

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

She Said/She Said Podcast with Laura Cox Kaplan: Episode 173:

LAURA COX KAPLAN: Hey friend! Welcome to the podcast. Today we're talking about the connection between influence and innovation. And how influence can often take the form of reshaping entire industries or markets because a creative founder saw an opportunity to solve a problem.

Today's guests are working to reshape the teen/tween girl retail clothing market. Rachel Thebault and Neda Funk joined forces to create Woodley+Lowe. The company is a sustainable, body-positive clothing company -- and community-- for teen and tween girls.

For those of you listening who have teen or tween girls on your shopping list this holiday season, you know the challenge associated with finding good basic clothing items that are well made, not too expensive, and are appropriate for underage girls.

This problem inspired Rachel, a former bakery owner and the mother of three girls, and Neda, the mother of three boys with significant experience in equity research focused on teen girls.

But rather than just creating a brand, they focused first on creating a community. Ultimately, letting their target customer -- teen girls -- drive many of the decisions about the brand, and the features they wanted to see from the retailer. That included things like building sustainability into their platform by making it easier to dispose of, recycle and resell used merchandise right on their website.

By putting a significant premium on listening, and letting their customer really inform their approach, they also built a significant level of trust.... And that trust is critical to brand loyalty and of course to influence.

There is so much of this conversation that reinforces various dimensions and building blocks for INFLUENCE: Spotting a problem and setting about to tackle it, but doing so in a way that builds community, collaboration, that emphasizes listening to feedback, while at the same time embracing growth and personal evolution by taking risks as entrepreneurs.

Friend, Wherever you may be in your own journey, this smart, thoughtful duo will give you much to think about especially if you are a would be entrepreneur and have a startup idea in mind. Or maybe you have a problem that bugs you, but you hadn't thought of turning into a business. Or maybe you're looking for great perspective on career pivots. For all those reasons, I

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

think you'll love this conversation, and it may also help you with some last minute shopping ideas!

Most of all, I'd love to know what you think. Once you have a chance to listen, please be sure to let me know.

For now, here is my conversation with Woodley + Lowe co-founders Rachel Thebault and Neda Funk.

Laura Cox Kaplan:

Rachel and Neda, welcome to She Said/She Said.

Rachel Thebault:

Thank you, Laura.

Neda Funk:

Thank you, Laura.

Rachel Thebault:

Thanks for having us.

Laura Cox Kaplan:

I'm so happy to have you. So, let's jump in. Tell us about Woodley and Lowe. What is that?

Rachel Thebault:

Woodley and Lowe is a brand of wardrobe essentials that we created specifically for teen and tween girls, knowing that as early as about 10 years old they stop wanting to wear their reliable kids' brands and start wanting to wear what their bigger sisters are wearing, what they see teens wearing, and that teens themselves also don't have a very good option when it comes to reliable everyday clothes that will last, that are high quality, good for planet, and have good brand messaging behind them.

Laura Cox Kaplan:

Yeah. Are you finding that the demand is more on the mom side or more on the teen and tween girl side? I'm the mother of a almost 12 year old, so she's right on the cusp as a preteen, but I find that she's perfectly happy with some of the horrible things that she picks out. It's really me that has the problem. So maybe talk to me about how you think about that piece of your business.

Rachel Thebault:

I mean, absolutely. I'm the mother of three girls as well, and my oldest is going to be 17 this spring, and then I have a 13 year old and a nine year old. And I do think, while they're happy to wear some of these brands out there that the moms might not like, they also know that they want to be doing something that's better for the planet. They know that they don't want fast fashion, but, at the same time, that's what they can afford on their babysitting dollars. So, it's a combination.

Rachel Thebault:

We really went into this thinking, okay, moms are frustrated, the quality is not there, and the brand messaging is not there for them, and the clothes are trashy, we want a better option. But we also wanted to make sure that we were coming at this so that the girls themselves thought it was a cool brand.

Rachel Thebault:

Our initial marketing plan was really targeting girls through Snapchat ads and through just communicating with them on TikTok and Instagram and really going more after the girls than the moms initially, because we wanted them to discover us. We knew that in order to be a cool brand we have to communicate with them and have them discover us. And then mom, they come home, bring it to mom, mom checks it out and says, "Wow, this is a cool brand, and we'll be willing to buy."

Laura Cox Kaplan:

I love that. So, for both of you, this was essentially a pretty big career pivot in starting this brand. Neda, why don't I turn to you, and maybe each of you talk a little bit about your background and what made this so appealing.

Neda Funk:

Sure. I actually have spent my entire career in the retail space in one form or another. I started my career on the finance side as an equity analyst, covering specialty retailers, and specifically, with a specific focus, ironically, on teen retailers. And this was at a time where the mall was king and teen retail was an actual sector in retailing that was covered by Wall Street analysts, and Abercrombie, American Eagle, Aéropostale, Pacific Sunware, Wet Seal, they were the reigning teen retailers.

Neda Funk:

I then transitioned into working for luxury retail companies, getting more involved in startups. Over the years I did launch a startup in the fitness and wellness space. It was a bookings aggregator and marketing platform for boutique fitness classes. I started getting more involved

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

in startups from that point onward, but always very deep in retail, working with lifestyle retailers, et cetera.

Neda Funk:

And I started, a couple years ago, thinking about a few different ideas, and one of them was that, wow, what happened to that teen retail space? It's no longer what it once was. Retailing has evolved so much, but no one's really paying that much attention to the teen space anymore. And so, Rachel and I were introduced by a mutual friend and we were both independently working on several ideas and each of us itching to start our next new thing.

Neda Funk:

And when I mentioned, "I think there's opportunity in the teen retail segment.", and Rachel, as a mom of three tween and teen daughters, immediately was like, "Oh my goodness, here are all the pain points I see as a mother shopping for girls this age." And so, we came together and thought, wow, the opportunity is so clear there. While there are so many new brands coming to the space every day primarily focused on millennials and moms, no one's really focused on Gen Z. And so, we just came together and set out to build and started building pretty quickly.

Laura Cox Kaplan:

Yeah. It feels like you've hit this moment in time. Why do you think the retail space had gotten away from this particular segment?

Neda Funk:

I think because the segment was so focused on the mall, and the mall was the epicenter of retailing for so long. And over the years, the popularity of shopping at the mall has gone down as lifestyle retailers have... I mean, sorry, lifestyle centers have become more popular and really e-commerce and Amazon has started to rule the world of retail. And so, the brick and mortar landscape has changed so much. And, as it has, those retailers never really...

Neda Funk:

I would say American Eagle, of all of them, has done really well in staying with its core customer and innovating and creating concepts like Aerie and some of their more recent concepts that they've launched, but a lot of... Aéropostale no longer exists. A lot of the other retailers focused on this space have become stale. Abercrombie is not really even focused on a teen customer so much as it's more focused on that older millennial and trying to grab the nostalgia from them of when they were teens and shopped Abercrombie.

Neda Funk:

So, I think it's probably a combination of a few factors, one being just the shift in the overall retail landscape, and two being also the rise of these fast fashion brands such as Shein or Brandy Melville and some of these fast fashion players that are simply offering very cheap

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

clothing that's easily accessible to these girls, but not so much creating a brand or a community around it.

Laura Cox Kaplan:

Yeah. The digital piece of creating this brand was a really big part of what you did differently, it sounds like. Maybe talk about how you approached that and why that's working at this particular moment in time.

Neda Funk:

So, what we knew was there's a lot of opportunity in e-commerce right now and building a digital brand. We looked at some of the best in class digital players out there, what they were doing, and figured, okay, a lot of these brands are focused on millennials, we're focusing on a different audience.

Neda Funk:

Like Rachel said earlier, we really wanted to market to the teen herself and not just her mom. And so, we had to figure out, where can we meet her, where is she spending her time? It's on Snapchat, it's on TikTok, it's on Instagram. She's not opening emails as much as the millennial or her mom is. And so, that really informed how we were going to market to this customer.

Neda Funk:

Another thing that was very important to us from the beginning was really creating a brand that was, in a way, co-creating. So we wanted to create a brand that was for teens by teens, and by that we started off even before we had a brand name with a private Instagram group of about 150 teens that was our little internal focus group. And we actually hired two seniors in high school to run that group, again, because we felt it was important to have this brand really speak to the audience that it was being created for.

Neda Funk:

And this group helped us choose everything, from our name, to our logo, to our initial designs and colors. And from that, it allowed us to take a very community first approach to building this brand. We now have a very robust group of brand ambassadors. We're all about celebrating the real girl and not the influencer or the celebrity and giving every girl a chance to be a part of our brand and help us spread our brand mission to other girls.

Laura Cox Kaplan:

Yeah. Rachel, maybe talk a little bit about the brand ambassador concept and how that's working and what that means. I was so intrigued by this.

Rachel Thebault:

Yeah, of course. As Neda mentioned, it was really important to us to connect to our real customer from the beginning. And we really felt, and I saw this with my daughters as well, the number one driver behind purchases for girls is, what are their friends wearing? For millennials, a lot of DTC brands five, 10 years ago were able to pop up easily with Instagram ads because people are just scrolling through their phone and clicking and buying, clicking and buying.

Rachel Thebault:

These girls, Gen Z is not doing that. They're looking out to see, to some extent, what are celebrities and influencers wearing, but most importantly, what are their friends wearing? And so, we really felt like we wanted to be a brand where we won these girls over one friend group at the time. So we were like, if we can get one girl in each high school to know about us and she spreads the words to her friends, that's a success.

Rachel Thebault:

And so, it's really more of a grassroots effort. That's, on the one hand, on the marketing side for us, but also really just to build a community, and really we felt it was important to amplify the voices of the real girls.

Rachel Thebault:

What we were seeing that we thought was reprehensible in the brand messaging that was out there for them was just the images of these skinny blonde models, one type of model that was being marketed to each of them. And we really felt like these girls were much more interested in peer to peer, seeing what their friends are wearing, how they're wearing it, and seeing real girls across the country.

Rachel Thebault:

And it's been actually really amazing for me to see, as we've grown our Instagram following and our ambassador group, just to see how they have connected and followed each other just on the basis of being another Woodley and Lowe ambassador. And I think that to me gives me warm feelings when I see my daughter liking posts of people that she's never met before, but they're a Woodley and Lowe ambassador.

Laura Cox Kaplan:

Yeah, I love that. I know your sizing is also a big piece of how you think about the brand and how you think about this concept of body image, and going about tackling it in a slightly different way. Maybe talk about the thinking behind A to E sizing versus the traditional numerical sizing...

Rachel Thebault:

So-

Laura Cox Kaplan:

... either of you.

Rachel Thebault:

... there were a few things that went into this, first, knowing that, and I'm sure you're experiencing this with your 12 year old, but the upper ends of kids brands that the sizes are related to ages, the ages make no sense. I was like, my kids have been a size 12 since they were eight years old. I don't understand how [inaudible 00:12:51] working.

Rachel Thebault:

And so, we took a look at... what we did is we pulled some of the top kids retailers and the size charts from their websites, and I compared it to the pediatric growth chart and noticed that really a size 12 or 14 on these kids charts was relating to the bottom 20th percentile on the pediatric growth chart.

Rachel Thebault:

The traditional women's and kids size grading systems are from 1945. They're from studies done in World War II. And so, no one's caught up and thought like, how are people growing now, how do things want to fit, how do we want things to fit now? So that was one issue. Another issue was, like I mentioned before, at 10 years old my kids were starting to say that the clothes that I loved to buy for them were too babyish. And so, they wanted to go up into the women's brands, but there's no women's brand that goes small enough for them. So we knew that was our start.

Rachel Thebault:

We wanted to start with a size that would be able to fit the average 10 to 12 year old girl. And so, from there we figured, these girls are growing in such different ways and rates, they're not growing in a linear way, some are shooting up and then filling out, some are gaining weight and then growing. So, we knew that we had to also have a little bit of variability in heights as well.

Rachel Thebault:

So we created five sizes that basically range from a size 12 youth to a size 10 to 12 women's. And within those sizes our pants come in two lengths, and we thought that the letter system... we definitely wanted to stay away from being extra small or extra large, because we thought that was icky, especially for this age group.

Rachel Thebault:

And so, we actually talked about coming up with cute different names and combos, like coming up with positive affirmation words and stuff like that. And my daughters looked at me and they were like, "You're trying too hard." And so, we were like, okay, A through E it is, and that's great,

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

because it gives us room to expand, we can go F, G, H, whatever we want to do. We can go up and down. It's a grid, it's flexible, and it's easy. So, [crosstalk 00:15:22].

Laura Cox Kaplan:

Yeah. And what you just said also reinforces why it was so important to go to them as the primary customer versus the mom, because of that inherent conflict or that ick factor, if your mom likes it, then it can't possibly be cool, you shouldn't like it.

Rachel Thebault:

Exactly. Yeah.

Neda Funk:

I also think, again... So, like Rachel said, we didn't want it to be associated with physical size or age. We found that a 10 year old may not love that she has to wear a size 16 or vice versa, a petite girl who's 14 and is still wearing size 10. And so, we thought that it was really important to strip those body stigma issues away from the name.

Laura Cox Kaplan:

Yeah. Was there a moment in time in which you had this idea? You two, as I understand it, you did know each other or knew each other tangentially, or how did this idea come about, and when did you recognize? Was it one of you that said, okay, I think there's an opportunity here and I'm going to look for a partner, or how did it come together?

Rachel Thebault:

So, Neda and I were introduced by a mutual friend, and we were both, at the time... So, I had owned and operated a retail bakery here in New York for about 12 years and had closed it with a new business plan immediately in mind, and had been researching that for about a year and spinning my wheels on it. So, a mutual friend, who is also a female entrepreneur, introduced the two of us because she was like, Neda has a similar idea. And it was more of a fitness and wellness AI technology related idea.

Rachel Thebault:

I have no background in building technology or anything. This was just like, this would be really cool if this existed. And so, we connected and started talking about it and we both agreed this would be cool. We couldn't figure out necessarily what made it something that would be necessary for people and if it really solved a pain point. So, in that respect, is it worth investing a lot of money to hire someone to build this technology if it's just something that's like, oh, this would be cool to have, but not that everybody's going to need to have.

Rachel Thebault:

And so, we spent a month or so talking it over and going back and forth on this one idea. And then, Neda said to me, out of the blue, she was like, "Don't think I'm too ADD or anything, but what do you think of this idea, teen girl athleisure?" And, as she mentioned before, she had been chewing on it for a while, seeing this hole in the teen market. And, as a mom of teen and tween girls, I immediately lit up and was like, "Yes, this is a huge problem."

Rachel Thebault:

And so that's when we saw that... seeing that, all of a sudden, that this was a need, this was something we could solve for, a problem we could really solve for, that's what made us start to get going. And from there we started talking to investors who were interested in the idea but wanted to see us build a little bit. And we just decided, okay, let's take this step by step, and let's see what we can build and keep talking to people along the way.

Rachel Thebault:

But I'm the kind of person that, I see we're at point A, we want to get to point B, these are the steps to get there, let's start doing it. And then from B we get to the next level and just kept moving. And, as you said before, neither of us really had a background in apparel production or fashion per se, and, although, both tangentially with the retail business, but it's been a really interesting and exciting learning curve learning how that works.

Rachel Thebault:

And I was just in LA yesterday meeting with a new factory we're working with, and it's just fascinating to see the business and see what goes into it and all the steps. And it's something that, on one hand, is a very insider business, you have to have the right intros and everything, but, on the other hand, is very easy to learn and pick up, and if you meet the right people you can move forward.

Laura Cox Kaplan:

Yeah. To that point about meeting the right people, I'm intrigued by partnerships generally and collaborations, and we know that we are smarter and better when we have those partners, but it can be difficult sometimes to find that person, because, especially as you guys are... you're co-founders, it's like another marriage almost. Talk about advice that you have for picking the right partner and how your partnership works, strengths and weaknesses, how you compliment each other, perhaps.

Rachel Thebault:

I mean, I think it's definitely important to partner with someone where you can fill in each other's gaps, where you can... if this person is interested in this thing, you're interested in another, or if you're good at one thing, the other person is another.

Rachel Thebault:

And then, I'll let Neda answer from her side, but for me I think one of the things that works really well for us is that I'm an extremely decisive person and I like to make decisions almost too quickly sometimes. And so, I'll be like, okay, this is what I'm doing, this is here. And Neda is a more thoughtful person and is like, actually, slow down, let's think about these other ideas and how we can think about it. And so, I think that kind of balance is... that's what I like that balances us, is that we... I'll put a stake in the ground and Neda will make me not act too fast.

Neda Funk:

And it's funny, because I see it as... I always tell everyone, I'm like, my partner really executes well, because she just gets stuff done. If we decide we're going to do something she's already... has half of it done. So I think it's not easy to find a partner that you work well with in a lot of scenarios. And I think startups are very hard in general, and there's a lot of ups and downs.

Neda Funk:

And I think a lot of it is just like, you have to follow your gut, and when you meet someone and if you're working on an idea together and if you feel like you both are in sync, and you're aligned, and you're both equally passionate about the idea, and you're both... You never want to partner with someone who's only halfway in, and I think that's really important, is you both have to be 100% in if this is going to be your full-time job and full-time priority. And also, being able to respect your partner's limitations, and respecting that your partner may have a family and children and being able to balance that.

Neda Funk:

But you definitely hear about partnerships that go wrong and businesses that fall apart because of it. And I think we've seen lots of stories of different high profile startups in the media. And I think for us it's just, I think it's a matter of just being grounded, being realistic with where we are in our business, what our capabilities are, and where our shortcomings are, and where we have holes, and where they need to be filled, and being reasonable, I guess.

Neda Funk:

I don't know. There's no perfect answer of how you find that right partner. I definitely have met with people before I met Rachel that I just didn't feel like were aligned with me, that I could not imagine working with. Some of it's also a matter of right place, right time, being introduced to the right person and both knowing that you want to start something together or believing in each other's ideas.

Laura Cox Kaplan:

Yeah. How about advice for working through conflict?

Neda Funk:

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

I mean, luckily, we haven't had much conflict. There are definitely times, I think, where we may have differe... I can't lie and say that we've agreed on everything or... We definitely have had different opinions, and I think it's sort of like, we know how each other works now and know how each other's minds work, and we give each other the benefit of the doubt and let each other sort of, okay, she wants to do this, I'm not sure I agree with it, but let's give it a shot and let's figure out how we can make this work and vice versa.

Rachel Thebault:

I would add, I think we've also both gotten good at taking a second to listen to the argument of the other person and just figure out. But I agree. There are times when either of us is like, okay, we're going to do it that way.

Rachel Thebault:

But I think we both have learned to take the time to like... We both, I think, can thoughtfully lay out our argument for why we think it should be one way or the other, and then pull points from each other, listen to each other and pull points. I feel like maybe more oftentimes we've ended up negotiating and coming to something in between what the two of us had, than just going one way or the other.

Laura Cox Kaplan:

Yeah. I hear different points of view about whether partners need a partnership agreement or not. What's your view on when you're going into developing a startup or some kind of an entrepreneurial idea with a partner? Do you need a partnership agreement?

Neda Funk:

I mean, I think it's always a good idea to have something in writing. So, I think we have an operating agreement that covers some of our stake in the business and our roles. I do think it is a good idea. I've definitely worked with people on ideas before and it hasn't turned out the way we had expected, and a partner decides she wants to break away and take the idea and go with it. And so, there are definitely risks to working with a partner and not having some sort of agreement in place.

Neda Funk:

Any time I work with someone I want to believe in the good and believe that that would never happen, obviously. And I usually have a good sense of a person and can trust them, but I do think it is important, from a legal standpoint, especially when you're investing your own capital and time into a business. I think it's important to have some level of protection against the risks that you're taking.

Laura Cox Kaplan:

Yeah. That's very good advice. So, there are awful lot of people who are really rethinking, who have hit the reset button as a result of COVID and the pandemic and doing wholesale career shifts. And many people are thinking about entrepreneurship maybe in a way that they might not have been thinking about it before. What advice do you have? I mean, launching into something like you two have done is not for the faint of heart. There's a high level of risk involved in any new startup or entrepreneurial idea. What advice do you have for people who might be contemplating that?

Rachel Thebault:

I mean, first of all, I think you can only really go into entrepreneurship if you are willing to be a risk taker. That is the number one... to me, that is the only quality that's really essential to being an entrepreneur, because, I mean... And you have to think about where you are and what you're putting at risk. And so, are you putting your children's college funds and everything at risk? You really have to imagine...

Rachel Thebault:

I mean, it's really exciting, as an entrepreneur, to have an idea, and you never think it will fail. It's always going to be a huge success and you're going to be the next unicorn and worth a trillion dollars and whatever. I mean, you have to have that spark in order to put in the amount of work that it requires, but you also have to realistically think about, if it is a failure, what is on the line and what am I losing, and really think about that and be smart about that.

Rachel Thebault:

And if you're not in a place where you can invest the money or the time or whatever it takes to get there, is there a smaller way you can test out your idea and without taking as much risk, without leaving your existing job, whatnot. But I really think it's, you never want to think about the failure side as an entrepreneur, you only think, well, of course it'll never fail, this is the best idea ever, but you really have to think about that in order to take the risk, because entrepreneurship is a series of getting to the edge of a cliff and having to jump.

Laura Cox Kaplan:

Right. Do you have-

Rachel Thebault:

[crosstalk 00:29:04].

Laura Cox Kaplan:

... a process? Is there a process that you've developed for maybe calculating that risk and how far you're willing to go? What process do you use, or what advice would you have for someone in terms of knowing how to measure the downside risk?

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

Neda Funk:

I mean, I would just add that I started my first business about 10 years ago, or a little over 10 years ago, and I was in a very different place and mindset that time around versus this time around.

Laura Cox Kaplan:

In what way? Tell me. Tell me [crosstalk 00:29:38].

Neda Funk:

I mean, I had just gotten married, had one child. I was much younger. I almost went into it not knowing what was on the other side and just didn't even think about anything. Every decision was just like, okay, here, we'll put the money in and we'll just start doing it. And I think the second time around, a couple kids, more later and 10 years older, I understood that the stakes were higher. And I've already started one business, I've already invested X amount of my dollars and my hours into building a business, and this time around, it really has to work, it really has to be worth it.

Neda Funk:

And it made me sort of... my risk tolerance was, honestly, a little bit lower than it was the first time around, and it made me really think harder on every decision that we make, every check that we write, every sort of... I'm not able to be as spontaneous this time around, which is good and bad, to be honest, maybe it holds me back slightly, but I also think it makes us a little bit more thoughtful and rational in our approach. [crosstalk 00:30:56] Rachel agrees and she's also... it's her second time around too.

Rachel Thebault:

And I think it's hard to really come up with like, how do you measure the risk for some... because it's different for everyone, right? It's different for each person for where they are in their life, for what they are able to put on the line. There's really no answer for, how do you measure it? It's really, really a very personal decision.

Laura Cox Kaplan:

Yeah. I find that so interesting because as we get older we know so much more. Right? And that is a gift and a blessing. At the same time, I do think that it causes you sometimes to maybe second guess yourself a bit more than you might otherwise, and I find that so ironic, because you know so much more.

Neda Funk:

Definitely.

Rachel Thebault:

Yeah. I could not agree more. And it's something that I think is so funny. We talk about this all the time, that the 30 under 30 entrepreneurs get so much attention, these young people building this idea. And yeah, of course, they are. They have so much less on the line and they know so much less, so they're just like...

Rachel Thebault:

I mean, I think I was just under 30 when I started my bakery and I was like, well, I'm going to do this and this and this, and this is going to work, and this is the best. And you're not listening to anyone and you have no experience to base stuff on. It's pure instinct and gut, which is fantastic, and when it works, and it's great that people have the courage to do that.

Rachel Thebault:

But, at the same time, I do think there's a lack of attention paid to middle-aged entrepreneurs who are also trying something new and doing something a little bit less flashy but with more wisdom behind it and more thoughtfulness behind it sometimes.

Laura Cox Kaplan:

Yeah. What advice do you have for her, recognizing that this is a thing that we often do to ourselves? I don't know if men do this as much as women, my guess is no, but we're not talking to them. So, what's your advice for plowing through that recognizing that this tends to be a thing that can weigh us down? How do you plow through that?

Rachel Thebault:

My biggest piece of advice is not to compare yourself to what others are doing and how fast they're doing it. You are on your own trajectory. You know where you want to go. If you see ideas that take you in a little bit of a different direction and that's a positive thing, do it, but don't get bogged down in saying like, this person has such a similar idea and they're raising tens of millions of dollars and they're getting there faster than me. You are on your own trajectory, and the important thing is really just to keep focused on your plan and keep moving ahead.

Laura Cox Kaplan:

Yeah. Neda, you're nodding your head. You have other thoughts on that?

Neda Funk:

I completely agree. I mean, I always say, and I have to say it to myself, and people have told me this, it's stay in your own lane. I think that's really key.

Neda Funk:

It's so easy to get distracted and discouraged by the media talking about these flashy startups and how much money they're raising and what their valuation is. And you hear about it and then all of a sudden you don't hear about it when the startup maybe withers away. And, of course, then there are, as Rachel mentioned earlier, the unicorns that we keep hearing about and who are valued at a billion dollars and they started from this little tiny idea and somehow, every step along the way, they got very lucky, as well as they, obviously, executed really well too.

Neda Funk:

But I think it's very easy to fall into this trap of constantly looking at what's happening with other brands that you're hearing about and forgetting that they are the 0.01% of businesses out there that are just really making it in these overnight successes. So, I think it is very important to stay focused and still being mindful of your competition and what others are doing. I think it's very important to have a strong grasp of the landscape around you, but I also think it's really staying focused and staying in your lane is key.

Laura Cox Kaplan:

Yeah. That's really good advice. One topic that oftentimes comes up when I have female entrepreneurs on is the challenges associated with getting funding. And I would think too that if you're constantly told no as you're going through the process of trying to get funding... And I don't recall exactly how you've funded this business. I think you guys are bootstrapped. Yes?

Neda Funk:

Yes.

Rachel Thebault:

Mm-hmm (affirmative)-.

Laura Cox Kaplan:

But constantly hearing no too when you're already second guessing yourself, maybe, any thoughts on how that landscape looks? Is it still as bleak as it has been in the past? We now have several female billionaires in a way that we didn't a decade ago, which is very exciting, but maybe talk about, Neda, the landscape from the standpoint of fundraising, raising money for one of these ideas, what that looks like, and also how you weather. Well, inevitably, in any business you're going to have rejection, right, and not letting that completely discourage you.

Neda Funk:

Great question. I do think these female billionaires are definitely helping our cause, and they're making investors in the whole world realize what female founders are capable of. And so, I think it's very inspiring and great for female founders. I do think, as a result, we are seeing a lot more female investors coming to the space and really wanting to support and invest in female

founded businesses. So, in the last handful of years, probably in the last four or five years, we're seeing a lot more of that happening.

Neda Funk:

Fundraising is still hard. I think these investors, angel investors and VCs, are pitched by thousands of companies a week probably, some of them. And it's still not easy to just raise money. And so, I think you have to have a few things to successfully catch the interest of a venture capitalist or high profile angel investor from the start, and that is an entrepreneur who has a strong track record, perhaps has a previous exit of a big name startup.

Neda Funk:

Potentially, what we're seeing is investors like to invest in someone who, not just a celebrity, but maybe an influencer who has a very big following. If that influencer has over a million or 2 million followers, then perhaps the investor feels then, okay, if they have this many people following us, then they'll at least have a portion of that following buying into their new business. And so, I think there are several key things that investors are looking for.

Neda Funk:

When we started this business we thought, okay, we'll follow that direct to consumer playbook that we saw so many direct to consumer businesses come along over the years. Warby Parker was obviously one of the pioneers in this, but we'll raise \$10 million in VC money, we'll pour a bunch of that into digital marketing, and we'll do what we saw so many other businesses do.

Neda Funk:

And as we started diving into it we met a few realities really quickly. One was that it's no longer easy to raise that type of money as a direct to consumer businesses. And the other complicating factor was that we started trying to raise money, right, when COVID hit, when the world really turned upside down and investors definitely... For our first handful of months that we were trying to raise money it was just the worst time in the world that you could ever try and raise money for any type of business.

Neda Funk:

And as the investment community started coming back to life and investors started just taking more investments, we also found ourselves in a space that investors weren't super interested in, direct to consumer apparel. And so, we thought, okay, all right, we have to build, we have to bootstrap this and build, and we have to show traction. We have to show our vision and then we'll be able to raise money.

Neda Funk:

And so, I think one key piece of advice we both have is that for any founder it's like, you need to have an alternate plan. You cannot bank on raising money. You need to have a plan for, if we

don't raise money, here's how we're going to continue to execute, here's how we're going to continue to bring this concept to life, and this is the path we're going to take.

Neda Funk:

I think one mistake founders probably make, and we made this mistake ourselves, was, we always had a plan where we were going to raise X amount of money by X date, and so we built towards with that assumption. And I think you make different decisions and investments in the business when you think you're going to raise a certain amount. And so, I think that's where you can find yourself getting into challenging times if you plan that way.

Neda Funk:

And so we now know we need to figure out like, here's what we're going to invest in, here's how we're going to operate, knowing that there is a chance we may not raise this money by this date. Yeah.

Rachel Thebault:

And I would just add to that also, as an entrepreneur, you really have to think about why you're getting into it, why are you starting this business? Are you starting it up because you want the thrill of raising venture capital money and your valuation keep mounting. And if that's the case, then scroll through Crunchbase and figure out what are the hot new industries that people are investing in and start up something random just based on the industry that's getting a lot of heat.

Rachel Thebault:

Like Neda mentioned, not a lot of people are interested in apparel, but we are passionate that this is the idea. We are passionate about our idea. We know there's a need for it. And so, rather than re-contrive our business to make it something that VCs want to invest in, we are set on, okay, how do we make this work for ourselves, because we know that this is a great idea.

Laura Cox Kaplan:

Yeah. Influence is a big topic that we talk about on this podcast. And we look at the different levers that help us build influence, which then helps us achieve our goals. As you think about the brand, and also, related to your individual influence, how do you think about this concept of influence and what you're trying to accomplish?

Rachel Thebault:

So, for me I feel like the way we approach it with Woodley and Lowe is that influence is a little bit of an echo chamber. So, we started, on the one hand... we see these brands that are out there for teens. We don't like what they're... the message they're sending them. We want to send a better message. But we also knew that there was a demand for a better message

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

because we saw these high school girls who were passionate about human rights, treating each other with kindness, being supportive, seeing each other as real people, being body positive.

Rachel Thebault:

And so, we were picking up on that is [inaudible 00:42:56]. They were influencing us that that was the need. And so, we are taking their voices and amplifying that. So we are listening to our community, hearing what it is that they have to say and what they care about, and then we're amplifying that and hoping that that then influences the next girl in the next town or the next state, and reiterating having it echo back and forth and just amplifying what they're into. And, to me, that's how I think we're using our influence.

Laura Cox Kaplan:

I love that. Maybe talk for a moment about what's next for the brand. I know you're looking at things like a social impact component and maybe a course, things like that. Maybe talk about what you are looking to in the future.

Neda Funk:

Sure. For our ambassador program we are really looking to scale it, as well as figure out, what is it that we can provide our ambassadors beyond just a discount code? And so that's where we're excited to develop a masterclass series for our ambassadors, for example, whether it's they want to learn about starting an apparel business, okay, let's bring on some founders from different brands and do a panel discussion. We want to get the ambassadors involved more with us behind the scenes in what we're building. So we think that's one thing.

Neda Funk:

Another area that we are excited to go deeper in is just creating more content, more content that engages with our community that... We never set out to just be an apparel brand. We always saw our business as an opportunity to create a platform for Gen Z and an area where content and commerce converge. And we always likened ourselves to a goop one day and creating the goop for Gen Z.

Neda Funk:

And then, I'd say the other bucket that, I think, is very important as we grow is, how do we have more of a brick and mortar presence? We're currently testing out a popup in LA for the holiday season, and what we've learned is, as a new brand, being able to have a space where people can come, especially as this generation definitely is one that likes to go shopping and go into stores, how do we have more experiences, whether it's ultimately our own brick and mortar stores or more activations and popup experiences?

Rachel Thebault:

And I would just add to that also, as Neda had mentioned before about growing up in the '90s, we loved the mall, and the mall was the center of everything, and that's not how it is anymore, and e-com has taken over, but e-com is a very dry experience. It's very transactional. You know you want to go to this brand, buy this one thing, check in, check out, you're gone.

Rachel Thebault:

And how can we, for Gen Z, bring some of the experiences that were so fun about being at the mall and incorporate that into the e-comm shopping experience, whether it's seeing other people who you don't know but are like you trying stuff on, or learning about different charities to be involved in, or... just seeing and hearing and connecting a little bit more, and we're exploring different ways that we can bring that online through our content.

Laura Cox Kaplan:

Yeah. I'm not sure if you mentioned this earlier or not, but it's a point that's worth reinforcing, and that is that a certain percentage of your sales goes toward a series of charities that the consumer, the girl, or a young woman, or her mom, can pick across different options, which I think is a really interesting component of that community building that you're doing. It's really amazing.

Rachel Thebault:

Thank you. I mean, we felt very strongly when we were first starting the business. We knew that there was this idea out there, this problem we needed to address, but we didn't want to just do it just to make money. We didn't want to do it just to pump more garbage into the world.

Rachel Thebault:

We really felt strongly that it is our social responsibility that if we are going to create more product in the world, we have to do something that... give back some portion to benefit. And yes, our market cares deeply about it and they respond very well, and we do it for them as well, but it really was a personal responsibility feeling for the two of us.

Rachel Thebault:

And so, from the very beginning, we decided, okay, we're going to give back 3%. And why 3%? We've talked to a lot of people who say to us, "Wow, you guys give back 3%.", most say 1% if they give back, and so, why three? And for us it came down to, there were three different buckets that we knew that we wanted to give back to. There's sustainability and any organization that is benefiting the planet and eco organizations, then there was women's empowerment.

Rachel Thebault:

We are working with girls. We are all about pumping them up, making them strong women. So, women's empowerment was important. But then, in general, just basic human rights and

supporting each other and supporting our differences and being inclusive and making sure that people are heard and then blanketing those two. Mental health is super important to us as well, but we saw those three buckets and decided those are the directions we want to go in and let's do 1% for each.

Laura Cox Kaplan:

Yeah. I love that, and I also love the optionality where you're not necessarily deciding for the whole community what that looks like. You're recognizing that she may have a different point of view about what she wants to give back to. And I personally really love that.

Laura Cox Kaplan:

Another piece that caught my attention was an approach on your return and recycling. I'm not sure how to describe it, but you have a policy on return and recycling. I love that because I have such trouble getting rid of stuff and knowing where the best places are to recycle clothing or to give it away or what to do with it. Maybe talk about that piece as well.

Rachel Thebault:

Yeah. So that also was something that was an [inaudible 00:49:36] problem, especially girls grow so quickly, right? And so you have... I mean, I have three, so we have a lot of hand-me-downs, but then we do have bags of stuff. And so, we, from day one, were like, we have to have an evergreen return policy. And so, if at any point she grows out of something, she gets tired, she wants to trade in her blue hoodie for a green one, whatever it is, send it back and we will take care of it and give you a partial credit in return so you can keep shopping.

Rachel Thebault:

Then we assess, okay, what kind of shape is it in when it gets back to us, can we resell it, can we donate it, can we upcycle it? A lot of the stuff can't technically be recycled because it's blended fabrics, but there are options, and we can take care of it in a more responsible way. We can leverage our size to do that, whereas mom and daughter at home, it's much harder for them.

Rachel Thebault:

And one other thing that's super interesting that we launched that was specifically out of Gen Z interest is we have a resale platform on our website. So she can do this herself if she has a sweatshirt that she wants to just get the latest color in or whatever.

Rachel Thebault:

Anyone can go to our site and either buy or sell used Woodley and Lowe products. So she can go, she can list, she can take pictures, she can list it. And when someone buys it from her we send the shipping label and make it super easy, and she can either get 80% of the sale price in cash, or she can get 10% of the sale price in store credit. So that way she can make that decision

for herself. She can take responsibility for making money off of the product or whatever she wants to do with it.

Rachel Thebault:

And that is super popular with this generation. They're all on these resale websites. They're all into thrifting and resale shopping. So-

Laura Cox Kaplan:

Right. That-

Rachel Thebault:

[crosstalk 00:51:39].

Laura Cox Kaplan:

That's amazing. I don't think I've seen that anywhere else. That is really, really an incredible idea. I love that. Okay. We're getting to the end of our time. I'd love it if each of you would leave us with maybe a single piece of advice, maybe it's something that you wish you had known when you were just starting this business or maybe, flashing backwards even further, maybe when you were originally starting out in your career.

Rachel Thebault:

I guess I'll start. Flashing back to the beginning of my career, I think, is a good prompt for me, because I think I would say, don't get caught in what you think you ought to do because that's what other people around you are doing. I spent seven years in investment banking because I got out of school, I went into investment banking analyst program, and it just kept going on.

Rachel Thebault:

And yes, I learned a lot, but I didn't have my eyes open to other opportunities that were around me. And it took me seven years to realize finance is great, but I really want to be an entrepreneur. And so, I wish I'd had my eyes open a little bit more to like... this is in the time of the early dotcom bubble and stuff, and I wish I'd had my eyes open to other opportunities that were a little bit more out there at the time, and instead of just doing what I thought I ought to do.

Laura Cox Kaplan:

Yeah. I love that. Neda, how about you?

Neda Funk:

I would say, for someone just starting out in their career, to know that the path is not always linear, particularly if you are someone who is interested in entrepreneurship, to expect that the path is going to be windy at times, and that it's just not easy.

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

Neda Funk:

I think there's so much glamorization of... people glamorize this idea of entrepreneurship, and I think it's important to know that it actually does take a ton of sweat and tears and money to follow this path, and it's not for faint of heart. But I do think also it's incredibly rewarding when you're creating and you're building something and you're bringing something to life and you're able to work and operate in a space that you're passionate about.

Laura Cox Kaplan:

Yeah. I love that. Rachel and Neda, what a pleasure to meet you and talk to you both today. This was fantastic.

Rachel Thebault:

Thank you.

Neda Funk:

Thank you-

Rachel Thebault:

You too-

Neda Funk:

... so much.

Rachel Thebault:

... Laura.

Laura Cox Kaplan:

I really enjoyed it.

LAURA COX KAPLAN:

To learn more about Woodley + Lowe and co founders Neda Funk and Rachel Thebault, check out the show notes for this Episode — Episode 173.

Friend, This is our next to last episode of 2021, and we're already busy working on 2022 to give you more great topics and guests and to make your investment of time in she said/she said podcast worthwhile.

This transcript was exported on Dec 10, 2021 - view latest version [here](#).

As you have ideas for topics and guests that you would find helpful or like to hear from, please let me know.

As always, I'm grateful you are here. And incredibly gratified that you are continuing to find this investment in YOU worthwhile. Take care, have a great week, and I'll see you soon.