

Ep1 – Typology – Ning Li - Transcript

SPEAKERS

Claudia Winkleman, Ning Li

Claudia Winkleman 00:06

Hello, I'm Claudia Winkleman Welcome to business unusual. I am thrilled to be spending the next nine weeks with you and the most inspiring entrepreneurs in the UK. These are exceptional people who have built their own businesses, sometimes on the spur of the moment, with only an idea and a can do attitude. They themselves have been inspired to solve a problem fill a gap in the market, but often just to improve other people's lives. Now, most importantly, they've made mistakes and learnt lessons so that we don't have to. I'm speaking to incredible people in this podcast from Vodafone business. So let's start with one of the founders of made.com. The design of furniture brand, whose direct to consumer business model exploded into people's homes in 2010. From a small office in Notting Hill maid is now challenging IKEA for its affordable furniture. And this summer became a publicly traded company with yearly revenue of nearly 250 million pounds. The man who made it has stepped away from day to day control of that company to create Typology, a range of radical new natural beauty products with the same values as Made. He's Joining me now from Menorca, Ning Lee, a huge welcome, thank you so much for joining us.

Ning Li 01:26

My great pleasure, Claudia.

Claudia Winkleman 01:27

We'll talk about Typology, but first of all, if you don't mind, I'd like to unpick your brains about Made. Tell me all about it. How did the business begin? And how quickly did you realise that transparency and affordability was going to be the key to its success.

Ning Li 01:44

So I think we started made.com in 2010. And I previously had already founded a small business before in France. And I sold my business to a French group. And I had my little bit of cash for the first time and I was I bought myself a flat, you know, some security. And then after that, I had to furnish it. So I set my eyes on this beautiful couch that I was about to buy that was 3000 euros, you know, there was quite a bit of money. And I was actually able to afford to pay it. But one of my friends who I grew up with in the south of China, who was you know, taking over from his parents furniture factory. He's the expert of the field. So I wanted to get his opinion. And he said, You know, I sent a picture to him, I remember by the time by Blackberry, and he said, hold on a minute, you know, we are making this couch. Just out of curiosity, I say, you know, how much were you paying this? You know, you're charging this couch for and he said \$300. So a \$300 sofa selling for 3000 euros. I was shocked. You know, that was such an incredible market. Yeah. So I obviously bought it from him. But I thought maybe there are other people like me, who would also want to get a great, you know, designer furniture product for factory price.

Hence, you know, the project made.com using internet to kind of aggregate the demand from consumers, and then together have access to the factory producing, you know, manufacturing scale, but also the price.

Claudia Winkleman 03:21

It's so fantastic. And then how did it feel? Did it feel like a very long journey or a small journey? I mean, when he floated on the stock exchange, were you like, Guys, look what we've done, look what you've done, how did it feel it

Ning Li 03:35

It felt a little bit unreal, obviously, I was part of that journey. I was the CEO for the first seven years of the business and an acquisition team over the last three years and the team has done a much better job, I will say, you know, in the beginning, when you start a business, you sit down, you do some PowerPoint, you do some Excel, you know, you have to do that for for showing investors, you have to sell your business. And in the beginning, it was just all numbers. And at the end of the day when you saw those numbers in real, you know, customers and real products flowing off the factory. And I think there's a huge sense of satisfaction, but also some kind of unrealness in it, you know, at least for my part,

Claudia Winkleman 04:16

I bet. What made you sit down from the day to day business at Made?

Ning Li 04:21

I started the business and I think fundamentally I'm more entrepreneur. So I like the part of building things and doing things that the hands on part of the journey, I led that business from zero to about 100 million pounds revenue. And then at that stage made was a say 300 people operation. We started to have layer of management. And you know, it's all necessary and it's very cool and very, you know, exciting part of the journey. But personally from my perspective, I felt that I'm getting a little bit further and further from the product and from the customer in a way, you know, so I felt my learning curve was not that steep anymore. And in parallel I was, I had this girlfriend was in Paris. And we were doing Eurostar relationship on a weekly basis. At some point, we had to, you know, to think about where we can start our family, and it's going to be in Paris. So the timing was perfect for me to move to Paris, and also hand over the operation to Philip, who is the current CEO at the time, I my number two, he is a great manager. And he's doing, he's been doing a fantastic job ever seen. So

Claudia Winkleman 05:32

It's fantastic. How would you describe the difference between founder and CEO?

Ning Li 05:36

the founder, and the CEO, in my sense, is two jobs. The founder is the one usually with the vision, the idea, and probably the, the sense of a product in a lot of cases where the CEO has to be a great, you know, well rounded executive for a lot of aspects. But they are especially good for the management. And I think at the age of when I started made, I was 26 - 27. And suddenly, I didn't learn all this

management, you know, skills that some of the much more experienced executive would have been able to bring to the business.

Claudia Winkleman 06:17

That's a brilliant answer. Who did you listen to when you first started doing it? You're there, you're in your new flat, you've suddenly bought this sofa for much less than you were going to and you had all these ideas who helped you?

Ning Li 06:30

Oh, I was very lucky. Because my, when I came to the UK, I really had zero network. But my first investor, who also became my co founder was Brent Hoberman. He's the person that really believed in the idea and backed the idea, and he gave me some of his office. And he also lent me some of his team. And some of that actually, you know, transitioned into made.com. And the main site, yeah, so I was very lucky to be able to tap into his network. I had none in the UK. And I think for entrepreneur who start in, you know, a business in a new country, it's almost impossible, unless you have some kind of, you know, local support. I guess the other entrepreneur really that I was listening to a lot and learning a lot from certainly, it's another guy who called Marc Simoncini, he is a French entrepreneur who I really interned for. And he started a company that actually sold to match.com. And I learned a lot from him both for you know, how to run operation for the internet, how to do marketing for the for the online business. And he really gave me the idea and the desire to start something online.

Claudia Winkleman 07:40

I imagine you take different things from different people

Ning Li 07:44

No absolutely I like to learn really, from you know, a lot of people I meet, you know, different people, they don't have to be entrepreneurs, obviously, they could be from anywhere. Entrepreneurs is a very, it's very solo and a lonely job sometimes. And sometimes all the issues, you know, I have, I cannot freely discuss with the employees or staff, and for some of the friends that don't necessarily understand, you know, what you're going through. So, I think sometimes it's very good to be able to, at least from my perspective, to read some of the perspective from other entrepreneurs. Made is so successful and huge congratulations. But were there moments of self doubt or moments where you thought, oh no, this is just not going to work? And how did you cope with those moments? Oh, yeah, yeah, I think it happens all the time. A startup journey is has never been a straight line, I think made has grown up and down, up and down. And there are a lot of downs. And as many as there are, there are ups and when you are, you know, in the middle of that kind of downtime, it's very hard for you to take a step back, when the ship is shaking, you have to look at the horizon You know, that's when you know where you're going. You also know it's you know, it's stable if you look at the long term, and I think you gain some confidence and some reassurance and, and also help you take a step back in a way.

Claudia Winkleman 09:09

I think that's such good advice, because there'll be lots of people who are listening who wants to be entrepreneurs, or who will right bang in the middle of it. And that is a beautiful proverb. So thank you,

we will have t-shirts made at Vodafone Business. What learnings were there in made that you've carried into Typology, are you doing some of the same things?

Ning Li 09:27

Yes or no. I think despite being consumer businesses, they cannot be more different. Because when you know, a business like Made I will describe as a pro business when you don't need a couch. You know, we cannot really sell your couch. So when people are looking for furniture, we have to make sure they will come to me come as a as customer but skincare is very different. There is not really a moment when people say oh I need skincare. I think the need of skincare is more that the demand is as much created, it's kind of a push business. So the dynamics are different. But also internet is in such a place that 10 years is a lifetime. So a lot of things have changed, especially the media has changed. When we started made.com there was no Instagram, for example, the generation of consumers are very different. So I try to also learn things from me. So do not just apply the same thing again. And I think a lot of times I see some serious entrepreneurs, when they fail, they try to apply the same playbook. I guess, I was lucky that in between my two businesses, I had some time off, when I came back to Paris. So I enrolled myself into some kind of training and internships, for example, I did a cooking course, in a big Parisian restaurant. And it's, you know, it's an internship, where you have to start, you know, just cutting vegetables in the kitchen, you start at eight, and the chef will pass you around, do this and do that. And that was a lot of fun. And I learned a lot of things from it, and certainly gave me a new perspective. In order to learn something new.

Claudia Winkleman 11:10

You're amazing, because I could just tell you, on behalf of everybody who's listening, and indeed the world, if any of us floated a company on the stock exchange, we'd go and sit on a big boat, and drink, I don't know, mosquitoes while somebody was massaging our feet. I love the fact that you turned up every day at quarter to 8am. And to peel a carrot. You're an advocate for the impact that coaching can have on a company's overall performance. Do you have a coach, tell me about the importance of coaching?

Ning Li 11:41

I think the coaching was particularly important to me as a young ceo at made.com. You know, when I started made.com when I was 26 - 27, and I had to figure out what kind of CEO I was going to become. Now I have not gone to a school to learn to become a CEO, because I don't believe there's a good school really for that. And also, there's no right or wrong answer. I had to figure out my own style and my own way that's adapted to me. So there's a coach that would come every week or every other week, for one or two years. And she didn't really give me any answers. But instead, she asked me a lot of questions leading to me realising who I was. And she asked questions, you know, in this situation, why did you lose your temper? You know, what was it that really made you lose your temper? Is it this thing that you cannot tolerate? Do you think that thing is important for your business? Do you think, you know, that sort of things, you know, that made me realise what kind of value I should promote in my business, because those are mine, right? And really, also helped me articulate those values. And as a result, I can write it up. And I can say, Hey, guys, this is the values, you know, this is what we should all work working to be to achieve. Yeah. And, and I think that's been immensely helpful, because it helped me to get to gain self awareness, but also gain my and realise my own leadership style.

Claudia Winkleman 13:09

I find it so fascinating, because you must have learnt so much. And were there people in your business that you also said, I would like you to have some coaching as well.

Ning Li 13:19

Yeah, I mean, my wife did some coaching. Not a long time ago, and she found it super helpful. And she's been recommending to the whole team, you know, all of us, we have strengths and weaknesses. And it has happened to me in the past that I'd recommend to some of my team to have, you know, some coaching for example, for you know, one of them, for example, was very good at some technical skills, but not very good at communication or communicating his ideas. You know, I had been recommending him to do some coaching to make them realise that yes, this area of strength and weakness, so you can take in, you know, factor them into account when we talk to people.

Claudia Winkleman 13:59

I believe that you sort of trolled LinkedIn to find the right people that true. I love that idea. You come back for dinner with your wife and you go babe, I know I really chopped vegetables well, but I'm just going on LinkedIn, to find somebody tremendous.

Ning Li 14:18

I spend a lot of time hiring for sure. And, and also, I encourage my my team to do the same for all the managers, they all have sourcing and hiring objective in their personal goals. So it's not just me, but it's more like a company culture. And the reason we do that is that the great talents are really really hard to come by. But whenever we do come by a great you know, great player, they really step change the business. And in the past, I always thought to grow the business we have to do this deal or do this product. But today I realised that my time is a lot better spent in hiring the right people and making sure they're delivering on the right job. Than doing everything myself.

Claudia Winkleman 15:01

I mean, that's also excellent advice for anybody listening. Just tell me how important is team culture? Do you have sort of Margarita Thursday's? How important? Is it that they mesh in? And that they look after each other?

Ning Li 15:16

Yeah, no, I don't, I don't really believe in those startup perks I used to, but I really didn't find the made a huge difference. Today, what really matters for people, culture wise, is that we hire people that have the same value. You know, from the get go from the hiring point. At Typology we have scorecards, when we do hiring, you know, the three values that we are hiring them for, we rate them, but we also give some sort of scorecards for each team members on an ongoing quarterly basis, on the on the three values that we really want to promote. It's a kind of constant reminder of this is the values and this is what we want you guys to exhibit and and really promote.

Claudia Winkleman 15:59

You're going to hate me, but I have to ask you what those three values are. They might be secret, if you don't want to tell me that's fine.

Ning Li 16:06

No, they are not. On the contrary, they're open, and they are public. So the first thing we really much value is the culture of 'doer', I really had this kind of fantasy of hiring great executives from great companies. And, and these guys, they are great at interviews, right, they really know how to present themselves, they know how to sell. But when you put them on a task, you just realise that they just don't deliver, at least at the stage of business we were in. And I realised there are a lot of there are just people that are great at doing those things that may be great for certain kinds of organisation, but not right for us. So 'doer' is super important. And then the value of open mind, super important for us too, we really want to build a culture where people can challenge each other can have the humility of admitting they're wrong. Because you know, I've seen those attributes from some of the executive in the past where they are very good at taking credits, but not very good at owning their mistakes. And I've always hated that. So I thought, you know, we want a company with no politics, really people talking about the project rather than territory and politics. So open mind, and something that we really try to promote. And the other thing is what we call the extra mile. So really, we want people that go beyond what we asked them for. And we want them to take initiatives. We don't want to have a team who are just executing on what we are telling them. It's an entrepreneurial project. So we are expecting people to behave like they are in the intrapreneur team and really own the project and really go above and beyond what we asked them and take the initiatives.

Claudia Winkleman 17:51

I love those. I love that your three cores I might now grade my children using those. I'll let you know how they do. More from my chat with Ning in just a moment. First, I want to introduce a brand new initiative from Vodafone Business. In the last year, there's been a huge rise in the need for businesses to get online. Small and medium enterprises make up 99.9% of the UK's business population. Founders and entrepreneurs have never had so many decisions to make when it comes to technology. Digital skills are more important than ever, but at least a third of small business owners in the UK said they aren't sure which tools will best suit their needs. Many haven't invested in any digital support. Some have only the most basic cybersecurity. That's why Vodafone have introduced business dot connected a free online training programmes to support 100,000 businesses across the UK. It offers free webinars, workshops and online training modules. There are different levels of upskilling to cater to those just starting that online journey as well as businesses looking to build on existing experience. Find out more by Vodafone Business Online Knowledge and Resource Centre V Hub, where you can sign up to Business Dot Connected and connect your business to the free tools and training you need to digitally transform. Search Vodafone Business V Hub. So Ning please tell me all about Typology which I've used and I'm in love with. It's not like any other beauty product I've come across. Tell me about it and how you came up with the idea.

Ning Li 19:33

Yeah, so when I stepped down from the job of my day job CEO at Made, I came back to Paris. We had a little kid a little girl who is now three years old. Thank you. Now when I when it came to buying the first products for for my little girl over the body cream, she had some skin eczema, I went to the

pharmacy and I looked into some some of the skin care products. And I didn't know those brands. So I want to do some research about this brands, I've always been a bit of a control freak. So when it comes to my baby girl, I think I went crazy. I went crazy. So I really rightly say, you know, when you take the bottom cream, and you turn them around, you started reading those ingredients. I did that. And honestly, I didn't understand a single word of what it says. And I started Googling those ingredients online. And I saw a lot of scary things in, you know, on some of the websites, on forums, you know, paraben, triclosan and some of those really scary words. And I thought, wow, these things are in the cream that I'm going to put on my baby's skin. How is that possible? You know, how, how can this wonderful respected brand, by this big company be doing those products for and I look around other brands, more or less, all of them have the same issue. And I started to realise that a lot of people just like myself, have been asking them the question, you know, are the ingredients in our skincare products say, for ourselves. But the great thing about being based in Paris that we had access to all these great talents working for some of the biggest group, you know, and to my surprise, even the staff working there, agreed with me, you know, we should do something to change what we are doing for so long. And because we didn't find a relevant offer on a market that I can really buy for myself, for my for my family, I thought that may be a spot for something like Typology, a line of new skincare products, formulated, you know, really with a very high level of integrity, and really exploring all those ingredients that are problematic for people's skin and for the planet. And for just long term health.

Claudia Winkleman 21:53

How has the skincare and beauty industry? How did they deal with it? When they saw Typology? Were they appalled? Or have they embraced?

Ning Li 22:02

I think it's for them to comment. I guess we are a startup. So we are there to stir up things, we are there to make a change? I think the goal of Typology is not necessarily to say you guys are doing something bad and we're doing better. But we want to inspire the whole industry to that kind of a different direction. Some of the other startups also follow suit and doing similar things. And nowadays, some of the bigger group also started reformulating their products. And that's a good thing, because the industry is, you know, following the right direction. It's just not moving fast enough.

Claudia Winkleman 22:41

How important is digital technology to Typology?

Ning Li 22:46

For us it's very important because we are, it's our DNA. It's how we started. And it's how we can make a difference. There are legacy brands that play in different attributes. But in our case, where we can make a difference, and where we know to make a difference is on a digital channel. For example, when we launch a new product online, we can have feedback from customer almost from day one, you know, from day one people can tell us. oh, you know, what do you mean by this benefit, and we can change the copy of the benefit online. And a few days people say oh, I use your serum, you know, my skin is this or that. And we can also tweak the product to the right direction. The whole kind of speed of innovation and feedback has been just so quick and so amazing. And that is only possible when we use a digital business. And the other thing that we are doing, using digital as a channel is this diagnostic,

you know, this kind of personalised routine that we've been able to deliver. And that in a store is very, very hard for the background is when we did some research into the skin. We realised there are not just four type of skins. Yeah, you know, when a product works very well for a dried skin type, it doesn't work anymore for another person that has dry skin type. So we realise there may be more nuanced and more complexity on skin with this. It's very thorough skin diagnostic that identify 24 skin types. And people can go online, do the questionnaire, and then with that we prescribe the right product to them. That has been proven a lot more efficacious. Because just because the products are really tailored to people's skin needs.

Claudia Winkleman 24:29

Absolutely. How would you like to see ecommerce develop in the next few years?

Ning Li 24:36

That's a great question, Claudia. I mean, ecommerce has been something that I've been doing, you know, for for for my for my most of my career. So I've really seen it evolve. But I think we want in the future that ecommerce can bring not just one sided conversation, but both ways in in a lot more fluid way but how exactly that's going to pan out I don't know whether it's through you more participation of people into the product, you know, construction? Or through, you know, social media? I don't know. But I really want to see a more fluid, both sided flow of participation from consumers into the ecommerce.

Claudia Winkleman 25:15

Absolutely. Can I just ask you this? Just because I'm fascinated, you describe Typology as a start-up? When does the start-up become a company? Like not a start-up?

Ning Li 25:26

Yeah, I think it's a matter of mindset more than a matter of scale. I think I think Typology or made.com, they're both start-ups because we are set to make a difference, we are set to change the way the industry is working, because we are, you know, people are motivated in a startup, they get up in the morning, because they say, we're going to challenge this corporate world, we're going to challenge the status quo. We want to make something better, whether it's product, whether it's the industry, or sometimes the world, you know. I think it's just much more matter of mindset than then a scale. But of course, you find a lot of those mindsets in a smaller business than bigger business.

Claudia Winkleman 26:09

Yes, this is such a difficult question, but I'm going to ask you anyway, because it is yours. And you might have had to think about this. Where do you see Typology in 10? Or 20? years? Is there a plan? Is it next to your bed? Is it written out in stalks of celery, from your cooking days, you know, do you know where it's going?

Ning Li 26:28

I know where I want to bring it to, we're going to see whether it's going to go there. I would love to see that technology can flourish and really prove that we are successful, not just on local but global level. And then from there, we are able to either build some other brands in same or different categories, but always following the same philosophy and same ethics, you know, brands that are transparent, and you

know, doing things for for the better. And leveraging the innovation of digital and technology can bring to the table. Yeah, in 10 to 20 years time, I would like to see not just one brand new Typology. But probably, I hoped a couple under the same umbrella.

Claudia Winkleman 27:16

I believe it, we all listening to you believe it and we cannot wait. Ning before a meeting. You quite like a memo sent round? Is that just somebody laying out an idea? Like, what about this, but in written form?

Ning Li 27:30

Yeah. I mean, to start with, I hate meetings, and my team knows that. So when there's a really have to have a meeting, I would always ask people to come prepared, including myself. And now I find that some team members, especially those that come from big organisations, they really love PowerPoint. And now I don't because I find sometimes with PowerPoint, you can dress up really mediocre ideas. Some ideas are just bad, but they just presented in such an enticing and beautiful way. And it's very hard to say no to. Also, there are some people that have great ideas, but they just don't know how to put them into great slides, because I have never learned it. So I find written memos to be a much better levelling field. And also asking people to write up their ideas really forced them, to put them into words rather than image. And it's a way to push people to articulate ideas and also get people to get prepared for potential challenges ahead of the meeting. Because I often the meetings that I really don't like is you go to a meeting and you just say yes, yes, yes to everything. And those meetings are pointless, because you can, you know, you could have just send something around, because they are informational based. And I like to go into a meeting where there are pros and cons, there are debates, challenges, and at the end, you know, we may or may not lend on to the same conclusion that we will have all broadened our perspective.

Claudia Winkleman 29:03

People just have meetings to discuss other meetings. Yes, is pointless? I'm pleased we are joined on that. When I say when I say to you Typology, which three words would you use and what what springs to mind?

Ning Li 29:15

Okay, I would say is, it's clean. It's modern, and it's transparent.

Claudia Winkleman 29:22

Those are three excellent words. Please, can you name three things that Typology couldn't live without?

Ning Li 29:28

Okay. I think his transparency, quality ingredients, and a great talented team based in Paris.

Claudia Winkleman 29:39

I love all of those answers. Ning, thank you so much for talking to us from Menorca. I'm sorry that we were into holiday.

Ning Li 29:46

Oh no at all. It's been a great pleasure.

Claudia Winkleman 29:49

It is great to hear from a founder like Ning Lee, who has relied on digital tools for every business he has created. He is an ambassador for the true power of connection. Next time on Business Unusual from Vodafone Business founder Pip Murray brings her positive energy. Her company Pip and Nut produces nut butter free from palm oil. They have one purpose to help people love food that loves them and is really good for the planet. We'll find out how her job title chief squirrel, this is true fact has set the tone and culture of her company.

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