

**New America
Resilience Audio Interview**

**VINCENT STANLEY
Patagonia's North Star.**

AMS: Vincent Stanley, it's a pleasure to be able to talk to you.

Vincent Stanley: Thank you for having me.

AMS: I was very excited to do this interview both because I love Patagonia and because your title is the Director of Philosophy at Patagonia, which right away sets you apart and certainly sets Patagonia apart.

Vincent: I've been with the company since its inception in 1973, with a little bit of time off for good behavior, but I've been there most of those years. When I gave up operational responsibilities to become a kind of ambassador for the company, we were trying to figure out a suitable title for my position and I came up with that. I thought, well that's a little bit pretentious, but I have a friend who's a real theologian and a real philosopher, and he said it was okay. So I had enough chops to go ahead and call myself Director of Philosophy and that's what we landed on.

AMS: I think it's great. From what I know about Patagonia, you are a company that is a great example of the adage that culture eats strategy for breakfast and culture has to be underpinned by a philosophy, a sense of who you are and where you're going what you're doing in the world.

Vincent: I think that's an interesting phrase because it is so true. But also, I think one of the things that's that has happened with Patagonia over time is that we've developed a strategy very much in line with our culture. So the culture at this point helps to realize the strategy.

AMS: Say a little more about that. One of the things I want to ask you about just to tie it in more broadly is Patagonia starts in the 70s and it was a \$300,000 country company to around a billion now. That's a long time. There are lots of companies that started in the 70s that have not survived. I'd love to hear you talk about both the culture and the strategy as part of how you have evolved.

Vincent: We started out as a climbing equipment company, and the founder of the company was a climber, and initially started making gear because he couldn't find the kind of equipment that he and his friends needed to do these new big wall climbs in the late 1950s and early 60s in Yosemite. I think the fact that we got our start as a climbing equipment company was decisive for the culture because you can't make good, better, best climbing gear. We got into the clothing business partly to support the climbing business because we had great market share and an

excellent reputation, but it was a small world. When we got into clothing, I think that we thought we were easing the pressure on ourselves, that clothing would be a much easier business that didn't involve steel and iron and the inventory didn't rust. But I think the habit formed from making climbing gear carried with us into the clothing business, so that we really didn't know how to run a business that didn't care about the quality of what we were making. And because most of the employees were climbers and surfers, there was a strong sense from the beginning shared love of wild places, of wilderness. So from very early on we started giving one percent of our sales to grassroots environmental causes, but it took us much longer to actually look at the supply chain and how we produced our clothes because we were essentially a design and marketing brand. We would design our clothes, inspect them and color them, and pass them off to the people who were making the clothes in factories. They would work with the ordering of the cotton and the spinning of that into fiber, and sending it the mills to be woven or knit into a shirt or a pair of pants. But we didn't really know what went on once we passed those specs off and passed off our purchase orders, and it was only in the late 1980s that we started to look and we started to find the environmental implications of using conventionally grown cotton. The intensive use of chemicals in growing cotton actually made it a more harmful product environmentally than polyester or wool or nylon. After that realization, we commissioned an independent study and then we started to look at it and we said it's not enough to protect wild places, we are responsible for everything that's done on a product that comes out with a Patagonia label. So we have to find out what's happening and we have to make critical changes where we can. So that led to a switch to organic cotton—very problematic for the company because we broke our connection to the supply chain. We bought the cotton from farmers in the Central Valley and in Texas who had no connection to spinners or to knitters. So we had to establish those connections ourselves. We ran into difficulties, our staff felt overwhelmed, they had to do everything that they had done right in season and all of a sudden we're asking them to create a new infrastructure for cotton supplies. So we always had the culture, but we also challenged ourselves. First with supporting environmental causes and then with identifying things that we needed to do in the supply chain. If you looked at the company structurally, even as late as 15-16 years ago, I could have told you we've got lots of different forces in this company. We've got the tree huggers who are giving environmental grants working really hard to get catalog space to tell those stories, you have the go-getters who are trying to get as much market share as possible and make products that are 10 years ahead of everyone, and then we've got bean counters over here who are looking with suspicion at the tree huggers and the product people, and they're trying to keep us from giving away the farm. And nobody ever won. So the beauty of the place was that there was a tension among these three groups and the company advanced almost by capillary action over the decades. We had to address all of those problems. We had to stay successful as a business, we had to stay innovative, and we had to not only stay true to our environmental mission, we had to advance it considerably. I'd say the difference now—and it's really only the past six, seven, eight years—is, if I'm a product manager at Patagonia, I know I have to hit my margins. I have to hit my sales. I have to be working with suppliers and universities to come up with innovative fabrics. But I also know that I've got to get rid of that environmentally persistent water repellent that causes damage. I've got to make more of my products in a fair trade-certified factory, and I own that. I'm not relying on anybody else to slap my hands to get that work done. That's where I think the culture has

evolved to the point that our strategy now is deeply rooted, and we're able to do things much more quickly as a result. We're able to act with everybody on board in a way that wasn't possible 15 years ago.

AMS: That is fascinating. So you went from being a company to a community, having to recreate the supply system into a community bound by a set of values. And then those values in turn become so deeply inculcated that they become your strategy in terms of performance metrics. I mean, that's really very interesting. I know you've written a book called *The Responsible Company*, would you describe Patagonia as having a culture of responsibility?

Vincent: Yeah, and it's interesting, we chose the title *The Responsible Company* not to hold ourselves as the example but as an advocate for responsible business. We felt that not everyone could be sustainable, including ourselves, but everybody could be responsible. Everybody could take responsibility for their practices and, in many cases, for businesses really finding out what's done; what you're doing because the supply chains are so opaque. Even at this point, we know that there's much that goes on that we don't know yet.

AMS: But you're responsible for trying to find out, which is important.

Vincent: Yes. You mention community, and David Morris, who founded and is still active with the Institute for Local Self-Reliance, mentioned that an organization has three aspects: One is to be a community, one is to be an institution, to keep itself well-governed, and the third is, for companies and organizations that have a purpose, to be a movement. I think that those three things really are true of Patagonia at this point.

AMS: Fascinating. I love that idea. I want to push a little more on the sort of how this helped you navigate the many twists and turns of markets and business cycles since the 70s, because I was talking to Cecilia Munoz about resilience in the non-profit sector. She for a long time was with the council of La Raza, a human rights organization for the Hispanic community and she said that having that North star, having a very clear sense of what you are about, was what had helped them during some pretty dramatic cuts in funding and changes in environment. I wonder if you think similarly— that a sense of larger purpose has helped you more than a mundane profit-loss question.

Vincent: I think that that's really true. I was with the company for about 20 years before we defined what our business philosophies were, how we wanted to do business. Before we adopted a mission statement in 1991, which was “build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” At the time I was opposed. I thought I hated mission statements because there's that distance, between aspiration and existing practice. And then the question is: how deeply are you going to commit to your aspirations within the mission statement? So you would write in most businesses that the mission statements are their hedge. When you read them you say okay, these people are saying this is the virtue we want to signal to the world.

AMS: What we'd like to do if life didn't get the way.

Vincent: Yes, but when life gets in the way, we're not going to do it. So when we came up with our mission statement, I thought well, I can live with the second clause of "cause no unnecessary harm." I thought that reflects the present reality. I found that I had been wrong, that the mission statement was critical. What happened over the next 20 years is that we really began to inhabit that mission statement. Every employee, whether or not they could necessarily recite the mouthful, everyone knew the three clauses and everybody consulted them. That was the North star of the company. Then last year, Yvon came and started talking to some of us and saying "we've got to change the mission statement." And I took a deep breath, thinking, well it took me 27 years to get you the last one. And he said, "I just want to change it to 'We're in business to save the home planet.'" I thought oh, I don't know about that, sounds like greenwashing to me. But we went ahead and adopted it, and it didn't take me 27 years to like this one, because what I noticed immediately was a change among the employees and also among the customers in terms of expectations. All of the employees are saying, "Okay, I'm working on my Alpine line for 2020 and is it in line with this new mission statement? How should it be in line? What can I do differently?" And so I think that that is critical, to have a North star to have it be clear to everyone. If it's communicated, if it's deeply engaged in the culture, I think it provides a kind of strategic discipline. When you communicate that internally and externally and use it as the means by which you choose what you're going to do, it helps you avoid the kind of side tracks that right that especially non-profits go through; mission creep and yes, X funder wants this, etc. I think it's critical for both businesses and for nonprofits to identify that singular purpose, but not just to identify it but to communicate it, to live it. And communicate it in the same way to everyone, so you don't close the door and say to someone well, we don't really mean providing to you.

AMS: I couldn't agree more, although often nonprofits grow precisely because funding pushes in different directions and then the more diverse and disparate you get, the harder it is to pull people into one, but I do agree. I would love you to talk about a situation where you really did live your principles by changing one of your products. Early on, when you were making the climbing equipment, you made pitons that were actually damaging rocks. When you hammer one in, it widened the crack and you then actually sort of had to abandon that product in favor of one that was less environmentally damaging. So I would love for you to tell the story.

Vincent: Yeah. That was also a critical development in the company, and I think it made possible 15-20 years later our change to organic cotton. The product for which we were famous was the hard steel piton. The problem that developed as climbing became more popular was that every time one of these pitons was hammered into a crack, it widened it slightly. And so Yvon and his business partner at the time are looking at this and saying, "the very way we make our living is destroying our sport and desecrating the rock, so is there an alternative, is an alternative possible?" And there was, because the British climbers used a different system. They used these aluminum bolts, what we call chocks—little pieces of aluminum that you could sling to a rope or a piece of wire and you could twist that in a crack without hammering it and remove it without hammering, so it didn't affect the rock. It was a huge investment for a very tiny

company. I think we were at that \$300,000 stage you described. But we did that, and we put out a catalog which was our first major catalog with a twelve-page article. The article was part manifesto saying, “this is why we need to change as climbers. We need to change our practices,” and part user's manual explaining how to use the product. The interesting thing is when that catalog went out in June 1972, 70% of the business was pitons. I came to work in March 1973, and 70% of the business was chocks. So it changed practices in every Climbing Club at the base of every route. That was a lesson we learned that we couldn't apply for decades, but it taught us that if we come to learn something and feel strongly that it can make a change, we can persuade others to come along with us. And I think that's been the basis of the company ever since, and certainly the basis of our change to organic cotton and what we did subsequently.

AMS: That is really striking. I mean the change in that, but also the fact that you were a company within a community originally—the community of climbers and then building a larger one. But that clearly you were a kind of almost a public forum, which is fascinating.

Vincent: Yeah, we treated customers as equals and as friends. In the climbing business it was easy because they practically were friends.

AMS: Right, it's a small community. Have you applied that kind of open communication with other audiences? For instance, with your suppliers?

Vincent: Oh yes, we have. It's interesting, for a while we tried to adopt what were known as best practices in the industry. So we developed quite a large supplier base, trying to get good prices and deliveries and all that. What we what we discovered was that the more suppliers we had, the more shallow the relationships we had with them. But the kind of work we were doing really required a close working relationship. So in about 2005 we cut the number of suppliers from a hundred to 55. To give you an example that goes back to the cotton story, one of the challenges we faced when we bought cotton from farmers was they had no relationship to spinners, and the spinners are the ones who create the yarn. When we went to spinners directly, they said “we hate organic cotton. It gums up our machines, we lose money on it.” And we found somebody in Bangkok and we posed the problem to him, and he said well, let me try something. So what he did was he lowered the temperature on the factory floor, and when he lowered the temperature, it eliminated the problem of gumming up the machines. We went to him later and we said, “why did you do this for us? You know, nobody else would talk to us.” He said, “Well, I guess I'm a secret environmentalist.” We found that more and more. When we work with our suppliers on the basis of values, they come along and they do things that they didn't think were possible. They understand that there's a business at the end of the process.

AMS: That is very like the way Alice Waters created a community of farmers at Chez Panisse, by going out to farmers and saying, “will you grow these things? I will create a market for it,” and getting resistance but gradually creating not just a market, but an ecosystem. That's fascinating.

Vincent: That's a great analogy. I think that the critical element here is—well, I'll tell you another story. So there's a wonderful man named Wes Jackson, who's 50-year project has been to bring the Great Plains back to life. He's based in the Land Institute in Salina, Kansas. He's also an agronomist, and more than two decades ago he developed a hybrid perennial wheat grass that has roots that go 17 feet deep into the ground. If you can imagine, you're creating the perfect environment for all the microbes and fungi to form right form topsoil, tremendous potential for sequestering carbon and drawing it back into the ground. So we said “Wes, this is great work, can we buy some?” And he said no. We said “why not?” and he said, “No one will grow it. I go to the farmers and they say they won't have anyone to sell it to.” So what we did is we partnered with a brewery in Portland to make a beer using kernza, so we got the first 200 acres of it planted. And then we got some cereal companies interested because if they use a very small percentage in their cereal, they can plant thousands of acres with this potential to sequester carbon. Going back to the Alice Waters analogy, this is where business can be a good player in society. If you create a market, and not all markets are bad markets, you create good products that people want and need, you can help solve environmental and social problems. Business can do this in a way that is self-sustaining because those products support themselves, and you don't have to have grants and you don't have to raise taxes to do it.

AMS: But you have to stimulate demand by really finding those initial firms and companies that will do that. That is a wonderful story. So let me shift gears a bit to resilience and good business practice even more broadly, more internally. As you said at the outset of the interview, you've done a lot of different things at Patagonia. You've led sales and marketing and editorial and you've had teams of eight, teams of 65. I read that one of your biggest challenges was grappling with the tensions that existed between departments across the company and I know you've thought a lot about this. I think all of us have siloed organizations—it's almost impossible not to— but at the same time we know we have to work as one, we have to have integration, and yet that's not always a productive tension. So my question is, how do you prevent those kinds of tensions from being the centrifugal force that causes your whole organization to fly apart at the most extreme, or the less extreme, of being less productive and less effective?

Vincent: I think part of the answer goes back to what we were talking earlier about the North star and also about communicating to your internal customers, to your employees the same way you communicate outside. It was a lesson I learned when we developed the Footprint Chronicles, which is an interactive website that shows the origins of our products, how they're made. In the early days we talked about what we're proud of, and then we talked about what we don't like about what we do and what we hope to do next. We created this for customers and we created it for NGOs and people who are studying the company. But what I found was that it was really useful for employees, and I should've realized this, because at the time that we created it I had worked at the company for 35 years. And when I started to work on this project I learned so much about how the clothes were made and produced because I'd always been on the selling and the marketing end. But what happened is other employees had the same experience that I did. The questions and the challenges became more intelligent. It wasn't: “So and so is doing such and such and that's just going to take us down.” It was: “Oh my, we're doing this and we're facing this challenge.” All the water cooler conversation got a lot smarter. So when you have a

North star that everyone is agreed upon, that also gives you a basis for resolving disputes and power struggles between small groups. I think that's critical. There's a wonderful woman named Monica Sharma, who worked for the UN for 20 years, who persuaded, with some others, the Imam of Cairo to declare a fatwa against female genital mutilation.

AMS: That's a huge achievement.

Vincent: Yeah, and the way she did this was to point out, to persuade, that the norm of female genital mutilation was in violation of basic Islamic values. I think people get used to certain norms and practices but when you bring it back to values, then you can un-knot problems much more quickly than if you're solving them through infighting.

AMS: Yes, and I often try to accomplish that by saying, "What are the overall goals? Let's expand the pie before we decide how we're going to distribute it. What really are we trying to accomplish here?" And then, often, people will become less turf conscious, less wary that something is going to be taken from them, and a different side of their nature comes out.

Vincent: Yeah because money and time are always scarce, and when people start to do battle over money and time it's a battle over scarcity. But aspiration is large and purpose is large, so by concentrating there, I think you get places.

AMS: That is something worth a national lesson. I think the sense that the country has no common aspiration and purpose means that it's all about who gets what. It's not enough to have aspiration and purpose, but without it, you are immediately carving up something that there's not enough of in the first place.

Vincent: Right, and then aspiration and purpose relates to the values people hold dearly and close to the chest, because I feel that they have to leave those values at home when they go to work.

AMS: Well, I think that's exactly one of the things that companies like Patagonia are proving wrong. I want to ask about another place you're proving the conventional wisdom wrong. I've known about Patagonia for a long time from friends who are climbers, and of course now you're well-known. But I've also known about you because of my writing on work and family, and the ways in which the two actually should be reinforcing one another rather than somehow being in eternal competition, and you all have just been way ahead of the game. So I want to talk about your overall philosophy with families, but I want to start with your founder, Yvon Chouinard. He wrote this book called *Let My People Go Surfing*. I remember hearing about it, it was like: "if the waves are good, go surfing." Of course, I'm sitting here right now in Washington where that is blasphemy or heresy or some really terrible thing, the idea that "hey, it's a gorgeous day go see the cherry blossoms." So I wonder how you think about the connection between telling people to go surfing and your need for high productivity?

Vincent: Well, I think a lot of companies are doing this now, we're not the only ones. I think if you trust your employees, especially people who have families and are balancing. People work hard at Patagonia and they work long hours. They may go surfing before work or after work or take a break in the middle of the day, but then they're often on email late at night. I work with two working parents and I see what each with two children under 5 do to balance their workload, and I have so much respect for it. But there's no reason, other than a false sense of control, to have everybody come in exactly at the same time and leave at the same hour. There was a joke in the 90s about an advertising agency that said "if you don't come to work on Saturday, don't bother to come to work on Sunday," because they had created that atmosphere of everybody's watching to see who leaves the office first. It doesn't necessarily translate into productive work, it translates into a lot of time at the office, and those are not the same thing.

AMS: In Washington it's actually called "Time Macho," where there are things like people leaving their jacket on the back of their chair and a light burning so that other people think that they're still there all night, just totally insane things. I do think the larger point is exactly the difference between productivity, presence, and performance. Performance is definitely not the same as presence, and often the people who stay the longest are the least efficient. You look at parents who suddenly start getting a great deal of work done in six to eight hours because they've got to get home. Well, so my last question to you sort of takes us back to a larger frame. You're fond of a quote from a book I adore, Norman Maclean's *A River Runs Through It*. Just even thinking of the title of that book, I feel like I'm in shimmering water and glittering sunlight. The quote is: "it is natural for man to try to attain power without recovering grace." I'd love for you to talk about why that quote has so much meaning to you and to the work that you do.

Vincent: I think it's really true. I think it's a kind of a problem for us all as people. It's one of the wonderful things—one of the necessary things—that we bring agency to our lives and we want to do things, we want to make our mark. Yvon has said that anybody who doesn't believe in change has never worked with their hands. I think there's also this tendency to try to personally own something, even when it's a function of a lot of different people and a lot of different forces working. So I love the idea of grace because it doesn't come from anywhere. It comes from the world, it comes from nature, it comes from God. However you want to define it, it's something we need in order for us to be in balance. After we exert ourselves, we have to understand that we're still a part of something larger. I remember I was an art critic very briefly on the side for the local paper. I wrote the first review late at night, at two o'clock in the morning, and I sat in a chair congratulating myself. I thought, "this is my ego talking to me." But the ego had nothing to do with writing that article because, when I wrote that article, I had to go well beyond that to actually engage with the with the material I had seen. And yet the ego wanted to claim credit. I think that is something that happens to us in the world that is something to watch out for. And the way to watch out for it is to kick yourself but to reconnect with the trees, the sparkling water.

AMS: Absolutely. That is lovely. We actually have been talking about resilience as a function of the resources you have to draw on in the face of adversity. That can be your community your family, but it can also be your inner resources. So this idea of grace, I love that. I've never thought about how it doesn't come from anywhere, it doesn't come from human agency, it

comes from something larger. To think about that and to strive for agency, but also to accept chance and vicissitudes of fortune, but also the gifts of beauty. That is lovely, and a lovely note on which to end.

Vincent: Thank you. You did an impressive amount of research so I thank you for that.

AMS: Well, you are a Director of Philosophy but you are also a great storyteller, so it's been a pleasure to talk to you.

Vincent: The pleasure is mine, thanks so much.