

Kendra Scott
Kendra Scott Design

Lorin: How did you start your business? What was your vision back then and how different is it now?

Kendra: I started this business in 2002 when my son was three months old. I basically had a newborn baby! I really wanted to have a business that would allow me the flexibility to be with my children and be a mom first, but still do something that I really loved and felt very, very passionate about. I have *always* wanted to be in fashion design. I owned a retail store when I was nineteen. I have been an entrepreneur as long as I can remember, but I always knew I wanted to be more on the design and manufacturing side of fashion. So when I had my son, I thought, “You know what? No time like the present. I have nothing to lose at this point.”

I took five hundred dollars out of our account, which was a big deal! My ex-husband was in-between jobs, so we didn’t have a lot of money coming in. I think our mortgage was \$1200, so \$500 was a big deal.

I literally started with making jewelry with my own two hands. I created a little collection and took my jewelry in a tea box from door-to-door to stores with my baby in his BabyBjörn carrier. I took orders and actually *had* to sell my last collection to one of the stores, so that I would have enough money to buy stones to make more jewelry from. That’s how grassroots we started.

We had no business plan. We really had no idea what was going to happen and within six months I was selling to Nordstrom, Saks Fifth Avenue, and some of the biggest stores out there. Our jewelry was featured in *In Style* magazine. It was just a snowball of excitement! So when I started I truly was just trying to have a

business that would allow me to do something I love and to be with my children at the same time.

I think when you are doing what you love, things just start to happen and they did — *beyond* my expectations. And things are *still* way beyond my expectations. Every day I am like, “Are you kidding me?”

Lorin: When you first had the baby in the BabyBjörn and you were selling literally door-to-door, what was your intention? Was it to grow a multi-million dollar business, or was it something else at the time?

Kendra: No, it was survival! I had to provide for my child, for my family, and I had to come up with a way to make that happen. So in the very beginning, that was how it was started. It was that I needed to have a living for my family.

Lorin: You had closed your first business at that point?

Kendra: Yes. I had my first business for a little over five years. It was a great business and it taught me so much about the retailers’ perspective, and I suffered through having to make payroll and all of the painful things that business owners have to go through. A lot of it really was the School of Hard Knocks. There were some great successes and there were also failures, but from that I really felt like I could do something better and greater and do it smarter the next time around. So, when I started *Kendra Scott Design*, I really took all of those tools to try to learn from the mistakes I think I had made or things that I knew that I could do differently and use them to start this new company.

When I first started it, it was, “I am just doing something that I love and let’s see what I can do to survive.” Then, once the success came, I realized, “Wow, we have something here,” and I really put my heart into making sure we could do it right.

Lorin: One of the really important traits that we talk about in the Big Fish program is going for it, and when we fail, being decisive and picking up the pieces and learning from that failure — not seeing it as failure and being smaller because of it, but being bigger because of it.

Kendra: I agree. Some of the most successful and greatest entrepreneurs and people that I know are where they are because of the struggle and because of the failures that they had to go through to make themselves move on to that next chapter in their lives. Even as hard as it was to close my store after five years, I really felt like I just had to keep my eyes open for that open window, because there *is* another opportunity out there for me and you just have to *believe*. I believed in myself and I believed in the ability to create something great. I just was *not* going to give up!

It was never okay to just be mediocre. I wasn't going to do this to be an "okay" jewelry designer; I was going to be the best I could be. There was always a vision of greatness! Even from day one, I have always put out there in my mind kind of where I saw the company. We have what I call the Big Hairy Audacious Goal or BHAG...and it is to be an internationally recognized brand. We haven't quite achieved it yet, but I know it. I see it. I can almost touch it. It's there, within our grasp. We don't think small. We've always thought big and we wouldn't settle for just being okay. We are going to be great!

Lorin: I would love you to tell the story about the day you closed your store. I've heard you tell it, and it's so moving. Could you talk about that?

Kendra: When we closed the store...*The Hat Box* was my retail store...I remember having to move everything out. It was raining and it was dark. We were loading up this truck and it felt like the whole world had just crashed down around me. I remember turning the sign that said, "Sorry, we are closed," and I knew that would be the last time that I would be turning that sign. Tomorrow I wasn't going to be coming back to open up that store. I sat on the steps of my business in tears

and felt like I was such a loser. I couldn't believe that I had lost this business! Literally, kind of as I sat there, the sign kind of fell off landing on the other side that says, "Yes, we're open."

I realized then that it is just as quick to turn around a sign to say, "Yes, we're open." I just had to be open. I had to have my heart open and my mind open to the opportunity of a new challenge and that this store may be closed, but that there were a lot more doors that were going to open; I just had to look for them.

Lorin: That was such a great story. I love that. So, how quickly after that did you open up *Kendra Scott*?

Kendra: After we did *The Hat Box*, I actually for the first time took a *job* (laughing) working for a travel magazine. I really wanted to see the world. I felt like it was important for me as a young woman to see as much of the world as I could and this travel magazine was a great opportunity for me to do that. The entrepreneur in me, once I got there, saw a void in the travel market for *Destination Weddings*, which was a big trend happening in travel. I made a suggestion to our editor about doing a magazine doing *Destination Weddings and Honeymoons*. And she actually just loved the idea and let me kind of run with it. So, within this company, I started *Destination Weddings and Honeymoons* as their director and oversaw almost all of the details of the magazine and traveled, gosh, six to eight weeks at a time going from hotel to hotel. I was doing everything from negotiating advertising and rate packages for the travel company to writing stories. I was wearing a lot of different hats and it was a really great time. I did that up until the point that I got married and realized that I couldn't be a wife and be gone eight weeks at a time and we wanted to start a family. So, right after that is when I ended up getting pregnant and having my baby.

And about a year-and-a-half later, another kind of baby was born — *Kendra Scott Design*!

I knew that I couldn't go back to the advertising or magazine world because it was very all consuming. I also knew that I am an entrepreneur. I have that spirit to build something. So, was hard for me to think of going back to work for someone else. Today, I don't know if I could ever work for someone else.

Lorin: It's interesting to me how many people started a business when their children were little or whatever, because just having that child inspired some idea that turns into something huge!

Kendra: Yes, it does, and you realize that you are doing it for such a bigger thing than yourself. As women, I feel like we put ourselves second, third, and fourth to a lot of people in our family, but when you have children, the priority of their future and their life is so important. For me, it was like I was going to make this work because I *had* to do it, not just for me, but also for them. At that point, failure was not an option!

Lorin: You now have one child or two?

Kendra: Two little boys, now four and six.

Lorin: So, tell us the rest of the story of your business. You sold that last piece of jewelry and you had to make more, because you had to keep selling.

Kendra: Yeah. It was pretty funny. I remember telling my ex-husband, "I am going to take five hundred dollars out of our account and I promise you I will bring home a thousand!" He's like, "Kendra! You've never done this jewelry thing. Are you sure?" I said, "Yes! I know I can do this." So, I did. I took orders and I went to the last store and they loved it! I said, "Well, you know what? You can buy all of my samples!" I brought home \$1200 instead of \$1000 and placed my orders for my other stones I needed to buy to fill these orders and, within a couple of

months, my stores were selling out! Usually, within less than a week they were calling me reordering more items.

A Dallas show room started to hear about this Austin designer Kendra Scott, because a lot of her stores were not buying some of the lines she carried in her showroom. So, we scheduled a meeting and after that meeting she said, "I would like to represent you, to carry your line here in Dallas."

That was the start of us getting a representative. In our first market, we sold to *Harold's*. I'll never forget when the *Harold's* buyer called me after we had sent her the samples. She called me and said, "Kendra we have selected six items (which was over 10,000 units!) The order was \$75,000! I was like, "Oh, my God!" I was on the phone with her and I said, "Really? You just changed my life today." The buyer was stunned, I think. No one had ever told her that, and I just kept saying, "Thank you from the bottom of my heart. I thank you so much!" I remember getting off the phone going and saying, "We have a business!" That was day I knew we were onto something. Fortunately, I had a lot of friends in a lot of different places that were able to help me achieve that order.

Lorin: So, you did it!

Kendra: I did it! We did make it happen. I had my sister, my mother, my in-laws, and friends in the neighborhood all coming over into my dining room ticketing and tagging the units for Harold's, boxing them up and UPS picked it all up from my front porch.

Lorin: Wow!

Kendra: That was my first big order! It was a village, basically, that made that order happen. It was a defining moment. I knew then if we can take an order of that size, get it out on time, and make a beautiful product, we are on to something. I

thought, “You know what? This is bigger than even *I* had initially thought it could be,” and the vision of greatness came into view. “Okay, now we are taking it to the next level.”

Lorin: And that was how long after you’d started your business?

Kendra: Not even a year. It was less than six months into it.

Lorin: Amazing.

Kendra: Right after the Harold’s order, we were approached by New York showrooms to rep our line, which is a big deal in New York. They get calls from hundreds of jewelry designers a day wanting to rep their line.

Lorin: I am sure.

Kendra: I think we got into a *great* showroom. We are still with the same showroom that we were with six years ago. In the first market, we sold Nordstrom and that was less than a year into it. We were in *In Style* magazine in the same time period. It’s just been a fast moving machine. Again, I really believe that it’s just because we really love what we are doing. We put that into everything that we do.

Lorin: There was a day that your largest customer told you they were all done. Tell us about that.

Kendra: Okay... One of our largest customers had switched buyers and, in our industry, that is something that happens quite a bit. You’ll have a really great relationship and be doing all sorts of wonderful business together and then, all of a sudden, that buyer disappears and a new buying team comes in. They don’t know you from Adam and you have to rebuild that whole relationship. The new buying team that came in had other vendors they decided they wanted to work with and didn’t

want to work with us and that was really one of the key parts of our business at the time. I remember how devastating that was to hear that they weren't going to purchase that season. I got off the phone and thought, "Now I've got to go in and talk to my team, and we're going to come up with something. I don't know what it is yet, but something...we'll come up with something." It was really tough.

Literally, the *next day* we got a call that Oscar de la Renta wanted to see me in New York City in the morning. It was that quick, where a window or door closed and a huge picture window opened up and I just couldn't believe it! I thought it was a joke. I really did. I thought, "Are you serious?"

Lorin: It was him on the phone calling you?

Kendra: Yeah, yeah. It was incredible and he asked, "Can you be here in New York in the morning?"

Lorin: And you're thinking, "Hello, I am in Austin, Texas."

Kendra: Yeah, I know, but I said, "Of course." Thank God for MasterCard, right? The next morning I was in New York City.

Lorin: When you went home the end of that night, the first night after the big vendor pulled out of their relationship with you, before he called, what were you telling yourself?

Kendra: I just didn't know what we were going to do. I was so concerned about how we were going to go on.... It was terrible. I didn't sleep. I was tossing and turning and my stomach was in knots. I came to the office and knew that it was going to be a really tough time to get through and that next day, life changed, just like that!

Lorin: Did you trust? Even though you were tossing and turning and you weren't sure what you were going to do, underneath, was there something within that you knew it would be okay?

Kendra: Of course I was worried, but I *knew* that we would figure something out. I knew that creatively, collectively, collaboratively, as a team, we would figure it out. It wasn't going to be easy and we may have to make some tough decisions, but I knew that we would get through it and we would come out on top. I knew at the end of the day we would get that customer back, which, of course, we did!

I did have all of those beliefs but it was a hard blow. Then, what happened the next day really did change everything for us in our business. It continues to do so. It gave us enormous credibility in the market to be able to have designed for Oscar de la Renta for his Spring Couture Show. We sent forty-four pieces and forty-one of them were on the runway! It was just a spectacular moment, for me and for all of us at KSD. For this Austin designer to do this was phenomenal.

Lorin: You flew to New York. You met with Oscar de la Renta. Tell us a little bit about what that was like.

Kendra: Oh! It was just ridiculous. I got into his showroom in New York — actually his working studio, his offices — and I was brought up to the design studio. Usually, if you go to meet anyone in these companies you are brought into a conference room, but he was actually working with the models and pinning their dresses on. There was this tall, gorgeous model standing in front of him and he was sitting in his chair with his glasses on his nose, pinning her dress, and I walked in. He looks off to the side and he goes, “Oh, the lovely Mrs. Scott!” I thought, “Oh, my gosh! He knows my name!” It was one of those moments of... At first, I forgot how to walk or talk because I was *so* nervous. But it was really an honor and I walked up to him and that's exactly what I said. I said, “It is such an honor to me to meet

you, sir. I, all of my life, it's like, 'hello, you're it.' Oscar de la Renta."
(Laughing)

He got this big smile on his face and I think that he really appreciated it. I was told later that he felt that I was a true lady and that he doesn't see that every day in young designers — and he gave me a chance! He said, "Look, I don't know what's going to make it in the show. This is what we are looking to do. Do what you can do and one piece may make it, two pieces, or ten pieces. You just never know, but I want you to have this shot. I like your style."

So, we were given that chance and almost everything that we sent him made it on the runway. It was unbelievable! They had necklaces dripping off of handbags, like tied around handbags. I have just never seen anything like it!

Kendra: And, we had to get all the jewelry pieces designed in seventy-two hours and get them back up to New York, then we waited a day to find out what had happened. They called and said, "Kendra, you've got to get back up to New York tomorrow. Forty-one pieces are making it on the runway. You've got to be here."
It was an *absolute* dream come true and such an honor. It probably, for me, was one of the highlights of my career just to have that chance, just to be next to greatness, because I think he is so great!

It was such fun and it changed everything for us. Stores started calling us left and right, just because they had heard that we had done the show for Oscar.
It was a very big defining moment.

Lorin: How have your boys fit into this greatness?

Kendra: Well, I really did get blessed with the two most darling little boys. I think they really respect and understand what mommy does. They come up to the studio with me. We have a "Family First" philosophy at my office. We have had two babies

in the last year here for months on end, newborn babies from other girls in the office. So my boys love coming up here. They know mommy makes jewelry. They think that I make all of the jewelry in the world. (Laughing)
Anytime they see other jewelry, they are saying, “Oh, my mommy’s earrings.”

Everyone that works with me knows that I am a mom first and they respect that. They know it is really important for me to either work from home on some days or be there for school events, and have dinner with my kids. I don’t keep my phone on. They know they can get me once I tuck them in. There are certain ways that my kids will always come first. I pack in my travel so that there are some days I do the up and back to New York. It’s like a commute, just so I can be back home at night and wake up in the morning for them. So, it’s a balance. It’s not easy, at all, but I wouldn’t trade it for the world! I am getting to do everything that I could possibly dream of *and* get to be a mom to these two little angels.

Lorin: And, you’re getting to live and contribute work-wise in this world in an area of a mixed market that you’ve always dreamed of contributing to.

Kendra: I *do* pinch myself every day. On my way into work, I always have this big smile on my face because I just cannot believe I am getting to do this every day — getting to create this incredible fun company and jewelry is just the beginning. We’ve got a lot more to achieve, for sure!

Lorin: You have a lot more to the vision.

Kendra: Oh, absolutely!

Lorin: Do you still work with Mr. de la Rental, as you like to call him?

Kendra: We still do. Every show is different. At some shows there is no jewelry. He uses other designers, obviously, to get different looks and feels, but from that I have

done Randolph Duke and I was just asked to open up L.A. Fashion Week. I did all of the jewelry for the show and that was really, really fun, another great collaborative effort! We had, oh gosh, hundreds of pieces on the runway. It was fantastic!

Then, of course, we have our line that we do exclusively for HSN. I have a regular show on HSN every other month called *KS Studio by Kendra Scott* and that's been a really fun endeavor. We were launched with some fabulous brands, like Donald Pliner and Sephora, really great, great brands, so I feel very honored to be in that company.

Lorin: You said at the very beginning when you first started that you didn't have a written business plan. You say you didn't have goals, and yet I hear you now say, "We have all of these great ideas. We are not finished yet. We have so much more to do."

Kendra: Well, now, I think when I first started I didn't have any idea what was even a possibility. I didn't know that we could do this. As we started to kind of see what we had our hands on, then, of course, it was time to get down to the business side of it and really be thoughtful of what our strategic plan was and how we were going to do it.

A friend of mine, Cameron Harold, uses the term, 'The Painted Picture.' I think the idea, which basically is to write down your painted picture of where you want to be is brilliant. We do this every two years. I'll write today's date and the date two years from now, and I'll write down every detail of where I want to be, where I want the company to be, where I see us, where I visualize how things are, and that painted picture is my map to get us there.

I put the big picture out there and we've got it in our minds. This is the vision of what we want our blue sky to look like. We are all very unified here as a team and

with my family. It's not just a painted picture of what I want here, but how I want to interpret that with the time I get to be with the boys and all of those things. So, I really enjoy doing that exercise and I love looking back two years because I've almost knocked down every single thing I wanted and it wasn't just stating goals. I looked back to my painted picture and to some of the things I didn't even think of. It's like, "How could that even be possible?" Now, all of those things are happening.

Lorin: It's because you aren't forcing them in, trying to put a square peg in a round hole to make it happen. It's just evolving ever so beautifully, just like a flower.

Kendra: It is. It *is* absolutely, and it's evolving when it's supposed to be evolving. There's no pressure on it. It's happening at the right time...and the right people are there. We keep saying, "We have fun!" We have such a great team, and we also have so many wonderful people that we get to be around during this exciting journey.

Lorin: What things do you think have set you apart, and what's coming up for you in the future?

Kendra: We've had so many exciting things happening it's sometimes hard to keep track. I think one thing that has been defining for us is that we are from Austin, which I know doesn't seem like a big deal, but in the fashion world everyone is usually from New York or London or Paris. What's made us special and different is that we are in this really cool, creative community and we are separated a little bit from all of that. We are designing things that make us different, and that really does define us as a unique brand in fashion. So, where we are from is a big part of what makes us so special.

We've got a lot of exciting things that we are working on right now to extend the brand into other product lines. Within the next twenty-four months or so, you'll start seeing other *Kendra Scott* products like handbags and shoes and some other

things. We are just at the tip of the iceberg of where we are going and where we are headed. I hope that the best is yet to come.

Lorin: And anything else that comes to you would be icing on the cake, wouldn't it?

Kendra: It would be, because it is. I feel so fulfilled. While we always want to be more, I always so enjoy where I am right this second, and if anything more than that happens, the perfect way to describe it is, "icing on the cake," because it all is so good right now.

Lorin: When you look back on your childhood and your upbringing, do you feel it has had an impact on how you have dealt with the ups and downs of business?

Kendra: I think the way I was brought up was really important. My family was so supportive of me. I was not the pretty girl... I was legally blind in my right eye, so I wore really, really big thick glasses. I was made fun of quite a bit in Junior High School.

There is a part of me that was going to prove them wrong. I knew I had it in me. I knew there was something special that was inside of me. Day in and day out, my family reminded me of that. They would say to me, "Kendra, you are a beautiful woman inside and out. Don't let this take you down; just let it make you stronger."

I will always remember that feeling of being told that I was less than, and that I wasn't able to do things, or I wasn't included in certain activities or groups and people just judged you so quickly. I think from that, I have learned *so* much. One of the most important things that I gained is that drive to be more. I wasn't going to give up. As hard as it gets, as much as every one told me that I couldn't do it, I go back to believing. I think my parents are a really big part of that. I was told that I could be whatever I wanted to be. As mothers, we need to remember that our

children need to hear that every day. It's so important for them, no matter how hard it gets. So, that was a big moment for me, just growing up and finding that inner beauty inside of me.

I remember when I was twelve years old, when it was really the height of the "mean girls," as I like to call them. I remember going to the lunchroom and sitting down and one of them had gotten everyone to stand up and walk away while I just sat there. My heart just absolutely sunk in my stomach. The next day I was afraid to go to the lunchroom, so I would go into the restroom. I would put my feet up on the toilet, because you weren't supposed to be in the bathroom at lunch and they had hall monitors. I would go eat my lunch in the bathroom and stay there until the period was over because I didn't want to go in the lunchroom. It was so devastating. I remember when my Dad would drive me to school in the morning. I would beg him, "Please don't make me go, Dad! I'll do anything!"

My birth name is Baumgartner. He said, "You are a Baumgartner and you are strong and you are beautiful. You raise your head high and you keep that chin up and you know that this is going to make you stronger."

In my mind, I was thinking, "This is terrible! I am twelve!" But I did. I went there and I kept those thoughts in my head, "Stay strong and keep that smile on your face and don't let them know that they won!"

Lorin: Wow!

Kendra: You know, just be as strong as you can be! Whatever that was, that little saying inside of me, it stuck with me and it continues to stick with me, because I know that even when it gets really bad I remember the girl in the bathroom.

Lorin: The girl in the bathroom survived!

Kendra: She survived!

Lorin: Yeah! And she continues to survive. Think of how many people have been there! How many people have been there and are now, in some way or another! So, is there any update to seeing the former “mean girls” since you’ve grown up and experienced success?

Kendra: Well, I went to my high school reunion a few years ago and I got to see these girls. They all wanted to sit next to me. They all had read about me. There was a big story on the cover of the city newspaper about me; three full pages. I was just so nice and smiled and was as sweet as I could be to them. I remember thinking, “Wow!” When I first walked up they didn’t think I was really Kendra Baumgartner. I didn’t have the glasses and my body kind of grew into my head and they were like, “You’re Kendra Baumgartner?” Then, of course, a lot of them had seen the articles and knew exactly who I was, so it was a lot of fun and I felt like, “Okay! I can put this chapter behind me.”

But, do you know what? As much as I have put it behind me, I still don’t ever forget it, because there is that part of me that just won’t. We always say around here, “We are not half-glass full, we are half-glass overflowing.”

We figure that we exhaust every possible effort! We don’t say, “No.” We are “yes” people and we figure out a way to make something happen. We are not going to just say “no” off of our guts. We are not going to judge somebody; we give them an opportunity to listen and get to know them and figure out what it is that we can do for them. Those are all things that I unfortunately had to be taught through that situation, but I am also so glad of it!

Kendra: I mean, I think you may have noticed this before. I was really inspired by my aunt, who was fashion director of Carson Pirie Scott. I grew up in a very blue-collar town where it was not the fashion Mecca of the world at all. My aunt was

this independent, jet-setting, gorgeous woman who was *so* sharp. She would bring home the slide shows from Milan and Paris shows and we would sit on the floor in the family room watching them. I remember, at that age, thinking this is what I want to do. I want to be in this industry *so* bad.

My aunt and I are still so close. As a matter of fact, she came up for my first *Home Shopping Network (HSN) Show*. She's just a big mentor and wonderful woman. I think having such a supportive family has given me incredible strength to just tackle anything.

Lorin: Someone you mentioned when I heard you speak is your stepfather.

Kendra: Yes. My stepfather had brain cancer. He was my best friend and really very, very special to me. When he was diagnosed with brain cancer, I spent a lot of time with him and one of the main reasons I opened *The Hat Box* was because I wanted to provide headwear for women undergoing chemotherapy. That spun into doing a lot of other hats and being able to give a portion of those profits back to cancer research in my stepfather's name. I think he was the type of person who really made me want to do *more* and not just be successful in business. He taught me that I can give back to my community in a very meaningful way and that truly is the most success you can ever have.

So, from that, our three core business philosophies are family, fashion, and philanthropy. Philanthropy comes from that experience of my stepfather, because there may not be the ability for *me* to find a cure for cancer or to help a homeless youth find their way in the world, but at least I can do something, even if it's a small part to make a little bit of a difference. That, to me, is how I define success!

Every time we are able to do something like that, I am like, "Okay, girls, we're doing the right thing. We're doing something that's a lot more than just making pretty jewelry."

