

Including 10 More Years of Business Unusual

let my people go surfing

The Education of a Reluctant Businessman

YVON CHOUINARD · PENGUIN, 2005 / 2016

Patagonia's founder wrote this as *"a philosophical manual for the employees of Patagonia"*. It is the story of a climber who became a businessman *"on my own terms"*, and of a company run as *"an experiment"* to prove that *"doing the right thing makes for a good and profitable business."*

THE MISSION, AS PRINTED

"Make the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis."

From forge to fleece

- **1957:** buys a forge and anvil; hand-forges pitons at two an hour and sells them for $1.50.
- **1972:** pitons are scarring the rock, so he pushes clean climbing with chocks. *"Clean is climbing the rock without changing it"* (Doug Robinson).
- **1973:** Patagonia starts with clothing; rugby shirts, then pile, Synchilla and Capilene.
- **1991:** a growth plan meets a sales crunch. *"On July 31, 1991, Black Wednesday, we let go 120 employees—20 percent of the workforce."* After it he wrote the philosophies.
- **Child care:** an on-site center that was *"one of only 120 in the country"*; today there are more than 8,000.

The eight philosophies *"our philosophies aren't rules; they're guidelines."*

Product design
"Buy less; buy better. Make fewer styles; design better."

Production
"Patagonia puts quality first, period." Bring the maker in at design: that's when 90% of cost is committed.

Distribution
"The customer should have to make only one phone call."

Marketing
"Our branding efforts are simple: tell people who we are." Advertising is a last resort.

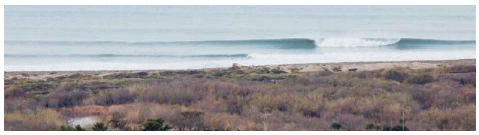
Financial
"Our mission statement says nothing about making a profit." No debt; stay private.

Human resource
"Why on earth would anyone run a company that was hard to work for?" "We hire slowly."

Management
"A familial company like ours runs on trust rather than on authoritarian rule."

Environmental
Lead an examined life. Clean up our own act. Do our penance. Support civil democracy. Do good. Influence other companies.

Let my people go surfing

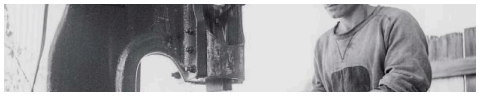


Lunchtime recreation is only a couple of blocks away from the Ventura headquarters. **Kyle Sparks**

Flextime means you *"surf the waves when they were good"*, ski the powder or stay home with a sick child, as long as the work gets done. His own style: *"management by absence"*.



Hand-forged Lost Arrow pitons. **Olaf Anderson**



Working a drop hammer in the blacksmith shop.

Is it...? *his product-design test*

1. Functional?
2. Multifunctional?
3. Durable (and repairable)?
4. A fit for our customer?
5. As simple as possible?
6. A simple product line?
7. An innovation or an invention?
8. A global design?
9. Easy to care for and clean?
10. Any added value?
11. Authentic?
12. Beautiful?
13. Just chasing fashion?
14. For our core customer?
15. Causing any unnecessary harm?

Paying the earth tax

- Giving is *"a self-imposed 'earth tax'"*; he co-founded 1% for the Planet in 2001.
- Cotton went 100% organic by 1996.
- $79 million given away, 1985–2016.
- Worn Wear: over 40,000 repairs a year in Reno.
- First in line as a California benefit corporation, January 1, 2012.

"Every time we've elected to do the right thing, it's turned out to be more profitable."

Use it Monday

- Write one short philosophy per function and teach it.
- *"We test until something fails, strengthen that part, then see what fails next"*.
- Grow only as fast as you could sustain for a hundred years.
- In a downturn, cut the fat and freeze hiring; layoffs *"as a last resort"*.

What he admits

- *"we made all the classic mistakes of a growing company."*
- The Hong Kong rugby shirts nearly sank the company.
- *"everything we make pollutes"*; *"Patagonia will never be completely socially responsible."*

"There's a big difference between growing fatter and growing stronger." YVON CHOUINARD