



## **LEAD WITH WE EPISODE 12: DOUG PALLADINI**

Doug Palladini:

I would say that purpose isn't a short term proposition. It's not a poster that you put on your wall in the lunchroom. It's not a saying. Purpose is the way that you show up and the way that your business operates every single day. And it requires that daily care and feeding for it to truly be resonant internally and externally.

Simon Mainwaring:

From We First, welcome to Lead With We, the podcast where top business leaders and founders reveal how they built their companies to be high-impact and high-growth by putting We First. Lead With We is produced by Goal 17 Media, storytellers for the common good.

Simon Mainwaring:

Welcome to this week's episode of Lead With We, where I'm talking with Doug Palladini, the global brand president of Vans. Doug, welcome to the show.

Doug Palladini:

Thanks Simon. It's good to hear from you again.

Simon Mainwaring:

Doug, everybody knows who Vans is, but what they might not know is where the company began. It was a rubber company, right?

Doug Palladini:

Yeah, Paul Van Doren, the founder of the company, was an old shoe dog from Randolph, Massachusetts. Back then, that was the US manufacturing base for all things footwear. And got moved out west with that company, decided to go off on his own. And that's where the Van name comes from, from Van Doren. And he made shoes that were made with vulcanized rubber bottoms and tights and canvas uppers to them, sewed them together. And that's how Vans started.

Simon Mainwaring:

So since those sort of modest beginnings, Doug, the company has grown to become a global youth icon. Help us understand that journey. Give us a few steps on the way.

Doug Palladini:

Yeah, I think Paul Van Doren, who just turned 90, by the way, would tell you as the founder he had no idea would ever turn into this. He started out wanting to make basically family shoes at an affordable price. And it really wasn't until the early seventies in Santa Monica, California in a little neighborhood down by the beach called Dogtown where Vans found its first cultural connection. These were kids who surfed every day and when the waves were flat, they wanted something else to do. And so they went onto the concrete with them are really honestly, Simon, not much more than toys and skateboards and tried to mimic what they were doing in the water, on their skateboards on land. And they all skated for a shop called

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the Zephyr Surf Shop. It became famously known as the Z-Boys. Their shoe of choice was that same authentic deck shoe.

Doug Palladini:

And the reason why they chose it was because of the vulcanized rubber bottom. They found that it gripped the board really, really well, but they could still feel the board underneath their feet, which is important from a skateboarding perspective. And so they adopted Vans as the shoe of their choice. We had no idea this was going on, but our history has been one sort of organic cultural connection after another ever since.

Simon Mainwaring:

And let's talk about that because in a sense, there's these different chapters of counter-culture where different groups and organizations have adopted the brand and taken it to the next stage of its growth. But at the same time, you're a very purposeful brand. So how do you balance the constancy of your purpose as a company with the different kind of expressions of it through these different groups?

Doug Palladini:

Yeah. What we have found over time is that what the unifying force among all of those cultural cohorts is, is creative and individual expression. And if you think about what ties surfing to making music, to skateboarding, to painting, to photography, to drama, it's that individual creative expression that's inside of all of us. And so that has become the very center of our brand. And our purpose is to enable that for people all over the world.

Simon Mainwaring:

And how do you avoid the problem that a lot of brands have, which is they're top of mind for a while, they're the sort of product or brand that everyone wants to own, but then they quickly turn their attention to something else, the next shiny squirrel. How have you kept that credibility, that authenticity over decades?

Doug Palladini:

I believe that discipline has been essential and a critical part of Vans' growth. And what I mean by that is that we have been very consistently focused around what we call cultural pillars. We have four of them. Art, music, action sports, which for us are surf, skate, snow and BMX and street culture. So we look at creative self-expression through the lens of those four filters and that has enabled us to stay very focused and very true to ourselves as we've grown over time.

Simon Mainwaring:

But how do you make sure you don't make the same mistake that a lot of companies or brands do, which they kind of hijack popular culture, they kind of appropriate it for their products in the hope that that will make them desirable or popular or cool? You seem to have done something very different, which is you kind of like you're investing in those localized communities and sports and cohorts, as you say. How do you go about it?

Doug Palladini:

Yeah, we basically inverted what you just said is how we've gone about it quite differently. Where we said here is who we are and here's what we believe in. And here's what we stand for. And if that resonates with you, come join us. And we're open to... Again, those organic

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cohorts coming to us. Okay? So the way I like to express it, Simon is that we are open to anyone but not for everyone. And I think that's a very important thing for us that we have really locked onto. What I mean by that is, when you meet Vans for the first time, we welcome you in. We're a very inclusive brand by nature. It doesn't matter where you come from, what language you speak, what color you are, who you love, it's all good to us. But we also understand, because we're very clear about who we are and who we're not, that there may come a time where you decide that Vans isn't the right brand for you.

Doug Palladini:

And we're okay with that, because ubiquity is not our objective. And we're competing in a space with a lot of very large brands that do have ubiquity as their objective. So for us, it's a very meaningful point of differentiation.

Simon Mainwaring:

It's a super important point because I think a lot of brands kind of reverse engineer out of what they hope consumers want. And it's like the tail wagging the dog. I think consumers respond most strongly to brands who are very self assured and know who they are because that creates that attraction for them. Let me ask you, how do you build a relationship with that next generation of Vans wearers? Do you sort of show up in a certain way and invite them in or do you wait to be invited into their group? Because consumers, especially younger demographics are so self possessed these days and they're so cynical or distrustful of marketing. How do you navigate forging that relationship?

Doug Palladini:

Yeah, as you can imagine, 54 years in business, we're truly a multigenerational brand. We have infants, newborns wearing our shoes. We literally make crib shoes and we have senior citizens wearing our product. And we're proud to have either of them to be honest. So a typical demographic psychographic profile is not what this brand is about. You mentioned Off The Wall earlier, for us it's more than a tagline. We believe that Off The Wall is a state of mind. It's a way that you look at the world. It's a way you approach what you want to do with yourself during these 700,000 hours of life that we have. Right? And so that Off The Wall point of view that Off The Wall state of mind is what ties our group together. Not an age, not where you're from. Like I said, that allows us to be highly inclusive. So that's why the next generation of youth culture can accept us, even though their parents may be fans of Vans already.

Simon Mainwaring:

And I guess that's where the power of all the collaborations you do come in, because it allows you to kind of reframe your products specific to all of these different interest areas. Is that right?

Doug Palladini:

That's a very good point. We want to honor our legacy. Okay? We want to be true to our roots and keep them well watered. Right? And so we do Led Zeppelin collaborations and Metallica collaborations and things that are a bit more retrospective. And then we do very modern collaborations with small streetwear brands that people, average Joes like me, don't even know what they are. I have to ask what some of these people are.

Simon Mainwaring:

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What else do you do or what wouldn't you do that you see so many other brands doing? Because it sounds like you're going about it differently and you're achieving different results, which is this authenticity and so on. What else is it that you never do that you see other brands doing?

Doug Palladini:

I would tell you that we act through a lot of empirical evidence, which means we see it firsthand. We see it ourselves. Vans has all... It's funny to talk about it in COVID now, but Vans runs a lot of events. We do a lot of grassroots marketing, which we call hand-to-hand combat. So we, everyone from the executives in the company to the associates and coordinators are out in the world, representing our brand. We're going to music shows, we're going to art galleries. We're going to skate parks. We're paddling out into the lineups. And we're trying to be a part of the world that we want to represent. I don't think that to call out the mistakes are the things I would shy away from for us. You can't hire a third party agency to tell you what's cool with X group, while you sit at your desk and answer emails. You need to go see it yourself. And I think that, that's sort of very much, I want to see things through my own eyes to understand the connectivity is where that sincerity, where that authenticity, where that genuine tone can come through.

Doug Palladini:

If you're solely reliant on other people to tell you what's interesting and where the connections are coming from, I think you're too separated from your fan base, from your consumers.

Simon Mainwaring:

And you mentioned COVID and every business out there has taken a huge hit, especially if you're a global brand like Vans. Firstly, how did it affect the business? And what did you do to triage through those first couple of months where everyone was just in shock?

Doug Palladini:

We woke up one morning and our offices, all of our stores and all of our partners' stores were closed. And we sort of looked into the abyss and when we looked back up, the first thing that we realized is we had to go back to our focus as being a people first company. I know that's a very popular thing to say, but Paul Van Doren has this famous quote that we use. He said that, "Vans isn't a footwear and apparel company. Vans is a people company that makes footwear and apparel." And that may seem like a nuance to some or semantic, but it's not. It's very much at the heart of who we are.

Doug Palladini:

And so what we did was we tried to approach people first. We had to make sure our employees were okay. That was the first cohort. Is our family okay? Are they going to be able to work from home? How are they going to deal with a significant other who may also work, kids running around, poor connectivity? There's myriad issues as I'm sure you've explored at nauseum at this point. We had to make sure they were okay. That they know they were taken care of. The second thing we had to do was take care of our fans, but we had to let them know that even in a world in which they were not the least bit interested in transacting with us, that we still cared about them. We had to say, "We see that it's not business as usual. We care about you, even if you're not buying from us right now and let's work together to get through this thing." And I can share some specifics there. But then the third group was our

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customers. Those are the people who carry Vans in their stores. And they were also really hurting.

Doug Palladini:

We come from a world of board sport shops, that where we came from the Zephyr Surf Shop. These guys built their businesses from their passion and love for the culture they were representing. You know a great record store when you see one, when you're looking for vinyl. You know a great surf shop. They're cultural epicenters, and they run on passion, not on cashflow. So they were operating on some very thin margins. So we had to support them as well. So, it's our internal team, our family, it's our fans, the people who buy our products. And then it's our customers who carry our products in their stores. And that's how we really went about it.

Simon Mainwaring:

And I'd love to know more about those specifics because I saw that you did something really different to other brands. A lot of other brands with the best of intentions, necessarily shifted away from their products and services, and really spun up a lot of really meaningful responses to COVID-19, whether it's PPE equipment or ventilators or meals for medical practitioners and so on, but you, to your point, you did some really interesting things to support the grassroots or partners that make your business possible. And that in turn allowed you to still keep a focus on your products so that you could keep your business alive. And I'm thinking specifically around the Foot The Bill response that you did. But share some of those specifics and maybe talk a little about Foot The Bill.

Doug Palladini:

Yeah, Foot The Bill was the customer cohort that we talked about. Again, these cultural epicenters that are the best board sports shops in the world, the best music venues in the world, on the best art galleries in the world. These are our extended family at Vans. And we heard loud and clear for them that they were scared for their business lives. So in thinking about what we could do, we have a very robust customization platform. So we said, "Hey, why don't you take a Van shoe as XYZ skate shop and make it your own, customize it, bring in one of your favorite artist, put your logo on it and we will help you sell those shoes with your art on them. And you get the proceeds from them to help support your store. So we can help working together, both the shop and our brand can help drive interest for this product and remind people how important your shop is."

Doug Palladini:

And the best part about it was the local communities that came alive to support the stores. You heard people in the neighborhood of XYZ skate shop, reach out and say, "Everyone should be doing this. This is a really good thing for us to do." And sort of rebuild that base themselves and remind the people in that neighborhood that sort of community to sort of close ranks around that shop and to take care of it. And that was just such a beautiful outcome. I just can't say enough about how much that inspired us at Vans.

Simon Mainwaring:

I have to say that, that point in and of itself is transformative to any brand or business out there. If you go in there with integrity of your intent, which is to genuinely support those that make your business possible, you connect at a heart level to that community that then as you say, all rally around it. And that then drives the result that you want and doubles down on their connection to you. Yet so many of us rush past that, or don't trust that enough to know

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that that can be enough to really keep your business alive. How did they respond? How did these mom and pop stores respond to that sort of approach from Vans?

Doug Palladini:

With gratitude. Again, because I believe it was a very sincere approach. It was truly genuine, our care for them. That was a reminder of what differentiates Vans from other brands in our competitive set. And so that will pay dividends. That will go well beyond the dollars that we reap for the next decades to come on a lot of these shops have already been partners of ours for decades. So, it was a good reminder of who we are and what we stand for both internally and to those people who have supported us for so long.

Simon Mainwaring:

It's so powerful what you're talking about just in terms of, when you have a genuine relationship, in times of crisis, it can be put to work in really surprising ways and get really interesting results as you say. But what do you say to a brand that is just breathlessly trying to survive right now? They're literally on the edge of going out of business. What are we now... months into the COVID and the economic consequences and so on. If they're shying away from being purposeful, what would you say to them? What advice would you give them?

Doug Palladini:

I would say that purpose isn't a short term proposition. It's not a poster that you put on your wall in the lunchroom. It's not a saying. Purpose is the way that you show up and the way that your business operates every single day. And it requires that daily care and feeding for it to truly be resonant internally and externally. So, when the chips are down, when the rubber meets the road, that's when purpose matters the most. When times are good you can gloss over a lot of things but when the pile of poo hits the fan and you're going to walk away from your purpose, you probably don't have the right purpose, or you don't have the right commitment from your leaders and the people that you work with that purpose is what you want to drive your brand.

Simon Mainwaring:

And just when we thought that we were all reeling from COVID, the critical, the very important issue around Black Lives Matter came to the forefront with protests around the country, complicated by unhelpful riots and so on... On your website, you've got a message, top of the masthead about BLM and the movement and so on. How did you respond to Black Lives Matter in the first place? Because, obviously people are taking to the streets. It's very relevant to youth culture. So, how does a brand like yours show up when it's so in your wheelhouse?

Doug Palladini:

By being present, I would say, and by listening and by acting, and by answering the call from our fans to march alongside them. There used to be this thing in branding, Simon, you'll remember this where, "Hey, you can't own your brand top down anymore, you have to give up a piece of your brand to the consumer." I think we've gone all the way over to the other side now, where if you want your brand to continue to be meaningful and to us, we certainly do, especially among young people in this world, we want to be a voice for youth culture. We have to be with those people alongside them in these challenging times.

Doug Palladini:

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So saying, "Oh, that's too controversial. We can't talk about that." Back to the thing about open to anyone, not for everyone, Simon. We can't say, "Oh, what if we're going to say Black Lives Matter, there's going to be people who are alienated by that." That's okay. That's okay with us. We believe it's more important to stand up for what we believe in. Okay? And what Vans has said very clearly is we believe that Black Lives Matter. And by the way, matter is the lowest bar possible. And if you don't agree with that, cool. We respect you have your own point of view. We don't agree with it, but this might not be the best brand for you.

Simon Mainwaring:

If COVID wasn't enough and then there's the challenge of really systemic change around Black Lives Matter, in the background, we've got climate crisis, which is a constant, which is top of mind to everyone who buys your product or buys any brands. Tell us a little bit about your sustainability efforts to that end, and how important that is to your audiences and how you communicate that to them?

Doug Palladini:

At Vans, we've decided that social responsibility should be at the forefront of our brand. So when it comes to sustainability and when it comes to environmental issues, what we've said internally is these are all things that we want to do, but we're going to do them just because the right thing to do, we're not going to make them the consumer-facing marketing driven part of who we are as a brand. So, we continue to get better every day, we continue to provide more transparency into our supply chain every day. We continue to push ourselves to develop new materials that will have less of an impact on earth every day. We still have a long way to go. And for us, I think it's more important to just do those things than to talk about them and market them all the time.

Simon Mainwaring:

And as you're looking forward to building the business through these difficult times, it's very hard to keep up with what young people are into today. I say that as a father of a 21-year old and an 18-year old. I don't know what they're saying half the time. I don't know what they're doing on their phones all the time. It's a mystery to me. And I know you do these collaborations, these partnerships. You're doing things with The Simpsons, there's Checkerboard Day coming up. How do you keep in touch and give us a couple of examples of what really genuinely connecting with youth culture today looks like?

Doug Palladini:

When we're in an executive meeting, sometimes I remind the team, "Every day we move farther away from youth culture." Right? Agewise, right? Like we age... A lot of us have aged out of youth culture, a long time ago, by the way. So we have to be honest about that. And the way you get around that is you listen to the younger people in your organization. Like I said, you give voice, you give voice to the up and coming people in your organization, not just the executive team. And then, you give voice to your audience and you listen to them. You go out into the world and see it for yourself. That's more important than ever now. Since, let's see, March 12th was our last day in the office. I've been doing that virtually, but we still do it. We still do it every day.

Simon Mainwaring:

And so with something like the Simpsons partnership or collaboration, or kind of nostalgia play, why something like Checkerboard Day is more progressive because it's sort of the latest

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expression of how young people are kind of gaming with each other. Give us some idea of the spread.

Doug Palladini:

Sure. The Simpsons is part of our big commercial summer push we do every year. And those are very licensing-driven things. We look for that same through line of creative expression. And Matt Groening represents that as the creator of the Simpsons better than anybody. He's drawn what does Bart ride around town? He rides a skateboard.

Simon Mainwaring:

Wow!

Doug Palladini:

And Matt's done some great stuff for us because he loves skateboarding himself quite a bit. So those are the through lines, but that's a commercial endeavor. Checkerboard Day is about bringing our purpose to life around the world. And so, our theory there is what if we all took one day a year, everywhere on the planet together, everyone who's inspired by creative self-expression together, what could we do? We did it last year for the first time, we were able to donate \$1 million to a group called Imagination.org, which works with young people to help foster their creativity. Simon, one really unfortunate outcome of the public education system in the United States, please excuse the Americentric point here for a second, has been to completely eviscerate creative endeavors from curriculum.

Doug Palladini:

They've become afterschool activities you have to pay extra for, photography, drama, music. It's a shame. It's a mess. Creativity is a part of humanity. It's a part of who we are. And so we have to start to remind people, "You don't have to be a piano empresario, you don't have to be a fine artist like Van Gogh. You can just enjoy the creativity that you have in yourself because we all have it."

Simon Mainwaring:

In your own right, Vans as a brand is a movement. And for those young companies or high-growth companies that also want to be purposeful and build a movement, give us a sense of the architecture in your mind, because you've got the supply chain component, you've got your culture in your team. You've got all of these issues like Black Lives Matter and COVID to deal with. You've got all these collaborations and partnerships. How do you go about scaling your business and scaling your impact as a result? What's what's the process?

Doug Palladini:

I guess what I would tell you is, back to that people first orientation. It's about discipline around that orientation and holding one another accountable so that orientation that's most important. We have 700 people at our headquarters in Costa Mesa, California, but we have thousands of more in distribution centers and tens of thousands more in factories. And what we need to do, is we need to treat them all like we're a people first company. It can't just be something we do with our American employees who are directors or above because they're the ones who have the power.

Simon Mainwaring:



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Well, Doug, thank you so much. Your insights around the power of being genuine and really listening to your audiences and who ultimately become your customers could not be more timely or more important. Thanks for the time today. Thanks for the insights and good luck with navigating the rest of COVID. It's a very difficult time, but it sounds like Vans is showing up in a really authentic way and that could not be more meaningful. So thanks, Doug.

Doug Palladini:

Thanks. Well, like I said, imperfect for sure. Right? So we don't have it figured out by any means, but I am proud of the steps that we're taking and eternally proud of the family of Vans people all over the world who represent our brand. So thanks very much, Simon.

Simon Mainwaring:

Thanks for joining us on this week's episode of Lead With We, where I chatted to Doug Palladini, the global brand president of Vans, who shared with us how to build a sustainable brand movement by being genuine and really listening to your customers. And how to respond to crises like COVID-19 in ways that are authentic to your brand and how to drive growth at scale while still staying true to your purpose. You can subscribe to Lead With We on Apple, Google, or Spotify, and please recommend it to your friends and colleagues, so they too can become a purposeful and profitable business. If you'd like to learn more about how you can build a purposeful brand, check out [wefirstbranding.com](http://wefirstbranding.com) and also visit [leadwithwe.com](http://leadwithwe.com) to find out about my new book which will be out in early 2021. See you next week on Lead With We.

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