8]

Right. This is all direct to consumer, Jessica. Right. You're not selling in stores. So first of all, any thoughts, Vicki, about her approach? What do you think? I love what you do. I love the intention and the craftsmanship and the quality.

[11:49.3]

I think your brand is exactly the kind of brand that people are looking for these days. They're sick of stuff that just falls off a factory line somewhere else in the world and that doesn't have a heart and a soul and a purpose for being. And I think people don't buy products these days. They join brands. If I were in your shoes, a couple ideas.

[12:06.8]

One is I would let people into the craftsmanship piece of your work. You're not competing with someone who's buying stock jewelry, putting their brand name on it and selling it on their website. You are looking for a client that cares about craftsmanship and wants to know their maker.

[12:25.9]

So I don't know if you're doing this already, but really allowing people to see the work that goes into crafting your products, from the design to the making. TikTok is a really great place for that. The other thing is inventory.

[12:42.8]

Are each of your pieces one of a kind or do you sort of make a little inventory of each? I do have an inventory of each. So there is. I do maintain stock of each design. Got it. So to just manage your overall capital outlay, one potential is to only make one of each design, show it to people, and then if they want it, then they get part of the drop and say, I'll make 10.

[13:07.8]

So if you want on and eventually scale from there. So just sort of shifting the product development cycle will help your capital cycle. And then in terms of gifting, I actually have the same problem. Our things are handmade in Japan, and so when we send people four pieces, it costs about the same, I'm guessing, as one of your pieces, and so you can sample yourself out of business.

[13:32.6]

We didn't do broad sampling the way that most beauty brands do. And we also did not do heavy celebrity sampling the way that most beauty brands do. Instead, we thought about how to turn our best clients into advocates and ambassadors for us, because we found that they really loved gifting our products.

[13:55.6]

And so I don't know if you have a really passionate group of clients already, but talking to them and asking them about how you can serve them more and then what they're looking for, that might be something that's giftable and let them become the people who, you know, get the word out for you.

[14:16.2]

I love that because something I've really grown to appreciate as a small business owner is the sense of community. And people really do buy into brands. That's what they're interested in and being part of a community and part of the experience. And so I do try to showcase the craftsmanship on my Instagram page.

[14:32.3]

But you're right, I do think that I could do more of that, maybe even on the website. That's actually a great idea to showcase that more. I think it's all TikTok. Yeah. Yeah. If you go to the about page on your website, it's awesome. You've got these photos of you in the shop and with a soldering iron or whatever it is, and they, you know, basically melting down metal.

[14:54.2]

It's so cool. And I think about. Do you make videos of you making jewelry? I do. I. To the best of my ability with my iPhone. It's not great cinematography, but I do try to capture the process because I think people love to see where their pieces are coming from.

[15:09.8]

You know, like you said, Vicki, it's not off of a conveyor belt. Each piece is handcrafted, and I think people want to see their piece being made right in front of them. How have you tried to build awareness so far? So, actually, when I first started, I did hire a PR agency.

[15:27.3]

I used them for a few months before quickly realizing that it wasn't going to be economically viable as a startup. So I do my own PR at this point. I reach out to editors. I'm part of an affiliate link program. And so I've landed a few editorial mentions in TV spots.

[15:44.3]

But like I mentioned, it's tricky because I can't give them samples to try in person. So it's kind of like, here's my jewelry. It's great. Just trust me on it. Also, I've been trying to do more in person shows. I love live events because it lets me meet my audience and see what they gravitate towards.

[16:03.5]

It's almost like market research for me, too. But the trick with that, the tricky part has been that a lot of my local events tend to be like craft shows that are at a lower price point. And so I'm not sure if my audience is really there shopping for high end jewelry.

[16:19.4]

So it's kind of been a balancing act, navigating that. Jessica, did you hear? We did an episode a few years back with M.M. laFleur with Sarah LaFleur, who founded this apparel brand. And essentially the idea in her mind, because Sarah came from, you know, sort of a business background, was to make clothing, you know, sort of a wardrobe, a uniform, so women wouldn't have to, like, spend hours every morning trying to figure out what to wear.

[16:47.7]

But it was clothing designed for professional women. It's an amazing brand. I found out about it, like I often do for my wife, who would go and buy their clothing. And I feel like there's something to that idea with what you're doing. And I mean, given your background as a lawyer and what you are creating, I wonder whether there's a way to kind of tap into this sort of networks of professional women who are going to the office.

[17:14.4]

Because the pieces that you create are very timeless and very. They're just very classic. And so, I don't know. Have you explored that at all? Yeah. No, you're absolutely right.

[17:30.3]

I think my pieces are timeless and elegant, and my audience is looking for something like that. But they want something that's unique and different. My audience is not interested in blending in with everyone else. Like you mentioned, they're very professional, they're accomplished, they're strong women.

[17:46.8]

They are looking for something that's going to make a statement that they can wear every day, be comfortable in. That is something that I would love to pursue further, kind of promoting that angle of something that you can live in every day.

[18:02.1]

Guy makes a really great point. Because of your craftsmanship, you're not looking for 100,000 clients yet. You want like a thousand great ones. And so being clear on who your bullseye is both demographically and psychographically will help you stay super, super focused.

[18:19.9]

I think you're right. Trunk shows will be better for you than craft shows. I wonder whether, to Guy's point, whether you could partner with a complementary clothing brand or bag brand where you can help each other, where your ethos is the same, and then you can sort of share lists and email lists with each other, do trunk shows together.

[18:41.2]

I love that. And that's actually something that's been suggested to me before the collaborations, because you share each other's audiences as well. And that's something I'm looking forward to pursuing for sure. Congrats on what you're building, Jessica. It's so cool. I Mean, jumping out of the corporate world as a lawyer and going into something totally creative is really courageous.

[19:04.7]

And I really, I can't wait to see what you do with this. I agree. Thank you so much. I'll be buying everything and sharing with my friends. So keep going. Keep going. I appreciate it. Thank you so much. I'm big fans of both of you. Thanks, Jessica. Hi.

[19:19.7]

I can't believe that she didn't know how to do this until 2020. I mean, I remember during COVID because I remember during that time just thinking there are going to be so many businesses that come out of this moment because people are just like, okay, this is the sign from the gods.

[19:37.3]

Like, this is the time for me to just do the thing that I was too scared to do. I love talented people. Incredible. Stay with us because after the break, we'll talk to another founder working to take their business to the next level.

[19:53.7]

That's after the break. I'm Guy Raz, and you're listening to the advice line right here on how I built this lab.

[20:12.8]

Welcome back to the advice line on how I built this lab. I'm Guy Raz, and today I'm taking calls with Vicki Tsai. So, Vicki, let's get right into it and take another call. Let's do it. Welcome to the advice line. Please tell us your name, where you're calling from, and just a little bit about your business.

[20:28.7]

Hi, Vicki. Hi, Guy. Thank you so much for having me. So excited to meet you. And I'm calling in from New York City right now. I'm the founder and CEO of Beya Bea's premium vegan skincare that addresses intimate concerns. So think sweat odor, body blemishes that affect our confidence.

[20:48.1]

Wow. Okay. And tell us a little bit more about how you started this. So I actually wrote in my second grade journal that one day I was going second grade. Second grade. I wrote in my journal that I was going to have a beauty company one day.

[21:04.4]

And at 16 years old, I asked my grandma for a investment of, I think, $500, which was a lot of money. And I started Belo Cosmetics, which was a mascara brand. And I very quickly learned how hard it is to start a beauty business.

[21:23.0]

When did you start Bellow Cosmetics? How old were you? I was 16 because I didn't have business courses in high school. So I was like, I think I love business, but I have no idea, like, will I actually like it? That's a great name. P loke Mascara. Your name.

[21:38.6]

You're. It's awesome. And did you make mascara. Did you sell it? I did. So I. It's hilarious to look at my emails with this contract manufacturer. I was like, I would love to meet with you, I would love to share my vision with you. And he took me so seriously.

[21:54.1]

I think I ordered. I forget what the minimum was. I think it was 2,500 mascaras. It had the logo on it. Awesome. And it was amazing. But we still probably have like 10 cases of mascaras at my parents house to this day.

[22:11.2]

I can't believe you were 16. You just. Okay, so obviously you were on a mission from a young age to start a beauty brand. And how did you get, I mean, tell me a little bit about Bea. How did that idea come about? So I ended up graduating from Babson College and I had a full time offer with L'Oreal.

[22:30.9]

But again, I wrote in my second grade journal that I was going to have my own company. And so I was like, wait a minute, I got to do my own thing. But where's the white space in the product world of Beauty? Because it's so saturated and I honestly couldn't come up with a good enough idea.

[22:46.2]

And that's when drybar and a lot of these beauty services were popping up. And so I was like, if I don't know where the white space is, the next best thing is creating a service company where I work with real women to understand their beauty pain points so then I could build this product business.

[23:03.4]

So I ended up turning down L'Oreal and starting my first company, Beauty. And so what was fascinating is we really do specialize in weddings and events. And so they would come in and be like, listen, I'm getting married in August. I sweat like crazy. Is my makeup going to melt off?

[23:18.9]

Or like, when I sweat, I smell. I'm gonna be hugging my guests, let alone, let's talk about my wedding night. Yeah, what do you do? And I was like, wait, that's kind of. I've never heard these questions. I guess it's a beauty question. But I honestly have these insecurities of like smelling and being around people.

[23:34.9]

And I just thought that was a me thing. And so that's what I was like, wait a minute. Well, fast forward Pandemic. There were no weddings, there were no vents. So there was no business for Butini. So rather than just sitting around, I realized it was my perfect opportunity to start Bayer.

[23:50.4]

And our whole philosophy is like taking moments for yourself. So whether it's like taking deep breaths and just rehydrating your face and body or you know, going into the bathroom and refreshing so you feel a little bit more confident. That's like the whole ethos of the brand.

[24:05.9]

That's so awesome. I'm, I'm thinking about how much I'm smell. I smell right now because I took a run and before this interview and I'm so happy that I'm in a separate, separate studio from you because I would need Bea right now. Yeah, I wish I could teleport them to you right now.

[24:22.6]

And what, what's your question for us today? So my question is, if you were building a skincare brand, say Tatcha in 2024, what would be like the top three things that you would be focusing on right now? Knowing that, you know, you want to be on qvc, you want to land a retailer like Sephora, like what?

[24:43.5]

There's so many things to do as a founder. What would be your top three areas of focus? All right, Vicky. Yeah. Let's start with you. Well, I really love that you're focusing on femcare because this is a really hot new area.

[25:01.0]

So when you go to a category that's growing, you get to sort of ride the wave up. And, and I get tapped a lot for advice or investment in growing femcare brands. So this is of the moment. So good job on timing. So to your question about how to break through these days, we were talking in the last one about how people don't buy products now they join brands.

[25:23.8]

So your point of difference will not just be your products and your formulary promise, but your intentions. Why do you exist? When you break through, particularly in social media, then those retailers come to you so you can pitch Sephora all day long, but they get pitched all day long. What you really want is for them to come to you and they're going to come to you when you break through with your clients.

[25:43.7]

So I would almost say don't worry about the retailers. Build it and they will come. Just focus on your client and make sure she understands why she needs this why to believe in you and why you care so much about her. Oh, that's really great advice.

[26:00.6]

I love that. And honestly, we've had a few dream retailer like reach out and it's interesting because you can get into a retailer and that's great, but that's when the hard work I found out happens. Right? Like if people don't know about your brand and don't understand your mission, it's not going to succeed in store.

[26:19.8]

So I think that's like, that's very valuable insight for me to really implement. Yeah. Brittany, can you talk a little bit about your sales right now, where you guys are at? So we're about. We should be ending this year about a million. And so we've had some great beauty subscription boxes that have.

[26:38.6]

We've gotten a big deal with that. We were named. Yeah. Like a top 25 indie beauty from CEW, which is a beauty professional organization. So still small, but I'm self funding, so just like Vicky, just really being very mindful because my life mission is to empower women to feel confident in their own skin.

[26:59.6]

And I want to be able to figure out those pain points and that storytelling that resonates with people before we think about investment and whatnot. And how many people do you have working with you now? So it's myself and one full time employee, one part time, and then we have a handful of freelancers on my trainer.

[27:19.7]

Yeah, right. You know, one of the cool things about this product is, as you say, it's an opportunity to show people how to use it. I think of two brands we've had on the show in the past. One is Dollar Shave Club, one is Liquid Death.

[27:36.7]

And these brands, what they did early on when they had no money, no budgets, was to put like 1000, 2000, 3000 bucks into making a very low budget, low quality, but very funny video that would eventually go viral.

[27:57.6]

I can imagine you or somebody putting something like that together around. I mean, you've got these wipes, for example, to refresh wipes or I see Body and intimacy serum. There are lots of fun things you could do with the products you have.

[28:13.7]

And so I wonder whether you've thought about doing something like that. Trying to create a low budget video that's fun and funny in that sort of dollar shave Club way. Would you say, like, just do one where you're really storytelling and thinking it through versus let's make a TikTok and see what sticks.

[28:34.6]

I try both, but I would try to make them funny if you can. Because you're talking about your story, about talking to people, getting ready for weddings and you're thinking, wait, I'd be freaked out about if I smell, not if my makeup was running, you know, And I feel like smell and scent is so funny.

[28:52.1]

And it's. We all smell. Human beings smell like there's no way around it. There's no human that does not smell. I feel like there's a lot of fun around that idea. I love that. And I think, well, my personal need for these wipes was because I was Dating in New York City and you're at a hot sweaty bar and then maybe, you know, you meet someone and then I would be so self conscious about my smell.

[29:14.9]

So I do think, I love that idea of like storyboarding something that's really funny and hopefully relatable to be able to resonate in a lighthearted way but hopefully get some virality behind it. I love Guy's idea and the fact that this started from your dating moments.

[29:35.1]

It would be fun to partner with a Tinder or I don't know, what do people use these days? Bumble coffee meets bagel. I don't know any of these anymore. You could put together a little kit called in case it goes well and you know, just sort of do a co marketing event to try to try to get into that kind of audience.

[29:53.3]

But I would try to. First of all, a million dollars on that small of a team is amazing. Congratulations. The first million is the hardest by far. I thought the first million was harder than the first hundred million. Really? No way. Yeah, I really do. I really, really do. So but then when it comes to a retailer, they'll throw anything against the wall.

[30:12.7]

But if you don't climb rank very quickly, you're out. And then, then it's like a stain, it's like a scarlet letter. A, you know, then you can't raise money, then you can't get other. So I would really try to get the fire and the buzz going before you go to a retailer because there's also fixed costs capex that goes with going into retail.

[30:33.1]

And in an ideal world you're on fire, they come to you, they take a few items, they put them on an indie wall and they fly off the shelf. Then the party starts. And would you say that QVC is considered a retailer or would you say that's also part of that brand awareness build?

[30:50.9]

Because you get to storytell. QVC is interesting because they are, if I remember correctly, they're a consignment model and you have to build a lot of inventory to test it out. And if it doesn't sell through, you own it.

[31:07.8]

But you have to repack it at a cost of four to five dollars per kit in order to even be able to resell it. You also have to look at different retailers, have different customer bases with different return profiles. And so if on a successful run, 50% of your stuff gets returned and that's stuff that you trash.

[31:29.2]

You have to look at your margins. So I would say some retailers, they're great for awareness. When you can handle that level of risk. And as a self funded business, that's probably not what we can afford to do at this point.

[31:45.4]

So I agree with you that maybe, I think, Guy, what you're saying is build up the storytelling in a really fun, relatable way. And you are the perfect person to do this. So you got me from the second grade. Yeah, I agree with Guy. We just need you all over TikTok.

[32:01.1]

Yeah. That's awesome. It's awesome. The brand is called Bea. Brittany Lowe. Congrats. Good luck. We're going to be, we're cheering you on and we'll be following up. Thank you so much for your advice. Go Brittany. And I'll be manifesting Bea being next to Tatcha and Sephora one day.

[32:19.0]

Love it. So thank you so much. Love it. Thank you. Okay, next up after the break, another caller with another business challenge. Guy. I'm Guy Raz and we're answering your questions right here on the advice line on how I built this lab.

[32:47.4]

Welcome back to the advice line on how I built this lab. I'm Guy Raz and my guest today is Vicky Tsai. She's the co founder and former CEO of skincare brand Tatia. Vicky, we are down to our last caller now and hopefully, hopefully, I mean it's, you know, I was thinking and I said this, which is during the pandemic, I really, I was like there are going to be so many businesses that come out of this and now I'm thinking with advice line, like who, you know, we might be talking to some of these people on our show.

[33:18.3]

Like we interviewed you in the next couple years. Like there might be a billion dollar business here. I hope there is because these are great entrepreneurs with great ideas. Hope so too. All right, let's take our last caller. Hello, welcome to the advice line. You are on with me and Vicky Tsai.

[33:33.3]

Hello. Please introduce yourself, tell us where you're calling from and a little bit about your business. Hi Ty. Hi Vicki. Thank you so so much for having me. Hello, my name is Devin Clymer. I am calling in from Cleveland, Ohio and I am the co founder of Mugsy Bakes.

[33:51.9]

We make single serve gluten free mug cake mixes designed to spark dessert joy. No oven required, no oven. Oh, so not even a microwave oven? A microwave. A microwave oven? No, like real oven, right? Yeah.

[34:07.4]

And these are, this is like mug cakes, right? You see these things on Instagram stuff. But this was, this is specifically like a packet, like a hot cocoa type packet that you just pour into a mug and add water and stick it in the microwave. Exactly right. So we like to say that making a mugsy is as easy as 1, 2, 3.

[34:24.3]

You literally just add in the wet ingredients, pour in the mugsy, dry ingredients, mix it up and pop it in the microwave and you're done. And then you get a cake and a mug. Exactly right. It's a beautiful mug. And dairy free too, actually. And dairy free.

[34:39.4]

Wow. Yeah. Tell me about how this started. Is this. Were you, are you in the food business? No, not at all. And neither is my co founder. We are actually both healthcare providers and professionals.

[34:55.9]

I'm a clinical speech pathologist and my co founder, Nina is an occupational therapist. And that's actually how we met is working in a hospital system together. And we watched as a lot of our patients struggled with chronic illness and often due to, to, you know, a broken food system.

[35:18.3]

And so food was just very much so a part of our day in and day out. And ultimately, you know, it is that, that inspired us to create our better for you but super, you know, vibrant celebratory baking mix brand.

[35:34.4]

How did you guys decide to come up with it? Like, tell me the story. Were you sitting down in like the, the cafeteria at the whatever, the hospital, wherever you guys work? Like, let's make mug cakes. You know what, at the time when we, you know, kind of went in on this together, we were actually both had our own private practices and so we would do a lot of co working together.

[35:55.3]

We would meet at coffee shops and, and talk. And I am a very avid listener of how I built this and I just, I truly am. And really, you know, just after listening, listening to, you know, so many of the episodes and I relate to you, Vicki, as well, you know, just with making a pivot and doing something different and feeling like I am doing something that, you know, is really adding to my happiness is something I had just been thinking about.

[36:24.2]

So I have been making mud cake mixes myself for years and now that I have children too, they've become, they've become a staple in our household. And I just got sick of pulling all the ingredients and leaving my kitchen a mess for something that's so small.

[36:41.1]

Like, why should this be so complicated and messy? And so I started talking to Nina about this idea and she's like, oh my gosh, I love this. And the rest is history. We just jumped in together. And just to clarify, do you sell them?

[36:58.4]

It just comes in a bot, like a box, like a hot cocoa packet where you would. With individual envelopes inside. So we do stand up pouches. They are single serve stand up pouches. So think of almost like, you know, a pancake mix pouch, but smaller and so it stands up on its own.

[37:16.5]

And we use a recyclable one as well. And do you use sugar or sugar substitutes? So we use organic sugars, organic cane and coconut sugar. And you know, really priding ourselves on the high quality ingredients that we are using is really important to us for sure, especially given our healthcare background.

[37:40.1]

Cool. All right, and what's your question for us today? Yes, so my question is we are currently pre launch. We're kind of soft launching our minimum viable product at the moment locally and markets and shops. In Cleveland.

[37:55.9]

In Cleveland, correct. Yes. And we will soon be launching direct to consumer. We are very close to having our finalized packaging ready. So my question is, what would be your top tip for a new brand, you know, looking to generate buzz and more importantly, build a community when we have essentially, you know, no following or a very little following.

[38:22.0]

Yeah. Vicky, your thoughts? I love how everybody who's been on has such a pure and uplifting intention and their products and their brands are expressions of how they'd like to make the world a little bit more beautiful, a little bit more confident, a little bit more joyful.

[38:40.3]

I think we need so many more businesses like this. So. Yes. What do you think the use case is for your customers to want to purchase this? There's the health component, but like there's something to do with your kids. Is it something use at parties?

[38:55.9]

Is it a snack? What is it? Yes. So really it's the convenience factor that we are hypothesizing will be, you know, a big draw. And it's meant to just serve as that, you know, simple pleasure, you know, that moment of joy after a long day.

[39:11.6]

You know, I enjoy mine after I've gotten my kids to bed and, you know, while my husband is doing the dishes or cleaning up the toys. But certainly too, you know, we envision kids perhaps, you know, with a gluten allergy going to a birthday party and being able to have something that they can eat as well.

[39:29.9]

So it can certainly serve multiple purposes. And also just for us being allied health professionals, we think this would be a wonderful product as well for senior citizens who maybe can no longer cook like they used to. But really it's the convenience, the ease factor to it that we think is a big part of our value proposition for when you absolutely need cake, which I love.

[39:56.1]

I feel like I need cake every day. Yes, yes. Do you remember, I think it still exists. It must still exist. I just haven't made it in so long. But one of my great pleasures as a child was when my parents would come home with a Jiffy Pop pan.

[40:11.6]

And you would take the thing off and put it on the stovetop and shake it, and then that big foil would just blow up and then you'd rip it open. You'd have popcorn. Did you ever do that? Yes. And it was so fun. I remember it being, like, such a fun thing to do with my parents and my siblings.

[40:28.9]

And we're going after the same. The same type of thing with Mugsy. But you know where I'm going with this now, which is, is there a world where there's like a microwave safe, I don't know, maybe disposable or recyclable mug that you could sell it in?

[40:44.0]

So then you just pop it in and it's like the Jiffy Pop of cakes. Yes. I love that. And that actually is, you know, something we. We toyed with at the very beginning. But I love that you brought that up because that does, you know, certainly add to the experience.

[41:03.3]

Yeah. It can even be a reusable mug. Maybe you just do like a limited series and you sell them at gift shops and the mug says something like, dad is the best. I don't know. I'm just trying to think of a lame sort of mug thing, but, you know, everybody. So that could be kind of a cool thing to try.

[41:21.2]

I love that. Who do you imagine. I think this is another version of the question Vicki asked, which is, who do you imagine using this? Like, you mentioned senior citizens or. But. But, like, at the end of the day, there is going to be a core type of user. It's going to be kids. It's going to be, you know, sort of women between the ages of 20 and 30.

[41:40.0]

It's. It's going to be. There's going to be a certain type of user. So in your mind, who do you envision buying this product? Yes, yes. So we are really envisioning it being perfect for, you know, that modern millennial consumer, mostly female, you know, women with really bustling personal, professional lives who are really going after that convenience factor, you know, whether they're preparing it for their kids or even for themselves, you know, because she's tired, she, you know, has a lot on her plate, and at the end of the day, doesn't even want to be mixing up a cake out of a, you know, traditional box mix.

[42:22.2]

So that's really our target that we're Going after Vicki. I know that Devin's question was about how to build buzz, I think, and I'd be curious to get your take on this. I think that she's got a. Instead of thinking building buzz sort of nationally, she's really got to build buzz in Cleveland first.

[42:41.3]

And I feel like this is the perfect opportunity to start really showing people how this works. Literally have a microwave oven at a farmer's market and just make these and just sort of start that way. What do you think?

[42:57.2]

Yeah, I'm getting my head around it because I've never made cake in a mug before, but I do love cake. So food operates on very low margins and it's low price point. And so you in time the goal, unless you wanted to stay a small business and I shouldn't assume.

[43:15.8]

Do you have dreams for this to become a billion dollar business or is it a jewel of a business that you want to create? Yes, we have big dreams. You know, we really want to take this as big as we can. Yeah. So your end goal is grocery distribution.

[43:32.7]

And then what you have to do is reverse engineer a strategy to get invited into grocery distribution. I think convenience is definitely one of your main selling points, but I think your point of difference is probably additionally the form factor and the health piece of it because you're both health care workers.

[43:54.0]

So I think, Guy, you're right. This is one of those situations where you throw spaghetti at the wall. Whether it's food fairs and farmers markets for local buzz, as well as social media content that shows your intention and your thoughtfulness behind the ingredients on your own website.

[44:16.7]

That's where you'd want to build the business first. And these are lightweight and easy to ship. So you might even want to create like a gifting program online. I'm going back to Guy's idea about the mugs and my original question about occasions.

[44:33.4]

If you have birthday kits or. I love that. Yeah. I almost want you to do something like really unexpected too. Like, sorry you had a bad day at work, sorry your boss sucks. Sorry about your celiac. You know, like things that will kind of cut.

[44:50.1]

Sorry he dumped you. Yeah, I love that. Or like. Or like make your own mug cake birthday party packet. Like where everybody gets their own thing and they can make their own cake. And then you'd have like a squeezy little tube of frosting that you could frost it with.

[45:07.2]

I love this. And that is just getting my mind buzzing. And those are wonderful recommendations. So thank you for that. Do you know what? I've become obsessed with on social media, for some reason, I get fed these videos of, like, bread in an oven baking.

[45:25.3]

Basically, you're looking at inside of an oven, like through the glass, and you just see the bread, like, it goes in, you know, the dough, and then you just see it grow, grow, grow into this beautiful baguette or croissant. And I can just watch those all day with, like, beautiful, you know, like the music from Amelie behind it or something.

[45:42.4]

You know, it's just. And so I can imagine just like the sound of like two hands, like a hand, like ripping open the packet, pouring it in the mug, putting in the. Whatever it is. Is it water and butter? I don't know. And then putting in the microwave and then just watching it grow into this, like, popover cake.

[46:01.4]

Yes. I love that. And I think that's definitely an avenue we will go down. I know, you know, myself and Nina included, we're ready to get more comfortable on social media because truthfully, that's an area that I, you know, don't have a ton of experience in.

[46:19.1]

But I love that idea, getting creative with our videos and really showing, you know, not only what this product is, but how you could use it, how you can make it fun and different and unique to you. So thank you. Devon Clymer.

[46:34.6]

The brand is called Mugsy Bakes. Good luck. Congrats on the launch. Thank you. Now I want some Mugsy now. I feel like I need a cake in a mug right now. Thank you. Yes. Thank you both so much. Thank you, Vicky.

[46:49.8]

Thank you, guy. This was truly amazing. Thank you. Yeah, you can make cake in a mug. You didn't know. I feel like I haven't even lived, Vicki, before I let you go. I'm curious now.

[47:07.1]

With everything in the rearview mirror and having built what you built and knowing what you know, what do you think that. What do you wish you had known in 2008 when you were starting your business that you think might have been helpful for you to know or to be aware of in 2008?

[47:28.5]

2008. I'm trying to put myself back in that spot. Yeah. If I could do anything over again, if I could sit down with my younger self, I would say the entrepreneurial journey is so thrilling, but so intensely difficult.

[47:48.6]

Don't make it harder on yourself by carrying around self doubt. It's like carrying around a backpack full of boulders. It just makes everything harder and it's unnecessary. And it gets a lot more fun if you let go of the idea of, can I do it?

[48:07.4]

And you just say, I will. Do it. Awesome. Vicki. Thank you so much. Thank you Guy. I can't wait to see see you and have cake in a mug. We will. I'll be wearing fabulous jewelry and I'll be smelling good. That's Vicky Tsai, co founder and former CEO of Tatcha.

[48:25.4]

And by the way, if you haven't heard Vicki's original How I Built this episode, you have to go back and check it out. You can find a link to it in the podcast description. And here's one of my favorite moments from that interview. We ran out of money over and over and over again.

[48:40.6]

I couldn't afford a salary, my partner couldn't afford a salary, I couldn't afford rent anymore and my parents had bought a place near the airport at that point and they let me move into there and we had this really, really incredible high end clientele and I was working on my mom's garage.

[49:03.5]

Thanks so much for listening to the show this week. Please make sure to check out my newsletter. You can sign up for it for free free@guyraz.com each week. It's packed with tons of insights from entrepreneurs and my own observations and experiences interviewing some of the greatest entrepreneurs ever.

[49:20.7]

And if you're working on a business and you'd like to be on this show, send us a one minute message that tells us about your business, the issues or questions you'd like help with, and hopefully we can help you with them. And make sure to tell us how to reach you.

[49:36.1]

You can send us a voice memo@hibtid.wondery.com or call us at 1-800-433-1298 and leave a message there and we'll put all this in the podcast description as well.

[49:51.9]

This episode was produced by Kathryn Seifer with music composed by Ramtin Arablouei. It was edited by John Isabella. Our audio engineer was Sina Lofredo. Our production staff also includes Alex Chung, Carla Estevez, Chris Masini, Devin Schwartz, Elaine Coates, J.C.

[50:08.0]

howard, Kerry Thompson, Neva Grant, and Sam Paulson. I'm Guy Raz and you've been listening to How I Built this.